APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(State of Oregon)
Department of Geology and Mineral Industries
910 State Office Building Portland, OR 97201

APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(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 Oregon Natural Gas Development Corp. CH 43-3

(Company or operator) (Well No.)

in SE 1/4 of Sec. 3 T. 94 N. R. 5W W.B.M. Directonal? No. Yes

Survey Coordinates: 1500' north and 500' east from the SW corner sec 3 T 60N R 5S

Wildcat: (or) Field Name: Mist field storage observation County: Columbia

Elevation of ground above sea level is 1120 feet. All depth measurements are taken from

Kelly Bushing, which is 11.4 feet above ground.

Lessor (Mineral Owner): Oregon Natural Gas Development Corp.

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

Surface Owner: Cowlins Forest Industries

Address: 1500 S.W. First, Portland, Oregon

Lessees: Oregon Natural Gas Development Corp. 2/2/8

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>9-7/8&quot;</td>
<td>7&quot;</td>
<td>20#</td>
<td>K-55</td>
<td>400</td>
<td>150sx</td>
</tr>
<tr>
<td>6-1/2&quot;</td>
<td>4-1/2&quot;</td>
<td>10.5#</td>
<td>K-55</td>
<td>3000</td>
<td>300sx</td>
</tr>
</tbody>
</table>

Geologic Objectives Base of Clark & Wilson Sand

Proposed Depth 3000'

Oregon Natural Gas Development Corp.

Company/Operator

Signature
date

Signature
date

Signature
date

The July 1986 stipulations approved by the State Geologist are conditions of this permit.

By: Dennis L. Omland, Petroleum Engineer

NOTES: (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 extended, permittee is obligated to comply with all current applicable statutes and rules including those adopted after permit issuance.

Form 1

7-5-86