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

San Francisco, CA. July 21, 1972

Department of Geology and Mineral Industries
Portland, Oregon

In compliance with rules and regulations pursuant to ORS 520 (Chapter 667 OL 1953) application is hereby made for permit to drill a (new well) (stratigraphic hole) to be known as Blue Mountain Unit in Sec. 34, T. 37S., R. 41E., W.B. & M., Malheur County.

This well is 2630 feet (N) of the South line and 200 feet (E) of the West line of Sec. 34, T. 37S., R. 41E., W.M. (Give location from section or other legal subdivision lines or corners. Cross out wrong directions)

Elevation of ground above sea level is 5586 feet. All depth measurements are taken from top of derrick floor, which is 6400 feet above ground.

The lessee is Standard Oil Company of California

Address 225 Bush St., San Francisco, Calif. 94126

The lessor is United States of America

Address 729 Northeast Oregon St., Portland, Oregon 97208

We estimate that the first productive oil or gas sand should occur at a depth of about 6400 feet subsurface.

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. of sacks cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>26&quot;</td>
<td>20&quot;</td>
<td>9#/</td>
<td>line pipe</td>
<td></td>
<td>30&quot;</td>
<td>50 sacks cement</td>
</tr>
<tr>
<td>17&quot;</td>
<td>13-3/8&quot;</td>
<td>48#/</td>
<td>H</td>
<td></td>
<td>100'</td>
<td></td>
</tr>
<tr>
<td>12 1/2&quot;</td>
<td>9-5/8&quot;</td>
<td>40#/</td>
<td>N-80</td>
<td></td>
<td>1000'</td>
<td></td>
</tr>
<tr>
<td>8-3/4&quot;</td>
<td>5-1/2&quot;</td>
<td>17#/</td>
<td>N-80 &amp; P-110</td>
<td></td>
<td>6000'-9000'</td>
<td>600 &quot;</td>
</tr>
</tbody>
</table>

We propose to drill with rotary tools.

If changes in the above plan become advisable we will notify you before cementing or landing casing.

Additional information including names of and expected depths to objective sands (Use additional sheets as needed):

I understand that this plan of work must receive approval in writing by the Director of the State Department of Geology and Mineral Industries.

Approved September 7, 1972, except as follows: None

R. W. Armstrong

Div. 9, Division Land Manager-Pacific Northwest Divn.

Send communications regarding well to:

R. W. Armstrong

Address 320 Market St.

San Francisco, CA. 94111

(Submit in triplicate)