

DEER VALLEY CORP
 Form 5
 February 06, 2007

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
MASTERS CHARLES G

(Last) (First) (Middle)

4902 EISENHOWER BLVD., SUITE 185

(Street)

TAMPA, FL 33634

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DEER VALLEY CORP [DVLY]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
CHIEF EXECUTIVE OFFICER

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
COMMON STOCK	07/19/2006	^	J ⁽¹⁾	354	A \$ ⁽¹⁾ 1,730,354 ₍₂₎	I	BY SPOUSE.
COMMON STOCK	07/24/2006	^	C4	1,630,000	A \$ ⁽³⁾ 1,730,354 ₍₂₎	D	^

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	
SERIES B PREFERRED STOCK	Â	07/24/2006	Â	C	Â	16,300	Â (3)	Â (3)	COMMON STOCK
SERIES A COMMON STOCK PURCHASE WARRANT	\$ 1.5	08/11/2006	Â	J4	2,024	Â	Â (4)	Â (4)	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MASTERS CHARLES G 4902 EISENHOWER BLVD. SUITE 185 TAMPA, FL 33634	Â X	Â X	Â CHIEF EXECUTIVE OFFICER	Â

Signatures

/s/ CHARLES G. MASTERS 02/05/2007

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Received from issuer as a pro-rata dividend to all holders of Series A Convertible Preferred Stock.
Includes 1,730,000 shares of common stock owned directly by the reporting person. The reporting person and his spouse both disclaim
 - (2) beneficial ownership of the other's securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
 - (3) Each share of Series B Preferred Stock automatically converted into one hundred (100) shares of common stock upon the shareholders' approval of an increase in the authorized shares of the common stock of Deer Valley Corporation, which occurred on July 24, 2006.
The Series A Common Stock Purchase Warrant was received from issuer as a contractually-mandated penalty in a pro-rata distribution to
 - (4) all holders of Series A Convertible Preferred Stock and is exercisable in whole or in part for five years (5) from the date of grant, December 4, 2006, at a price of \$1.50 per share.

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- (5) Includes a Series A Common Stock Purchase Warrant for 33,334 shares of common stock and a Series A Common Stock Purchase Warrant for 2,024 shares of common stock. In addition the reporting person indirectly beneficially owns, through his spouse, 2,500 shares of Series A Convertible Preferred Stock and a Series B Common Stock Purchase Warrant for 16,667 shares of common stock. The common shares underlying the derivative securities indirectly owned by the reporting person number 85,359. The reporting person and his spouse both disclaim beneficial ownership of the other's securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.