

HOBBS OCD

JUL 15 2011

RECEIVED

Directional Drilling

Aim

Directional Services, LLC

· Horizontal Drilling

· MWD/LWD

· Mud Motors

State of New Mexico
County of Lea

SUR: B-13-17s-37e, 280/N & 2450/E
BHL: B-13-17s-37e, 713/N & 2152/E
API # 30-025-40083

I, Thomas Rinald, certify that; I am employed by Aim Directional Services, LLC; that I did on the day(s) of April 10, 2011 through May 14, 2011 conduct or supervise the taking of a directional MWD survey from a depth of 4595 feet to a depth of 11966 feet; that the data is true, correct, complete and within the limitations of the tool as set forth by Aim Directional Services, LLC; that I am authorized and qualified to make this report; that this survey was conducted at the request of Nearburg Producing for Honey 13 #1 in Lea County, New Mexico; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by Aim Directional Services, LLC.



Thomas Rinald
VP Operations

JUL 15 2011

Aim Directional Services, LLC

Survey Report

RECEIVED

Company: Nearburg Producing Company **Date:** 05/17/2011 **Time:** 11:21:12 **Page:** 1
Field: Lea County, New Mexico **Co-ordinate(NE) Reference:** Well: #1 Grid North
Site: Honey13 #1 **Vertical (TVD) Reference:** SITE 0.0
Well: #1 **Section (VS) Reference:** Well: (0.00N, 0.00E, 145.19Azi)
Wellpath: Aim MWD Surveys **Survey Calculation Method:** Minimum Curvature **Db:** Sybase

Field: Lea County, New Mexico

Map System: US State Plane Coordinate System 1927
Geo Datum: NAD27 (Clarke 1866)
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
Coordinate System: Well Centre
Geomagnetic Model: WMM_2010

Site: Honey13 #1

Site Position:	Northing: 671554.80 ft	Latitude: 32 50 27.930 N
From: Map	Easting: 846910.00 ft	Longitude: 103 12 13.853 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 3724.00 ft		Grid Convergence: 0.61 deg

Well: #1

Slot Name:

Well Position:	+N/-S 0.00 ft	Northing: 671554.80 ft	Latitude: 32 50 27.930 N
	+E/-W 0.00 ft	Easting: 846910.00 ft	Longitude: 103 12 13.853 W
Position Uncertainty: 0.00 ft			

Wellpath: Aim MWD Surveys

Current Datum: SITE	Height 0.00 ft	Drilled From: MS Gyro Surveys
Magnetic Data: 04/14/2011		Tie-on Depth: 4530.00 ft
Field Strength: 49072 nT		Above System Datum: Mean Sea Level
Vertical Section: Depth From (TVD)		Declination: 7.49 deg
	+N/-S ft	Mag Dip Angle: 60.82 deg
		+E/-W ft
		Direction deg

0.00	0.00	0.00	145.19
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Survey: Aim MWD Surveys

Start Date: 04/14/2011

Company: Aim Directional Services, LLC
Tool:

Engineer: Allison Reinert
Tied-to: User Defined

Survey: Aim MWD Surveys

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4530.00	1.00	324.02	4529.63	40.89	-23.37	-46.92	0.00	0.00	0.00	Tie into MS Gyro Surveys
4595.00	0.90	356.60	4594.62	41.86	-23.74	-47.92	0.83	-0.15	50.12	
4689.00	0.60	358.30	4688.61	43.09	-23.79	-48.96	0.32	-0.32	1.81	
4784.00	0.70	124.40	4783.61	43.26	-23.33	-48.84	1.22	0.11	132.74	
4878.00	1.80	133.40	4877.59	41.92	-21.78	-46.86	1.19	1.17	9.57	
4972.00	2.80	144.70	4971.51	39.03	-19.38	-43.11	1.16	1.06	12.02	
5062.00	2.90	144.20	5061.40	35.39	-16.78	-38.64	0.11	0.11	-0.56	
5162.00	4.00	142.20	5161.21	30.58	-13.16	-32.63	1.11	1.10	-2.00	
5255.00	5.10	151.40	5253.92	24.39	-9.20	-25.28	1.42	1.18	9.89	
5350.00	5.00	154.20	5348.55	16.96	-5.37	-16.99	0.28	-0.11	2.95	
5444.00	5.00	152.70	5442.20	9.63	-1.71	-8.88	0.14	0.00	-1.60	
5539.00	4.80	152.10	5536.85	2.44	2.05	-0.83	0.22	-0.21	-0.63	
5633.00	4.70	147.30	5630.53	-4.28	5.97	6.92	0.44	-0.11	-5.11	
5728.00	4.80	146.50	5725.20	-10.87	10.26	14.78	0.13	0.11	-0.84	
5822.00	4.70	145.10	5818.88	-17.31	14.64	22.56	0.16	-0.11	-1.49	
5917.00	4.60	147.20	5913.56	-23.70	18.93	30.26	0.21	-0.11	2.21	
6011.00	4.70	146.70	6007.25	-30.09	23.08	37.88	0.11	0.11	-0.53	
6106.00	4.70	147.10	6101.93	-36.61	27.33	45.66	0.03	0.00	0.42	
6200.00	4.70	147.00	6195.62	-43.07	31.52	53.36	0.01	0.00	-0.11	
6295.00	4.60	148.10	6290.31	-49.57	35.66	61.05	0.14	-0.11	1.16	
6390.00	4.60	147.10	6385.00	-56.00	39.74	68.67	0.08	0.00	-1.05	
6476.00	4.60	144.70	6470.72	-61.71	43.60	75.56	0.22	0.00	-2.79	
6571.00	4.40	147.20	6565.43	-67.88	47.78	83.01	0.29	-0.21	2.63	
6666.00	5.40	146.80	6660.08	-74.69	52.20	91.12	1.05	1.05	-0.42	

Aim Directional Services, LLC

Survey Report

Company: Nearburg Producing Company	Date: 05/17/2011	Time: 11:21:12	Page: 2
Field: Lea County, New Mexico	Co-ordinate(NE) Reference: Well #1, Grid North		
Site: Honey13 #1	Vertical (TVD) Reference: SITE 0.0		
Well: #1	Section (VS) Reference: Well (0.00N,0.00E,145 19Azi)		
Wellpath: Aim MWD Surveys	Survey Calculation Method: Minimum Curvature		Db: Sybase

Survey: Aim MWD Surveys

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6750.00	5.10	145.90	6743.73	-81.09	56.46	98.81	0.37	-0.36	-1.07	
6845.00	5.30	148.40	6838.34	-88.32	61.13	107.41	0.32	0.21	2.63	
6939.00	5.30	148.30	6931.94	-95.71	65.68	116.08	0.01	0.00	-0.11	
7033.00	5.70	154.90	7025.50	-103.63	69.94	125.02	0.80	0.43	7.02	
7127.00	6.70	163.10	7118.96	-113.11	73.52	134.84	1.42	1.06	8.72	
7221.00	6.40	158.40	7212.34	-123.23	77.04	145.15	0.65	-0.32	-5.00	
7316.00	5.80	150.30	7306.81	-132.32	81.37	155.09	1.10	-0.63	-8.53	
7410.00	4.90	144.90	7400.40	-139.73	86.03	163.84	1.10	-0.96	-5.74	
7505.00	4.80	142.60	7495.06	-146.21	90.78	171.86	0.23	-0.11	-2.42	
7599.00	5.10	146.90	7588.71	-152.83	95.45	179.97	0.51	0.32	4.57	
7694.00	5.30	146.50	7683.31	-160.03	100.18	188.58	0.21	0.21	-0.42	
7789.00	5.10	150.50	7777.92	-167.36	104.68	197.17	0.44	-0.21	4.21	
7883.00	5.00	144.40	7871.56	-174.33	109.12	205.42	0.58	-0.11	-6.49	
7975.00	5.10	147.70	7963.20	-181.04	113.64	213.52	0.33	0.11	3.59	
8068.00	3.90	140.00	8055.92	-186.96	117.88	220.80	1.44	-1.29	-8.28	
8161.00	3.70	137.60	8148.71	-191.60	121.94	226.92	0.27	-0.22	-2.58	
8256.00	3.80	146.80	8243.51	-196.50	125.73	233.11	0.64	0.11	9.68	
8350.00	4.30	144.10	8337.27	-201.96	129.50	239.74	0.57	0.53	-2.87	
8445.00	3.90	144.20	8432.03	-207.46	133.48	246.53	0.42	-0.42	0.11	
8540.00	4.20	142.80	8526.79	-212.85	137.47	253.24	0.33	0.32	-1.47	
8634.00	4.80	147.80	8620.50	-218.92	141.65	260.61	0.76	0.64	5.32	
8728.00	4.40	150.00	8714.20	-225.38	145.54	268.13	0.47	-0.43	2.34	
8822.00	4.40	144.70	8807.92	-231.44	149.43	275.33	0.43	0.00	-5.64	
8927.00	5.10	137.50	8912.56	-238.17	154.91	283.98	0.87	0.67	-6.86	
9020.00	5.00	140.10	9005.20	-244.33	160.30	292.11	0.27	-0.11	2.80	
9111.00	4.60	140.60	9095.88	-250.19	165.16	299.70	0.44	-0.44	0.55	
9206.00	4.70	139.00	9190.57	-256.07	170.14	307.37	0.17	0.11	-1.68	
9301.00	4.90	142.60	9285.24	-262.23	175.15	315.29	0.38	0.21	3.79	
9394.00	4.60	138.90	9377.92	-268.19	180.02	322.97	0.46	-0.32	-3.98	
9488.00	4.40	134.80	9471.63	-273.58	185.05	330.26	0.40	-0.21	-4.36	
9582.00	4.40	144.20	9565.35	-279.04	189.72	337.41	0.77	0.00	10.00	
9677.00	4.00	145.90	9660.10	-284.74	193.71	344.37	0.44	-0.42	1.79	
9764.00	4.80	148.60	9746.84	-290.36	197.31	351.04	0.95	0.92	3.10	
9858.00	5.00	155.30	9840.50	-297.44	201.07	358.99	0.64	0.21	7.13	
9952.00	4.60	148.30	9934.17	-304.37	204.76	366.79	0.75	-0.43	-7.45	
10042.00	4.60	144.10	10023.88	-310.36	208.77	374.00	0.37	0.00	-4.67	
10136.00	4.50	134.70	10117.58	-316.01	213.61	381.40	0.80	-0.11	-10.00	
10231.00	4.30	129.60	10212.30	-320.90	219.00	388.49	0.46	-0.21	-5.37	
10324.00	4.40	142.20	10305.04	-325.94	223.87	395.41	1.03	0.11	13.55	
10418.00	3.70	147.80	10398.80	-331.36	227.70	402.04	0.85	-0.74	5.96	
10512.00	5.10	149.70	10492.52	-337.53	231.42	409.24	1.50	1.49	2.02	
10606.00	4.40	153.90	10586.20	-344.38	235.12	416.97	0.83	-0.74	4.47	
10701.00	4.70	152.90	10680.90	-351.11	238.49	424.43	0.33	0.32	-1.05	
10795.00	5.10	145.40	10774.56	-357.98	242.62	432.42	0.80	0.43	-7.98	
10889.00	4.70	135.50	10868.22	-364.17	247.69	440.40	0.99	-0.43	-10.53	
10982.00	5.10	138.50	10960.88	-369.98	253.10	448.26	0.51	0.43	3.23	
11076.00	6.30	137.40	11054.41	-376.91	259.36	457.52	1.28	1.28	-1.17	
11170.00	4.90	141.60	11147.96	-383.85	265.35	466.64	1.55	-1.49	4.47	
11264.00	3.60	154.10	11241.70	-389.65	269.13	473.56	1.69	-1.38	13.30	
11358.00	3.60	156.60	11335.52	-395.01	271.59	479.37	0.17	0.00	2.66	
11453.00	3.80	142.50	11430.32	-400.25	274.69	485.43	0.98	0.21	-14.84	
11546.00	3.70	141.00	11523.12	-405.03	278.46	491.51	0.15	-0.11	-1.61	
11641.00	4.50	137.10	11617.88	-410.14	282.92	498.25	0.89	0.84	-4.11	

Aim Directional Services, LLC

Survey Report

Company: Nearburg Producing Company Field: Lea County, New Mexico Site: Honey13 #1 Well: #1 Wellpath: Aim MWD Surveys	Date: 05/17/2011 Co-ordinate(NE) Reference: Well: #1, Grid North Vertical (TVD) Reference: SITE 0.0 Section (VS) Reference: Well (0.00N,0.00E,145.19Azi) Survey Calculation Method: Minimum Curvature	Time: 11:21:12 Page: 3 Db: Sybase
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Survey: Aim MWD Surveys

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
11734.00	4.90	147.80	11710.57	-416.17	287.52	505.83	1.03	0.43	11.51	
11827.00	5.00	149.70	11803.22	-423.03	291.68	513.84	0.21	0.11	2.04	Last MWD Survey Taken
11966.00	5.00	149.70	11941.69	-433.49	297.80	525.92	0.00	0.00	0.00	Projection to TD

Annotation

MD ft	TVD ft	
4530.00	4529.63	Tie into MS Gyro Surveys
11827.00	11803.22	Last MWD Survey Taken
11966.00	11941.69	Projection to TD