STATE OF OREGON
DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES
910 State Office Building  Portland, Oregon  97201

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 G.S. 520, application is hereby made for permit to drill:

(a gas well) to be known as Oregon Natural Gas Development (Operator) IN 393-3

(in an oil well) to be known as Oregon Natural Gas Development (Company or Operator) (Lease) (Well No.)

In SE 1 of Sec. 10, T. 6N, R. 5W W.B&M Directional? No Yes X

Survey Coordinates: From the east corner, Section 3; south 730' and west 1850'

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

Elevation of ground above sea level is 1100 feet. All depth measurements are taken from

Kelly Bushing , which is 11.4 feet above ground.

Lessor (Mineral Owner): Oregon Natural Gas Development 2.29

Address: 220 N. W. Second Avenue  Portland, Oregon

Surface Owner: Cavenham Forest Industries

Address: 62424 R. Nehalem Highway  Vernonia, Oregon 97064

Lessee: Oregon Natural Gas Development 2.29

Address: 220 N. W. Second Avenue  Portland, Oregon 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&quot;</td>
<td>13 3/8&quot;</td>
<td>54.5</td>
<td>K-55</td>
<td>450'</td>
<td>545 sx</td>
</tr>
<tr>
<td>12&quot;</td>
<td>8 5/8&quot;</td>
<td>36.0</td>
<td>N-80</td>
<td>2,600'</td>
<td>950 sx</td>
</tr>
</tbody>
</table>

Geologic Objectives Clark and Wilson Sand

Proposed Depth 2,900' TVD

Company/Operator Oregon Natural Gas Development 2.29

Signature

Position Field Operations Superintendent

Date 3/1/88

SEND WELL COMMUNICATION TO:

Name  Todd Thomas

Address  220 N. W. Second Avenue

Portland, Oregon 97209

Phone 220-2573 (Day) 359-4956 (Night)

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 drill takes place. (4) Unless specifically exempted, permittee is obligated to comply with all current applicable statutes and rules including those adopted after permit issuance.

By  

DOGAMI approved March 30, 1988

The July 1987 stipulations approved by the State Geologist are conditions of this permit. Notify DOGAMI to witness BOP test.