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.)

Bakersfield, CA 6/10 1981

In compliance with rules and regulations pursuant to ORS 520 (Chapter 296 OL 1977) application is hereby made for permit to drill a well to be known as Quintana Petroleum Corp. (company or operator) (lease)

Well No. 1 in SE# of Sec. 16, T. 8S, R. 2W, W.B.M., Field, Marion County.

Survey Coordinates: N.720' the W 836' from SE corner of Section 16.

Elevation of ground above sea level is 390.6 feet. All depth measurements are taken from top of Rotary Kelly Bushing, which is 14' above ground.

Lessee: Quintana Petroleum Corporation (farmout from Gulf Oil Corporation)
Address: 1603 California Ave., Room 105, Bakersfield, CA 93304

Lessor: F. Arthur Gath and F. Edward Gath
Address: 5484 Gath Rd. SE, Salem, Oregon 97302

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. of shanks cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-1/4&quot;</td>
<td>8-5/8&quot;</td>
<td>24.0</td>
<td>K-55, ST&amp;C</td>
<td>New</td>
<td>800'</td>
<td>300 x</td>
</tr>
<tr>
<td>7-7/8&quot;</td>
<td>4-1/2&quot;</td>
<td>11.6</td>
<td>K-55, LT&amp;C</td>
<td>New</td>
<td>6,000'</td>
<td>700 x</td>
</tr>
</tbody>
</table>

Proposed Depth: 6000'

Objectives: Cowlitz Sands (Eocene)

Quintana Petroleum Corporation
(Company or operator)

By: Gary S. Childress

Position: West Coast Operations Manager

Send communications regarding well to:

Name: Gary S. Childress
Address: 1603 California Ave., Room 105
Bakersfield, CA 93304

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.