

APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(To be accompanied by a \$250 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 Carbon Energy International Coos County Forest #7-1
 (an oil well) (Company or Operator) (Lease) (Well No.)

in SE $\frac{1}{4}$ of Sec. 7, T 27S, R 13W Directional? No Yes Survey Coordinates (if yes, B&L & SHL):
512' N, 2152' W of SE Corner

Wildcat: (or) Field Name: _____ County COOS

Elevation of ground above sea level is 450 feet. All depth measurements are taken from Kelly Bushing, which is 18' above ground.

Lessor (Mineral Owner): Menasha Corporation
 Address: PO Box 588, North Bend, OR 97459

Surface Owner: Same as above
 Address: " " "

Lessee: Carbon Energy International
 Address: 2700 Fairmount St., 3rd Floor, Dallas, TX 75201

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/Type	Depth	Amount of Cement
12 1/4"	9 5/8"	36	K-55	425'	225 sxs
8 3/4"	7"	24	K-55	3850'	525 sxs
6 1/4"	4 1/2"	15			

Geologic Objectives Lower Coaledo formation

Proposed Depth 4250'

Company/Operator Carbon Energy International, a limited liability company

Signature [Signature]
 Position Member
 Date 5-15-93

DOGAMI approved September 7, 1993.
 July 1987 Stipulations apply to this permit. Notify DOGAMI 24 hours before BOP tests. No commercial production may occur until spacing and set-backs are established and agreements are reached regarding distribution of revenues with adjacent mineral owners closer than the established set-back distance.

by [Signature]
 Dennis Olmstead, Petroleum Engineer

SEND WELL COMMUNICATION TO:

Name Steven P. Pappajohn
 Address 6627 S 191st Place, Ste F-100 Kent, WA 98032
 Phone (206) 656-4151 (Day) (206) 328-3248 (Night)

NOTE: (1) Issuance of this permit is not a finding of compliance with the Statewide Planning Goals. (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 exempted, permittee is obligated to comply with all current applicable statutes and rules including those adopted after permit issuance.

