APPLICATION FOR PERMIT TO DRILL A GEOTHERMAL WELL

To be accompanied by a $250 permit fee for new wells and a surety bond conditioned as provided by law.

DATE: January 22, 1995

In compliance with rules and regulations pursuant to ORS 522 (Chapter 552 OL 1975) application is hereby made for permit to drill a geothermal well: CE Exploration OR 45505 23-22

(Company or Operator) (Well No.)

SW 1/4NW 1/4

in Sec. 22, T 21S, R 12E W.B.& M., Newberry KGRA Field, Deschutes County. Survey Coordinates: From N.W. corner, 1500'S, 400'E Directional

Elevation of ground above sea level is 6440' feet. All depth measurements are taken from top of KB (Kelly Bearing), which is 30' above ground.

Lessee: CE Exploration

Address: 34 NW First St., Ste. 302, Portland Oregon 97209

We propose to use the following strings of casing and to land or cement them as herein indicated:

<table>
<thead>
<tr>
<th>Size of</th>
<th>Size of</th>
<th>Weight</th>
<th>Grade/Type</th>
<th>New or Secondhand</th>
<th>Depth</th>
<th>Landed or cemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>hole</td>
<td>casing</td>
<td>per foot</td>
<td></td>
<td></td>
<td></td>
<td>No. sacks cement</td>
</tr>
<tr>
<td>36&quot;</td>
<td>30&quot;</td>
<td>118#</td>
<td>Grade B</td>
<td>New</td>
<td>50' GL</td>
<td>Cemented to Surf.</td>
</tr>
<tr>
<td>26&quot;</td>
<td>20&quot;</td>
<td>94#</td>
<td>K55/Buttress</td>
<td>New</td>
<td>350' GL</td>
<td>Cemented to surf.</td>
</tr>
<tr>
<td>17-1/2&quot;</td>
<td>13-3/8&quot;</td>
<td>68#/72#</td>
<td>K55/L80 buttress</td>
<td>New</td>
<td>3000'GL</td>
<td>Cemented to surf.</td>
</tr>
<tr>
<td>12-1/4&quot;</td>
<td>9-5/8&quot;</td>
<td>36#</td>
<td>K55 slotted liner</td>
<td>New</td>
<td>9000'GL</td>
<td></td>
</tr>
</tbody>
</table>

Proposed Depth 9000' ±

Objectives Drill directionally east to TD of 9000'.

Approved March 6, 1995

except as follows:

Follow October 1993 stipulations and letter of March 6, 1995.

DEPARTMENT OF GEOLOGY & MINERAL INDUSTRIES

By Petroleum Engineer

Company/Operator CE Exploration

Signature

Position Project Manager

Date 1/22/95

SEND WELL COMMUNICATION TO:

Name Dave McClain

Address 34 NW First St., Ste. 302, Portland OR 97209

Phone (503) 226-3636 (Day) (503) 591-1026 (Night)

NOTE: This permit expires 180 days from date of issue. Land use approval must be obtained from the county or city in which the drilling takes place. Issuance of this permit is not a finding of compliance with the Statewide Planning Goals or the acknowledged comprehensive plan.