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.)

St. Helens, Oregon March 24, 1983

In compliance with rules and regulations pursuant to ORS 520 (Chapter 296 OL 1977) application is hereby made for permit to drill a (new well) (stratigraphic hole) to be known as REICHHOLD ENERGY CORP./ WERNER

(company or operator) (lease)

Well No. 34-21 in SE/4 of Sec. 21, T. 5S, R. 2W, W.B.&M., St. Louis Field, Marion County.

Survey Coordinates: 600' N & 1500' W of SE corner

Elevation of ground above sea level is 180 feet. All depth measurements are taken at top of Kelly Bushing, which is 11.4 feet above ground.

Lessee: REICHHOLD ENERGY CORPORATION

Address: P.O. Box 810, St. Helens, OR 97051

Lessor: Carl Werner

Address: 13543 Manning Road, Gervais, OR 97026

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 and type</th>
<th>New or second hand</th>
<th>Depth</th>
<th>Landed or cemented No. sacks cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 1/4</td>
<td>8 5/8</td>
<td>24</td>
<td>K-55</td>
<td>New</td>
<td>1100</td>
<td>395</td>
</tr>
<tr>
<td>7 7/8</td>
<td>5 1/2</td>
<td>15.50</td>
<td>K-55</td>
<td>New</td>
<td>3500</td>
<td>120</td>
</tr>
<tr>
<td>11 1/2</td>
<td>13 3/8&quot;</td>
<td>15.50</td>
<td>K-55</td>
<td>New</td>
<td>200</td>
<td>cement to surface</td>
</tr>
<tr>
<td>12 1/4</td>
<td>8 5/8&quot;</td>
<td>24</td>
<td>K-55</td>
<td>New</td>
<td>1500</td>
<td>cement to surface, 1975 psi collapse</td>
</tr>
</tbody>
</table>

Proposed Depth: 3500'

Objectives: Spencer Sand

Approved April 21, 1983 except as follows: The January 1983 stipulations approved by the Governing Board of this Department are conditions of this permit.

DEPT. OF GEOLOGY & MINERAL INDUSTRY

By: [Signature]
Petroleum Engineer

REICHHOLD ENERGY CORPORATION

By: [Signature]
Position: Staff Geologist
Send communications regarding well to:
Name: W.F. Covert
Address: P.O. Box 810
St. Helens, OR 97051

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 these authorities make a determination of compliance with statewide goals. Issuance of this permit is not a finding of compliance with the Statewide Planning Goals or the acknowledged comprehensive plan.