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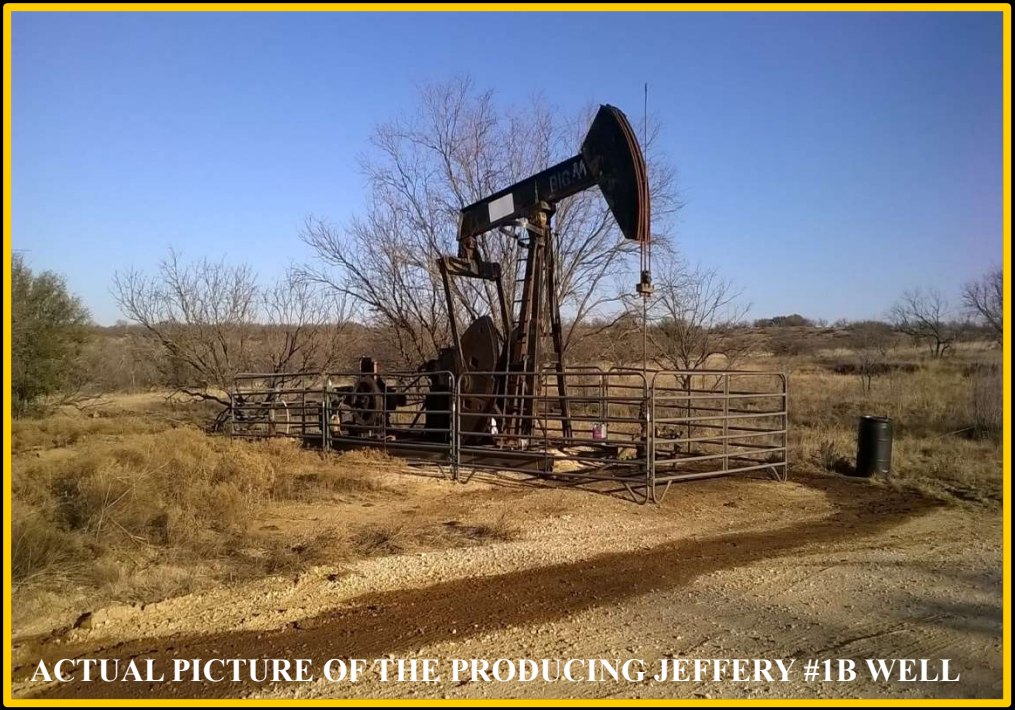
PROJECT OVERVIEW



ACTUAL PICTURE OF THE PRODUCING JEFFERY #1B WELL

JEFFERY #2

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Harris Energy Partners - Jeffery #2 Joint Venture

Estimated Monthly Lease Operating Expenses (LOE) **5%** of Gross Revenue

Figures Below Represent Gross Monthly Revenue Less Estimated Monthly LOE

Table is based on a **30** Production Day Month

MONTHLY PAYOUT EXAMPLE

$95,000 Position (10 %WI / 7 % NRI)

[$70,000 Drill & Test Phase 1 / $25,000 Completion Estimate Phase 2]

Daily BO Production	$40 BO	$60 BO	$80 BO
150	$12,600.00	$18,900.00	$25,200.00
100	$8,400.00	$12,600.00	$16,800.00
80	$6,720.00	$10,080.00	$13,440.00
60	$5,040.00	$7,560.00	$10,080.00
20	$1,680.00	$2,520.00	$3,360.00

CUMMULATIVE PAYOUT EXAMPLE

Total Lease Operating (LOE) Estimated 5% of Gross Revenue

$95,000 Position (10 %WI / 7 % NRI)

[$70,000 Drill & Test Phase 1 / $25,000 Completion Estimate Phase 2]

BO Production	Cummulative Production Projections (Price used is last 10yr average)	10% WI
25,000 BO	25,000 x 79.42 x 70% NRI = **$1,389,850.00**	$95,000.00
50,000 BO	50,000 x 79.42 x 70% NRI = **$2,779,700.00**	$95,000.00
75,000 BO	75,000 x 79.42 x 70% NRI = **$4,169,550.00**	$95,000.00
100,000 BO	100,000 x 79.42 x 70% NRI = **$5,559,400.00**	$95,000.00
200,000 BO	200,000 x 79.42 x 70% NRI = **$11,076,800.00**	$95,000.00

The values shown are hypothetical and used to assist in the calculation relating to possible production levels.

See attached "Conversion Table Assumptions" located in the POM. These types of investments have inherent risks that can attribute to a total loss of your investment monies.

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PHOTO GALLERY

YOUNG COUNTY JEFFERY LEASE PROPERTY

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HISTORY OF YOUNG COUNTY OIL

After the discovery at Spindletop and the resulting oil boom, Texas' economy boomed again during the 1920s, thanks also to another rapid expansion: cotton farming. Cotton acreage almost doubled during the 1920s; by 1930 almost 67,000 acres were devoted to the fiber. The number of farms in the county rose to 1,586 in 1925 before declining slightly to 1,520 by 1930. Meanwhile, oil exploration and production rapidly reshaped the economy. Exploratory drilling by major oil companies had begun in the mid-1910s, and their hopes were encouraged in 1917 when the Lindy Lou No. 1 well came in. Actual production of petroleum began in 1920, and wildcatters, workers and other opportunists swarmed into the area. In 1921 and 1922 the landscape was dotted with oil boom towns such as Clusky City, Harding, Lake City, Oil City, and Herron City; already established towns, like Olney and Graham also grew rapidly. While almost all of the new boom towns disappeared as soon as production had been established, the new industry became an important part of life in the area. The population reached 20,128 by 1930.

The oil and gas industry expanded significantly during the 1940's and 1950's, particularly in the early 1950s. Eighty-one wells were drilled in the county in 1953 and 1954, more than were drilled in any other North Texas county at the time. More than 4,210,000 barrels of petroleum were produced in 1948, over 7,256,000 barrels in 1956, and almost 5,669,000 barrels in 1960. The county's population grew to 16,810 by 1950 and to 17,254 by 1960. Oil production fell off in the late 1960s and early 1970s, however, dropping to 2,392,000 barrels in 1974. About 2,648,000 barrels were produced in 1978, 3,900,000 barrels in 1982, and 3,431,000 barrels in 1990.

Sources

Carrie J. Crouch, *Young County: History and Biography* (Dallas: Dealey and Love, 1937; rev. ed., *A History of Young County, Texas*, Austin: Texas State Historical Association, 1956). Barbara Neal Ledbetter, *Scrapbook of Young County* (Graham, Texas: Graham *News*, 1966). Young County Federation of Women's Clubs, *Scrapbook of Young County* (Graham?, Texas, 194-?).

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PROJECT REPORT

Summary

Harris Energy Partners, LLC has acquired the producing "Slick 1B" wellbore, along with 80 acres, located in Young County, Texas. The wellbore has produced a total of 19,334 BO since being drilled back in January 1981 for the Mississippian Formation. The wellbore currently produces an average of 3-12 BOPD from the Mississippian and is commercially viable with the ability to be re-worked and produced from the Upper Caddo Formation where we perforated and got "green oil." The Upper Caddo Formation could produce an additional 15,000-45,000 BO. Opportunity exists to drill a new well offsetting the producing Slick 1B well. The proposed drilling location is located in the NE section of this lease. The NE section of this lease looks as though the Caddo Formation could be structurally high to that of the existing Slick 1B producing well. In addition, the Mississippian Formation, which is below the Caddo Formation, has a trend to produce oil in his area, which also is the formation the Slick 1B producing well is making oil from. We could potentially produce upwards of 100,000+BO over the life of this well from both formations.

Plan of Action

Harris Energy Partners plans to drill a new well located in the same lease as the producing Slick 1B well. The proposed drilling location will be located in the NE section of the lease and will be drilled to a total depth of 5000' +/-. The Primary Objectives are The Caddo and Mississippian Formations. If the Mississippian Formation has oil, we will likely perform a small frac job and/or large acid job. If the Mississippian Formation is commercially viable, we will produce until depletion. After the Mississippian Formation has depleted and/or doesn't produce at all, we will re-enter the wellbore and attempt completion/production from the Caddo Formation. The Caddo Structure appears to be high to that of the producing Slick 1B well. That normally means there could be an oil "bump" and/or "trap" that could be a healthy reserve to produce from.

Conclusion

This project offers low risk of dry-hole , and a multiple upside ROI (Return on Investment), based on well logs and production history as well as being offset from the producing Slick # 1B well. At lower than current oil prices ($40), this project could return 30-60% annualized if we just make an average well in this area. However, this project is setup perfectly to potentially "Leverage" oil revenues by 50% or more with oil reaching $60 or more from its current $40-$50 range. And the bottom line is that we are well positioned to drill and test cheaper now than we have been for years when oil was at $80-120. If we make a well and produce oil, we could see a steady increase in monthly revenues in tandem with a steady increase in oil prices over the next 12-16 months. This means a higher ROI and an increasing profit margin because of the underlying cheaper costs associated with lower oil prices during project origination.

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GEOLOGIST REPORT

JEFFERY LEASE

The Jeffery Lease is located 3 miles north of Graham, Texas in Young County. According to the Texas Railroad Commission, the well is perforated in the Mississippian Lime from 4702 ft. to 4716 ft. It was treated with 1500 gal. of acid with no frac treatment. This well has produced >19,000 BO with a very flat decline curve and still averaging 3 BOPD. The Mississippian is a major producing horizon throughout this area of the county. The Caddo Lm. and the Marble Falls Conglomerate are also major producers here and have potential in the Jeffery well. Included in this purchase package is 80 ac. allowing for additional well locations for any/all the above formations.

Structurally, the lease lies on the western flank of a significant high based on the Top of Caddo but there could possibly be an individual high immediately to the east of the Slick #1B Jeffery (see map). The Mississippian Lm. is high in the Slick #1B compared to the well immediately NE of the lease, the Williams #1F Jeffery. To the west of the acreage are 2 wells, one in the Mississippian Lm. that produced > 52,000 BO, the other is a Caddo Lm. well that produced > 36,000 BO. There are 2 offset wells to the NE that produced in the Miss. but no production history is available.
Below are calculations for water saturations on the Jeffery well:
These calculations were done using the **Archie Formula**:
(SW = (RW/(RT*(PHI**M)))**(1.0/N))

3820-29' Upper Caddo Lm.
Porosity= 7%
Rt= 15 ohms
Rw= .045
Sw= 75%

4008-4015' 1st Middle Caddo Lm.
Porosity= 10%
Rt= 15 ohms
Rw= .045
Sw= 50%

4048-4053' 2nd Middle Caddo Lm.
Porosity= 4%
Rt= 70 ohms
Rw= .045
Sw= 64%

4286-4290' Marble Falls Conglomerate
Porosity= 7%
Rt= 35 ohms
Rw= .045
Sw= 52%

4704-4710' Mississippian Lm.
Porosity= 3.5%
Rt= 150 ohms
Rw= .045
Sw= 50%

Porosity= 4%
Rt= 70 ohms
Rw= .045
Sw= 64%

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GEOLOGIST REPORT

JEFFERY LEASE (cont'd)

In very general, anything below 50% should produce hydrocarbons (+ or - water), above 50%, some hydrocarbons with lots of water, above 65%, nearly all water. In other words, the higher the Sw, the more water will be produced. So, the 1st Middle Caddo Lm., the MF Cong., and the Miss. Lm. should produce some hydrocarbon but expect water production also. This seems to be a good buy if all the down-hole mechanics are in decent shape and legals are right. If the perforations are not documented, it would be advisable to run a cased-hole perf. log to see exactly where the perfs are. If they are still in the Miss., the MF Cong. could be productive but probably would need a decent frac. The 1st Middle Caddo looks productive but would probably need a strong acid job.

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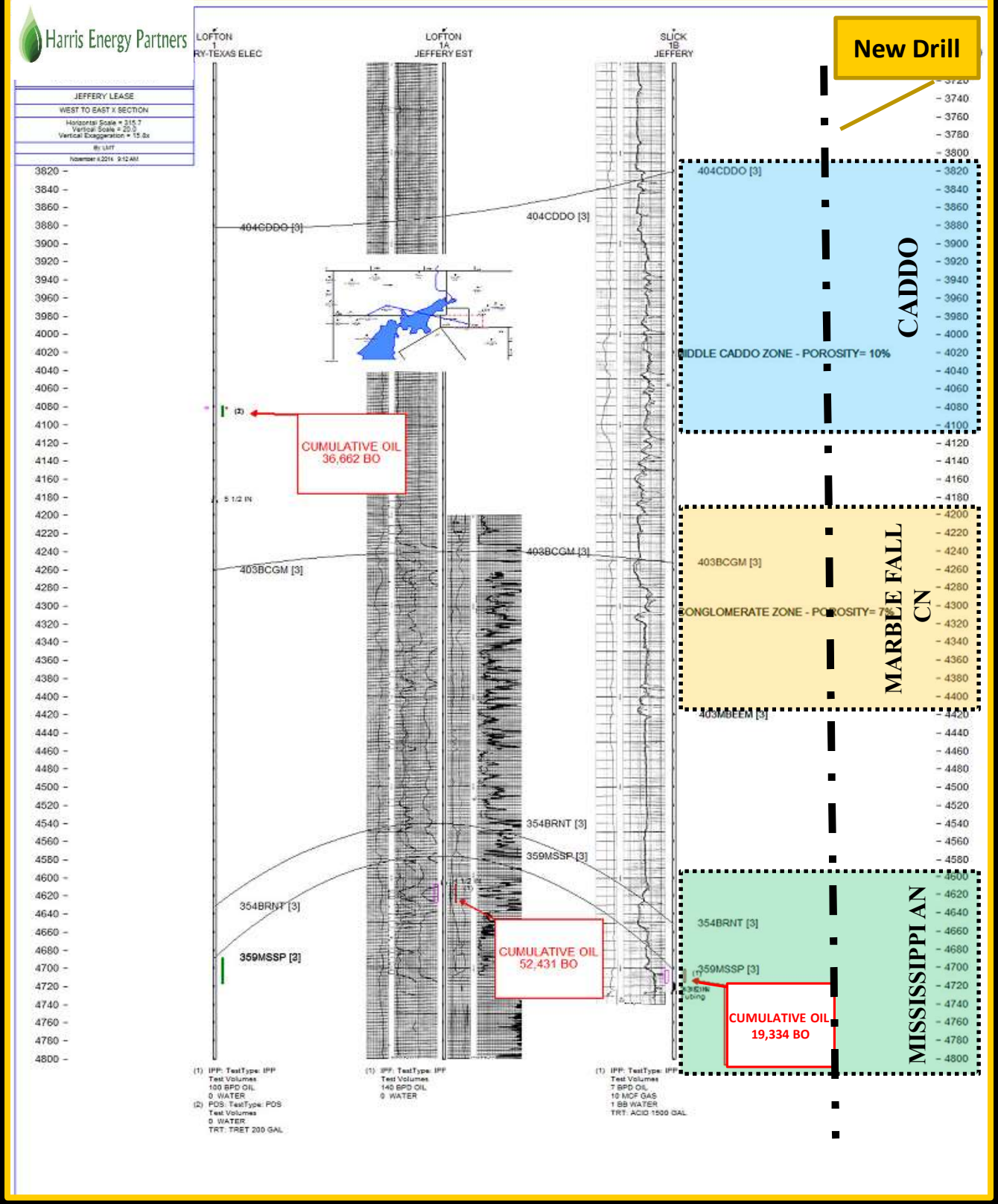
WELL LOGS CROSS-SECTION



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WELL PRODUCTION HISTORY

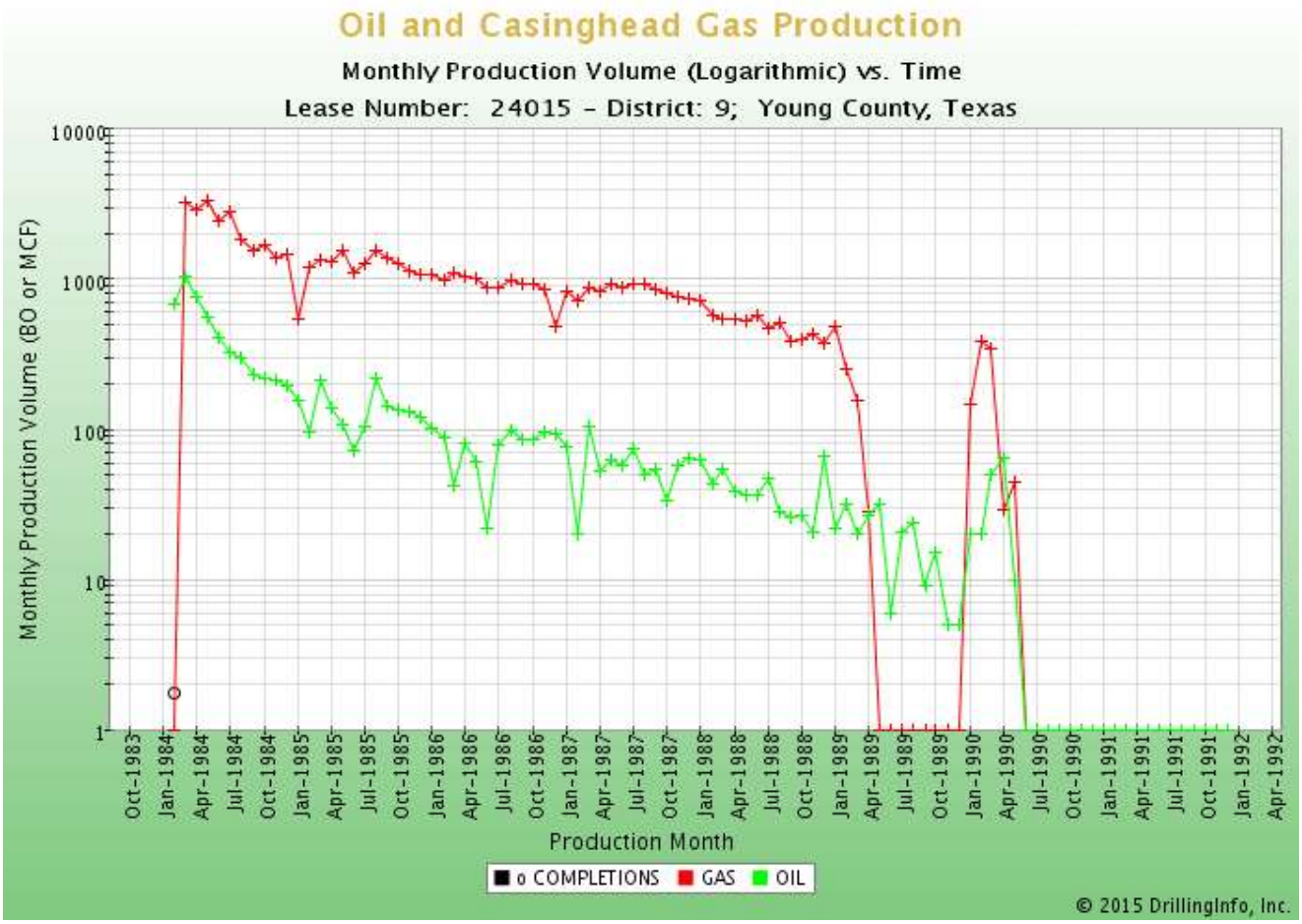
Littlepage

Field: BAG (CADDO 3940) **Operator:** LITTLEPAGE, TOMMY

Location: District: 9; Young County, Texas **Lease Name:**JEFFERY "B" UNIT

Oil Lease Number: 24015 **Cumulative (since 1984)** :9,111 BO; 67 MMCF

Wells: 42-503-37871(1)



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WELL PRODUCTION HISTORY

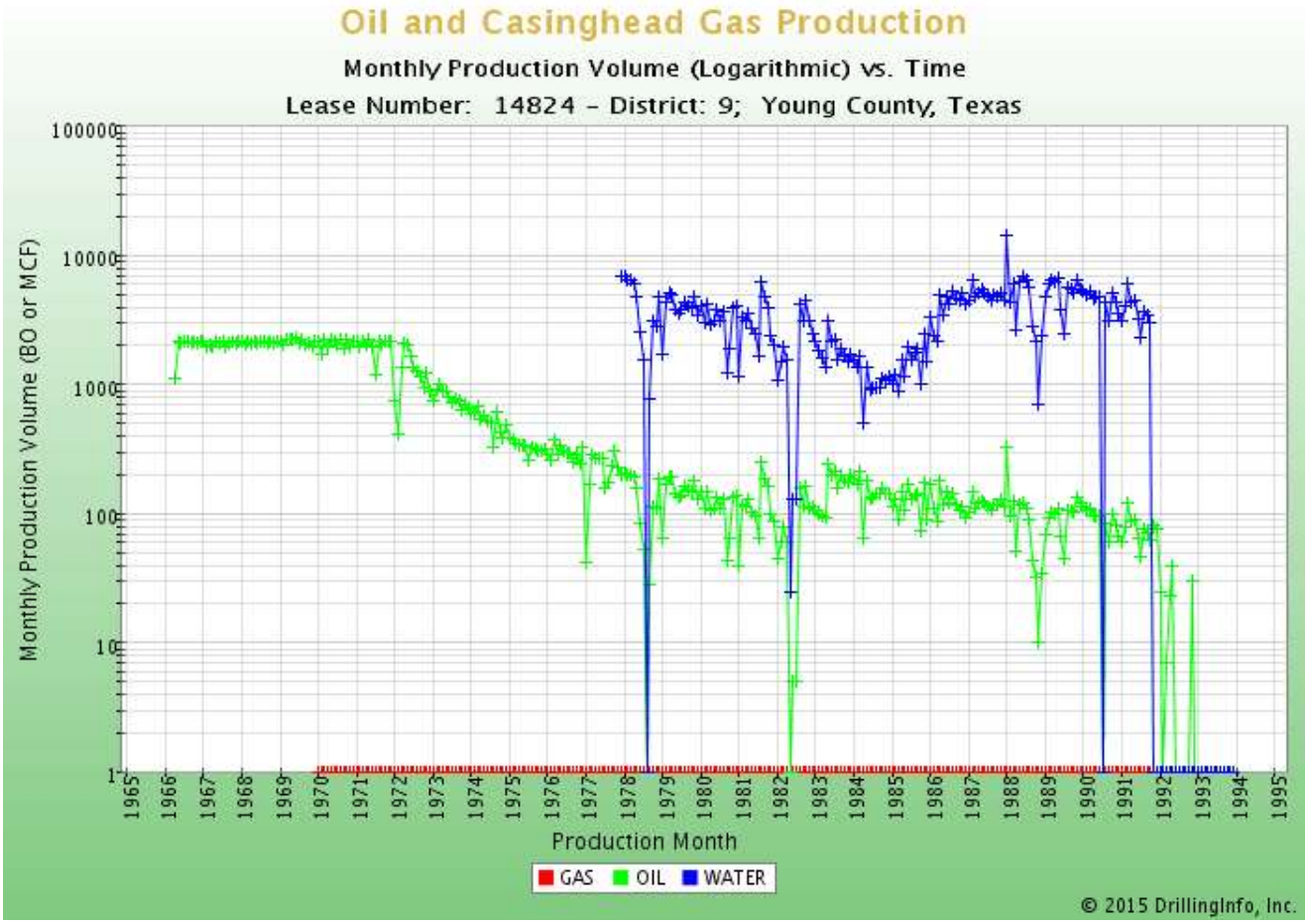
Beren #1-U

Field: YOUNG COUNTY REGULAR **Operator:** BEREN CORPORATION

Location: District: 9; Young County, Texas **Lease Name:** JEFFERY ESTATE

Oil Lease Number :14824 **Cumulative (since 1966)** :204,869 BO; 0 MMCF

Wells: 42-503-20483(1 U)



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WELL PRODUCTION HISTORY

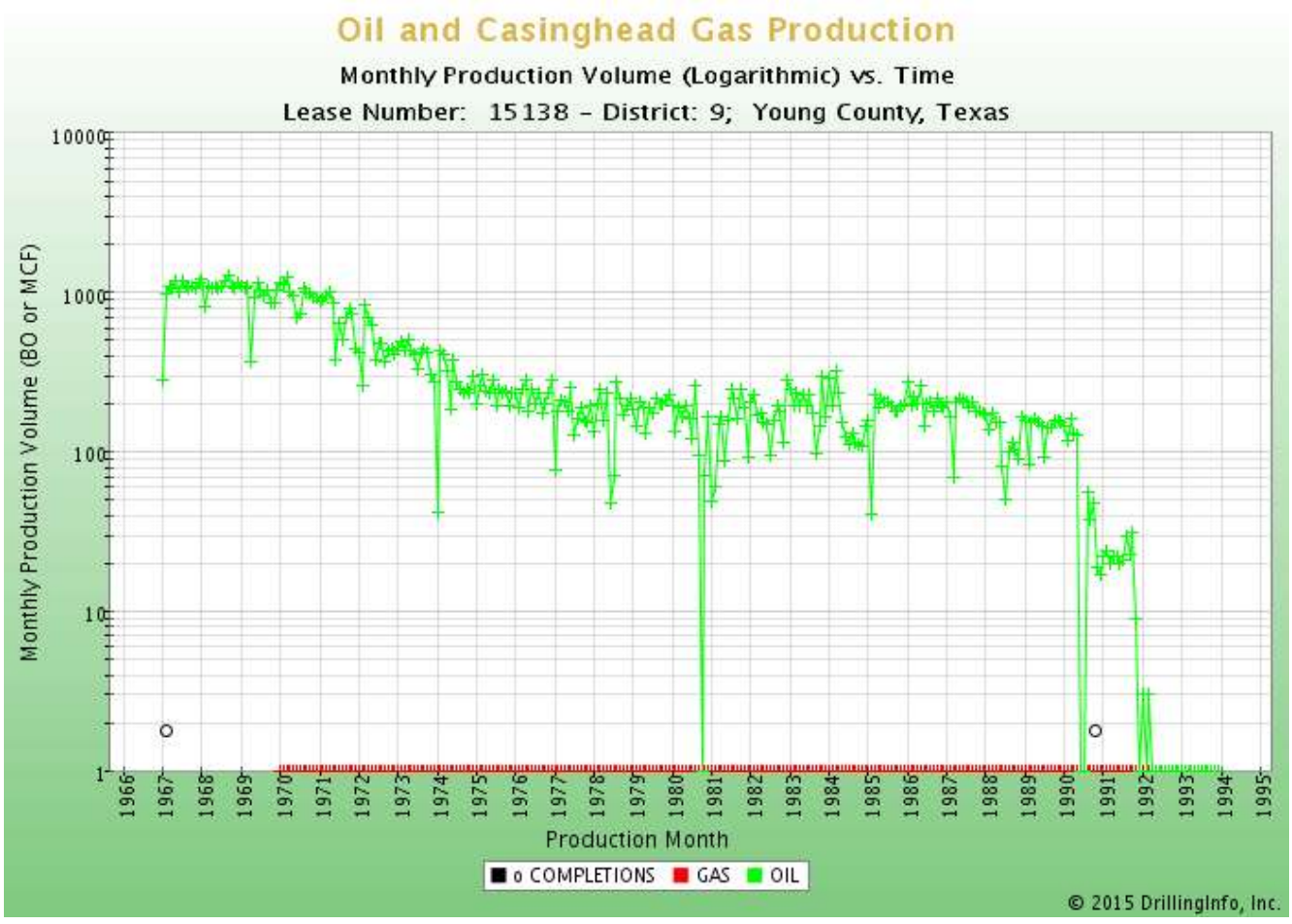
Beren #1 & #2-A

Field: YOUNG COUNTY REGULAR **Operator:** BEREN CORPORATION

Location: District: 9; Young County, Texas **Lease Name:** JEFFERY ESTATE -A-

Oil Lease Number :15138 **Cumulative (since 1966)** :104,861 BO; 0 MMCF

Wells: 42-503-83801(1) 42-503-83802(2A)



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WELL PRODUCTION HISTORY

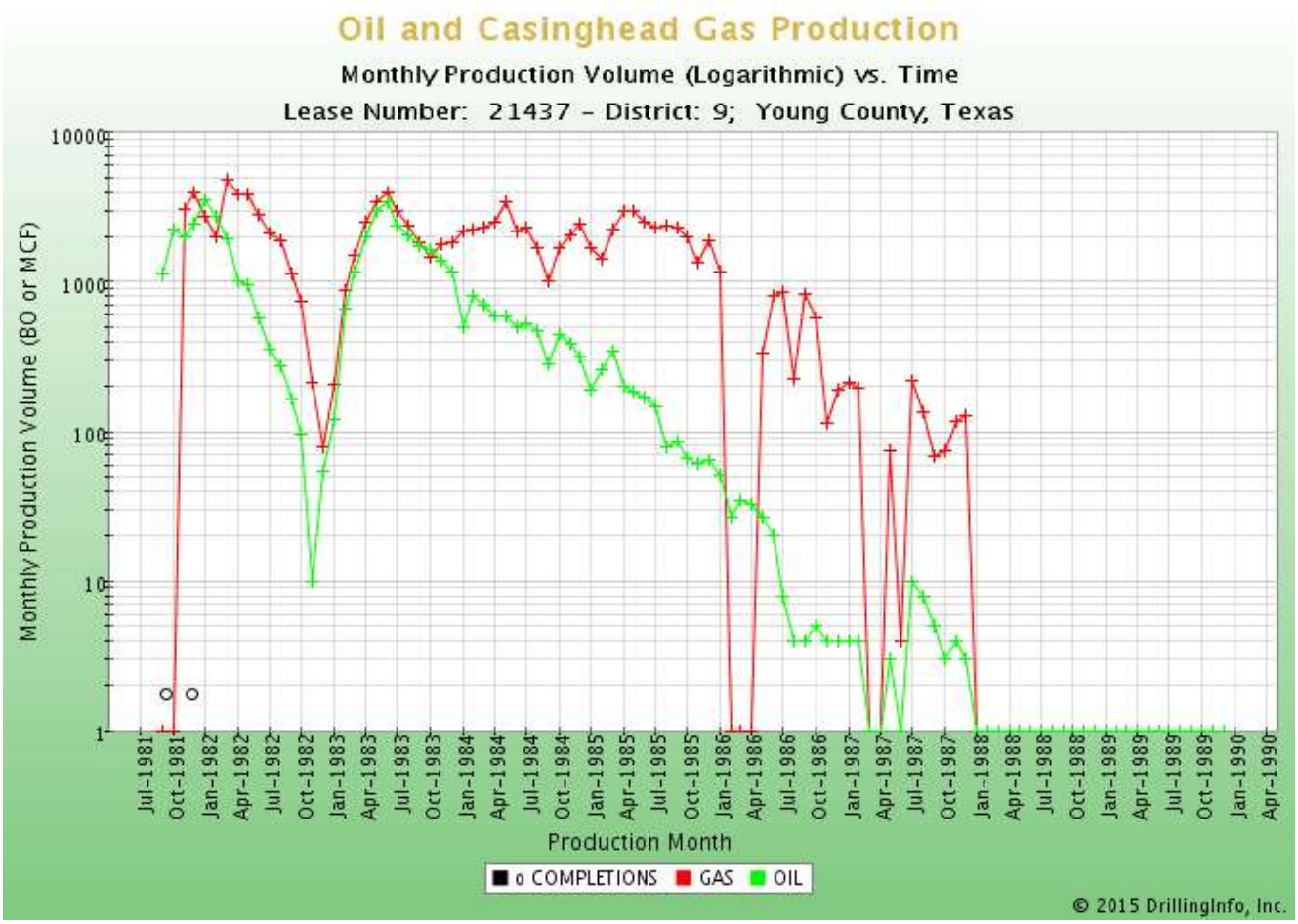
Pyramid

Field: YOUNG COUNTY REGULAR **Operator:** PYRAMID ENERGY, INC.

Location: District: 9; Young County, Texas **Lease Name:** STEPHANS, MORRIS "B"

Oil Lease Number :21437 **Cumulative (since 1966)** :48,619 BO; 117 MMCF

Wells: 42-503-35189 (7) 42-503-35199 (5)



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JOINT VENTURE SUMMARY

JEFFERY #2 New Drill

Deal Summary

MANAGING VENTURER:	**Harris Energy Partners, LLC.**
OPERATOR:	**Harris Energy Partners Op, LLC.**
TX RRC OPERATOR LICENSE #:	**359676**
LOCATION:	**Young County, Texas**
LEASE ID:	**20925**
SLICK 1B OIL WELL API#:	**42-503-34411**
TOTAL DEPTH:	**5000'+/-**
OBJECTIVE FORMATIONS:	**Upper/Middle Caddo (3910'-4200')** **Mississippian (4640'-5000')**
FULL TURNKEY DRILL AND TEST COST:	**$700,000**
ESTIMATED COMPLETION (HEADS-UP, ACTUAL COST ESTIMATION):	**$250,000**
OWNERSHIP INTEREST:	**Investors = 100% (WI) 70% (NRI)** **Mineral Owner = 0% (WI) 20% (NRI)** **Harris Energy = 0% (WI) 10% (NRI)**

RISK (Low to Mid-Range): The proposed new drill location is located directly offsetting the producing Slick #1B oil well. In addition, the Geologist has speculated the Caddo Formation being structurally high towards the NE, which is where our proposed new drill is located. The Mississippian has a solid production trend in this area. Dryhole is still possible but, unlikely.

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TAX BENEFITS

Investing In Oil

Although there is principal risk associated with investing in the oil and gas programs, there are substantial benefits. In addition to the tax benefits, informed and selective investors have the potential to recover their initial investment and continue to receive cash distributions. Active vs. Passive Income The Tax Reform Act of 1986 introduced into the Tax Code the concepts of "Passive" income and "active" income. The Act prohibits the offsetting of losses from Passive activities against income from Active businesses. The Tax Code specifically states that a Working Interest in an oil and gas well is not a "Passive" activity. Therefore, deductions can be offset against the income from active stock trades, business income, salaries, etc. The (Act) made significant changes to the tax laws as they pertain to oil and gas investment. The Act attempted, for the most part, to shift more of the tax burden from individuals to corporations. The Act affected the ability of taxpayers to shelter income.

The Independent Producer America's determination to increase domestic reserves and be free of OPEC dependency has placed a tremendous need for capital on oil and gas companies. The burden is particularly heavy for independent producers whose funds are more limited that of major oil and gas companies which fund their drilling activities with the sale of stock. Most independent operators, which drill most of the nation's wells, are able to provide investors with the cash flow and tax advantages through direct participation in oil and gas programs, thus avoiding the major oil companies' corporate overhead. Domestic oil and gas development helps make our country more energy self-sufficent and reduces our dependence on foreign imports. In light of this, Congress has passed tax incentives to stimulate domestic natural gas and oil production financed by private sources. Investments in oil and gas can have many tax advantages which greatly improved the economics of these investments.

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TAX DEDUCTIONS

Intangible Drilling Costs (IDCs) Tax Deduction

The act allows intangible development costs to be expensed or capitalized at the discretion of the taxpayer. Furthermore, intangible costs may be deducted by the taxpayer in the year the well is drilled. The intangible drilling costs (IDCs) may range between 55-80% of the cost of the well. These IDCs are 100% deductible during the first year. For example, $100,000 investment would have between say $55,000 to $80,000 in tax deductions during the first year of the venture I(Refer to Section 263 of the Tax Code). So if you were in the 35% tax bracket, your reduction in taxes would reduce your investment costs by $20,000 to $30,000.

Tangible Developmental Costs

Currently, the drilling of an oil and/or gas well is considered production of an asset. The tangible well costs are capitalized and amortized over a seven (7) year period, beginning with the month in which they are paid. The total amount of the investment allocated to the equipment “Tangible Drilling Cots (TDCs)” is 100% tax deductible.

Depletion

Independent producer and royalty owner can claim production of 15% on domestic production. Depletion costs may be recovered whichever of two (2) methods provides a higher deduction, cost depletion, or percentage depletion. Percentage depletion for oil and gas properties is limited to independent producers and royalty owners for daily production up to 1,000 barrels of crude oil or equivalent amount of natural gas. However, percentage depletion cannot exceed 65% of overall income.

* Tax advantages in DPP instruments can be significant please contact a licensed professional.