

LCX ENERGY, LLC

DAILY COST

WELL: FED COM 1725 # 61

AFE# LCX D5023 API # 30-015-34340

Date: 11/12/2005

Days since spud: 36

INTANGIBLE DRILLING COST		DC; ICC	Daily	Total
Survey, Permits & Professional Fees		6.43		
Surface Damages		6.06		
Road & Location Dirtwork BOB CAT		6.07		
Rig (Dayrate, etc.)	BIG DOG DRILLING	6.11	12,500	450,000
Drilling Daywork		6.13		
Rig Mobilization		6.40		28,668
Pulling Unit		7.39		
DRILLING CHEMICALS	CORROSION \$84.55	7.30		3,577
Fuel & Lubricants		6.39		57,052
DRILLING MUD FLUIDS	BUCK EYE	6.12		57,191
Bits, Stabilizers & Reamers		6.06		43,533
Directional Service		142595	6.53	179,655
Casing Crews & Equipment	LEWIS CSQ. & LD. MACHINE	6.01; 7.03	8,436	4,715
Equipment Rental SET UP CHARGE		6.20; 7.12		2,775
Waterwell, Pump & Line	ROCK HOUSE LLC. WATER LINE / .85 BBL X14,868 BBL	6.47		12,468
Water Transport		6.48; 7.17		47,864
Cement Service	5 1/2 CSQ. CMT.	6.02	43,910	45,620
Misc. supply's & materials		6.54		
Coring & Core Analysis		6.05		
Geological Services		6.24		
Mud Logging	QUALITY MUD LOGGING	6.33		25,250
Open Hole Log Service & SURVEY		6.34		21,588
Cased Hole Log Service		7.38		
Perforating		6.35; 7.35		
Acid Stimulation		7.01		
Frac Stimulation		7.16		
Pump Truck & Nitrogen Service		7.19		
Transportation HOT SHOT		6.32; 7.32		12,801
Contract Labor & Welding & MISS	WELL HEAD TECH.	6.04; 7.07	1,375	32,227
Tubular Inspection	DC, INSP.	6.48; 7.34	1,300	3,200
Engineering & Wellsite Supervision	SIERRA ENGINEERING	6.18; 7.10	900	30,600
Abandonment		6.55		
SURFACE RENTAL	PASON, LRV QT, FL, WATER T, SOWE, SAT, TRASH, PH	6.56	1,287	13,291
		Subtotal:	69,708	1,493,075
LEASE & WELL EQUIPMENT				
Tubulars:	Size/Wt/Grade/Thd	Footage	Price	
Conductor Pipe			ft @ \$ 3.03 per ft	
Surface Casing	13.3/8, 45, H40, ST&C	393	ft @ \$ 28.00 per ft	11,004
Intermediate Casing	9.5/8, 155, 38#, ST&C	1,297	ft @ \$ 22.80 per ft	29,312
Drilling / Protection Liner / Tieback			ft @ \$ 4.4 per ft	
Production Casing BOTTOM	5.5-17 1/2-P110-BTC	4,273	ft @ \$ 16.00 per ft	68,384
Production CSG TOP	5.5-17 1/2-N80-LT&C	4,375	ft @ \$ 14.00 per ft	60,746
Production Tubing			ft @ \$ 4.33 per ft	
Wellhead Equipment: Casing spools	7 1/16 TBQ. WELL HEAD J&W, PARTS-SUPPL		3.09; 4.36	4,356
Flowing Tree	LABOR ON WELL HEAD FOR J&W		4.36	1,300
Pumping Hookup			4.36	
Liner Hanger, Packer & Tubing Anchor			4.17; 4.20	
Cementing & Float equipment	5 1/2 PROD. CMT.		3.01; 4.41	43,910
WELDING MATERIALS				
WILDCAT 1"CEM, PIPE, RENTAL				
MUD ENGINEERING	BUCKEYE MUD DAYS X 216.45 MUD ENG, MUD 1 LOAD			3,038
				338,144
		Grand Total:	176	1,218,762

Daily Rentals:

Item(s)	Vendor	Cost
MOB HOUSE, W/TANK, GEN, SEWER, SAT, SAT, PVT, STY,	FRONTIER DDR MOB HOUSE	180.00
MOB HOUSE, W/TANK, SEWER, SAT,	PASON ADD M.L & DDR \$100.	370.00
FORK LIFT \$ 75.00 & LIGHT TOWER \$ 110.00	FRONTIER	105.00
INTERCOM'S	BES & LIGHT TOWER	185.00
	CHAPMAN, SAFETY INT	40.00
SEWER, SYT \$ 115.00 & TRASH TRI \$25.00	LENCO	140.00
AUTO DRILLING EQUIPMENT, J&W WARE RING \$35 A DAY	AUTO DRILL - J&W	120.00
		Total: 1,104.00

AUTO START
\$85.00/DAY 10-24-05

NMOCD CASE NO. 13628
MARCH 2, 2006
LCX ENERGY, LLC
EXHIBIT NO. 8

LCX Energy, LLC.
DAILY DRILLING REPORT

WELL: FED COM 1725 # 81	DATE: NOV 12/05	COST	DAY	CUM
RIG NAME: BIG DOG # 2	SPUD DATE: October 7, 2005	Drilling	69,708	1,493,075
DEPTH (MD): 8,618	DAYS SINCE SPUD: 36	Completion		
PROGRESS:		Mud + DRILLING		57,191
PRES. OP. RIG DOWN	SUPERVISOR: MIKE STEWARD	CHEMIC/PIPE		\$3,577

[illegible]

MUD DATA		HYDRAULICS		BIT RECORD					
TIME				BIT # (R or RR if re-run)					
MUD TYPE				SIZE					
WEIGHT				MFQ.					
VIS (SEC)				TYPE					
PV/VP				IADC CODE					
GELS			MUD MIXED	SERIAL # (RR if re-run)					
WATER LOSS				DEPTH IN					
CAKE				DEPTH OUT					
TS/LGS %				JETS					
HGS/SAND %				WOB (min max)					
O/W RATIO				RPM (rot/motor or min max)					
OIL %				FOOTAGE (Daily Cum)					
LCM #				ROT. HOURS (Daily Cum)					
PHVES				ROP (Daily Cum)					
PM				Motor Circ. Hrs (Daily Cum)					
PF/MF									
CL (PPM)									
CA (PPM)				BIT GRADING					
SOLIDS %			DRILL STRING	Bit In O Dull Loc. Bearing Gauge Other Reason					
SAND %			Pick-up Wt	# 0 BT Ch.					
DEPTH			Rotating Wt	8 2 1 N A 2 1 N T.D.					
DATE			Sick-off Wt	Remarks:					
			Torque						

BHA & DRILL STRING / CASING DETAIL								Last BHA Insp'n (Hrs):	
Description	Jts #	Length (feet)	OD (Inches)	ID (Inches)	Weight (lb/ft)	Grade	Connection BOTM(Size & Thread)/TOP	BHA Buoy. Wt:	
SURFACE CSG	9	390	13.378	12.715	48	H40	ST&C	Wt. Below Jars:	
INTERMEDIATE CSG	30	1294	10.1	8.921	36	J85	LT&C		
PROD. LONG STRING		4277.42	5.5	4.892	17	P110	BTC		
1 X CROSS OVER		4.18	5.5	4.892	17	L80	LT&C		
PROD. LONG STRING BIT		433.57							

MUD PUMPS	1	1
PUMP PRESSURE		N/A
SPM		
LINER SIZE		
STROKE LENGTH		
OUTPUT (gal/stk)		
OUTPUT (gpm)		
SPR & PRESSURE		

[illegible]

Notes/ Next 24 hrs.	R.D.M.O.R.
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LCX Energy, LLC.
Casing and Cementing Detail

Well: 1725 Fed. Com. #81			AFE #:	
Casing Size: 9.5/8	Drillers TD:	1296	Previous Casing:	13.3/8
Date: 10/10/2005	Loggers TD:	N/A	Depth Set:	391
Rig: BIG DOG #2	Rig KB Height:	17	Hole Size:	17.5

CASING DETAIL						Casing Crew Company:		ALLENS	
Items	Description / OD	Weight	Grade	Thread	Condition	ID	Length	Depth (top, RCB)	
							Bottom		
1	TEXAS SHOE 9.5/8	36	H40	LT&C	NEW	8.921	1.20		1,296.00
1	CSG 9.5/8 CSG	36	J55	LT&C	NEW	8.921	43.02		1,254.78
1	WEATHERFORD 9.5/8 FIC	36	J55	LT&C	NEW	8.921	1.80		1,249.96
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		1,207.00
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.99		1,184.01
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	43.62		1,120.39
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.70		1,077.69
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.99		1,034.70
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		991.72
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		948.74
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		905.76
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.97		862.78
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		819.81
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	43.63		776.18
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	43.57		732.61
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		689.63
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	43.60		646.03
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		603.05
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	43.60		559.45
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		516.47
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.97		473.50
1	CSG 9.5/8	36	J55	LT&C	NEW	8.921	42.98		430.52
10	CSG 9.5/8	36	J55	LT&C	NEW	8.921	431.16		-0.64
Total:							1,296.64		
Above Rotary Table: (-)							0.64		
DP/Setting Tool/Landing Joints (if used): (+)									
Setting Depth:							1,296.00		

CASING INVENTORY / MATERIAL TRANSFER					REMARKS
DELIVERED	IN HOLE	RETURNED	VARIANCE		
Footage: 1,336.64	1,296.64		40		
Joints: 31			30,208.64		
Trucking Co. AHI			Returned Pipe Destination:		

CEMENTING AIDS & CENTRALIZERS								Float Equip. Co.: WEATHERFORD GEM CO			
Depth	Type	Depth	Type	Depth	Type	Depth	Type	Depth	Type	Depth	Type
1,273.00	B	905	B								
1,164.00	B										
1,077.00	B										
991.00	B										

OPERATIONS PRIOR TO CEMENTING										Mud Company:	
Circulating Time:		Circ. Rate:		Circ. Pressure:		Mud Type:		Hook Load:	70,000		
Mud Properties:	MW: 8.6	FV: 29	WL:	PV/YP:	Gels:	Solids:	Oil %:	pH:	10	Ca2+:	
										Slack Off Wt:	65,000

STAGE #1

CEMENTING FLUIDS						Cementing Company:		Schlumberger (Artesia)		
VOLUME			Fluid & Slurry Additives			Density	Yield	Mix Water	Rate	Pressure
Sx	Bbls	CuFt	Wash / Spacer / Cement Slurry / Displacement			(ppg)	(cu ft)	(gallak)	(bpm)	(psi)
20			FRESH WATER GEL SPACER			8.33			7	110
650	188	1,053	LEAD CEM. SLURRY R/C (10-2-A)+8PPS D24 +0.25% D24			14.2	1.52	7.4	7	105
300	71	396	TAIL CEM. SLURRY CLASS C-D903+2% S1			14.8	1.32	6.32	7	90
	86.67		DISP WITH FRESH WATER			8.33			7-1.8	150-700
500	145	810	CIRC LEAD CEM SLURRY TO PIT			14.2	1.52	7.4	7-8	300

CEMENTING OPERATIONS									
Bottom Plug:	N	Displ. Fluid:	F-W	Cement Returns:	Y	Total Placement Time:	1 HR 11MIN	Other:	
Top Plug:	Y	Displ. Pressure:	150	Pipe Movement:		Cmt Thickening Time:	6-7 HR		
Calc. Displ.:		Bump Plug To:	700	Est. TOC:	SURFACE	Start Time:	4:49AM		
Actual Displ.:	98.67	Floets Held?	Y	TOC Method:	CIRC	End Time:	6:00AM		
Remarks:	(be sure to comment on any lost / partial returns while cementing)								

STAGE #2

CEMENTING FLUIDS						Density	Yield	Mix Water	Rate	Pressure
Sx	Bbls	CuFt	Wash / Spacer / Cement Slurry / Displacement			(ppg)	(cu ft/bbl)	(gal/bbl)	(bpm)	(psi)

CEMENTING OPERATIONS									
Bottom Plug:		Displ. Fluid:		Cement Returns:		Total Placement Time:	1 HR 11MIN	Other:	
Top Plug:		Displ. Pressure:		Pipe Movement:		Cmt Thickening Time:	6-7 HR		
Calc. Displ.:		Bump Plug To:		Est. TOC:		Start Time:	4:49AM		
Actual Displ.:		Floets Held?		TOC Method:		Bump Plug Time:	6:00		
Remarks:	(be sure to comment on any lost / partial returns while cementing)								

POST CEMENTING OPERATIONS					Wellhead Company:	
Casing Weight:	36	Next Wellhead Section:	11' 3M		WOC Time:	12 HR+
Weight On Hanger:	50,000	Test Pressure:	1,500		Drill-out Fluid:	F-W
Hung in (spool):	13-5/8 3M				Depth Cement Tagged:	1296
Wellhead Profile:					Casing Test (MW / psi):	1500
Remarks:					Shoe Test (MW / psi):	1500

Operator's Representative:	MARK LIPNER	Date:	12-Oct-05
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Drilling Report

Spud Date 10-7-05

Date 11-12-05

Well FED. Com. 1725 #61

Operator LCK ENERGY LLC

Report # 37	Prop TD 8112	County Eddy	State NM	Rig Big Dog # 2	AFE #
Depth 8112	OL	Co Supv M. STWARD	Phone 806-209-0019	Rig Supv P. STWARD	AFE-CH
TVD 9898	KB 17	Phone	806-209-0019	Phone 664-8941	AFE-Test
Footage	RVH	Lithology	Rig Supv L. DON	Phone 664-8945	AFE-Comp
Present Operations / Executive Summary				Phone	AFE-Total
Rigging & DASH				Working Int	Net Int

Mud Type FW	MW	Mud Engineer EDD	Via	YP	Col. Input	Col. 10 min	Mud Company BUCKEYE	Colts	Wt.	Solids	% Oil	% Water	Mud Losses
PH	PM	PI	MR	CL	CA	LCM	Washout	Wet Vol	Hole Vol	Ph Vol	Grated Vol	Nin to Bit	Burns Up / Full Circ

Drill Pipe & Collars (top to bottom)						Casing										
Size	Length	Size	WT	ID	Type	Grade	Ann Vol	Size	Length	Top (ft)	Bottom (ft)	Size (TVD)	WT	Grade	TOC	Shoe Test
								1 3/8	389	389	48	48	48	48	48	48
								4 1/2	1294	1294	30	30	30	30	30	30
								5 1/2	8617	8617	17	17	17	17	17	17

BHA #	Length	Weight	Description

BH	In	Out	Size	Mfg	Type	Serial #	Jobs / TFA	RPM	WOB	BHA Eff	Feet	Hours	FTHr	BRP

Bit	Grade	#	Depth	Inner	Outer	Dull Characteristics	Location	Beartips/Seals	Gauge	Other Dull Characteristics	Reason Pulled

String	Hook Load	Drag Up (+)	Drag Down (-)	Max Allowed	Torque	Gas	Exd Gas / Corin Gas	Thst Gas	Max Gas	Max Gas @
	80000	5 1/2	455	512						

Pumps	Model	PSI	GPM	Flow	SPM	EH	QPS	GPM	SPR	Depth	Angle	Direction	TVD	N/S	E/W	Dog Leg
	6-1	9	7	95	4.5					8580	90.3	176.7				
	6-2	16	5 1/2	85	6.01											

Start	End	Hrs	Code	Daily Operations
6:00	8:30	2 1/2	12	Run 5 1/2 Csg (203 JTS) To 8617
8:30	9:30	1	5	R/U CMT 4 CIRC.
9:30	10:00	1/2	12	TEST LINES 5000'
10:00	12:00	2	12	CMT Csg Plug Down @ 11:15 NM - 11:15 TVL CIRC 455K
12:00	3:00	4	14	NIPPLE DOWN
3:00	7:00	4	21	REMOVE WEAR RING, SRT SLIPS, N/U TGG HEAD, TEST 1200'
7:00	11:00	4	22	CLEAN PITS
11:00	6:00	7	1	R/D

Set 50,000 Csg slips

2-short
1-Double

