

APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(To be accompanied by a \$100 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 REICHHOLD ENERGY CORPORATION COLUMBIA COUNTY 41-2
 (an oil well) (Company or operator) (Lease) (Well No.)

in NE 1/4 of Sec. 2, T. 5N, R. 5W W.B.M. Directional? No X Yes

Survey Coordinates: 525' South and 525' West of NE/corner

Wildcat: Yes (or) Field Name: _____ County: Columbia

Elevation of ground above sea level is 880 feet. All depth measurements are taken from Kelly Bushing, which is 11.4' above ground.

Lessor (Mineral Owner): COLUMBIA COUNTY BOARD OF COMMISSIONERS

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

Surface Owner: CROWN ZELLERBACH CORPORATION

Address: 62424 Nehalem Hwy North, Vernonia, OR 97064

Lessee: GULF OIL CORPORATION

Address: 5200 Stockdale Hwy., Bakersfield, CA 93309

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 1/2 | 8 5/8 | 24 | J-55 | 400' | 190 |
| 7 7/8 | 5 1/2 | 15.5 | J-55 | 2000' | 300 |
| | | | | | |
| | | | | | |
| | | | | | |

Geologic Objectives Clark & Wilson

Proposed Depth 2500'

Company/Operator REICHHOLD ENERGY CORPORATION

Signature [Signature]

Position Assistant Landman

Date 08-26-85

SEND WELL COMMUNICATION TO:

Name Todd Thomas

Address 12655 SW Center, Suite 240

Beaverton, OR 97005

Phone 644-8229 (Day) _____ (Night)

DOGAMI Approved September 25, 1985
 The September 1984 stipulations approved by the State Geologist are conditions of this permit.
 By [Signature]
 Petroleum Engineer

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.

RECEIVED - PTLD

AUG 28 1985