APPLICATION FOR PERMIT TO DRILL AN OIL AND GAS WELL OR STRATIGRAPHIC HOLE
(To be accompanied by a $100 permit fee for new wells only and a surety bond conditioned as provided by law.)

Portland, Oregon July 15, 1980

In compliance with rules and regulations pursuant to OAR 246-077 (Chapter 296, OR 1977) application is hereby made for permit to drill a well (stratigraphic hole) to be known as American Quasar Petroleum Co., Rau (company or operator) (lease).

Well No. 18-14 SW ½ SW ¼ of Sec. 18, T. 6N, R. 4W, W.S.M.
Wildcat Field, Columbia County.
Survey Coordinates: 1099.41' FWL & 900' FSL (see attached plat)

Elevation of ground above sea level is 583.0' feet. All depth measurements are taken from top of Kelly Bushing, which is approx. 12' above ground.

Lessee: Reichhold Energy Corporation

Address: P. O. Box 1482, Tacoma, Washington 98401

Lessee: E. Rau

Address: Mist, Oregon 97016

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

| Size of hole | Size of casing | Weight in pounds per foot | Grade and type | New or second hand | Depth | Landed or cemented
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</thead>
<tbody>
<tr>
<td>9-7/8&quot;</td>
<td>7&quot;</td>
<td>23#</td>
<td>K55</td>
<td>New</td>
<td>500'</td>
<td>Cmt. to surf.</td>
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<tr>
<td>6⅞&quot;</td>
<td>4⅛&quot;</td>
<td>9.5#</td>
<td>K55</td>
<td>New</td>
<td>3000'</td>
<td>200' (minimum)</td>
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Proposed Depth: 3,000'

Objectives: Eocene

American Quasar Petroleum Co.

company or operator

By: John F. Works

Position: Division Drig. Engr.

Send communications regarding well to:

Name: American Quasar Petroleum Co.

Address: 204 Superior Blvd.
201 N. Velcott St.
Casper, Wyo. 82601

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 that authorities make a determination of compliance with statewide goals.