APPLICATION FOR PERMIT TO DRILL AN OIL AND GAS WELL OR STRATIGRAPHIC HOLE

(To be accompanied by a $100 permit fee for new wells only and a surety bond conditioned as provided by law.)

St. Helens, Oregon Oct. 28, 1982

In compliance with rules and regulations pursuant to ORS 520 (Chapter 296 of 1977) application is hereby made for permit to drill a (new well) (stratigraphic hole) to be known as REICHHOLD ENERGY CORPORATION Columbia County (company or operator) (lease)

Well No. 13-34 in SW 1/4 of Sec. 34, T. 7N, R. 5W, W.B.M., Mist Field, Columbia County.

Survey Coordinates: Approximately 2000' N and 500'E of SW corner.

Elevation of ground above sea level is 1100' feet. All depth measurements are taken from top or Kelly Bushing, which is 11.4 above ground.

Lessee: REICHHOLD ENERGY CORPORATION

Address: P.O. Box 810, St. Helens, OR 97051

Lessee: ARCHIE ADAMS

Address: Iron Mountain Road, Redding, CA 96001.

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. stacks cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 1/4</td>
<td>8 5/8</td>
<td>24</td>
<td>K-55</td>
<td>New</td>
<td>450</td>
<td>165</td>
</tr>
<tr>
<td>7 7/8</td>
<td>5 1/2</td>
<td>15.5</td>
<td>K-55</td>
<td>New</td>
<td>2800</td>
<td>110</td>
</tr>
</tbody>
</table>

Proposed Depth: 2800'  
Objectives: Clark and Wilson Sand

REICHHOLD ENERGY CORPORATION

Company or operator

Approved: November 23, 1982

The October 1980 stipulations approved by the Governing Board of this Department are conditions of this permit.

DEPT. OF GEOLOGY & MINERAL INDUSTRY

Petroleum Engineer

NOTE: This permit is void only if final use approval is obtained from the county or city in which the drilling takes place, and provided these authorities make a determination of compliance with state wide goals.