APPLICATION FOR PERMIT TO DRILL AN OIL AND GAS WELL OR STRATIGRAPHIC HOLE

In compliance with rules and regulations promulgated by ORE 520 (Chapter 296 OL 1977), an application is hereby made for a permit to drill a well to be known as Reichhold Energy Corp. Longview Fibre (company or operator) (lease)


Survey Coordinates: South and West of the center of section.

Elevation of ground above sea level is 620 feet. All depth measurements are taken from top of Kelly Bushing, which is 11.4 feet above ground.

Lessee: American Quasar Petroleum Company of New Mexico

Address: 707 United Bank Tower, 1700 Broadway, Denver CO 80290

Lessee: Longview Fibre Company

Address: P.O. Box 667, Longview WA 98632

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

<table>
<thead>
<tr>
<th>Size of</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</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 1/4&quot;</td>
<td>8 5/8&quot;</td>
<td>24</td>
<td>K-55</td>
<td>New</td>
<td>500'</td>
<td>225</td>
</tr>
<tr>
<td>7 7/8&quot;</td>
<td>5 1/2&quot;</td>
<td>15.5</td>
<td>K-55</td>
<td>New</td>
<td>4000'</td>
<td>250</td>
</tr>
</tbody>
</table>

Proposed Depth: 4000'  
Objectives: Clark & Wilson (1500')

REICHHOLD ENERGY CORPORATION

Mike Alger

Position: Northwest District Geologist & Manager

Send communications regarding well to:

Name: Mike Alger

Address: 1410 S.W. Marlow Ave.

Portland, OR 97225

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 there are no other objections made to the drilling of the well.