

SOUTHLAND ROYALTY COMPANY

Dale H. Parke "D" #2  
2310' FSL & 940' FEL  
Sec. 15, T-17-S, R-30-E  
Eddy County, New Mexico  
LC 029020-D

To supplement USGS Form 9-331C "Application to Drill" the following additional information is submitted concerning questions on Page 5 of NTL-6"

1. See Form 9-331C.
2. See Form 9-331C.
3. The geological name of surface formation is:
4. See Form 9-331C.
5. See Form 9-331C.
6. The estimated tops of important geological markers are:

B/Salt	1125'
Yates	1300'
Queen	2195'
Grayburg	2570'
San Andres	2900'

7. The estimated depths at which anticipated water, oil, gas and mineral bearing strata are as follows:

Grayburg (Oil) 2570'  
San Andres (Oil) 2900'

8. See Form 9-331C. All casing will be new.
9. See Form 9-331C for depths of strings. Cement volumes and additions as follows:
  - a. 8 5/8" casing: Cement w/450 sxs Cl "C" w/2% CaCl. Cement to be circulated back to surface.
  - b. 5 1/2" casing: Cement w/700 sxs HLW cement, 18# salt, 6# gilsonite & 1/4# flocele per sx and 400 sxs Cl "H" cmt., w/5/10 of 1% CFR2, 5# salt & 10# sd per sx. Will run caliper in conjunction w/open hole logs prior to setting 5 1/2" casing to determine exact cementing volumes. Top of cement estimated to be @ 200'.