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DIRECTIONAL SURVEY REPORT

MACK ENERGY CORPORATION

KITE STATE #1

LEA COUNTY, NM

SUR @ L-32-14s-32e, 2310/S & 335/W
BHL @ M-32-14s-32e, 992/S & 374/W
API # 30-025-39815

PREPARED BY: PHIL LEBLANC

PATHFINDER

October 20, 2010

MACK ENERGY CORPORATION
Mr. Matt Brewer
11352 Lovington Hwy
Box 960
Artesia, NM 88211-1288

RE: MACK ENERGY CORPORATION
KITE STATE #1
LEA COUNTY, NM
RIG: SILVER OAK #7
API Well No.: 30-025-39815
PES Job No.: 700000082-GC-WT

Dear Mr. Brewer:

We hereby certify that the enclosed Original Field Survey Data contained in this report represents to the best of our knowledge, a true and accurate survey of the well at the time the survey was run.

DIRECTIONAL SURVEY DATA

1 – Original Directional Survey Report

1 – Email PDF to:

charless@mackenergycorp.com

leel@mackenergycorp.com

donaldarcher@mackenergycorp.com

jimkrogman@mackenergycorp.com

kevingarrett@mackenergycorp.com

mbrewer@mackenergycorp.com

We appreciate the opportunity to work with you and we look forward to your business support.
If you have any questions, I can be reached at (337) 233-3982.

Sincerely,



Phil LeBlanc
M/LWD Service Coordinator
PathFinder Energy Services

PL:ll

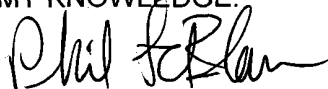


DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:
 - A) JOHN OVERTON
 - B) RAFAEL DONARUMMA
 - C) BRYANT BLAKEMORE
 - D) LOREN FLEMMING
3. POSITION OF SAID PERSON(S): (A-D) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 09/04/10 TO 09/27/10
5. STATE IN WHICH SURVEY WAS PERFORMED: NEW MEXICO
6. LOCATION OF WELL: LEA COUNTY
7. TYPE OF SURVEY(S) PERFORMED: MWD
8. COMPLETE IDENTIFICATION OF WELL:

MACK ENERGY CORPORATION
KITE STATE #1
LEA COUNTY, NM
RIG: SILVER OAK #7
API Well No.: 30-025-39815
9. SURVEY(S) CERTIFIED FROM: 6,367 TO 10,826 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE DISPLACED AT 1,318.60 FEET ON A BEARING OF 178.33 DEGREES FROM THE CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 10,826 FEET, ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



PHIL LEBLANC
M/LWD SERVICE COORDINATOR

PathFinder Energy Services, Inc.

BHL Report

Page 01/01
Tie-in Date: 09/04/2010
Date Completed: 09/27/2010

MACK ENERGY CORPORATION

KITE STATE #1

LEA COUNTY, NEW MEXICO

Rig:SILVER OAK 7

PathFinder Office Supervisor: PHIL LEBLANC

PathFinder Field Engineers: JOHN OVERTON
RAFAEL DONARUMMA
BRYANT BLAKEMORE

Survey Horiz. Reference:WELLHEAD

Ref Coordinates: LAT:33.36.1778 N LON:103.44.49.1554 W

GRID Reference:NAD27 new mexico east Transverse Mercator

Ref GRID Coord: X: 679643.2000 Y: 749861.2000

North Aligned To:GRID NORTH

Total Magnetic Correction: 7.51° EAST TO GRID

Vertical Section Plane: 179.60

Survey Vert. Reference: 19.00' Kelly Bushing To Ground

Altitude:4343.00' Ground To MSL

Measured Depth	10826.00	(feet)
Inclination	90.75	(deg)
Azimuth	182.72	(deg)
True Vertical Depth	9742.49	(feet)
Vertical Section	1318.28	(feet)
Survey X cord	679681.59	(feet)
Survey Y cord	748543.16	(feet)
Survey Lat	33.05642618 N	(deg)
Survey Lon	103.74688634 W	(deg)
Rectangular Corr. N/S	1318.04 S	(feet)
Rectangular Corr. E/W	38.39 E	(feet)
Closure Distance	1318.60	(feet)
Direction of Closure	178.33	(deg)
Dogleg Severity	0.00	(deg/100ft)

PathFinder Energy Services, Inc.

Survey Report

MACK ENERGY CORPORATION

KITE STATE #1

LEA COUNTY, NEW MEXICO

Rig: SILVER OAK 7

PathFinder Office Supervisor: PHIL LEBLANC

PathFinder Field Engineers: JOHN OVERTON

RAFAEL DONARUMMA

BRYANT BLAKEMORE

LOREN FLEMING

Survey Calculations by RX5 V6.03A using Minimum Curvature

Survey Horiz. Reference: WELLHEAD

Ref Coordinates: LAT: 33.336.1778 N LON: 103.44.49.1554 W

GRID Reference: NAD27 new mexico east Transverse Mercator

Ref GRID Coord: X: 679643.2000 Y: 749861.2000

North Aligned To: GRID NORTH

Total Magnetic Correction: 7.51° EAST TO GRID

Vertical Section Plane: 179.60

Survey Vert. Reference: 19.00' Kelly Bushing To Ground

Altitude: 4343.00' Ground To MSL

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL		Survey Latitude (deg)	Survey Longitude (deg)	Closure		DLS (dg/100ft)
						Rectangular (ft)	Offsets (ft)			Dist (ft)	Dir (deg)	
THE FOLLOWING ARE NAVIGATE ENERGY SERVICES MWD SURVEYS.												
166.00	0.21	7.50	166.00	0.00	-0.33	0.33 N	0.03 E	33.06005031 N	103.74698753 W	0.33@	4.41	0.00
344.00	0.08	1.40	344.00	178.00	-0.78	0.78 N	0.07 E	33.06005153 N	103.74698737 W	0.78@	5.22	0.07
520.00	0.26	241.60	520.00	176.00	-0.72	0.71 N	0.28 W	33.06005136 N	103.74698851 W	0.77@	338.78	0.17
697.00	1.58	174.33	696.97	177.00	1.90	1.91 S	0.39 W	33.06004416 N	103.74698892 W	1.95@	191.54	0.85
1065.00	0.97	193.58	1064.88	368.00	9.98	9.98 S	0.62 W	33.06002196 N	103.74698982 W	10.00@	183.55	0.20
1250.00	0.97	192.17	1249.85	185.00	13.03	13.04 S	1.32 W	33.06001358 N	103.74699216 W	13.10@	185.77	0.01
1306.00	1.02	140.70	1305.85	56.00	13.88	13.88 S	1.10 W	33.06001125 N	103.74699147 W	13.93@	184.54	1.55
1515.00	0.48	238.84	1514.83	209.00	15.77	15.78 S	0.67 W	33.06000604 N	103.74699010 W	15.79@	182.44	0.57
1700.00	0.81	241.46	1699.82	185.00	16.78	16.80 S	2.48 W	33.06000325 N	103.74699603 W	16.99@	188.41	0.18
2069.00	1.41	81.26	2068.79	369.00	17.36	17.36 S	0.29 W	33.06000168 N	103.74698888 W	17.36@	180.95	0.59
2349.00	1.83	61.40	2348.68	280.00	14.74	14.70 S	7.04 E	33.06000889 N	103.74696490 W	16.30@	154.40	0.25
2446.00	1.48	74.66	2445.64	97.00	13.69	13.62 S	9.61 E	33.06001180 N	103.74695650 W	16.67@	144.80	0.53
2631.00	1.05	73.35	2630.60	185.00	12.60	12.50 S	13.54 E	33.06001481 N	103.74694366 W	18.43@	132.73	0.23
2814.00	0.93	91.89	2813.57	183.00	12.19	12.07 S	16.63 E	33.06001595 N	103.74693357 W	20.55@	125.98	0.19
3001.00	0.86	109.20	3000.55	187.00	12.72	12.59 S	19.47 E	33.06001450 N	103.74692430 W	23.18@	122.88	0.15
3063.00	0.78	103.10	3062.54	62.00	12.98	12.83 S	20.32 E	33.06001381 N	103.74692153 W	24.03@	122.27	0.19
3343.00	0.23	29.80	3342.53	280.00	12.93	12.78 S	22.46 E	33.06001393 N	103.74691456 W	25.84@	119.64	0.27
3624.00	0.26	31.51	3623.53	281.00	11.91	11.75 S	23.07 E	33.06001676 N	103.74691254 W	25.89@	116.98	0.01
3835.00	0.08	170.55	3834.53	211.00	11.64	11.48 S	23.35 E	33.06001747 N	103.74691164 W	26.02@	116.19	0.15
4029.00	0.11	190.33	4028.53	194.00	11.96	11.80 S	23.33 E	33.06001660 N	103.74691168 W	26.15@	116.82	0.02
4185.00	0.41	144.50	4184.53	156.00	12.57	12.40 S	23.63 E	33.06001494 N	103.74691072 W	26.69@	117.69	0.22
4371.00	0.12	180.40	4370.52	186.00	13.30	13.14 S	24.02 E	33.06001291 N	103.74690947 W	27.37@	118.68	0.17
4558.00	0.23	68.70	4557.52	187.00	13.37	13.20 S	24.36 E	33.06001275 N	103.74690834 W	27.71@	118.44	0.16
4752.00	0.18	78.53	4751.52	194.00	13.17	12.99 S	25.03 E	33.06001329 N	103.74690618 W	28.20@	117.44	0.03
4907.00	0.26	337.46	4906.52	155.00	12.80	12.62 S	25.13 E	33.06001431 N	103.74690583 W	28.12@	116.67	0.22

PathFinder Energy Services, Inc.

Survey Report

MACK ENERGY CORPORATION
KITE STATE #1
LEA COUNTY, NEW MEXICO
RIG:SILVER OAK 7

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Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		Survey Latitude (deg)	Survey Longitude (deg)	Closure Dist (ft)	Dir (deg)	DLS (dg/100ft)
5100.00	0.41	288.15	5099.52	193.00	12.17	12.00 S	24.31 E	33.06001603 N	103.74690851 W	27.11@	116.28	0.16
5332.00	0.48	311.85	5331.51	232.00	11.25	11.09 S	22.79 E	33.06001855 N	103.74691343 W	25.35@	115.96	0.08
5661.00	0.26	329.20	5660.50	329.00	9.68	9.53 S	21.38 E	33.06002286 N	103.74691800 W	23.41@	114.03	0.08
5848.00	0.66	275.41	5847.50	187.00	9.21	9.07 S	20.09 E	33.06002416 N	103.74692220 W	22.05@	114.29	0.29
6035.00	0.66	275.41	6034.49	187.00	8.99	8.87 S	17.95 E	33.06002475 N	103.74692919 W	20.02@	116.28	0.00
6190.00	0.64	329.20	6189.48	155.00	8.15	8.04 S	16.62 E	33.06002704 N	103.74693353 W	18.46@	115.81	0.38
** TIED INTO NAVIGATE ENERGY SERVICES MWD SURVEYS AT 6367' MD.												
6367.00	0.41	304.45	6366.47	177.00	6.94	6.83 S	15.59 E	33.06003038 N	103.74693686 W	17.02@	113.66	0.18
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.												
6527.00	0.79	292.24	6526.46	160.00	6.19	6.09 S	14.10 E	33.06003244 N	103.74694172 W	15.36@	113.36	0.25
6620.00	0.44	293.01	6619.46	93.00	5.80	5.71 S	13.17 E	33.06003350 N	103.74694472 W	14.36@	113.42	0.38
6713.00	0.79	299.32	6712.45	93.00	5.34	5.25 S	12.29 E	33.06003476 N	103.74694761 W	13.36@	113.15	0.38
6900.00	0.35	265.27	6899.44	187.00	4.74	4.67 S	10.59 E	33.06003640 N	103.74695313 W	11.58@	113.78	0.29
7087.00	0.53	304.36	7086.44	187.00	4.29	4.23 S	9.31 E	33.06003763 N	103.74695731 W	10.23@	114.42	0.18
7273.00	0.35	312.31	7272.43	186.00	3.42	3.36 S	8.18 E	33.06004003 N	103.74696098 W	8.84@	112.33	0.10
7429.00	0.35	277.20	7428.43	156.00	3.03	2.98 S	7.36 E	33.06004109 N	103.74696367 W	7.94@	112.05	0.13
7615.00	0.26	325.36	7614.43	186.00	2.61	2.56 S	6.55 E	33.06004225 N	103.74696628 W	7.03@	111.35	0.14
7802.00	0.09	317.49	7801.42	187.00	2.15	2.10 S	6.21 E	33.06004351 N	103.74696738 W	6.56@	108.71	0.09
7989.00	0.18	170.23	7988.42	187.00	2.33	2.28 S	6.16 E	33.06004302 N	103.74696755 W	6.57@	110.34	0.14
8176.00	0.09	267.62	8175.42	187.00	2.62	2.58 S	6.07 E	33.06004221 N	103.74696787 W	6.59@	113.05	0.11
8332.00	0.09	79.94	8331.42	156.00	2.61	2.56 S	6.06 E	33.06004225 N	103.74696788 W	6.58@	112.92	0.12
8517.00	0.35	126.76	8516.42	185.00	2.92	2.88 S	6.66 E	33.06004138 N	103.74696594 W	7.25@	113.36	0.16
8704.00	0.44	120.74	8703.42	187.00	3.64	3.59 S	7.73 E	33.06003942 N	103.74696244 W	8.52@	114.87	0.05
8891.00	0.62	286.06	8890.41	187.00	3.72	3.67 S	7.38 E	33.06003918 N	103.74696360 W	8.24@	116.46	0.56
9046.00	0.62	298.32	9045.41	155.00	3.08	3.04 S	5.83 E	33.06004094 N	103.74696863 W	6.58@	117.54	0.09
9153.00	0.62	286.85	9152.40	107.00	2.63	2.60 S	4.77 E	33.06004217 N	103.74697210 W	5.43@	118.59	0.12

PathFinder Energy Services, Inc.

Survey Report

MACK ENERGY CORPORATION
KITE STATE #1
LEA COUNTY, NEW MEXICO
RIG:SILVER OAK 7

Page 03/05

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Survey Latitude (deg)	Survey Longitude (deg)	Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
9168.00	0.62	303.92	9167.40	15.00	2.56	2.53 S	4.63 E	33.06004236 N	103.74697257 W	5.27@	118.69	1.23
9200.00	0.70	254.14	9199.40	32.00	2.52	2.49 S	4.29 E	33.06004248 N	103.74697365 W	4.96@	120.09	1.75
9230.00	2.73	203.46	9229.38	30.00	3.22	3.19 S	3.83 E	33.06004055 N	103.74697517 W	4.99@	129.80	7.83
9261.00	5.45	197.19	9260.30	31.00	5.30	5.28 S	3.10 E	33.06003484 N	103.74697758 W	6.12@	149.54	8.88
9292.00	10.38	192.32	9291.00	31.00	9.43	9.42 S	2.07 E	33.06002348 N	103.74698103 W	9.64@	167.59	16.04
9323.00	14.60	188.03	9321.26	31.00	16.02	16.02 S	0.93 E	33.06000536 N	103.74698487 W	16.04@	176.67	13.93
9355.00	18.47	186.20	9351.93	32.00	25.05	25.05 S	0.18 W	33.05998054 N	103.74698867 W	25.05@	180.41	12.20
9386.00	21.54	184.78	9381.05	31.00	35.60	35.61 S	1.19 W	33.05995154 N	103.74699214 W	35.63@	181.91	10.03
9417.00	24.71	182.94	9409.56	31.00	47.74	47.75 S	1.99 W	33.05991817 N	103.74699499 W	47.79@	182.39	10.49
9448.00	27.35	182.19	9437.41	31.00	61.32	61.34 S	2.60 W	33.05988083 N	103.74699721 W	61.40@	182.42	8.58
9479.00	30.34	182.96	9464.56	31.00	76.26	76.28 S	3.27 W	33.05983979 N	103.74699969 W	76.35@	182.46	9.72
9510.00	32.98	181.53	9490.95	31.00	92.51	92.54 S	3.90 W	33.05979511 N	103.74700204 W	92.62@	182.42	8.85
9542.00	35.35	177.93	9517.43	32.00	110.47	110.50 S	3.80 W	33.05974574 N	103.74700204 W	110.56@	181.97	9.73
9573.00	38.43	176.34	9542.22	31.00	129.06	129.08 S	2.86 W	33.05969466 N	103.74699931 W	129.11@	181.27	10.40
9678.00	49.48	173.02	9617.70	105.00	201.52	201.49 S	4.09 E	33.05949553 N	103.74697793 W	201.54@	178.84	10.75
9709.00	51.93	172.19	9637.33	31.00	225.33	225.28 S	7.18 E	33.05943010 N	103.74696828 W	225.40@	178.17	8.17
9741.00	55.56	171.34	9656.25	32.00	250.89	250.82 S	10.88 E	33.05935986 N	103.74695667 W	251.05@	177.52	11.54
9765.00	59.50	171.53	9669.13	24.00	270.92	270.83 S	13.90 E	33.05930480 N	103.74694719 W	271.19@	177.06	16.43
9804.00	65.63	172.70	9687.10	39.00	305.23	305.10 S	18.63 E	33.05921053 N	103.74693236 W	305.67@	176.50	15.94
9836.00	70.92	173.80	9698.94	32.00	334.76	334.61 S	22.12 E	33.05912937 N	103.74692152 W	335.34@	176.22	16.84
9868.00	74.80	174.38	9708.36	32.00	365.19	365.03 S	25.27 E	33.05904574 N	103.74691180 W	365.90@	176.04	12.25
9900.00	75.42	174.10	9716.59	32.00	395.98	395.79 S	28.37 E	33.05896112 N	103.74690223 W	396.81@	175.90	2.11
9931.00	76.69	172.69	9724.06	31.00	425.89	425.68 S	31.83 E	33.05887893 N	103.74689148 W	426.87@	175.72	6.02
9963.00	79.14	171.40	9730.76	32.00	456.91	456.67 S	36.17 E	33.05879370 N	103.74687791 W	458.10@	175.47	8.61
9994.00	83.89	173.14	9735.33	31.00	487.31	487.04 S	40.29 E	33.05871016 N	103.74686501 W	488.70@	175.27	16.30
10026.00	88.21	174.92	9737.53	32.00	519.07	518.78 S	43.60 E	33.05862286 N	103.74685476 W	520.61@	175.20	14.60

PathFinder Energy Services, Inc.

Survey Report

MACK ENERGY CORPORATION
KITE STATE #1
LEA COUNTY, NEW MEXICO
RIG:SILVER OAK 7

Page 04/05

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Survey Latitude (deg)	Survey Longitude (deg)	Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
10058.00	89.16	176.43	9738.27	32.00	550.99	550.68 S	46.02 E	33.05853515 N	103.74684747 W	552.60@	175.22	5.57
10090.00	88.83	177.10	9738.83	32.00	582.94	582.62 S	47.82 E	33.05844733 N	103.74684216 W	584.58@	175.31	2.33
10122.00	88.71	177.28	9739.52	32.00	614.91	614.58 S	49.39 E	33.05835948 N	103.74683762 W	616.56@	175.41	0.68
10154.00	88.43	176.98	9740.32	32.00	646.87	646.53 S	50.99 E	33.05827164 N	103.74683298 W	648.54@	175.49	1.28
10186.00	88.04	178.26	9741.30	32.00	678.83	678.48 S	52.32 E	33.05818379 N	103.74682922 W	680.50@	175.59	4.18
10217.00	87.48	178.45	9742.51	31.00	709.80	709.45 S	53.21 E	33.05809867 N	103.74682689 W	711.44@	175.71	1.91
10249.00	87.31	178.94	9743.97	32.00	741.76	741.41 S	53.94 E	33.05801082 N	103.74682509 W	743.37@	175.84	1.62
10281.00	88.27	179.64	9745.20	32.00	773.74	773.38 S	54.33 E	33.05792294 N	103.74682438 W	775.29@	175.98	3.71
10313.00	88.94	180.23	9745.98	32.00	805.73	805.37 S	54.37 E	33.05783501 N	103.74682485 W	807.20@	176.14	2.79
10345.00	88.93	180.30	9746.58	32.00	837.72	837.36 S	54.22 E	33.05774708 N	103.74682591 W	839.12@	176.30	0.22
10377.00	89.78	180.56	9746.94	32.00	869.72	869.36 S	53.98 E	33.05765914 N	103.74682728 W	871.03@	176.45	2.78
10408.00	90.34	181.21	9746.90	31.00	900.71	900.36 S	53.50 E	33.05757396 N	103.74682941 W	901.94@	176.60	2.77
10440.00	90.39	181.48	9746.70	32.00	932.69	932.35 S	52.75 E	33.05748604 N	103.74683244 W	933.84@	176.76	0.86
10472.00	90.28	181.62	9746.51	32.00	964.67	964.33 S	51.89 E	33.05739814 N	103.74683585 W	965.73@	176.92	0.56
10504.00	90.22	181.63	9746.37	32.00	996.65	996.32 S	50.98 E	33.05731024 N	103.74683939 W	997.62@	177.07	0.19
10533.00	90.57	181.91	9746.17	29.00	1025.63	1025.31 S	50.08 E	33.05723058 N	103.74684285 W	1026.53@	177.20	1.55
10564.00	90.75	181.87	9745.82	31.00	1056.60	1056.29 S	49.06 E	33.05714545 N	103.74684675 W	1057.43@	177.34	0.60
10596.00	90.75	181.80	9745.40	32.00	1088.58	1088.27 S	48.04 E	33.05705757 N	103.74685067 W	1089.33@	177.47	0.22
10628.00	90.75	182.20	9744.98	32.00	1120.55	1120.25 S	46.92 E	33.05696969 N	103.74685490 W	1121.23@	177.60	1.25
10660.00	90.57	181.82	9744.61	32.00	1152.52	1152.22 S	45.80 E	33.05688182 N	103.74685915 W	1153.13@	177.72	1.31
10692.00	90.75	182.32	9744.24	32.00	1184.48	1184.20 S	44.64 E	33.05679395 N	103.74686350 W	1185.04@	177.84	1.66
10723.00	90.75	182.72	9743.83	31.00	1215.44	1215.17 S	43.28 E	33.05670886 N	103.74686851 W	1215.94@	177.96	1.29
STRAIGHT LINE PROJECTION TO BIT AT 10826' MD.												
10826.00	90.75	182.72	9742.49	103.00	1318.28	1318.04 S	38.39 E	33.05642618 N	103.74688634 W	1318.60@	178.33	0.00

PathFinder Energy Services, Inc.

Survey Report

MACK ENERGY CORPORATION
KITE STATE #1
LEA COUNTY, NEW MEXICO
RIG:SILVER OAK 7

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**** The survey data at tie-in point was furnished by a recognized survey company and entered as submitted. Survey stations above the tie-in point represent recalculated data by PathFinder Energy Services, Inc. and may reflect minor changes due to rounding differences between survey programs. Only survey stations taken by qualified PathFinder personnel are subject to certification.**