

INVITATION TO BID

The State of North Dakota, acting through the North Dakota Industrial Commission, Oil & Gas Division, invites you to submit a bid for the reclamation of the following well:

WILLIAM 1
SWNE Sec. 2-T1151N-R100W
Mckenzie County, ND
Well File No. 16181

To be considered, the bid must be on the form provided by the Industrial Commission, which must be fully completed in accordance with the accompanying "INSTRUCTIONS TO BIDDERS," and must be received in the Bismarck office of the Industrial Commission, Oil & Gas Division, no later than 11:00 a.m., May 22th, 2013. The Commission reserves the right to reject any and all bids. Bidders interested in inspecting the site should meet on site at 11:00 a.m. (CT) on Thursday, May 16, 2013. The inspection will allow prospective bidders to ascertain the nature and location of the work and the conditions which can affect the work and its cost. No other opportunities to inspect the sites will be provided.

For additional information or blank bid forms, please contact Mr. Cody VanderBusch, North Dakota Industrial Commission, Oil & Gas Division, 600 East Boulevard, Bismarck, ND, 58505. Phone (701) 328-8020.

INSTRUCTIONS TO BIDDERS

1. Form of Bids. Bids must be submitted on the enclosed bid form.
2. Submission of Bids. Bids must be enclosed in a sealed envelope, and the outside of the envelope must have the following on it:

Bid of: (Name of Contractor & Business Address)

N.D. Contractor's License No: (No. and Class of License)

Date License was Issued or Renewed: _____

SEALED BID DO NOT OPEN

North Dakota Industrial Commission

Oil & Gas Division, Dept. 405

600 East Boulevard

Bismarck, N.D. 58505

ATTN: Mr. Cody VanderBusch

3. Examination of Site. Prospective bidders may make a visual inspection of the well and well site to ascertain the nature and location of the work and the conditions which can affect the work and its cost. The Commission is not bound by any oral statement concerning the condition of the well or well site made by its staff or agents prior to the execution of the reclamation contract.
4. Bidder Qualifications. No contract will be awarded unless: (a.) the bidder holds a current contractor's license in the class within which the value of the project falls and is issued at least ten days prior to the date set for receiving bids, and the bid envelope contains a copy of the license or a certificate of its renewal issued by the secretary of state (N.D.C.C. §43-07-12); and (b.) the bidder files along with its bid, or after being notified that it is the successful bidder, a certificate from the ND State Tax Commissioner that bidder has paid all delinquent income, sales, and use taxes, if any (N.D.C.C. § 43-07-11.1).

5. Bid Deadline. All bids are due in the office of the Industrial Commission, Oil and Gas Division, by 11:00 a.m., May 22, 2013. The office is at 1016 E. Calgary Ave., Bismarck, ND. Bids received after this deadline will not be considered.
6. Review of Bids. The public opening of the bids will be held at 11:00 a.m., May 22, 2013, at the Industrial Commission, Oil and Gas Division, 1016 E. Calgary Ave., Bismarck, ND.
7. Withdrawal of Bids. Bids may be withdrawn by bidder's written request received prior to the time set forth in paragraph 5.
8. Rejection of Bids. The Commission may reject any and all bids and may waive any technical or formal defect in a bid.
9. Notification of Award. The successful bidder, if any, will be notified of the award within thirty days after the bid opening.
10. Contract. The bidder whose bid is accepted must enter into a written contract with the Commission within ten days after the award is made. The contract contains, among other things, provisions requiring the contractor to acquire insurance and to provide bonds.
11. Cancellation of Award. The Commission may cancel the award of any contract without any liability to the Commission at any time before execution of the contract by all parties.
12. Title to Material and Objects on Site. The Commission retains title to all equipment on the well site.
13. Changes in Specifications. The Commission may, during the bidding period, advise bidders by letter of alterations to the Reclamation Specifications. All such changes are included in the work covered by the bid and are a part of the specifications.

BID

Bid for reclamation of the following well in Mckenzie County, ND:

WILLIAM 1
SWNE Sec. 2-T1151N-R100W
Mckenzie County, ND
Well File No. 16181

Being fully familiar with the local conditions affecting the performance of the contract and having carefully examined the INVITATION TO BID, INSTRUCTIONS TO BIDDERS, RECLAMATION SPECIFICATIONS, WELL RECLAMATION CONTRACT, LABOR AND MATERIAL PAYMENT BOND and PERFORMANCE BOND bidder proposes and agrees to do all work called for in the specifications and contract and to furnish the services, equipment, and labor necessary for the full completion of the work for the lump sum price of _____ dollars (\$ _____).

If the bidder's bid is accepted, the Industrial Commission will inform the bidder in writing within thirty days after the public opening of bids. Within ten days after receipt of such notice, bidder must execute the Well Reclamation Contract. Bidder agrees that if bidder fails to enter into a contract, bidder is liable to the Commission for all expenses and damages incurred by the Commission as a result of bidder's failure to enter into the contract.

Dated this _____ day of _____ 2013.

Name of Bidder

Signature

Business Address

Business Telephone Number

RECLAMATION SPECIFICATIONS

WELL SITE

WILLIAM 1
SWNE Sec. 2-T1151N-R100W
Mckenzie County, ND
Well File No. 16181

INTRODUCTION

The objective of this project is to reclaim the well site to comply with all requirements of North Dakota Administrative Code Section 43-02-03-34.1.

SPECIFICATIONS

- A. Contractor shall arrange for all tools, equipment, products and any other items required to properly reclaim the well site. Contractor is responsible for locating all utility lines before reclamation work begins. Contractor is responsible for disposal of equipment, junk and debris on the site.
- B. To reclaim the well site the contractor shall:
 - 1) Strip surfacing material from the access road and any portion of the well site that has bare scoria and dispose of in the cut area of the pad.
 - 2) Remove available topsoil identified on the site and save for use on the re-contoured areas.
 - 3) The access road will be left from the county road to the pipeline crossing at the landowner's request. Obliterate the roadbed of the remainder of the access road, re-contour the site and road to blend in with the surrounding topography, and restore the natural drainage of the area.
 - 4) Cultivate all recontoured disturbed areas to alleviate compaction and prepare for seeding.
 - 5) Seed to the native grass specifications attached.

C. Landowner:

The well site is owned by Phylis Hystad Family, Arnegard, ND.

D. Contractor must give the Commission 48 hours advance notice before starting reclamation work.

E. Contractor guarantees, against defects and workmanship, all work performed under the contract for a period of one year from the date of final acceptance. Contractor shall bear the entire cost and expense of all repairs that may be necessary within that time due to imperfections in work or materials. Contractor is not liable for equipment, material, or workmanship supplied by the Commission.

EXHIBIT B

**NORTH DAKOTA
INDUSTRIAL COMMISSION
Department of Mineral Resources**

Native Grass Seeding Specifications

<u>Species</u>	<u>lbs. PLS*/acre</u>	<u>% of Mixture</u>
Western wheatgrass	8	42%
Slender wheatgrass	5	26%
Green needlegrass	4	21%
Side-oats grama	<u>2</u>	<u>11%</u>
	19	100%

*PLS - Pure Live Seed (based on 50 PLS/sq. feet)

1. Contractor must firmly pack the seed bed and all footprints left in the soil must be less than 1/2 inch deep.
2. An early spring seeding (before May 24th) is preferred. A dormant fall seeding (after October 20th) is acceptable.
3. Contractor must seed a cover crop of oats at 10 lbs. PLS/acre on the disturbed area.
4. Contractor must use a drill designed specifically for native grass seeding.
4. Contractor must plant all seeds at a depth of 1/2 inch to 1 inch and must take all precautions not to plant the seed too deeply in the soil so that proper germination occurs.
5. On areas where equipment cannot be used, Contractor must broadcast seed and rake or drag to cover seed. Where seed is broadcast, Contractor must double the seeding rate.
6. Contractor must use only North Dakota certified seed.

WELL RECLAMATION CONTRACT

The parties to this contract are the State of North Dakota, acting through the North Dakota Industrial Commission, Oil and Gas Division, ("COMMISSION") and [contractor's legal name and address] ("CONTRACTOR");

I SCOPE OF SERVICES

CONTRACTOR, in exchange for the compensation paid by COMMISSION, shall provide all materials and labor necessary to and shall perform the work described in the Reclamation Specifications, attached hereto as Exhibit "A" and incorporated by reference into this contract, for the following well:

WILLIAM 1
SWNE Sec. 2-T1151N-R100W
Mckenzie County, ND
Well File No. 16181

If COMMISSION determines, in its sole discretion, that the well cannot be reclaimed according to the Reclamation Specifications, COMMISSION may modify the Reclamation Specifications to insure the well is properly reclaimed by CONTRACTOR. The COMMISSION will provide the CONTRACTOR with written notice of any modify to the Reclamation Specifications.

II TIME FOR COMPLETION

CONTRACTOR shall complete the work under this contract within ninety days after the effective date of this contract.

III COMPENSATION

For the services provided under this contract, COMMISSION will pay CONTRACTOR _____ Dollars (\$_____.00), to be paid within thirty days after COMMISSION has accepted the work.

If any modifications to the Reclamation Specifications result in increased material and labor, CONTRACTOR's compensation will be increased by an amount equal to the usual and customary charges, for the additional material and labor, as determined by COMMISSION. In the case where such modifications to the Reclamation Specifications result in decreased material and labor, CONTRACTOR's compensation will be decreased by an amount based on the usual and customary charges relative to material and labor expenses, as determined by COMMISSION.

IV LIABILITY AND INDEMNITY

CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from claims resulting from the performance of CONTRACTOR or its agent, including all costs, expenses and attorneys' fees, which may in any manner result from or arise out of this agreement. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State

is necessary. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

V INSURANCE

CONTRACTOR shall secure and keep in force during the term of this agreement and CONTRACTOR shall require all subcontractors, prior to commencement of an agreement between CONTRACTOR and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools, or government self-retention funds authorized to do business in North Dakota, the following insurance coverage:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverage (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence;
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence;
- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract;
- 4) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance; and
- 5) Contractor's Pollution Liability coverage for Personal Injury, Property Damage and Cleanup Cost arising from pollution conditions caused by the operations of the Contractor for limits of \$1,000,000. Occurrence coverage is preferred but coverage may be provided on a claims-made form that includes a three year tail coverage endorsement. Coverage shall include contractual liability coverage for claims arising out of liability of subcontractors, loading and unloading, unlimited complete operations, and non- owned disposal site coverage.

The insurance coverage listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of CONTRACTOR. The amount of any deductible or self-retention is subject to approval by COMMISSION;
- 2) This insurance may be in a policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the COMMISSION. The policies shall be in form and terms approved by COMMISSION;
- 3) COMMISSION will be defended, indemnified, and held harmless to the full extent of any coverage actually secured by CONTRACTOR in excess of the minimum requirements set forth above. The duty to indemnify COMMISSION under this agreement shall not be limited by the insurance required by this agreement;
- 4) The State shall be endorsed on the commercial general liability policy, including any excess

policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights, and coverage of an additional insured under these policies;

- 5) The insurance required in this agreement, through a policy or endorsement, shall include:
 - a) A “Waiver of Subrogation” waiving any right to recovery the insurance company may have against the State;
 - b) A provision that the policy and endorsements may not be canceled or modified without thirty days’ prior written notice to the undersigned State representative;
 - c) A provision that any attorney who represents the State under this policy must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08;
 - d) A provision that CONTRACTOR’s insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance, or self-retention maintained by the State and that any insurance, self-insurance, or self-retention maintained by the State shall be in excess of the CONTRACTOR’s insurance and shall not contribute with it;
 - e) Cross liability/severability of interest for all policies and endorsements;
 - f) The legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary; and
 - g) The insolvency or bankruptcy of the insured CONTRACTOR shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured CONTRACTOR from meeting the retention limit under the policy.
- 6) CONTRACTOR shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable; and
- 7) Failure to provide insurance as required in this contract is a material breach of contract entitling COMMISSION to terminate this contract immediately.

VI BONDS

CONTRACTOR shall provide a labor and material payment bond prior to commencing work under this contract. The labor and material payment bond shall ensure payment for all laborers, mechanics, subcontractors and material men who perform work or furnish material under this contract and all persons who supply CONTRACTOR or any subcontractor with materials, services, bonds and insurance for carrying on the work under this contract.

CONTRACTOR shall also provide a performance bond prior to commencing work under this contract. The performance bond shall ensure that CONTRACTOR promptly and faithfully performs all of the provisions of this contract, and all obligations including the specifications, and any alterations provided for in a manner

satisfactory to the COMMISSION.

Failure to provide the labor and material payment bond or the performance bond as required by this section is a material breach of the contract entitling COMMISSION to terminate this contract immediately.

VII
MERGER AND MODIFICATION

This contract constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified in this contract. This contract may not be modified, supplemented, or amended in any manner, except by written agreement signed by both parties.

VIII
ASSIGNMENT AND SUBCONTRACTS

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty under this contract without COMMISSION's written consent. However, CONTRACTOR may enter into subcontracts provided that any subcontract acknowledges the binding nature of this contract and incorporates this contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor. CONTRACTOR has no authority to contract for or incur obligations on behalf of STATE.

IX
ATTORNEYS' FEES

If a lawsuit is brought by COMMISSION to obtain performance of any kind under this contract, and COMMISSION prevails, CONTRACTOR shall, except when prohibited by N.D.C.C. § 28-26-04, pay COMMISSION's reasonable attorney fees and costs in connection to the lawsuit.

X
APPLICABLE LAW AND VENUE

This contract is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this contract must be brought in the district court of Burleigh County, North Dakota.

XI
-INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this contract. CONTRACTOR, its employees, agents, or representatives are not COMMISSION employees, for any purpose, including but not limited to, application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Worker's Compensation Act. No part of this contract shall be construed to represent the creation of an employer/employee relationship. CONTRACTOR will retain sole and absolute discretion in the manner and means of carrying out CONTRACTOR's activities and responsibilities under this contract, except to the extent specified in this contract.

XII
NONDISCRIMINATION AND COMPLIANCE WITH LAWS

CONTRACTOR shall comply with all applicable laws, rules, regulations, and policies, including but not limited to, those relating to nondiscrimination, accessibility, and civil rights. CONTRACTOR shall timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed,

including but not limited to sales and use taxes and unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the term of this agreement all licenses and permits required by law.

XIII SEVERABILITY

If any term of this agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms is unaffected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

XIV STATE AUDIT

All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this contract are subject to examination by the North Dakota State Auditor or the Auditor's designee. CONTRACTOR will maintain all such records for at least three years following completion of this contract.

XV SPOILIATION - NOTICE OF POTENTIAL CLAIMS

CONTRACTOR agrees to promptly notify COMMISSION of all potential claims which arise from or result from this contract. CONTRACTOR shall take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to give COMMISSION the opportunity to review and inspect such evidence, including the scene of the accident.

XVI TERMINATION OF CONTRACT

- a. Termination without cause. This contract may be terminated by mutual consent of both parties.
- b. Termination for lack of funding or authority. COMMISSION, by written notice of default to CONTRACTOR, may terminate in whole or any part of this contract, under any of the following conditions:
 - (1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
 - (2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding proposed for payments authorized by this contract.
 - (3) If any license, permit, or certificate required by law or rule, or by the terms of this contract, is for any reason denied, revoked, suspended, or not renewed.

Termination of this contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

- c. Termination for cause. COMMISSION may terminate this contract effective upon delivery of

written notice to CONTRACTOR, or any later date stated in the notice:

- (1) If CONTRACTOR fails to provide services required by this contract within the time specified or any extension agreed to by COMMISSION; or
- (2) If CONTRACTOR fails to perform any of its obligations under this contract, or pursues its obligations in a manner that endangers performance of this contract in accordance with its terms.

The rights and remedies of COMMISSION provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this contract.

**XVII
NOTICE**

All notices or other communications required under this contract shall be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

_____ or _____

**XIII
TAXPAYER ID**

CONTRACTOR's North Dakota tax ID number is: _____.
CONTRACTOR's federal employer ID number is: _____.

**XIV
PAYMENT OF TAXES BY COMMISSION**

COMMISSION is not responsible for and will not pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the purchasing agency.

**XX
EFFECTIVENESS OF CONTRACT**

This contract is not effective until fully executed by both parties. If the dates of execution are different, then the later date of execution is the effective date.

**XXI
FORCE MAJEURE**

CONTRACTOR shall not be held responsible for delay or default caused by fire, flood, riot, acts of God or war if the event is beyond CONTRACTOR'S reasonable control and CONTRACTOR gives notice to COMMISSION immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

XXII
ALTERNATIVE DISPUTE RESOLUTION - JURY TRIAL

COMMISSION does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. COMMISSION does not waive any right to a jury trial.

XXIII
CONFIDENTIALITY

CONTRACTOR shall not use or disclose any information it receives from COMMISSION under this contract that COMMISSION has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this contract or as authorized in advance by COMMISSION. COMMISSION shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that COMMISSION determines, in its sole discretion, is protected from mandatory public disclosure under a specific exception to the North Dakota open records law, N.D.C.C. § 44-04-18. The duty of COMMISSION and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this contract.

XXIV
COMPLIANCE WITH PUBLIC RECORDS LAWS

CONTRACTOR understands that, except for disclosures prohibited in this contract, COMMISSION must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records that are obtained or generated by CONTRACTOR under this contract, except for records that are confidential under this contract, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. CONTRACTOR agrees to contact COMMISSION immediately upon receiving a request for information under the open records law and to comply with STATE'S instructions on how to respond to the request.

XXV
WORK PRODUCT, EQUIPMENT AND MATERIALS

All work product, equipment, or materials created or purchased under this contract belong to COMMISSION and must be delivered to COMMISSION at COMMISSION'S request upon termination of this contract. CONTRACTOR agrees that all materials prepared under this contract are "works for hire" within the meaning of the copyright laws of the United States and assigns to COMMISSION all rights and interests CONTRACTOR may have in the materials it prepares under this contract, including any right to derivative use of the material. CONTRACTOR shall execute all necessary documents to enable COMMISSION to protect its rights under this section.

STATE OF NORTH DAKOTA
Acting through its
N.D. Industrial Commission
Department of Mineral Resources

Oil & Gas Division

By: _____

Title: _____

DATE: _____

CONTRACTOR

By: _____

Title: _____

DATE: _____

LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS, that we _____
_____ (Principal), and _____
_____, a corporation licensed to do business as a surety under the laws of the
State of North Dakota, (Surety), are held and firmly bound unto the State of North Dakota in the full and just
sum of _____ **AND NO/100 DOLLARS (\$.00)**, to be paid to the State of North
Dakota or its assigns, to which payment we bind ourselves, heirs, executors, administrators, successors and
assigns, jointly, severally, firmly by this bond.

WHEREAS, the Principal has entered into a contract with the State of North Dakota, acting by and
through the North Dakota Industrial Commission, dated _____ for reclaiming the following well:
WILLIAM 1, SWNE Sec. 2-T1151N-R100W, Mckenzie County, ND, Well File No. 16181 (Project); AND

WHEREAS, it is one of the conditions of the award of the contract pursuant to statutes that this bond be
executed.

NOW THEREFORE, the conditions of this obligation are such that if the Principal shall duly and
promptly pay all laborers, mechanics, subcontractors and material men who perform work or furnish material
under the contract and all persons who shall supply the Principal or the subcontractor with materials, services,
bonds and insurance for the carrying on of the work, then this obligation shall be void; otherwise it shall remain
in full force and effect.

The Surety hereby waives notice of any extension of time and any alterations made in the terms of the
contract, unless the cumulative cost of such alterations cause the total project cost to exceed the original
contract sum by more than 10%.

FOR STATE USE ONLY:	
Surety is licensed in ND:	_____
Date verified:	_____
Verified by:	_____

Contractor: _____

Signature

Date

Surety: _____

Date

By: _____

Attorney-in-fact (Seal and Signature)

Agency

Address

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that _____
_____, (Principal), and _____
_____, a corporation licensed to do business as a surety under the laws of the State of North Dakota,
(Surety), are held and firmly bound unto the State of North Dakota in the full and just sum of
_____ **AND NO /100 DOLLARS (\$.00)**, to be paid to the State
of North Dakota or its assigns, to which payment we bind ourselves, heirs, executors, administrators, successors
and assigns, jointly, severally, firmly by this bond.

WHEREAS, the Principal has entered into a contract with the State of North Dakota, acting by and
through the North Dakota Industrial Commission, dated _____ for reclaiming of the following well:
WILLIAM 1, SWNE Sec. 2-T1151N-R100W, Mckenzie County, ND, Well File No. 16181 (Project); AND

WHEREAS, it is one of the conditions of the award of the contract pursuant to statutes that this bond be
executed.

NOW THEREFORE, the conditions of this obligation are such that if the above Principal shall promptly
and faithfully perform all of the provisions of the contract, and all obligations thereunder including the
specifications, and any alterations provided for, and shall in a manner satisfactory to the State of North Dakota,
complete the work contracted for including any alterations, and shall hold harmless the State of North Dakota
from any expense incurred through the failure of the Principal to complete the work as specified, then this
obligation shall be void; otherwise it shall remain in full force and effect.

The surety hereby waives notice of any extension of time and any alterations made in the terms of the
contract, unless the cumulative cost of such alterations cause the total project cost to exceed the original
contract sum by more than 10%.

FOR STATE USE ONLY:

Surety is licensed in ND: _____

Date verified: _____

Verified by: _____

Contractor: _____

Signature _____

Date _____

Surety: _____

Date _____

By: _____
Attorney-in-fact (Seal and Signature)

Agency _____

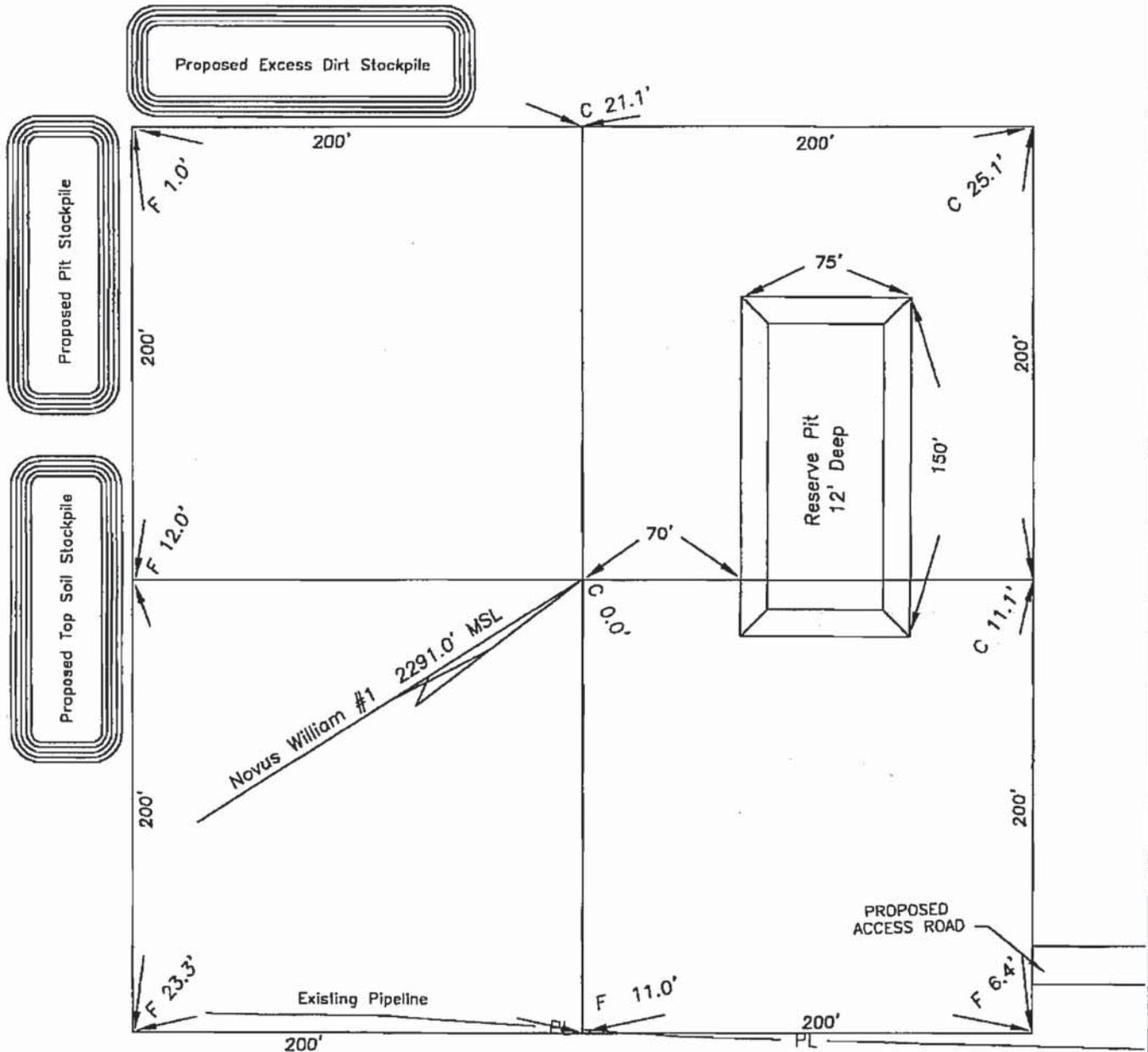
Address _____

PAD LAYOUT

Novus Operating Co. LP
12337 Jones Rd., Suite 306 Houston, TX 77070

William #1

2300 feet from north line and 1320 feet from east line (surface location).
Section 2, T. 151N., R. 100W., P.M.M. - McKenzie County, North Dakota
Latitude 47°55'43.74"N.; Longitude 103°26'20.26"W. - NAD 83



Kadmas
Lee & Jackson

Engineers, Surveyors
and Planners

Drawn By J. Steneljem	Checked By B. BEGGS	Approved By B. BEGGS	Scale 1"=70'	Date 03/20/06
Field Book 0-34	Material	Revised	Project No. 8706168	Drawing No. 3 of 6

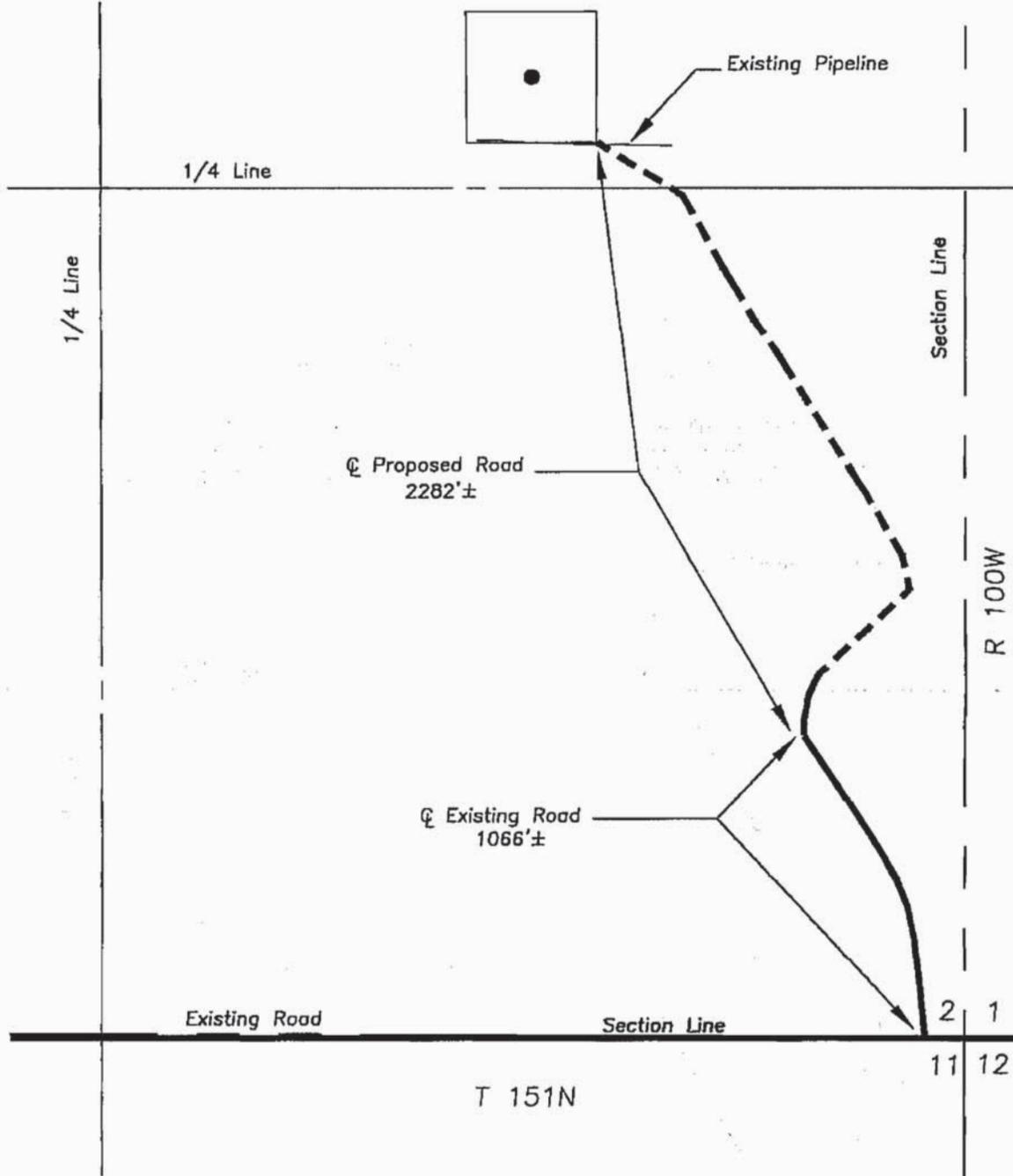
© Kadmas, Lee & Jackson, 2006

ROAD PLACEMENT

Novus Operating Co. LP
 12337 Jones Rd., Suite 306 Houston, TX 77070

William #1

2300 feet from north line and 1320 feet from east line (surface location)
 Section 2, T. 151N., R. 100W., P.M.M. - McKenzie County, North Dakota
 Latitude 47°55'43.74"N.; Longitude 103°26'20.26"W. - NAD 83



a K12 Education company
Kadmas
Lee &
Jackson
 Engineers, Surveyors
 and Planners

Drawn By J. Stenehjem	Checked By B. BEGGS	Approved By B. BEGGS	Scale 1" = 500'	Date 03/20/06
Field Book 0-34	Material	Revised	Project No. 8706168	Drawing No. 4 of 6

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