APPLICATION FOR PERMIT TO DRILL A GEOTHERMAL WELL
(To be accompanied by a $25.00 permit fee for new wells only and a surety bond conditioned as provided by law.)

Department of Geology and Mineral Industries
Portland, Oregon 97201

In compliance with rules and regulations pursuant to ORS 522 (Chapter 776 OL 1971) application is hereby made for permit to drill

a (new well / prospect well): Francana Resources, Inc.

Well No. 1 in NW 1/4 of sec. 31, T. 22 south, R. 23 east, Lake County.

Field, Lake

This well is 265 feet (S) of the North line and 265 feet (E) of the West line of section 31.

Elevation of ground above sea level is feet. All depth measurements are taken from ground surface, which is above ground.

The lessee is U.S. Department of the Interior

Address

The lessor is Francana Resources, Inc.

Address

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

<table>
<thead>
<tr>
<th>Size of hole</th>
<th>Size of casing</th>
<th>Weight in pounds per foot</th>
<th>Grade and type</th>
<th>New or second hand</th>
<th>Depth</th>
<th>Landed or cemented No. and kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 7/8 in</td>
<td>7 inch</td>
<td>20</td>
<td>H-40</td>
<td>New</td>
<td>200 ft.</td>
<td>75 icks</td>
</tr>
</tbody>
</table>

Method of drilling: rotary XX, cable __________, other ________.

Proposed objectives:

Francana Resources, Inc.

Approved July 20, 1979

Stipulations approved by the Governing Board of the Department will be made a condition of this permit.

DEPT. OF GEOLOGY & MINERAL INDUST.
Petroleum Engineer