In compliance with rules and regulations pursuant to ORS 523 (Chapter 667 OL 1953) application is hereby made for permit to drill a new well to be known as 6-1/2

Reserve Oil and Gas Company

Esmond

Well No. 1

in SE/4 of SW/4 of Sec. 7, T. 12S, R. 1W, W.B. & M.

Field, Linn County, Oregon

This well is 1,194 feet (N) and 575 feet (W) of the South Quarter Corner of said Section 7. The lease is Linn County Oil Development Company.

Address c/o Mr. Adolph Hildebrand, Route 1, Box 746, Dallas, Oregon

The lease is Mr. and Mrs. Walter Esmond

LOCATE WELL CORRECTLY

Address Route 3, Box 160, Lebanon, Oregon

We estimate that the first productive oil or gas sand should occur at a depth of about unknown feet. 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 and type | New or second hand | Depth | Landed or cementsed No. of sacks cement
<table>
<thead>
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<tbody>
<tr>
<td>20&quot;</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>New</td>
<td>20'</td>
<td>Sufficient to return cement to surface</td>
</tr>
<tr>
<td>15 1/2&quot;</td>
<td>10 3/4&quot;</td>
<td>32#</td>
<td>H-40 T&amp;C</td>
<td>New</td>
<td>500'</td>
<td></td>
</tr>
<tr>
<td>9 7/8&quot;</td>
<td>7&quot; or 5 3/8&quot;</td>
<td>26, 30#</td>
<td>J-55 T&amp;C</td>
<td>New</td>
<td>4500'</td>
<td>Cement w/200 sacks or prod.</td>
</tr>
</tbody>
</table>

We propose to drill with rotary tools.

If changes in the above plan become advisable we will notify you before cementing or landing casing.

Additional information including names of and expected depths to objective sands (Use additional sheets as needed)

We expect to encounter prospective Eocene sands at a drilled depth of approximately 4,300 feet.

I understand that this plan of work must receive approval in writing by the Director of the State Department of Geology and Mineral Industries.

Approved May 21, 1962

except as follows:

Surveyed location to be submitted within 30 days.

Reserve Oil and Gas Company

Scott L. Harrington

Position Assistant Secretary

Send communications regarding well to:

Name Scott L. Harrington

Address 64 Pine Street

San Francisco, California