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)

PORTLAND, Oregon Feb. 9, 1984

In compliance with rules and regulations pursuant to ORS 520 (Chapter 296, OL 1977) application is hereby made for permit to drill a (stratigraphic hole) to be known as Reichhold Energy Corp., Crown Zellerbach (company or operator) (lease)

Well No. 34-28 in SE/4 of Sec. 28, T. 6N., R. 4W., W.B.M., Deer Creek Field, Columbia County.

Survey Coordinates: 2000' west and 400' north of SE corner Section 28

Elevation of ground above sea level is __________ feet. All depth measurements are taken from top of Kelly Bushing, which is 11.4 feet above ground.

Lessee: American Quasar Petroleum Company of New Mexico

Address: 707 United Bank Tower, 1700 Broadway, Denver, Colorado 80290

Lessor: Crown Zellerbach

Address: One Bush Street, San Francisco, California 94119

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. packs cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 1/4</td>
<td>8 5/8</td>
<td>24</td>
<td>K-55</td>
<td>New</td>
<td>400</td>
<td>180</td>
</tr>
<tr>
<td>7 7/8</td>
<td>5 1/2</td>
<td>15.5</td>
<td>K-55</td>
<td>New</td>
<td>2400</td>
<td>225</td>
</tr>
</tbody>
</table>

Proposed Depth: 2500 ±

Objectives: Clark & Wilson Sand

Reichhold Energy Corporation

By

Position Northwest District Geologist and Manager

Send communications regarding well to:

Name Reichhold Energy Corporation

Address 1410 S. W. Marlow Avenue

Portland, OR 97225

Approved March 9, 1984

except as follows: The January 1983 stipulations approved by the Governing Board of this Department are conditions of this permit.

DEPT OF GEOLOGY & MINERAL INDUSTRY

By

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.