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.

APPLICATION TO DRILL

Company: Diamond Shamrock Corporation

Address: 410 - 17th Street, Suite 600, Denver, Colorado 80202

Gas applied to drill one 5,000' Oil and Gas number of holes depth type of hole

Location: Crown Zellerbach (C.Z. 11-28)

NW 1/2 NW 1/2 Section 28, T5N, R9W, Clatsop County

We have enclosed: Locations [ ] Plan of Operation [ ] Application [x]

Stipulations that apply: The October 1, 1980 stipulations approved by the Governing Board of the Department will be made a condition of this permit.

Please let us know if you have any questions relating to this proposed drilling. If we do not hear from you within the next 30 days, we will assume there are no serious objections involved in issuing a drilling permit.

Sincerely,

Dennis L. Olmstead
Petroleum Geologist

DIO: bj