STATE OF OREGON
DEPT. OF GEOLOGY AND MINERAL IND. R.K.E.S.
800 NE Oregon St #28 Portland, OR 97232
O&G PERMIT #: 502
API #: 36-009-50322

APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(To be accompanied by a $250 permit fee, a surety bond conditioned as provided by law, and evidence of mineral rights ownership or lease.) This application becomes a permit to drill when signed and dated by DOGAMI in box below.

In compliance with rules and regulations pursuant to ORS 520, application is hereby made for permit to drill (a gas well) to be known as Enerfin Resources Northwest Columbia County #32-27-65 (Company or Operator) ( Lease) (Well No.)

in NE ¼ of Sec. 27, T 12N, R 5W Directional? No X Yes Survey Coordinates (if yes, BHL & SHL):

BHL: 242° 32' 14" W and SHL: 14° 04' 32" NE

Wildcat: Mist Gas Field (or) Field Name: Mist Gas Field County Columbia Elevation of ground above sea level is +850.00 feet. All depth measurements are taken from Kelly Bushings (KB) which is +10.00' above ground.

Lessor (Mineral Owner): Columbia County Address: 318 Courthouse, St. Helens, OR. 97051

Surface Owner: Larchview Fibre Address: P.O. Box 667, Longview, WA. 98632

Lessor: Enerfin Resources Northwest Limited Partnership Address: Three Riversway, Suite 1200, Houston, TX. 77056

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/Type</th>
<th>Depth</th>
<th>Amount of Cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>25&quot;</td>
<td>12&quot;</td>
<td>2#</td>
<td>J-55/ST&amp;C</td>
<td>40'</td>
<td>Surface pour</td>
</tr>
<tr>
<td>7&quot;</td>
<td>7&quot;</td>
<td>23#</td>
<td>J-55/NU or EUJ</td>
<td>500'</td>
<td>145 sx</td>
</tr>
<tr>
<td>6-1/2&quot;</td>
<td>3-1/2&quot;</td>
<td>9.2# or 9.3#</td>
<td></td>
<td>2,010'</td>
<td>180 sx</td>
</tr>
</tbody>
</table>

Geologic Objectives Clark and Wilson Sand (CWS)

Proposed Depth +2,010' KB

Company/Operator: Enerfin Resources Northwest

Signature: [Signature]

Position: Field Operations Manager

Date: June 6, 1996

SEND WELL COMMUNICATION TO:

Name: Enerfin Resources Northwest

Address: P.O. Box 1356

Clatskanie, OR. 97016-3358

Phone: (503) 255-2010 (Day) (503) 204-7331 (Night)

Fax: (503) 255-2030

NOTE: (1) Issuance of this permit is not a finding of compliance with the Statewide Planning Goals or the acknowledged comprehensive plan. (2) Permit expires one year from date of issue. (3) Land use approval must be obtained from the county or city in which the drilling takes place. (4) Unless specifically exempted, permittee is obligated to comply with all current applicable statutes and rules including those adopted after permit issuance.

OG Appl. For O&G drill
C:OFFICE/WPWIN/WPDOC/ENERFIN/DOG-AP/32-27-65.WPD