

SOUTHLAND ROYALTY COMPANY

Sand Ranch #1

1980' FSL & 1980' FWL

Sec. 26, T-10-S, R-29-E

Chaves County, New Mexico

16084

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

T/Salt	350	Gloreta	3840	Canyon	8200
B/Salt	410	Tubb	5400	Strawn	8650
Yates	1300	Abo	6250	Atoka	9030
Queen	2000	Wolfcamp	7050	Morrow	9240
San Andres	2500	Cisco	7860	Miss	9400

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

San Andres	2500'
Wolfcamp	7050'
Atoka	9030'
Morrow	9240'

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/700 sxs Cl "C" cement w/2% CaCl. Circ. to surface.
 - b. 8 5/8" csg: Cement w/800 sxs lite wt. cement & 400 sxs Cl "H". Circulate cement to surface. Caliper log to be run in conjunction w/GR/CNL/FDC log to determine open hole volume for computation of actual cement volume to circulate to surface.
 - c. 4 1/2" csg: Cement w/650 sxs lite wt. cement & 350 sxs Cl "H" 50-50 Pozmix A. Run caliper log in conjunction w/open hole logs to determine exact hole volume. Top of cement anticipated to be at 8000'. Cement volume could vary w/development of intermediate horizons.