

O&G PERMIT #: 512

STATE OF OREGON  
DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES  
800 NE Oregon St # 28 Portland OR 97232

API #: 36-043-00019

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: Jefferson Gas LLC "Clayton" well #1.

in NE 1/4 of Sec. 58, T 10 S, R 3W Directional: No X Yes \_\_\_ Survey Coordinates (if yes: BHL & SHL): 2,235' FEL  
2,466' FNL

Wildcat: Yes (or) Field Name \_\_\_ County Linn County

Elevation of ground above sea level is 207 feet. All depth measurements are taken from kelly bottom, which is 12' above ground.

Lessor (Mineral Owner): Charles Clayton Wood  
Address 5353 Woods Road NE, Albany, OR 97321-7739  
Surface Owner: Charles Clayton Wood  
Address 5353 Woods Road NE, Albany, OR 97321-7739  
Lessee: Jefferson Gas LLC  
Address: 2053 Sidewinder Dr. Park City, UT 84060

We propose to use the following strings of casing and to land or cement them as herein indicated

Size of hole	Size of casing	Weight in pounds per foot	Grade/Type	Depth	Amount of Cement
12 1/4"	9 5/8"	32.3 #/ft.	H-40, 32.3#/ft	Surf.- 500ft.	169 sxs
8 1/2"	5 1/2"	14 #/ft.	H-40, 14.0#/ft	Surf. - 1,520'	331 sxs
Core				Cap Rock and Objective	1000-1350'

Geologic Objectives Cowlitz Formation  
Proposed Depth 1520' Company/Operator Jefferson Gas LLC

DOGAMI approval Sept. 4, 1998

24-hour Notice to DOGAMI for BOPB tests and injection tests and flow tests (gas and/or water).

By: Dan E. Johnson Geologist

Signature: Peter Jensen  
 Position: VP ENSTROR, L.P. - Member of LLC.  
 Date: 8/7/98

SEND WELL COMMUNICATION TO:  
 Name: Peter Jensen  
 Address: 2053 Sidewinder Dr. Park City, UT 84060  
 Telephone: (435) 546-3901 (Day) (435) 645-9185 (Night)

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.

224