APPLICATION FOR PERMIT TO DRILL AN OIL AND GAS WELL ON STRATIGRAPHIC HOLE
(To be accompanied by a $100 permit fee for new wells only and a surety bond conditioned as provided by law.)

ROSEBURG, Oregon 8-23-1983

In compliance with rules and regulations pursuant to ORS 486.103, application is hereby made for permit to drill a new well, to be known as GLORY HOLE, in N29E, R27S, T7W, Sec.10, T, 27 S, R. 7 W, V.B.M., wildcat.

Survey Coordinates: 43°14'30" 123°31'11"

From the Northwest Corner 922 ft east & 756 ft south

Elevation of ground above sea level is 715 feet. All depth measurements are taken from top of drill table, which is 6 to 8 feet above ground.

Lessee: Selmar A. Hutchins
Address: P.O. Box 190 Sutherlin, Oregon 97479

Lessee: Floyd L. Simpson
Address: 2941 Doerner Road Roseburg, Oregon 97470

We propose to use the following strings of casing and to land or cement them at herein indicated:

<table>
<thead>
<tr>
<th>Size of hole</th>
<th>Size of casing</th>
<th>Weight per foot</th>
<th>Grade and type</th>
<th>Age or new</th>
<th>Depth</th>
<th>Landed or cemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 1/4&quot;</td>
<td>8 5/8&quot;</td>
<td>32</td>
<td>K55 St. C</td>
<td>new</td>
<td>400&quot;</td>
<td>300 sacks</td>
</tr>
<tr>
<td>7 7/8&quot;</td>
<td>4 1/2&quot;</td>
<td>11.6</td>
<td>K55 N-80</td>
<td>used</td>
<td>4000&quot;</td>
<td>300 sacks</td>
</tr>
</tbody>
</table>

Proposed Depth: 4,000
3,200 and 4,000 feet

Selmar A. Hutchins & Mayo Marrs Casing Pulling Inc. Joint Venture

Company or Operator

By: Selmar A. Hutchins
Position: Partner

NOTE: This permit is valid only if bond was approved to obtained from the county or city in which the site is located.