APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(API: 36-009-00213)

(ATLANTIC RICKFIELD CO.)

(Columbia County)

(Well No. 42-8-5H)

(State of Oregon)

(Department of Geology and Mineral Industries)

(910 State Office Building, Portland, OR 97201)

42-8-5H

(A gas well)

(Lease)

(Well No.)

(Company or operator)

(Ne W 1/4 of Sec. 28, T. 5N, R. 4W, W.B.M. Directional? No X Yes)

(Coordinates: 1800° S & 1300° W of NE Corner, Sec 8, TSN, R4W)

(Survey)

(Wildcat: Yes (or) Field Name: Mist)

(County: Columbia)

(Elevation of ground above sea level: 920 feet. All depth measurements are taken from Kelly bushing, which is 412' above ground.)

(Lessor (Mineral Owner): Columbia County Land Development Services)

(Address: Courthouse, St. Helena, OR 97051)

(Surface Owner: Cavenham Forest Industries)

(Address: 1500 SW First Avenue, Portland, OR 97201)

(Lessee: Atlantic Richfield Company)

(Address: 4201 Stine Road, Bakersfield, CA 93309)

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>12-1/4&quot;</td>
<td>9-5/8&quot;</td>
<td>36#</td>
<td>K-55</td>
<td>450'</td>
<td>225 sx</td>
</tr>
<tr>
<td>8-1/2&quot;</td>
<td>5-1/2&quot;</td>
<td>17#</td>
<td>K-55</td>
<td>2750'</td>
<td>580 sx</td>
</tr>
</tbody>
</table>

(Geologic Objectives: Clark & Wilson at 1950')

(Proposed Depth: 2750')

ARCO Oil and Gas Company

Company/Operator: Div. of Atlantic Richfield Co.

Signature: Kwang U. Park

Position: District Drilling Superintendent

Date: 8/24/86

SEND WELL COMMUNICATION TO:

Name: Kwang U. Park

Address: 4201 Stine Road

Bakersfield, CA 93309

Phone: 805-833-4060 (Day) 805-834-4826 (Night)

 DOGAMI Approved Sept. 23, 1986

The July 1986 stipulations approved by the State Geologist are conditions of this permit. Notify DOGAMI to witness BOP test.

By: Dennis J. Clark

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.

Form: RLT 5-85 8/24/86