

SOJTHLAND ROYALTY COMPANY

Holly Federal "8" No. 1  
1980' FNL & 1980' FEL  
Sec. 8, T-18-S, R-30-E  
Eddy County, New Mexico  
LC 063621

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: Ochoa
4. See Form 9-331C.
5. See Form 9-331C.
6. The estimated tops of important geological markers are:
 

Anhydrite	260'	Glorietta	4640'	Atoka	10,750'
T/Salt	500'	1st Bone Springs	6725'	Atoka Lime	10,995'
B/Salt	1260'	2nd Bone Springs	7225'	Morrow	11,175'
Yates	1425'	3rd Bone Springs	8000'	B/Morrow	11,650'
Queen	2420'	Wolfcamp	8450'		
Grayburg	2800'	Cisco	9530'		
San Andres	3260'	Lower Strawn	10,490'		
7. The estimated depths at which anticipated water, oil, gas and mineral bearing strata are as follows:
 

San Andres	3260'	(Oil)
Wolfcamp	8450'	(Oil)
Cisco	9530'	(Gas)
Strawn	10,490'	(Gas)
Atoka	10,750'	(Gas)
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. 11 3/4" csg: Cement w/500 sxs Class "C" cmt w/2% CaCl. Circ to surface.
  - b. 8 5/8" csg: Cement w/1600 sxs lite wt cmt & 400 sxs Class "C". Circ cmt to surface. Caliper log to be run in conjunction w/GR/CNL/DLL/CDL/BVI/ Caliper log to determine open hole volume for computation of actual cement volume to circ to surface.
  - c. 4 1/2" csg: Cement w/435 sxs lite wt cmt & 300 sxs Class "H" 50-50 Pozmix
    - A. Run caliper log in conjunction w/open hole logs to determine exact hole volume. Top of cmt anticipated at 8500'. Cmt volume could vary w/development of intermediate horizons.
10. The pressure control diagram is attached to Form 9-331C. The following additional information is as follows:
 

11 3/4" casing installation: 10" Ser 900 3000 psi double hydraulic pipe and blind rams.