

Results of Directional Survey

Side track 02

API number:	30-025-39241		
OGRID:		Operator:	CAZA OPERATING LLC
		Property:	LUCKY PENNY 10 STATE # 1-H

surface	ULSTR:	P	10	T 12S	R 32E
			660	FSL	990 FEL

BH Loc	ULSTR:	H	10	T 12S	R 32E
			2944	FSL	756 FEL

Top Perf/OH	ULSTR:	I	10	T 12S	R 32E
		8801	1117	FSL	917 FEL

Bot Perf/OH	ULSTR:	H	10	T 12S	R 32E
		10634	2944	FSL	756 FEL

	MD	N/S	E/W	VD
	8791	447.34	72.32	8563.16
TOP PERFS/OH	8801	457.30	72.95	8556.12
	8830	486.18	74.79	8535.70
	10524	2174.64	199.46	8553.99
BOT PERFS/OH	10634	2283.71	233.63	8556.84
	10556	2206.37	209.40	8554.82

NEXT TO LAST	10524	2174.64	199.46	8553.99
LAST READING	10556	2206.37	209.40	8554.82
TD	10634	2283.71	233.63	8556.84

Surface Location	660	FS	990	FE
Projected BHL	2944	FS	756	FE
Location of				
Top Perfs/OH	1117	FS	917	FE
Bottom Perfs/OH	2944	FS	756	FE

SUMMARY of Subsurface Locations

Surface Location	P-10-12S-32E	660	FS	990	FE	Vert. Depth
Top Perfs/OH	I-10-12S-32E	1117	FS	917	FE	8556.12
Bottom Perfs/OH	H-10-12S-32E	2944	FS	756	FE	8556.84
Projected TD	H-10-12S-32E	2944	FS	756	FE	8556.84

Results of Directional Survey

Lost Lateral 01

API number:	30-025-39241		
OGRID:		Operator:	CAZA OPERATING LLC
		Property:	LUCKY PENNY 10 STATE # 1-H

surface	ULSTR:	P	10	T 12S	R 32E
			660	FSL	990 FEL

BH Loc	ULSTR:	H	10	T 12S	R 32E
			2683	FSL	769 FEL

Top Lost Lateral	ULSTR:	I	10	T 12S	R 32E
		9220	1535	FSL	892 FEL

Bottom Lost lateral	ULSTR:	H	10	T 12S	R 32E
		10377	2683	FSL	769 FEL

	MD	N/S	E/W	VD
	9210	865.38	97.60	8563.25
Top Lost Lateral	9220	875.37	98.14	8563.13
	9242	897.34	99.32	8562.86
	10227	1874.60	202.72	8599.91
Bottom Lost lateral	10377	2023.15	221.47	8591.02
	10255	1902.33	206.22	8598.25

NEXT TO LAST	10227	1874.60	202.72	8599.91
LAST READING	10255	1902.33	206.22	8598.25
TD	10377	2023.15	221.47	8591.02

Surface Location	660	FS	990	FE
Projected BHL	2683	FS	769	FE
Location of				
Top Perfs/OH	1535	FS	892	FE
Bottom Perfs/OH	2683	FS	769	FE

SUMMARY of Subsurface Locations

Surface Location	P-10-12S-32E	660	FS	990	FE	Vert. Depth
Top Lost Lateral	I-10-12S-32E	1535	FS	892	FE	8563.13
Bottom Lost lateral	H-10-12S-32E	2683	FS	769	FE	8591.02
Projected TD	H-10-12S-32E	2683	FS	769	FE	8591.02

Results of Directional Survey

Lost side track 01

API number:	30-025-39241		
OGRID:		Operator:	CAZA OPERATING LLC
		Property:	LUCKY PENNY 10 STATE # 1-H

surface	ULSTR:	P	10	T 12S	R 32E
			660	FSL	990 FEL

BH Loc	ULSTR:	H	10	T 12S	R 32E
			3936	FSL	557 FEL

Top lost side track	ULSTR:	I	10	T 12S	R 32E
		9220	1535	FSL	891 FEL

Bottom lost side tr	ULSTR:	H	10	T 12S	R 32E
		11650	3936	FSL	557 FEL

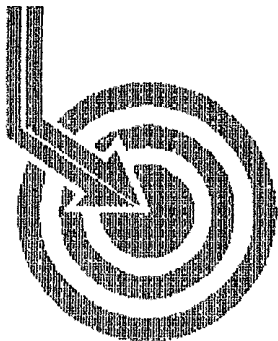
	MD	N/S	E/W	VD
	9211	866.30	98.15	8561.64
Top lost side track	9220	875.26	98.81	8561.07
	9236	891.19	99.97	8560.05
	11571	3197.70	422.31	8575.97
Bottom lost side tr	11650	3275.89	433.47	8574.12
	11603	3229.37	426.83	8575.22

NEXT TO LAST	11571	3197.70	422.31	8575.97
LAST READING	11603	3229.37	426.83	8575.22
TD	11650	3275.89	433.47	8574.12

Surface Location	660	FS	990	FE
Projected BHL	3936	FS	557	FE
Location of				
Top Perfs/OH	1535	FS	891	FE
Bottom Perfs/OH	3936	FS	557	FE

SUMMARY of Subsurface Locations

Surface Location	P-10-12S-32E	660	FS	990	FE	Vert. Depth
Top lost side track	I-10-12S-32E	1535	FS	891	FE	8561.07
Bottom lost side tr	H-10-12S-32E	3936	FS	557	FE	8574.12
Projected TD	H-10-12S-32E	3936	FS	557	FE	8574.12



Scientific Drilling

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HOBBSOCD

CAZA OPERATING LLC

Field: Caprock Penn, East
Site: Lea County, NM
Well: Lucky Penny 10 State #1
Wellpath: VH - Job #32K0609209
Survey: 06/10/09

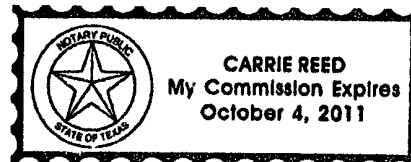
SUR: P-10-12s-32e, 660/S & 990/E
BHL: H-10-12s-32e, 2944/S & 756/E
API # 30-025-39241

This survey is correct to the best of my knowledge
and is supported by actual field data.

.....*[Signature]*..... Company Representative

Notorized this date 14 of July, 2009.

[Signature]
Notary Signature
County of Midland
State of Texas





Scientific Drilling International Survey Report

Company: CAZA OPERATING LLC
Field: Caprock Penn. East
Site: Lea County, NM
Well: Lucky Penny 10 State #1
Wellpath: VH - Job #32K0609209

Date: 08/12/2009 Time: 09:25:37 Page: 1
Co-ordinate(NE) Reference: Site: Lea County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,4.43Azl)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey: 08/10/09 Start Date: 08/10/2009
Company: Scientific Drilling Internatio Engineer: Melendez/Parades/Williams
Tool: KSRG;Keeper Gyro Tied-to: From Surface

Survey

MD ft	Incl deg	Azlm deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.00	0.00	359.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.08	101.78	100.00	-0.01	-0.01	0.07	0.08	0.07	101.78
200.00	0.14	73.08	200.00	0.03	0.01	0.25	0.08	0.25	88.41
300.00	0.22	85.36	300.00	0.10	0.08	0.58	0.09	0.56	84.09
400.00	0.21	55.95	400.00	0.25	0.18	0.91	0.11	0.92	78.98
500.00	0.05	149.97	500.00	0.32	0.24	1.08	0.22	1.11	77.40
600.00	0.10	205.37	600.00	0.21	0.12	1.06	0.08	1.07	83.32
700.00	0.18	260.12	700.00	0.09	0.02	0.87	0.15	0.87	88.77
800.00	0.27	275.60	800.00	0.05	0.01	0.48	0.11	0.48	88.25
900.00	0.21	290.47	900.00	0.11	0.10	0.08	0.09	0.13	36.58
1000.00	0.33	275.98	1000.00	0.17	0.20	-0.38	0.14	0.43	297.12
1100.00	0.21	302.17	1099.99	0.26	0.32	-0.82	0.17	0.89	291.43
1200.00	0.22	311.43	1199.99	0.48	0.55	-1.12	0.04	1.25	296.01
1300.00	0.34	320.66	1299.99	0.79	0.90	-1.46	0.13	1.71	301.87
1400.00	0.32	317.72	1399.99	1.20	1.34	-1.83	0.03	2.27	306.21
1500.00	0.40	308.09	1499.99	1.57	1.75	-2.30	0.11	2.89	307.30
1600.00	0.27	275.46	1599.99	1.76	1.98	-2.82	0.22	3.44	305.11
1700.00	0.16	305.40	1699.99	1.83	2.08	-3.17	0.15	3.79	303.38
1800.00	0.33	299.48	1799.99	2.03	2.31	-3.53	0.17	4.22	303.16
1900.00	0.28	282.13	1899.98	2.18	2.50	-4.02	0.10	4.73	301.88
2000.00	0.19	270.88	1999.98	2.20	2.55	-4.42	0.10	5.11	299.99
2100.00	0.08	348.95	2099.98	2.26	2.62	-4.60	0.19	5.30	299.69
2200.00	0.18	344.40	2199.98	2.48	2.84	-4.66	0.10	5.46	301.40
2300.00	0.30	10.50	2299.98	2.88	3.25	-4.65	0.16	5.68	304.95
2400.00	0.19	4.72	2399.98	3.31	3.68	-4.59	0.11	5.88	308.67
2500.00	0.29	10.79	2499.98	3.73	4.09	-4.53	0.10	6.10	312.07
2600.00	0.36	61.34	2599.98	4.15	4.49	-4.21	0.28	6.15	316.85
2700.00	0.67	63.11	2699.97	4.63	4.90	-3.41	0.31	5.97	325.18
2800.00	0.58	50.55	2799.97	5.28	5.49	-2.50	0.16	6.03	335.52
2900.00	0.49	66.23	2899.96	5.83	5.98	-1.72	0.17	6.23	343.99
3000.00	0.70	60.71	2999.96	6.37	6.46	-0.79	0.22	6.50	353.00
3100.00	0.66	46.22	3099.95	7.14	7.15	0.16	0.18	7.15	1.25
3200.00	0.36	49.98	3199.95	7.79	7.75	0.81	0.30	7.80	5.98
3300.00	0.27	75.16	3299.95	8.09	8.02	1.28	0.16	8.12	9.07
3400.00	0.36	66.55	3399.94	8.32	8.20	1.80	0.10	8.40	12.35
3500.00	0.52	55.74	3499.94	8.75	8.58	2.46	0.18	8.93	15.99
3600.00	0.31	41.52	3599.94	9.25	9.04	3.01	0.23	9.53	18.44
3700.00	0.11	88.91	3699.94	9.47	9.24	3.29	0.25	9.81	19.59
3800.00	0.21	108.41	3799.94	9.44	9.19	3.56	0.11	9.86	21.17
3900.00	0.31	79.25	3899.94	9.47	9.19	4.00	0.16	10.03	23.53
4000.00	0.31	62.87	3999.94	9.69	9.37	4.51	0.09	10.40	25.71
4100.00	0.08	65.78	4099.93	9.88	9.52	4.81	0.23	10.67	26.83
4200.00	0.03	81.98	4199.93	9.90	9.55	4.90	0.05	10.74	27.17
4300.00	0.25	105.61	4299.93	9.86	9.50	5.14	0.22	10.80	28.42
4400.00	0.31	71.52	4399.93	9.93	9.52	5.61	0.17	11.05	30.48
4500.00	0.05	111.79	4499.93	10.02	9.59	5.90	0.27	11.26	31.61
4600.00	0.11	242.00	4599.93	9.98	9.53	5.86	0.15	11.19	31.58
4700.00	0.22	217.95	4699.93	9.74	9.33	5.66	0.13	10.91	31.21
4800.00	0.34	201.05	4799.93	9.30	8.91	5.43	0.14	10.43	31.38



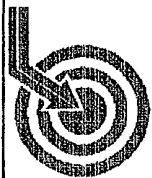
Scientific Drilling International Survey Report

Company: CAZA OPERATING LLC
Field: Caprock Penn. East
Site: Lea County, NM
Well: Lucky Penny 10 State #1
Wellpath: VH - Job #32K0609209

Date: 06/12/2009 Time: 09:25:37 Page: 2
Co-ordinate(NE) Reference: Site: Lea County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,4.43Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

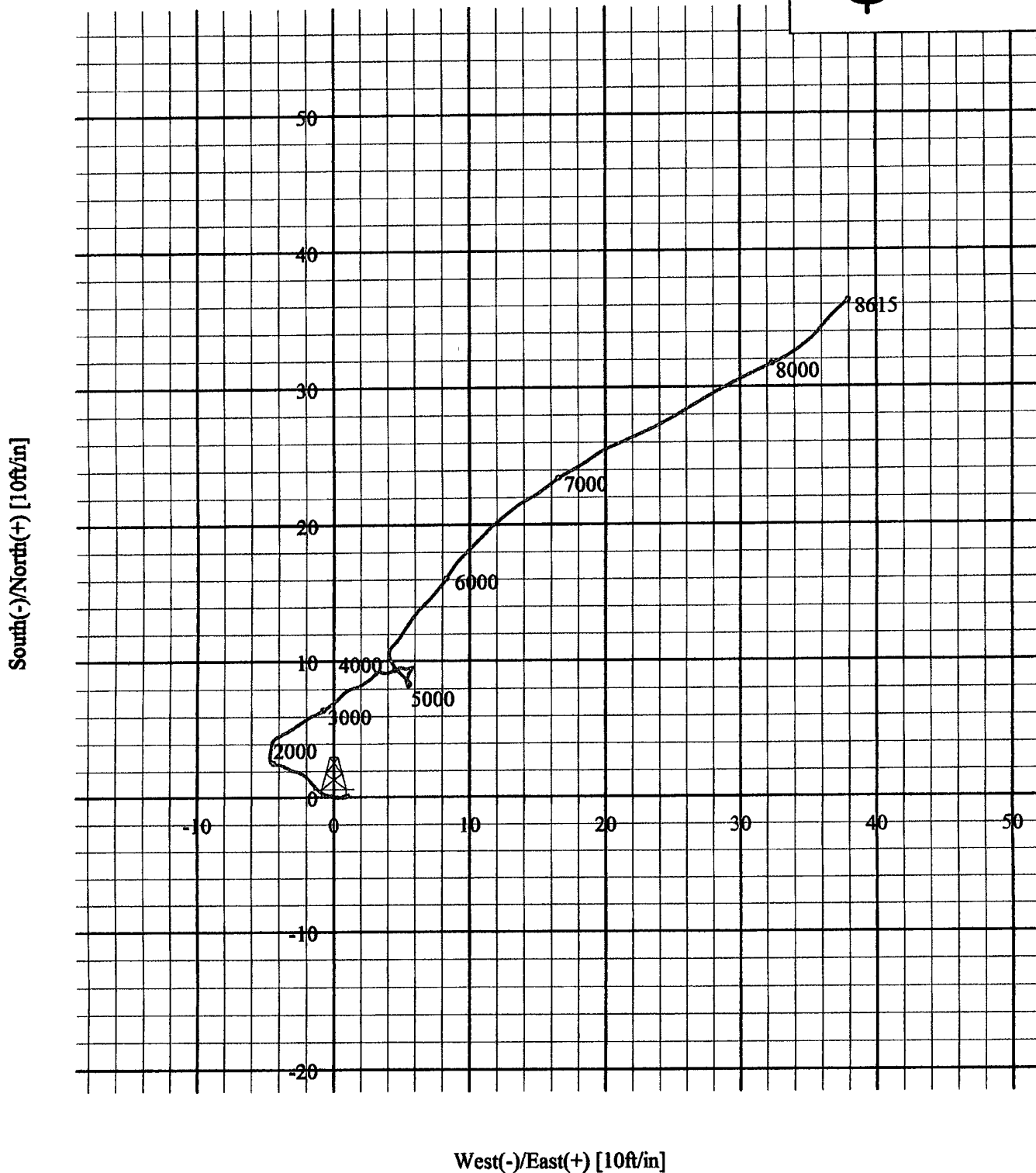
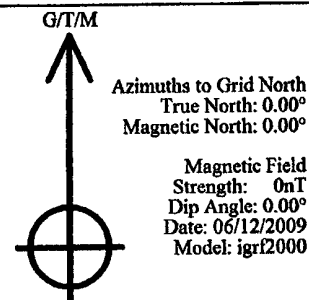
Survey

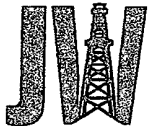
MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClbD ft	ClbA deg
4900.00	0.19	169.60	4899.93	8.85	8.47	5.35	0.20	10.02	32.31
5000.00	0.14	109.10	4999.93	8.66	8.26	5.50	0.17	9.93	33.65
5100.00	0.13	31.55	5099.93	8.73	8.32	5.67	0.17	10.07	34.30
5200.00	0.53	309.38	5199.93	9.10	8.71	5.38	0.53	10.24	31.69
5300.00	0.68	317.50	5299.92	9.77	9.44	4.62	0.17	10.51	26.07
5400.00	0.52	344.11	5399.92	10.60	10.31	4.09	0.32	11.10	21.64
5500.00	0.44	45.92	5499.91	11.31	11.02	4.24	0.50	11.81	21.07
5600.00	0.68	35.38	5599.91	12.11	11.77	4.88	0.26	12.73	22.45
5700.00	0.77	30.83	5699.90	13.22	12.83	5.55	0.11	13.98	23.40
5800.00	0.72	45.85	5799.89	14.29	13.84	6.35	0.20	15.23	24.63
5900.00	0.94	41.35	5899.88	15.42	14.90	7.34	0.23	16.61	26.23
6000.00	0.76	33.78	5999.87	16.65	16.07	8.25	0.21	18.06	27.18
6100.00	0.61	33.85	6099.86	17.70	17.08	8.92	0.15	19.25	27.59
6200.00	0.64	47.88	6199.86	18.57	17.88	9.63	0.16	20.30	28.30
6300.00	0.72	44.59	6299.85	19.45	18.70	10.48	0.09	21.43	29.28
6400.00	0.59	40.41	6399.84	20.35	19.54	11.26	0.14	22.55	29.95
6500.00	0.58	54.80	6499.84	21.09	20.22	12.00	0.15	23.52	30.70
6600.00	0.63	48.60	6599.83	21.80	20.88	12.83	0.08	24.50	31.57
6700.00	0.55	54.58	6699.83	22.51	21.52	13.63	0.10	25.47	32.36
6800.00	0.68	63.48	6799.82	23.12	22.08	14.56	0.16	26.43	33.42
6900.00	0.70	50.38	6899.82	23.85	22.72	15.56	0.16	27.53	34.41
7000.00	0.63	56.38	6999.81	24.61	23.41	16.49	0.10	28.63	35.15
7100.00	0.81	62.68	7099.80	25.32	24.04	17.57	0.20	29.78	36.17
7200.00	1.19	55.70	7199.79	26.34	24.95	19.08	0.40	31.39	37.38
7300.00	1.13	68.57	7299.77	27.42	25.89	20.83	0.27	33.23	38.62
7400.00	1.30	65.59	7399.74	28.40	26.72	22.78	0.18	35.12	40.45
7500.00	1.13	61.37	7499.72	29.49	27.66	24.68	0.19	37.07	41.74
7600.00	1.15	58.81	7599.70	30.61	28.68	26.41	0.05	38.97	42.66
7700.00	1.21	61.49	7699.68	31.77	29.68	28.19	0.08	40.93	43.53
7800.00	0.92	64.24	7799.66	32.75	30.53	29.84	0.29	42.69	44.35
7900.00	0.73	65.20	7899.65	33.46	31.15	31.14	0.19	44.05	45.00
8000.00	0.75	65.71	7999.64	34.09	31.68	32.32	0.02	45.26	45.57
8100.00	0.64	60.93	8099.64	34.71	32.23	33.40	0.12	46.41	46.03
8200.00	0.63	54.48	8199.63	35.37	32.82	34.34	0.07	47.50	46.30
8300.00	0.60	47.21	8299.62	36.11	33.49	35.17	0.08	48.57	46.40
8400.00	0.69	38.51	8399.62	36.99	34.32	35.93	0.13	49.69	46.32
8500.00	0.70	45.80	8499.61	37.95	35.21	36.74	0.09	50.89	46.22
8600.00	0.88	48.54	8599.60	38.96	36.15	37.76	0.18	52.27	46.25
8615.00	0.86	49.17	8614.60	39.12	36.30	37.93	0.15	52.50	46.26



Scientific
Drilling

Field: Caprock Penn, East
Site: Lea County, NM
Well: Lucky Penny 10 State #1
Wellpath: VH - Job #32K0609209
Survey: 06/10/09





DRILLING INC. Oil Well Drilling Contractor

Post Office Box 160 Artesia, New Mexico 88211-0160 Office (575) 748-8704 Fax (575) 748-8719

June 29, 2009

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OCT 14 2009

HOBBSOCD

Caza Operating, LLC
200 N. Loraine, Suite 1550
Midland, Texas 79701

Re: Lucky Penny 10 State #1
Sec. 10, T-12-S, R-32-E
Lea County, New Mexico

Attn: Richard Wright

The following is a Deviation Survey on the referenced well in Eddy County, New Mexico:

138' - 0.5°	3808' - 0.75°
321' - 1°	4120' - 0.5°
471' - 0.75°	4430' - 0.5°
595' - 1°	4742' - 1°
779' - 0.75°	5091' - 0.75°
901' - 0.75°	5561' - 0.25°
1272' - 1°	6027' - 0.75°
1621' - 0.5°	6493' - 0.5°
1932' - 0.25°	6960' - 1°
2213' - 0.5°	7118' - 1°
2557' - 0.5°	7574' - 2.25°
2871' - 0.75°	8042' - 0.5°
3184' - 1°	8292' - 0.75°
3496' - 1°	



OFFICIAL SEAL
Barbara L. Carey
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: Sept. 1, 2009

Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
COUNTY OF EDDY)

The foregoing was acknowledged before me this 29th day of June, 2009 by Gary W. Chappell.

MY COMMISSION EXPIRES

Sept. 1, 2009

Barbara L. Carey

NOTARY PUBLIC



Azimuths to Grid North
True North: -0.35°
Magnetic North: 7.63°

Magnetic Field
Strength: 49481.2snT
Dip Angle: 61.21°
Date: 04/07/2009
Model: IGRF200510

PATHFINDER

Project: Lea County
Site: Lucky Penny "10" State #1
Well: Lucky Penny "10" State #1
Wellbore: OH

Plan: Plan #9 (Lucky Penny "10" State #1/OH)

WELL DETAILS Lucky Penny "10" State #1

Ground Elevation: 4384.00
RKB Elevation: WELL @ 4402.00ft (Original Well Elev)
Rig Name: Original Well Elev

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	832768.700	693595.100	33° 17' 15.686 N	103° 41' 59.332 W	

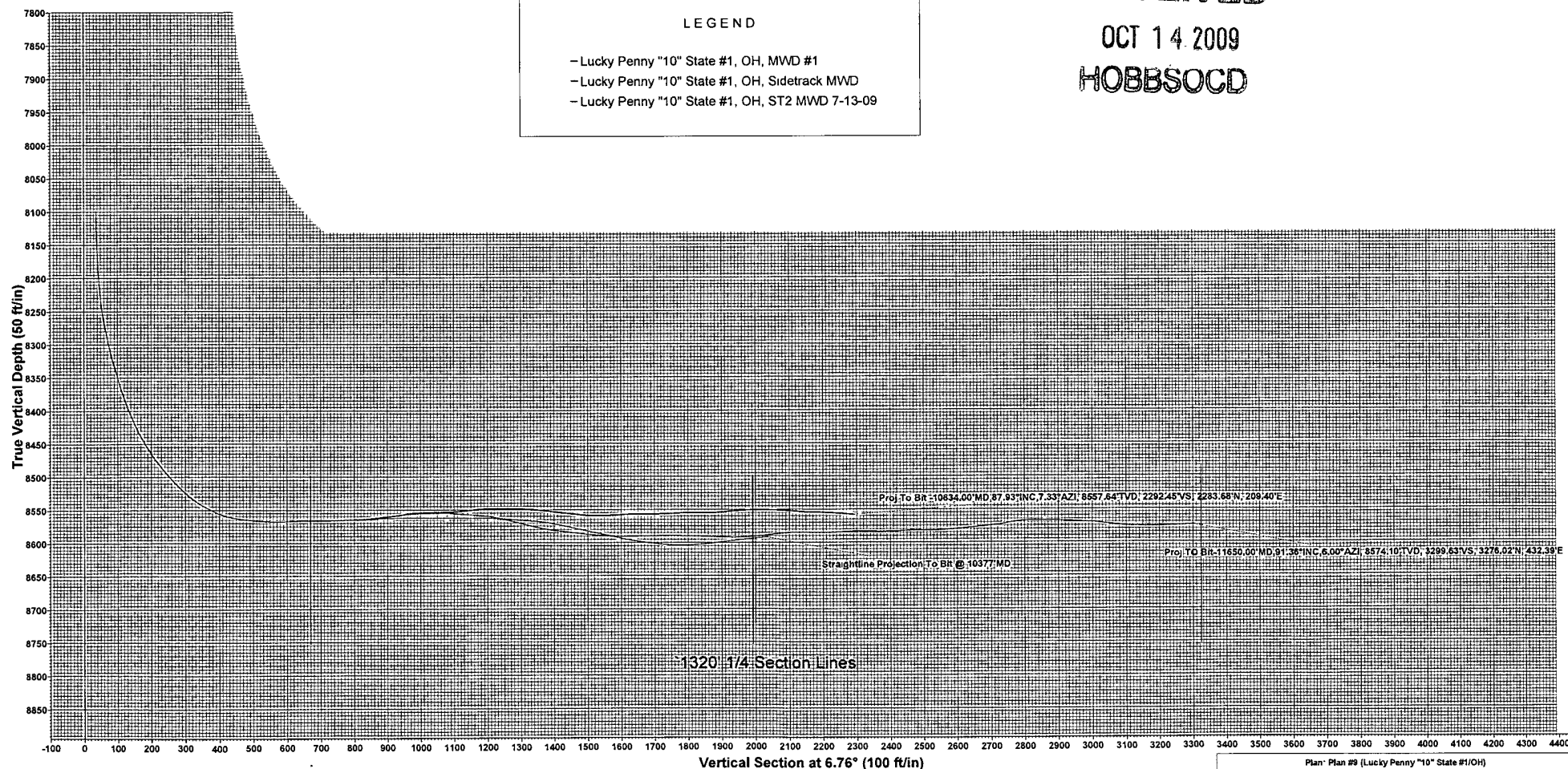
LEGEND

- Lucky Penny "10" State #1, OH, MWD #1
- Lucky Penny "10" State #1, OH, Sidetrack MWD
- Lucky Penny "10" State #1, OH, ST2 MWD 7-13-09

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HOBBSOCD



Plan: Plan #9 (Lucky Penny "10" State #1/OH)

Created By: Nate Bingham Date: 13 32, August 10 2009



PROJECT DETAILS: Lea County
Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001
System Datum: Mean Sea Level
Local North: Grid



Azimuths to Grid North
True North: -0.35°
Magnetic North: 7.63°

PATHFINDER

Magnetic Field
Strength: 49481.2snT
Dip Angle: 61.21°
Date: 04/07/2009
Model: IGRF200510

West(-)/East(+) (100 ft/in)

-1500 -1400 -1300 -1200 -1100 -1000 -900 -800 -700 -600 -500 -400 -300 -200 -100 0 100 200 300 400 500 600 700 800 900 1000 1100 1200 1300 1400 1500 1600 1700 1800

South(-)/North(+) (100 ft/in)
3800
3700
3600
3500
3400
3300
3200
3100
3000
2900
2800
2700
2600
2500
2400
2300
2200
2100
2000
1900
1800
1700
1600
1500
1400
1300
1200
1100
1000
900
800
700
600
500
400
300
200

Proj. TO BR: 11650.00 MD, 91.36° INC, 6.40° AZI, 8574.19° TVD, 3299.63° VS, 3276.02° N, 432.39° E

Proj. To Br: -10634.00 MD, 87.93° INC, 7.33° AZI, 8557.64° TVD, 2292.45° VS, 2283.68° N, 209.80° E

Straightline Projection To Br @ 10377 MD

LEGEND

- Lucky Penny "10" State #1, OH, MWD #1
- Lucky Penny "10" State #1, OH, Sidetrack MWD
- Lucky Penny "10" State #1, OH, ST2 MWD 7-13-09

Plan: Plan #8 (Lucky Penny "10" State #1/OH)

Created By: Nate Bingham Date: 13/31, August 10 2009

Checked: _____ Date: _____



PATHFINDER

EOW

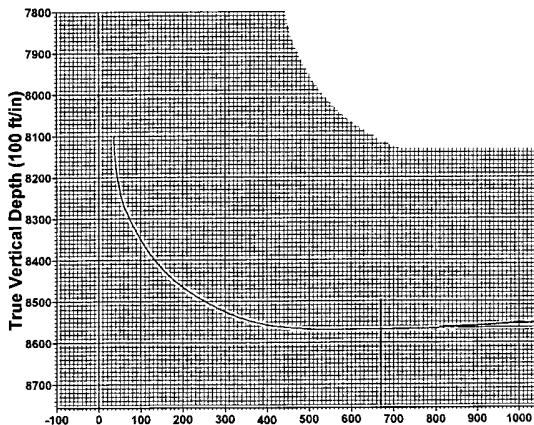
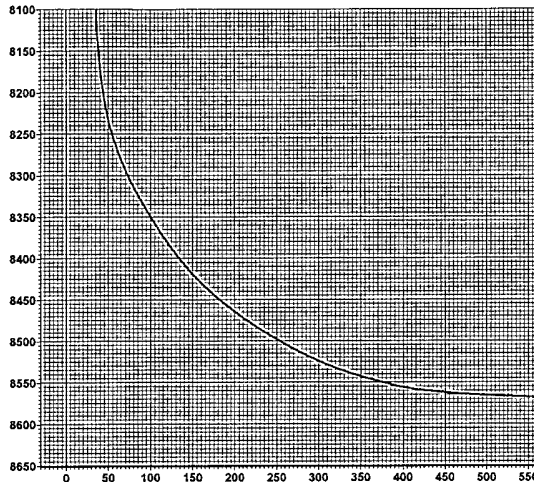


Azimuths to Grid North
True North: -0.35°
Magnetic North: 7.63°

Magnetic Field
Strength: 49481.2snT
Dip Angle: 61.21°
Date: 04/07/2009
Model: IGRF200510

Project: Lea County
Site: Lucky Penny "10" State #1
Well: Lucky Penny "10" State #1
Wellbore: OH

Plan: Plan #9 (Lucky Penny "10" State #1/OH)



WELL DETAILS: Lucky Penny "10" State #1

Ground Elevation 4384.00
RKB Elevation WELL @ 4402.00ft (Original Well Elev)
Rig Name Original Well Elev

+N-S	+E-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	832768.700	693595.100	33° 17' 15.686 N	103° 41' 59.332 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	10080.00	91.63	3.95	8555.87	1732.92	152.66	0.00	0.00	1738.84	
2	10160.02	93.91	8.18	8552.00	1812.38	161.10	6.00	61.54	1818.74	
3	10228.79	90.47	8.18	8549.37	1880.39	170.87	5.00	-179.93	1887.42	
4	12332.25	90.47	8.18	8532.00	3962.40	470.00	0.00	0.00	3990.18	PBHL(LP#1Plan #9)

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

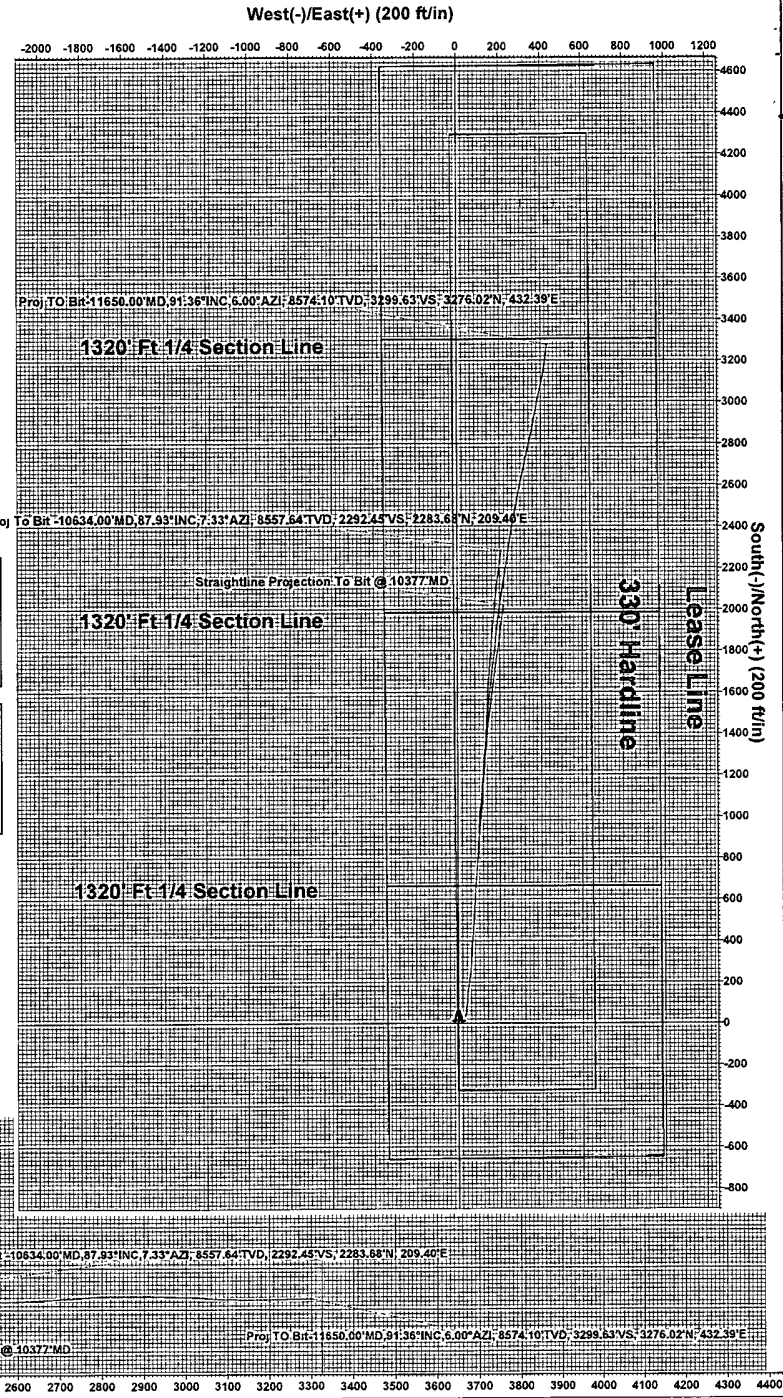
Name	TVD	+N-S	+E-W	Northing	Easting	Shape
PBHL(LP#1Plan #9)	8532.00	3962.40	470.00	836731.100	694065.100	Point
PBHL	8570.00	3962.00	307.20	836730.700	693902.300	Point
Enter ST01	8590.20	1563.77	148.24	834332.470	693743.340	Point
PBHL(LP#1Plan #7)	8593.00	3962.00	307.20	836730.700	693902.300	Point

PROJECT DETAILS: Lea County
Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001
System Datum: Mean Sea Level
Local North: Grid

LEGEND

- Lucky Penny "10" State #1, OH, MWD #1
- Lucky Penny "10" State #1, OH, Sidetrack MWD
- Lucky Penny "10" State #1, OH, ST2 MWD 7-13-09

1320' 1/4 Section Lines



Plan: Plan #9 (Lucky Penny "10" State #1/OH)

Created By: Nate Bingham Date: 13.30, August 10 2009