

YATES PETROLEUM CORPORATION  
CHRONOLOGICAL DRILLING REPORT  
Door "BIW" State #1  
Unit I  
1-16S-35E  
Lea County, New Mexico

Location: 2310' FSL & 660' FEL of Section 1-16S-35E,  
Lea County, New Mexico. API NO.: 30-025-37843.  
Elevation: 3966' GR. PTD: 11,692' Strawn. Drilling  
Contractor: Pat/Uti #497.

4-28-06 Prep to spud on 5-1-06 with Butch's Rathole Service.  
Wait on One Call ticket, #2006182389.  
4-29/5-1-06 Prep to spud with Butch's Rathole Service on 5-1-06.  
Waiting on One Call.  
5-2-06 TD 10'. Stand by. Spudded at 9:45 AM 5-1-06 with  
Butch's Rathole Service. Hole size 12.25". Notified  
Sylvia Dickey with Hobbs OCD via e-mail. Wait on One  
Call ticket #2006182389  
5-3-06 TD 10'. Stand by.  
5-4-18-06 Stand by.  
5-19-06 TD 10'. Stand by. Prep to make 5' of new hole with  
Butch's Rathole Service.  
5-20-06 TD 15'. Stand by. Made 5' of new hole at 9:30 AM 5-  
19-06 with Butch's Rathole Service. Hole size 12.25".  
Notified Sylvia Dickey with Hobbs OCD via e-mail.  
5-21-22-06 TD 15'. Stand by.  
5-31-06 TD 15'. Waiting on One Call, ticket #2006182389.  
6-1-06 TD 15'. Building location. Notified Sylvia Dickey  
with Hobbs OCD on the intent to construct road, pad and  
reserve pit.  
6-2-6-06 TD 15'. Building location.  
6-7-06 TD 40'. Stand by. Made 25' of hole at 11:25 AM 6-6-06  
with Butch's Rathole Service. Set 40' of 20" conductor  
and redi-mix. Notified Sylvia Dickey with Hobbs OCD.  
6-8-06 TD 40'. Moving in rotary tools.  
6-9-06 TD 60' (KB adjustment). Moving in rotary tools.  
6-10-06 TD 430' surface. Circulate casing. Made 370' in 6-1/4  
hours, 59.2'/hr. MW 9.3, Vis 34, pH 10. Rigged up.  
Spudded 17-1/2" hole at 5:15 PM 6-9-06. Notified  
Sylvia Dickey with NMOCD of spud time. Survey 204' ¼  
deg. Drill to 430'. TD 17-1/2" hole at 11:45 PM 6-9-  
06. Survey 388' 1 deg. TOH. Ran 10 joints 13-3/8"  
casing set at 430' as follows: 9 jts 13-3/8" 48# H-40  
(390.93'). Insert float set at 385.3'. Ran 1 jt 13-  
3/8" 48# H-40 (43.37'). Texas Pattern guide shoe set  
430'. Rig up Halliburton. Wash 15' to bottom and  
circulate. [REDACTED]  
6-11-06 TD 430' surface. TIH. Cemented with Halliburton with  
lead 270 sxs Class Premium Plus (yld 1.35, wt 14.8) and  
tail with 200 sxs Class Premium Plus (yld 1.35, wt  
14.8). PD 7:15 AM 6-10-06. Circulated 21 sacks to  
pit. WOC. Tested wellhead to 400#. Nipple up/nipple  
down BOP stacks. Tested BOP to 500# for 30 mins. TIH,  
pick up BHA. [REDACTED]  
6-12-06 TD 1831' redbed. TOH. Made 1401' in 15-1/4 hours,  
91.9'/hr. MW 8.6, Vis 32, pH 10. Tagged cement at  
385'. Tested casing to 600# for 30 mins. Drill cement  
and/or float equipment. Resumed drilling at 8:30 AM 6-  
11-06. Survey 831' ¼ deg. Drill to 1343'. Survey  
1297' ¼ deg. Drill to 1800'. Survey 1758' 1 deg.  
Drill to 1831'. Bit torqued up in tight hole making a  
connection, backed out 6 joints down. Screwed back  
into fish and start out of hole. TOH with extremely

NMOCC CASE NO. 13686  
JANUARY 11, 2007  
DKD, LLC  
EXHIBIT NO. \_\_\_\_

DR

Page 2:

Yates Petroleum - Door "BIW" State #1 (Unit I) 1-16S-35E Lea Co., NM

\*\*\*\*\*

tight pipe. [REDACTED]

6-13-06 TD 1831' redbed. Trip check drill collars. TOH with very tight DP. Rec 9 6-1/4" drill collars. Wait on fishing tools. Pick up screw-in sub, jars and accelerator. TIH. Pick up 20 jts drill pipe and wash 50' to fish. Top of fish at 1330'. Screw into fish and jar. TOH - tight hole. Trip check drill collars - at report time 3 bad 8" drill collars and 1 shock tool. [REDACTED]

6-14-06 Drilling 2240' anhydrite and salt. Made 409' in 14-1/4 hours, 28.7'/hr. MW 9.8, Vis 32, Cl 155,000, PV 5, Calcium 1200, YP 6, Solids 4%, pH 10.5. Trip check drill collars. Pick up 7 6-1/4" drill collars and lay down 16 jts of bent drill pipe. TIH. Ream 1278-1354'. TIH. Ream 1786-1831'. Drill to 2033'. Survey 1987' 1/2 deg. Drill to 2240'. [REDACTED]

6-15-06 Drilling 3125' anhydrite and salt. Made 885' in 22-3/4 hours, 38.9'/hr. MW 10.3, Vis 33, Cl 160,000, PV 6, Calcium 2000, pH 10.5. Drill to 2278'. Service rig. Survey 2234' 1/2 deg. Drill to 2523'. Survey 2479' 1/2 deg. Drill to 2766'. Survey 2720' 1/2 deg. Drill to 3012'. Survey 2966' 1 deg. Drill to 3125'. DC [REDACTED]

6-16-06 Drilling 3525' anhydrite. Made 400' in 22-3/4 hours, 17.6'/hr. MW 10.15, Vis 32, Cl 180,000, PV 4, Calcium 2500, pH 10.5. Drill to 3257'. Service rig. Survey 3213' 1 deg. Drill to 3503'. Survey 3457' 1 deg. Drill to 3525'. [REDACTED]

6-17-06 Drilling 3961' anhydrite. Made 436' in 23.25 hours, 18.8'/hr. MW 10.1, Vis 32, Cl 180,000, PV 5, YP 7, Calcium 2400, solids 3.3, Gels 3/7, Oil 4%, pH 10.5. WOB 60, RPM 70. Drilled to 3653'. Service rig. Drilled to 3745'. Survey 3701' 1/2 deg. Drilled to 3961'. [REDACTED]

6-18-06 Drilling 4193' anhydrite. Made 232' in 23.5 hours, 9.9'/hr. MW 10.1, Vis 33, Cl 181,000, PV 4, YP 7, Solids 2.5, Gels 4/9, pH 10.5, Oil 3.5%. WOB 65, RPM 70, SPM 100/60, PP 1300/400#. Drilled to 3992'. Service rig. Survey 2948' 1/2 deg. Drilled to 4193'. [REDACTED]

6-19-06 Drilling 4420' dolomite. Made 227' in 23.25 hours, 9.8'/hr. MW 10.4, Vis 32, Cl 180,000, PV 4, YP 8, Solids 3.5, Gels 5/10, Oil 3%, pH 10.5. WOB 65, RPM 70, SPM 60/105, PP 400/1300#. Drilled to 4207'. Service rig. Drilled to 4237'. Survey 4193' 1-1/4 deg. Drilled to 4420'. [REDACTED]

6-20-06 Drilling 4680' dolomite. Made 260' in 22.5 hours, 11.6'/hr. MW 10.4, Vis 34, Cl 182,000, PV 5, YP 9, Solids 4.5%, Gels 5/10, Oil 6%, pH 10.5. WOB 65, RPM 70, SPM 105/60, PP 1325/400#. Drilled to 4484'. Service rig. Survey 4440' 1-1/4 deg. Drilled to 4575'. Repaired geolograph line. Drilled to 4680'. [REDACTED]

6-21-06 Drilling 4975' dolomite. Made 295' in 22.75 hours, 13'/hr. MW 10.3, Vis 31, Cl 179,000, PV 8, YP 13, Solids 5, Gels 6/14, pH 10, Oil 5.5%. WOB 65, RPM 70. Drilled to 4727'. Service rig and BOP drill. Survey 4683' 3/4 deg. Drilled to 4975'. [REDACTED] CC [REDACTED]

6-22-06 TD 5146' dolomite. Cut and slip drilling line. Made 171' in 12.75 hours, 13.4'/hr. MW 10.2, Vis 32, Cl 178,000, PV 5, YP 9, Solids 3, Gels 4/10, Oil 4.5%, pH 10.5. Drilled to 5005'. BOP drill. Survey 4961' 1-1/2 deg. Drilled to 5146'. TOH for bit #4. Made up bit and TIH with drill collars. [REDACTED]

6-23-06 Drilling 5345' dolomite and anhydrite. Made 199' in 21

DR

Page 3:

Yates Petroleum - Door "BIW" State #1 (Unit I) 1-16S-35E Lea Co., NM

\*\*\*\*\*  
hours, 9.5'/hr. MW 10.2, Vis 32, Cl 181,000, PV 5, YP 7, Solids 3.5, Gels 4/8, Oil 4%, pH 10.5. WOB 60, RPM 70. TIH. Washed to bottom, 40' of fill. Drilled to 5189'. Service rig - BOP drill. Drilled to 5250'. Survey 5208' 3/4 deg. Drilled to 5345'.  
6-24-06 Drilling 5670' anhydrite, limestone and dolomite. Made 325' in 23-1/4 hours, 14'/hr. MW 10.2, Vis 32, Cl 180,000, Solids 3.5%, pH 10.5. Drill to 5372'. Service rig - BOP drill. Drill to 5493'. Survey 5449' 1-1/4 deg. Drill to 5670'.  
6-25-06 TD 5676' anhydrite, lime and dolomite. TIH. Made 85' in 5-3/4 hours, 14.8'/hr. MW 10.2, Vis 32, Cl 187,000, PV 4, pH 10.5. Drill to 5737'. Service rig. Survey 5693' 1-3/4 deg. Drill to 5761'. Twisted off. TOH. Left BHA, 12 8" drill collars, XO and 1 6" DC in hole. Pick up jars, bumper sub and overshot. TIH. Fish - set overshot and latch onto fish. TOH with fish. Lay down cracked DC and fishing tools. Finish TOH and unplug bit. TIH.  
6-26-06 Drilling 6068' anhydrite and dolomite. Made 307' in 21-1/4 hours, 14.4'/hr. MW 10.4, Vis 32, PV 4, pH 10.5, Oil 2%. TIH - pick up 1 DC. Wash 40' to bottom with 30' of fill. Drill to 5828'. Service rig. Drill to 5889'. Survey 5845' 1-1/4 deg. Drill to 6068'. DC  
6-27-06 TD 6257' dolomite. Made 189' in 15-1/2 hours, 12.2'/hr. MW 10.2, Vis 32, Cl 180,000, Solids 3.9%, pH 10.5. Drill to 6133'. Service rig. Survey 6089' 3/4 deg. Drilling break from 6195-6204', flow of 20 GPM. Pump softline and chain out of hole.  
6-28-06 TD 6257'. Flow check. MW 10.3, Vis 33, Cl 180,000, PV 6, Solids 3.9%, pH 10.5. Finish TOH, lay down cracked DC - #11 from top. Lay down BHA. Trip check drill collars - 6 cracked 8" DCs and 1 cracked 6" DC. TIH. Washed 60' to bottom with 7' of fill. Flow check - shut in pipe rams and vent flow through 4" to reserve. NOTE: Hauling water to disposal with 11 trucks and not keeping up. Washed to bottom and when we got bottoms up flow with disposal water hit weighing 9.6+. Have hauled approx 60 load to disposal, 100-150 ppm H2S flowing 15 BPM.  
6-29-06 Drilling 6405' lime. Made 148' in 12-1/2 hours, 11.8'/hr. MW 9.6, Vis 28, Cl 178,000, pH 9. Flow check - vent well to reserve and condition mud in pits. Drill to 6312'. Rig repair - unplug flowline. Drill to 6405'. \*Water flow 15-18 BPM, injector well 1000'.  
6-30-06 Drilling 6654' dolomite. Made 249' in 23-1/2 hours, 10.6'/hr. MW 9.5, Vis 28, Cl 120,000, pH 8. Drill to 6447'. Survey 6403' 1-3/4 deg. Drill to 6654'. DC  
7-1-06 TD 6811' dolomite and anhydrite. Circulate and condition mud. Made 157' in 15 hours, 10.5'/hr. MW 9.5, Vis 28, Cl 128,000, Calcium 400, solids 0.8, pH 9. BGG 180, Max 230, CG 300. WOB 60, RPM 60. Drilled to 6701'. Survey 6657' 1-1/4 deg. Drilled to 6811'. Check pump. Twisted while rotating off bottom. Circulated and conditioned for kill mud.  
7-2-06 TD 6811' Glorieta. Circulate and condition mud. Made 0. MW 9.5, Vis 29, Cl 128,000, pH 9. BGG 172, Max 245. Circulated and conditioned mud. Flow same - 15 BPM, 100 ppm H2S.  
7-3-06 TD 6811' Glorieta. Picked up and lay down tools. Made 0'. MW 13, Vis 42, Cl 128,000, PV 14, YP 25, FC 4/32,

DR

Page 4:

Yates Petroleum - Door, "BIW" State #1 (Unit I) 1-16S-35E Lea Co., NM

\*\*\*\*\*  
Calcium 400, Solids 26, Gels 13/29, pH 8. Circulated and conditioned mud. Displaced hole with weighted mud. MW 13#, Vis 42. Pumped 3180 bbls of weighted mud. Did not circulate mud to surface. Displaced mud thru choke with 500# SICP. Work stuck pipe. Rigged up rotary wireline, freepoint and back off drill pipe at 5604'. TOH. Recovered 6 stands and double. Picked up fishing tools. [REDACTED]  
7-4-06 TD 6811' Glorieta. Reaming. Made 0'. MW 10.6, Vis 49, WL 20, Cl 148,000, PV 12, YP 23, FC 2/32, WL 20, Calcium 1100, solids 14, Gels 13/28, Oil 8%, pH 10. Picked up 9 - 6" drill collars, screw-in sub, bumper sub and jars. TIH to 1037'. Circulate. TOH with tight hole. Laid down jars and bumper sub. Picked up bit, 6 - 8" drill collars and drilling jars. Washed and reamed from 492-850'. [REDACTED]  
7-5-06 TD 6811' Glorieta. Reaming. Made 0'. MW 11.2, Vis 52, WL 30, Cl 145,000, PV 14, YP 25, FC 2/32, Calcium 900, solids 17, Gels 14/30, Oil 8%, pH 10.5. Reamed to 918'. Circulated and unloaded hole. Reamed to 1013'. Circulated and unloaded hole. Reaming to 1140'. Tight spot from 1090-1108'. [REDACTED]  
7-6-06 TD 6811' Glorieta. Reaming. Made 0'. MW 11.4, Vis 68, WL 30, Cl 140,000, PV 22, YP 55, FC 2/32, Calcium 800, solids 16, Gels 30/60, pH 10, Oil 4%. Reamed from 1140-1203', 9'/hr. Service rig. Reamed from 1203-1392', 11.3'/hr. [REDACTED]  
7-7-06 TD 1488' Glorieta. Reaming. Made 96'. MW 10.9, Vis 52, WL 22, Cl 138,000, PV 15, YP 25, FC 3/32, Calcium 600, solids 11.4, Gels 16/34, Oil 4%, pH 9. WOB 5, RPM 60, sPM 105, PP 500#. Got vis up to 90 while washing and reamed at 1400-1424'. Hole unloaded 1-2" size rocks. Made connection at 4:15 PM. Washed and reamed to 1449'. Well started to flow 60 BPH. Mixed mud. Washed and reamed to 1488'. Have just made connection at report time. Have not been able to make connection and get rotary bushings in to ream. Flow this AM 107 BPH. [REDACTED]  
7-8-06 TD 5457' Glorieta. Reaming. Made 3969' in 14.5 hours, 273.7'/hr. MW 10.5, Vis 29, Cl 150,000, PV 2, YP 2, Calcium 1000, Gels 1/3, pH 10. WOB 5, RPM 60. Washed and reamed from 1488-1771'. Flow 143 BPH. Laid down 8 stands of drill pipe from derrick. Reamed from 1771-1862'. TIH and tagged at 2702'. Reamed from 2702-2746'. TIH and tagged at 3070'. Reamed from 3070-3147'. TIH and tagged at 5411'. Washed and reamed to top of fish at 5457'. Flow this AM 140 BPH. [REDACTED]  
7-9-06 TD 5604' Glorieta. Fishing. Made 5584'. MW 10.5, Vis 145, WL 6, Cl 158,000, PV 25, YP 50, Calcium 90, Gels 20/40, FC 1/32, pH 9. Circulated and conditioned mud. TOH - tight hole 1800' to 1200'. Laid down drill jar and bit. Picked up screw-in sub and fishing tools. TIH with drill collars. Cut and slip drilling line. TIH - tight hole 1200-1800'. Emergency evacuation - drill pipe must have been plugged. Water flow started to flow out of drill pipe. H2S was 100 ppm. Masked up and kelly up. Mix and pump bar slug down drill pipe. TIH. Washed down to top of fish at 5604'. Flow this AM 107 BPH. [REDACTED]  
7-10-06 TD 500'. TIH. Made 470'. MW 10.5, Vis 88, WL 12, Cl 155,000, PV 21, YP 45, Calcium 800, Gels 15/38, pH 9. Screw into fish at 5604' and jar fish free. TOOH and laid down fish - 12 joints drill pipe (365.86') and 16 joints 6-1/4" drill collars (467.72'). Had 4" of box broken off on pin end of last joint of drill collars. Top of fish at est 6437', 2 - 6-1/4" drill collars, 1 -

DR

Page 5:

Yates Petroleum - Door "BIW" State #1 (Unit I) 1-16S-35E Lea Co., NM

\*\*\*\*\*  
XO, 9 - 8" drill collars, 1 - shock tool, 1 BS, 1 - 12-1/4" bit (350.60'). TIH with 10-5/8" OD overshot with cut lip guide with 6-1/4" grapple, bumper sub, jar, 8" drill collars, ACC and 6-1/4" drill collars. Tagged at 1400'. Kelly up. Try to wash down. Can not make any hole. TOOH. Laid down fishing tools. Picked up bit and drill jar. TIH to wash and ream. Flow this AM - 107 BPH. [REDACTED]  
7-11-06 TD 1090' Glorieta. Reaming. Made 67' in 21 hours, 3.2'/hr. MW 9.8, Vis 62, WL 14, Cl 158,000, PV 22, YP 34, FC 1/32, Calcium 6500, Solids 5%, Gels 15/36, pH 9. WOB 10, RPM 60. TIH with 12-1/4" bit. Tagged at 1115'. Laid down 21 joints of drill pipe. TIH with 6 stands of drill pipe. Washed and reamed from 1023-1090'. Flow this AM is 142 bbls/hr. [REDACTED]  
7-12-06 TD 1490' Glorieta. Reaming. Made 0'. MW 9.9, Vis 44, WL 14, Cl 153,000, Calcium 600, PV 10, YP 18, FC 1/32, Solids 5.5%, Gels 8/12, pH 9. Reamed and TOOH. Laid down jars and picked up 7-7/8" bit. TIH. Reamed from 1116-1490'. At report time flow at 142 BPH. DC [REDACTED]  
7-13-06 TD 6811' Glorieta. TIH. Made 0'. MW 9.5, Vis 28, Cl 148,000, pH 8. Reamed to 1837'. TIH to 5517'. Attempt to unplug bit. TOH with 5 stands. Attempt to unplug bit. TOH to 2204'. Attempt to unplug bit. TIH to 4322'. Bit unplugged and circulating. TIH. Circulated every 5 stands - at report time 4780'. DC [REDACTED]  
7-14-06 TD 6654' Glorieta. Reaming. MW 9.5, Vis 148K, pH 8. TIH to 5025', bit plugged. Safety stand down as per Patterson request. TOH 15 stands and lay down 12 jts of drill pipe to 3521'. TIH with 10 stands of drill pipe to 4460'. Work plugged bit. Repair to derrick board. TOH to 2200'. Work plugged bit. TIH to 4229'. Work plugged bit. TIH to 5054'. Rig up rotary wireline and run spud bar, collars plugged to 16' above bit. Unplugged bit, bit sub and 1 drill collar. TIH, tagged at 1102'. At report time well is flowing 214 BPH. [REDACTED]  
7-15-06 TD 6654'. Checking flowline. MW 9.5, Vis 28, Cl 148,000, pH 8. Ream 1148-1825'. TIH to 5202', lay down 15 jts drill pipe. Checking flow at flowline and insure pump were operating. Flow at 10:00 PM, 214 BPH at 5 AM flow at 430 BPH. [REDACTED]  
7-16-06 TD 6654'. Displacing hole. MW 9.9, Vis 28, pH 8. Ream 5202-5420'. Bridge off, worked two joints out of hole to free pipe. Circulate. Work on pump suction. Wash and ream 5331-5401'. Circ and wait on Halliburton. Displace hole with 13# kill mud. DC [REDACTED]  
7-17-06 TD 6654'. WOC. Finished displacing hole with kill wt mud. Pumped mud as followed, pumped 3100 bbls 13# mud followed by 260 bbls of 16.2# mud. Displaced drill pipe with 76 bbls 13# mud. Monitor well for 30 mins no flow. Held pre-job safety meeting with Halliburton. Set plug with Halliburton with 1215 sxs Premium + H with .5% Halad 322, 1% CaCl2 (yld 1.13, wt 16). Job complete at 8:00 AM 7-16-06. Well monitored - no flow. Cement displaced with 10 bbls of water and 62 bbls of 13# mud. Shut in. Monitoring well conditions - no casing press. At 12:00 Noon open wellbore, no flow and hole full, shut in well. At 6:00 PM opened wellbore, no flow and hole full. Shut in well. [REDACTED]  
7-18-06 TD 6654'. Nippled down BOP stack. Made 0'. MW 10.1, Vis 28, Cl 178,000, pH 7. WOC. Rugged up rotary

DR

Page 6:

Yates Petroleum - Door "BIW" State #1 (Unit I) 1-16S-35E Lea Co., NM

\*\*\*\*\*

wireline and freepoint drill pipe. Tool joints 50% stuck at 4011'. Free at 3980'. Back off at 3980'. Pumped 4275 bbls of mud downhole with complete circulation. Did not see mud returns at flowline. Pumped 70 sacks Class "C" Neat. Notified Sylvia Dickey with NMOCD in Hobbs of intent to plug. Rec'd plugging instruction from Paul Kayutz (NMOCD Geologist) as follows:

100' plug at the base of salt 2275'

100' plug at top of Rustler Anydrite 1875'

100' plug at the casing shoe 430'

60' surface plug

Held pre-job safety meeting with Halliburton. Laid down drill string. Pumped plug at 2275' with 135 sacks Class "C" Neat. Laid down drill string. Pumped plug at 1875' with 135 sacks Class "C" Neat. Laid down drill string. Pumped plug at 430' with 70 sacks Class "C" Neat. Laid down drill pipe and 6 - 8" drill collars from derrick. Break down kelly. Pumped surface plug with 50 sacks Class "C" Neat. Nippled down BOP stack. [REDACTED] PLUGGED AND ABANDONED. FINAL REPORT