

PERMIT NO.: 97-0060

SHOT HOLE OPERATIONS: \*NON-EXPLOSIVE OPERATIONS

**SECTION 1**

GEOPHYSICAL CONTRACTOR:  
TRACE VENTURES EXPLORATION

PROJECT NAME AND NUMBER:  
STATE LINE EXTENSION 3-D

COUNTY(S):

TOWNSHIP(S):  
Twp 148 N

RANGE(S):  
R. 105 W

DRILLING & PLUGGING CONTRACTORS:  
SUMMIT DRILLING

DATE COMMENCED:  
05/01/01

DATE COMPLETED:  
05/31/01

**SECTION 2**

FIRST S.P. #: LAST S.P. #:

LOADED HOLES (UNDETONATED SHOT POINTS)

S.P. #'s:																				
CHARGE SIZE::																				
DEPTH:																				

REASONS HOLES WERE NOT SHOT:  
ALL SHOTS WERE DETONATED

**SECTION 3**

FLOWING HOLES AND/OR BLOWOUTS:  
 S.P.#'s  
N/A

PROCEDURE FOR PLUGGING FLOWING HOLES: AND/OR BLOWOUTS:  
N/A.

Include a 7.5 minute USGS topographic quadrangle map or a computer generated post-plot facsimile of the approximate scale displaying each individual shot hole, SP #, line #, and legal location.

\*Non-Explosive Operations - Complete Section 1 and Affidavit.



September 20, 2001

Mr. Dave Wismiewski  
Trace Ventures Exploration, Inc.  
4500 W. Illinois, Ste. 118  
Midland, TX 79703

RE : State Line Extension 3-D  
ND Permit # 97-0060

Dear Mr. Wismiewski:

In reviewing the records of the above captioned seismic permit, we find that we have not received a seismic completion report, post-plot map, or any seismic hole plugging records pursuant to section 43-02-12-06 of the North Dakota Administrative Code. (enclosed)

We have enclosed for your convenience a copy of a blank seismic completion report for you to complete and return within 10 days of receipt of this letter. We will also accept SEG P-1 coordinates of source and receiver points in place of a post-plot map.

Should you have any questions regarding this matter, feel free to contact me at the number listed below or email me at [dch@saturn.ndic.state.nd.us](mailto:dch@saturn.ndic.state.nd.us).

Sincerely,

David C. Hvinden  
Geophysical Regulation Supervisor

cc: Mark Mahlen  
Summit Drilling and Hole plugging  
East Scenic Subdivision, RR 4, Box 109  
Williston, ND 58801



**GEOPHYSICAL EXPLORATION PERMIT**  
**INDUSTRIAL COMMISSION OF NORTH DAKOTA**  
**OIL AND GAS DIVISION**  
 SFN 51459 (11-97)



600 E BOULEVARD AVE  
 BISMARCK, ND 58505

1) a. Company: Trace Ventures Exploration, Inc.		Address: 4500 W Illinois, Suite 118, Midland, TX 79703	
Contact: Dave Wismiewski		Telephone: 915-520-1585	Fax: 915-520-1586
Surety Company: St Paul Fire & Marine		Bond Amount: \$50,000.00	Bond Number: JX8395
2) a. Subcontractor(s): Summit Drilling		Address: Williston, ND	Telephone: 406-963-2500
b. Subcontractor(s):		Address:	Telephone:
c. Subcontractor(s):		Address:	Telephone:
3) Party Manager: Mark Michaelson		Address: 4500 W. Illinois, Suite 118, Midland, TX 79703	Telephone: 915-520-1585
4) Project Name or Line Numbers: State Line Extension 3-D			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D): Shot Hole 3-D			
6) Approximate Drilling Start Date: 1-15-01		Approximate Completion Date: 4-1-01	

**THE COMMISSION MUST BE NOTIFIED AT LEAST 24 HOURS IN ADVANCE OF COMMENCEMENT OF DRILL/PLUG OPERATIONS**

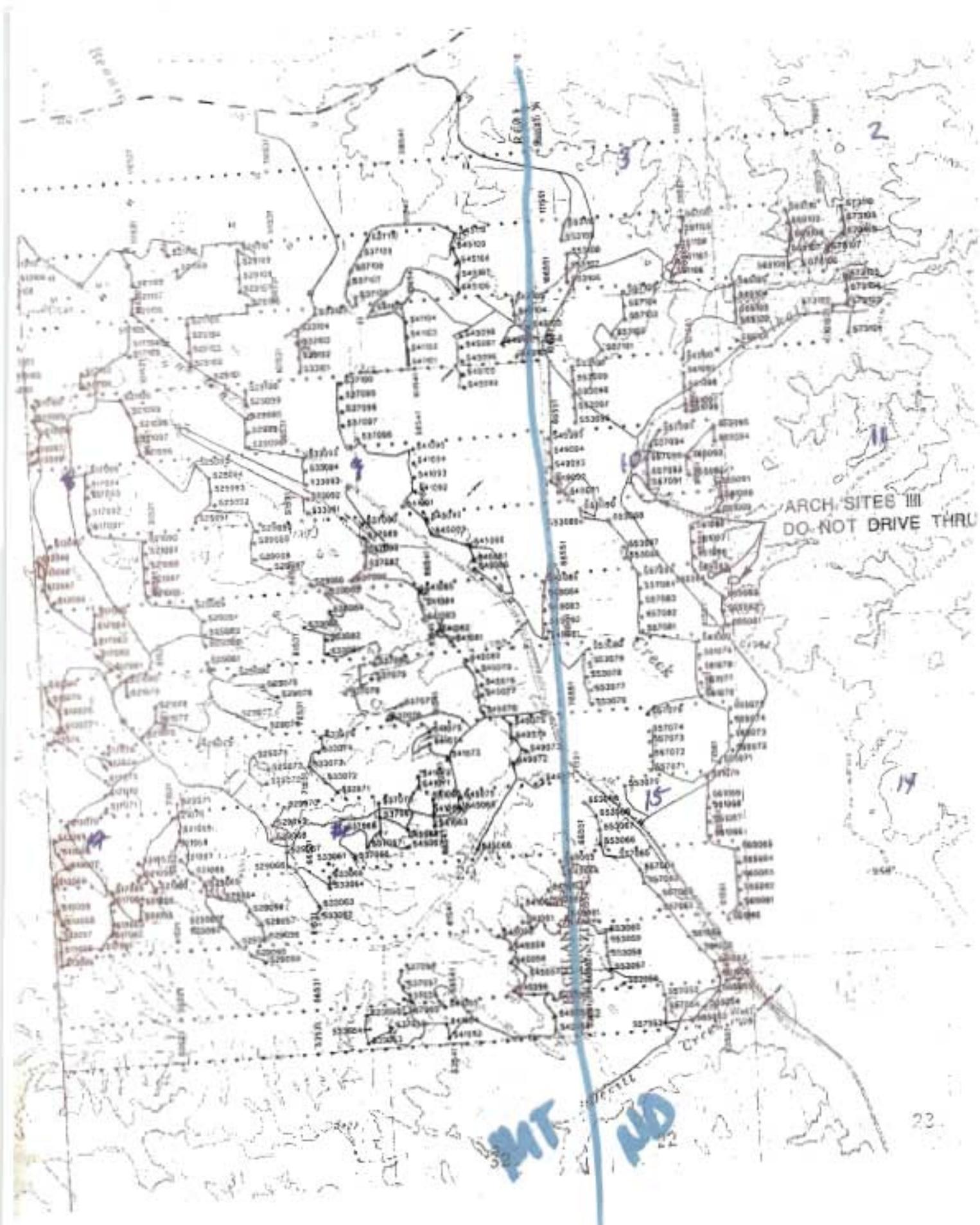
7) Location of Proposed Project - County McKenzie								
Section(s), Township(s) & Range(s)		Sec. 2, 3, 10, 11, 15, 22	T 148 North	R 105 West				
		Sec.	T	R				
		Sec.	T	R				
		Sec.	T	R				
8) Size of Hole	Amt. of Charge	Depth	Shots per Mi. (sq. mi.)	No. of Mi. (sq. mi.)	Identifying Marks Used on Nonmetallic Plug			
4.75"	10# powder	60'	90	12.3	Geophysical ID	a. Plugger ID	b. Plugger ID	c. Plugger ID
					#60	?		
9) Anticipated special drilling and plugging procedures? N/A								

10) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.

Signed: <i>B. L. Kahn</i>	Title: Agent for Trace Ventures Explorations, Inc.	Date: 12-19-00
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(This space for State office use)		Conditions of Approval if any: <i>Identify surface plugs w/ #60 and drillers and plugger ID. Notify county, surface owner and state field representative Ken Martin @ 781-227-7436 prior to any drilling. All variances must be furnished upon request.</i> <i>David C. Hudec 12/27/00</i>
Permit No.: <i>97-0060</i>	Approval Date: <i>12/27/00</i>	
Approved By: <i>David C. Hudec</i>		
Title: <i>Geophysical Regulatory Administrator</i>		
County Approval Sent: <i>McKenzie</i>		

\*See Instructions On Reverse Side

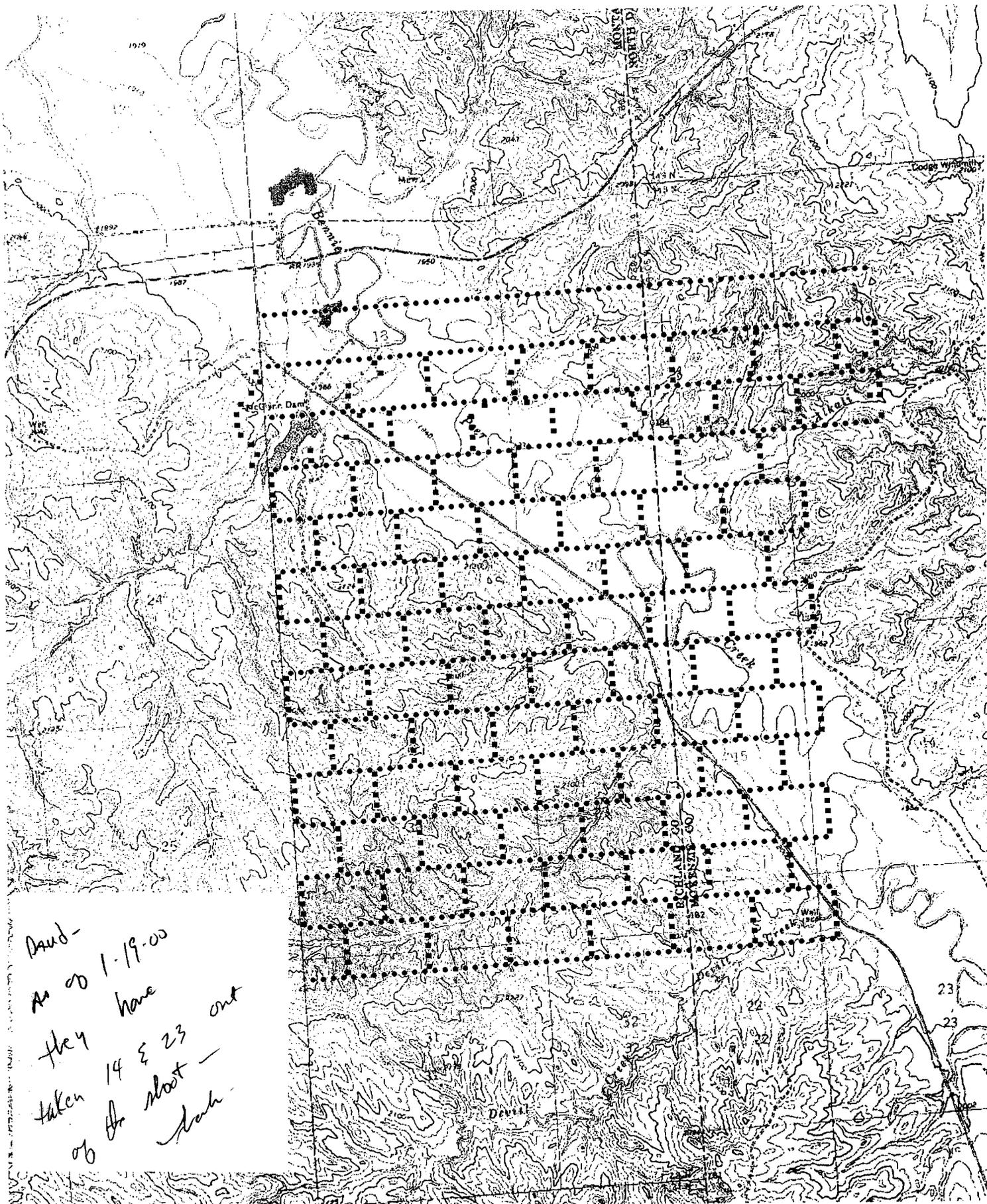


W OIL

RES  
ONS

**HAZARD REGISTER**  
 HIGHWAY 206 - LOTS OF FAST TRAFFIC  
 WILDLIFE ON HIGHWAYS  
 OVERHEAD POWERLINES  
 ELECTRIC FENCES  
 USE YOUR PPE  
 41007 51000 52000 53000 54000 55000

SEA LEVEL SOUTH 3-D POSTPLOT MAP MONTANA STATE CENTRAL ZONE UNIVERSITY OF M. TOWNSHIP 104 N RANGE 64 E. RANGE 105 W	NAEPT DATUM MONTANA STATE CENTRAL ZONE TOTAL SOURCE P- TOTAL RECEIVER I AREA (SQARS IN SQUARES IN
SOURCE PT INTERVAL: 800' RECEIVER PT INTERVAL: 200'	SOURCE LINE INT: RECEIVER LINE INT:
UNNOTED	SOURCE LINE AZIM: RECEIVER LINE AZIM:
SHEET 1 OF 1 MAY 21 2007	SCALE 1:24000 7/1 2004



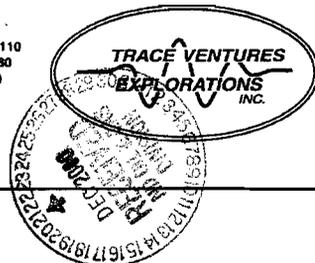
### HEADINGTON OIL COMPANY

STATE LINE 3-D SOUTH EXTENSION  
RICHLAND COUNTY MT. & MACKENZIE COUNTY ND.

AREA SQUARE MILES 8.12  
NEW AREA SQ MILES 4.6  
RECR LINE INT 1100'  
RECR LINE BEARING E - W  
PATTERN NONE  
RECR STATION INT 220'  
TOTAL RECR'S 780  
RECR'S PER SQ 124.2

SRC LINE INT 1780'  
SRC LINE BEARING N - S  
PATTERN 1/2 BRICK  
SRC STATION INT 220'  
TOTAL SRC'S 436  
SRC'S PER SQ 71.2

BIN SIZE 110 X 110  
RECORDING PATCH 12 X 60  
TRACES LIVE 720



NORTH DAKOTA INDUSTRIAL COMMISSION

**OIL AND GAS DIVISION**

Lynn D. Helms  
DIRECTOR

<http://explorer.ndic.state.nd.us>

Bruce E. Hicks  
ASSISTANT DIRECTOR

December 27, 2000

Brent Kallevig  
PO Box 55  
Sidney, MT 59270

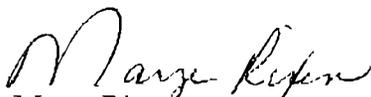
**RE: GEOPHYSICAL EXPLORATION PERMIT NO. 970060  
STATE LINE EXTENSION 3-D  
MCKENZIE COUNTY, NORTH DAKOTA**

Dear Mr. Kallevig:

This letter will verify the approval of the above-captioned Geophysical Permit effective December 27, 2000.

Please feel free to contact Mr. David Hvinden, Geophysical Regulation Supervisor if you should have any questions.

Sincerely,

  
Marge Rixen  
Legal Assistant

/mr

NORTH DAKOTA INDUSTRIAL COMMISSION

**OIL AND GAS DIVISION**

Lynn D. Helms  
DIRECTOR

<http://explorer.ndic.state.nd.us>

Bruce E. Hicks  
ASSISTANT DIRECTOR

December 27, 2000

The Honorable Frances M. Olson  
McKenzie County Auditor  
P.O. Box 543  
Watford City, ND 58854

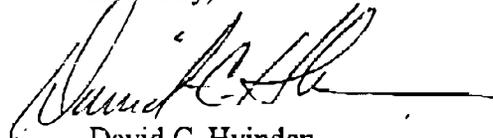
RE: Geophysical Exploration  
Permit # 97-0060

Dear Ms. Olson:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Trace Ventures Exploration, Inc. was issued the above captioned permit on December 27, 2000 and will remain in effect for a period of one year.

Should you have any questions, please contact our office.

Sincerely,



David C. Hvinden  
Geophysical Regulation Supervisor

DCH/dh



**BRENT L. KALLEVIG**

P. O. Box 55  
Sidney, Montana 59270

OFFICE: 406-488-4243

FAX: 406-488-4243  
email: [argos@midrivers.com](mailto:argos@midrivers.com)

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December 19, 2000

North Dakota Industrial Commission  
Attn: David Hvinden  
600 E Boulevard Ave.  
Bismarck, ND 58505

Re: State Line Extension 3-D seismic shoot  
Township 148 North, Range 105 West, 5<sup>th</sup> P.M.  
Sections 2,3,10,11,15,22

Dear David,

Enclose please find Geophysical Exploration Permit, pre plot map and check in the amount of \$100.00. I have filled out the permit as if everything is the same, if not I will contact you. I know that want to start in January and try to be completed ASAP, so to not bump heads with surface owners putting in their crops.

If you have any questions, please give me a call at the above numbers. I will make sure that Trace is aware that before drilling, your office is contacted. Myself or Gary McCartney, 406-482-7848, will monitor this shoot from this end, making sure that everything is handled properly.

Thanks again for all your help, and for the nice visit.

Sincerely

Brent L. Kallevig