STATE OF OREGON
DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES
800 NE Oregon St #28 Portland, OR 97232

APPLICATIONS FOR PERMIT TO DRILL AN OIL OR GAS WELL

(Org. 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 to be known as Enerfin Resources Northwest John Hancock Insurance #32-26-64 (Frodo SE)

(Company or Operator) (Lease) (Well No.)
in NE ¼ of Sec. 26, T 6N, R 3W. Directional? No X Yes Survey Coordinates (if yes, BHL & SHL)
2570' W and 1698' S from NE corner of Section 26

Wildcat (or) Field Name: Mist Gas Field County Columbia
Elevation of ground above sea level is 1280 feet. All depth measurements are taken from Kelly
Bushing, which is 10.00' above ground.

Lessor (Mineral Owner): John Hancock Mutual Life Insurance Company
Address: c/o Olympic Resource Management, 62424 Nehalem Hwy North, Vernonia, Or 97064
Surface Owner: Same
Address: 
Lesse: Enerfin Resources Northwest Limited Partnership
Address: 5100 California Avenue, Suite 226, Bakersfield, CA 93309

We propose to use the following strings of casing and to land or cement these 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>9-7/8&quot;</td>
<td>7&quot;</td>
<td>25#</td>
<td>JS5/ERW</td>
<td>500'</td>
<td>145 sxs</td>
</tr>
<tr>
<td>6-1/4&quot;</td>
<td>3-1/2&quot;</td>
<td>6.5#</td>
<td>JUE 8rd</td>
<td>4520'</td>
<td>195 sxs</td>
</tr>
</tbody>
</table>

Geologic objectives Sunset Highway Sands
Proposed Depth 4520'

Company/Operator: Enerfin Resources Northwest Limited Partnership

Signature: [Signature]
Position: Manager of Lands
Date: May 13, 1999

SEND WELL COMMUNICATION TO:
Name: Enerfin Resources Northwest Limited Partnership
Address: P.O. Box 1358
Clatskanie, OR 97016-3358
Phone: (503) 755-2010 (Day) (503) 755-2010 (Night)

NOTE: (1) Issuance of the permit is not a finding of compliance with the Statewide Planning Goals or the acknowledged comprehensive plan. (2) Permit expires one year from the 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.