

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-025- 10706 10790 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. 016406
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL <input type="checkbox"/> OVER <input type="checkbox"/> BACK <input type="checkbox"/> RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name E. L. STEELER 8. Well No. 8 9. Pool name or Wildcat JALMAT
2. Name of Operator YARBROUGH OIL, LP	
3. Address of Operator P.O. BOX 1769 EUNICE, NM 88231	

4. Well Location Unit Letter <u>G</u> : <u>1980</u> Feet From The <u>NORTH</u> Line and <u>1980</u> Feet From The <u>EAST</u> Line Section <u>17</u> Township <u>23S</u> Range <u>37E</u> NMPM <u>LEA</u> County					
10. Date Spudded	11. Date T.D. Reached 07-01-04	12. Date Compl. (Ready to Prod.) 07-08-04	13. Elevations (DF& RKB, RT, GR, etc.)	14. Elev. Casinghead 3616DF	
15. Total Depth 3404	16. Plug Back T.D. 3120	17. If Multiple Compl. How Many Zones? 1	18. Intervals Drilled By	Rotary Tools PULLING UNIT	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 2643-2882				20. Was Directional Survey Made NO	
21. Type Electric and Other Logs Run CEMENT BONALOG - NEWTRON LOG				22. Was Well Cored NO	

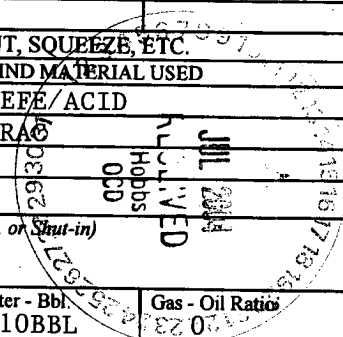
23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24#	1140	9 1/2	400 SACKS	HALLIBURTON
7 "	17#	3404	8 1/2	200 SACKS	"

24. LINER RECORD				25. TUBING RECORD								
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET					
	NONE				2 3/8	2992						
26. Perforation record (interval, size, and number) 40 - HOLES @ 2643-2882				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>2643-2882</td> <td>2000 10% NEFF/ACID</td> </tr> <tr> <td> </td> <td>9000 GEL FRAC</td> </tr> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	2643-2882	2000 10% NEFF/ACID		9000 GEL FRAC
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2643-2882	2000 10% NEFF/ACID											
	9000 GEL FRAC											

28. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. on Shut-in)		
Date of Test 07-09-04	Hours Tested 8	Choke Size 16/64	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 161 MCF	Water - Bbl 10BBL	Gas - Oil Ratio 0.22
Flow Tubing Press. 120#	Casing Pressure 20#	Calculated 24-Hour Rate	Oil - Bbl 0	Gas - MCF 161 MCF	Water - Bbl 10 BBL	Oil Gravity - API - (Corr.) 0	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) GAS SOLD TO DYNEGY	Test Witnessed By RICK SCHWARA
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30. List Attachments			
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief			
Signature <i>Paul Prather</i>	Printed Name PAUL PRATHER	Title PARTNER	Date 07-12-04
E-mail Address			



Kg