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] (an oil well) to be known as Northwest Natural Gas Co. NNG IW33ac-3

in SE 1/4 of Sec. 3, T, 6N, R, 5W, W.B.M. Directional? No Yes X

Survey Coordinates: 2025' West and 750' South from the East 1/4 corner (bottom hole location)

Wildcat: (or) Field Name: Mist Underground Storage County: Columbia

Elevation of ground above sea level is 1080 feet. All depth measurements are taken from

Kelly Bushing

which is 11.4 feet above ground.

Lessor (Mineral Owner): Northwest Natural Gas Co. 220 N.W. Second Avenue, Portland, OR 97209

Address: 220 N.W. Second Avenue, Portland, OR 97209

Surface Owner: Cavenham Forest Industries

Address: 62424 N. Nehalem Highway, Vernonia, OR 97064

Lessees: Northwest Natural Gas Co.

Address: 220 N.W. Second Avenue, Portland, OR 97209

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/Type</th>
<th>Depth</th>
<th>Amount of cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 1/2&quot;</td>
<td>13 3/8&quot;</td>
<td>54.5</td>
<td>K-55</td>
<td>450'</td>
<td>545SX</td>
</tr>
<tr>
<td>12 1/4&quot;</td>
<td>8 5/8&quot;</td>
<td>36.0</td>
<td>K-55</td>
<td>2600'</td>
<td>1175SX</td>
</tr>
</tbody>
</table>

Geologic Objectives Clark and Wilson Sand

Proposed Depth 2900 TVD

DOGAMI Approved August 29, 1990

This well is permitted as a gas injection withdrawal service well, and is not permitted as an exploratory production well. The July 1987 stipulations approved by the State Geologist are conditions of this permit. Notify DOGAMI to witness BOP test.

Dennis L. Olmstead, 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.

Form 1 (5-85)