



Morning Report

Report Date: 7/22/2006

Report #: 5.0

DOOR BIW STATE #1Y

Day # 0

Action: DEVIATED Original Hole 7/22/2006 5:59:00 1D/1S Schematic Actual		API/UWI 3002538016	County LEA	State NEW MEXICO	Surface Legal Location SEC 1/TWN 16S/RNG 35E/UNT 1			
North/South Distance (ft) 2,310.0		N/S Ref FSL		East/West Distance (ft) 610.0		SW Ref FEL	Ground Elevation (ft) 3,965.00	Original KB Elevation (ft) 3,985.00
Target Depth (ftKB) 11,692.0		Target Formation ATOKA			Drill Hrs (hrs) 1,060.75		AFE Number	Total AFE Amount
Day No. 0		Report End Date 7/22/2006 05:59		Formation at Report Time		Lithology		Present Operations Move in rotary tools
Depth End (ftKB)		Depth Start (ftKB)		Depth Progress (ft)		Drilling Hours (hrs)		Average ROP (ft/hr)
Avg Background Gas (unit)		Max Background Gas (unit)		Avg Connection Gas (unit)		Max Connection Gas (unit)		
Avg Trip Gas (unit)		Max Trip Gas (unit)		Flare				
Daily Cost Total		Cum Cost To Date		Daily Mud Cost		Mud Additive Cost To Date		
Mud Checks								
Weight (lb/gal)		Chlorides (ppm)		Calcium (ppm)		Solids (%)		LCM
Funnel Viscosity (s/qt)		PV (cp)		YP (lb/100ft ²)		Gel 10 sec (lb/100ft ²)		Gel 10 min (lb/100ft ²) pH
Water Loss (mL/30min)		Filter Cake (in/30")		KCI (%)		Percent Oil (%)		
Daily Contacts								
Job Contact MIKE LARKIN, DRILLING FOREMAN				Company YATES		Phone Mobile 505-703-1220		
Job Contact JIM KROGMAN, DRLG SUPERINTENDENT				Company YATES		Phone Mobile 505-385-8340		
Job Contact D. DOOLITTLE, TOOLPUSHER				Company PATTERSON		Phone Mobile 806-893-1810		
Time Log								
Start Time		End Time		Time Code		Depth Start (ftKB)		Depth End (ftKB)
06:00		12:00		18:00		12:00		Move in rotary tools
								SKID RIG 50 FT. TO THE EAST.
Rigs								
Rig Contractor PATTERSON UTI DRILLING CO. LP.				Rig Number 497		Rig Type Drilling - Triple		
Mud Pumps								
No. 2		Start Date 7/17/2006		Make Gardner Denver		Model PZ 8		Pwr (hp) 750.0
								Rod Dia (in) 2 1/2
Mud Pumps								
No. 1		Start Date 7/17/2006		Make Gardner Denver		Model PZ 8		Pwr (hp) 750.0
								Rod Dia (in) 2 1/2
Casing Strings								
Casing Description Conductor				Run Date 7/20/2006		Depth Cut Pull (in)		Set Depth (ftKB)
						20.0		60.0
						20		ID (in) 19.124

NMOCC CASE NO. 13686

JANUARY 11, 2007

DKD, LLC

EXHIBIT NO. _____