GEOTHERMAL PROSPECTING PERMIT APPLICATION

Date of Application: 3/29/79

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(Entries above this line will be filled in by the Forest Service)

Application is hereby made for a permit to use National Forest land as indicated below:

1. Description of land:
   SE Corner of Unsurveyed Section 4, T7S-R7E, As shown on 1978 Fireman Map (Exact location to be made on ground with District Ranger)

2. Describe type of exploration to be done and effect on the land involved:
   - Drill a 2000' temperature gradient observation hole. Well will be completed with 1" iron pipe run to bottom and temperatures will be observed for up to one year. Well will then be plugged to U.S.G.S. specifications. A 50' x 100' area will be disturbed on surface while drilling. No permanent environmental damage will result.

3. When exploration is to be started and completed:
   Exploration to begin with drilling in Summer, 1979 after snow melted. Exploration to be completed in fall, 1980

4. Anticipated cost:
   $60,000

Date of Application: March 28, 1979

Signature of Applicant: [Signature]

Address: Southland Royalty Company
          1000 Fort Worth Club Tower
          Fort Worth, Texas 76102

REPORT ON APPLICATION
(To be completed by Authorized Forest Officer)

1. General description of the area and adaptability for the proposed use. Outline area on a map if needed to clarify proposed use and attach map to application.

2. Status of the land requested, including description of any improvements or claims on area. If previously under permit, indicate former permit date and permittee's name.

3. State the surface disturbance and resource removal and/or damage anticipated and resultant costs that should be recovered.

4. Recommendations, including any factors which might affect the granting of the permit or future use of the land.

5. List on the reverse side any additional conditions which should be made a part of permit.

Report Submitted: [Date] [Signature] [Title]

Report Approved: [Date] [Signature] [Title]

R-6-2820-2 3/74