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.)

Columbia County, Oregon   9-6-1985

In compliance with rules and regulations pursuant to ORS 520 (Chapter 296 GL 1977) application is hereby made for permit to drill a (new well) (stratigraphic hole) to be known as

Well No. 32-32 in NE/4 of Sec. 32 T. 6N R. 5W V.S.M.

Mist Gas

Survey Coordinates: 2800' N 237' E, Sec. 32, T6N, R5W

Elevation of ground above sea level is 810 feet. All depth measurements are below ground of KB, which is 10' above ground.

Lease: Reichhold Energy Corp. Surf. owner: Longview F.

Address: 12655 S.W. Center Street, Beaverton, OR 97005

Lease: Columbia County

Address: Columbia County Courthouse, St. Helens, OR 97051

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. or sack cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>16&quot;</td>
<td>65#</td>
<td>H40, STC</td>
<td>New</td>
<td>± 20'</td>
<td>30</td>
</tr>
<tr>
<td>12-1/4&quot;</td>
<td>9-5/8&quot;</td>
<td>36#</td>
<td>K55, STC</td>
<td>New</td>
<td>400'</td>
<td>160</td>
</tr>
<tr>
<td>8-3/4&quot;</td>
<td>5-1/2&quot;</td>
<td>17#</td>
<td>K55, LTC</td>
<td>New</td>
<td>2700'</td>
<td>750</td>
</tr>
</tbody>
</table>

Proposed Depth: 2700' (BTM C&W) Objectives: Clark & Wilson Sand

REICHHOLD ENERGY CORPORATION

Approved Sept. 30, 1985

The Sept. 1984 stipulations approved by the State Geologist are conditions of this permit.

DEPT. OF GEOLOGY & MINERAL INDUSTRY

By: Michael P. Allen

Petroleum Engineer

NOTE: This permit is valid only if land 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 statewide goals.