

Oil and Gas Division 970116



Lynn D. Helms - Director Bruce E. Hicks - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.dmr.nd.gov/oilgas

12/4/2008

VICKEY HUTCHINS
CGGVERTAS LAND (U.S.) INC.
410 17TH ST., STE. 1690
DENVER, CO 80202-1690

RE: See Attached List of Projects

Dear Vickey:

According to our records, our office has not received a letter confirming that all surface owners have been given a written copy of NDCC Section 38-08.1-04.1 (Exploration Permit) and NDCC Chapter 38-11.1 (Oil and Gas Production Damage Compensation). Please submit the letter at your earliest convenience.

If you have any questions, feel free to contact our office.

Sincerely,

Richard A. Suggs
Engineering Technician

List of Projects Missing a Letter Confirming Surface Owners Notification for
CGGVERTAS LAND (U.S.) INC.

TARPON 3-D
MCKENZIE COUNTY
PERMIT NO. 970117

COMPLETION DATE: 8/3/2007

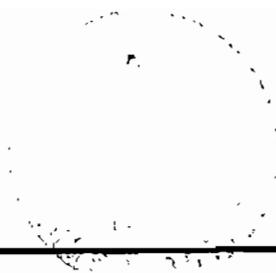
STEELHEAD 3-D
WILLIAMS COUNTY
PERMIT NO. 970116

COMPLETION DATE: 9/17/2006



SEISMIC COMPLETION REPORT

INDUSTRIAL COMMISSION OF NORTH DAKOTA
OIL AND GAS DIVISION
800 EAST BOULEVARD DEPT 405
BISMARCK, ND 58505-0840
SFN 51458 (03-2005)



Permit No. 97-0116	
Shot Hole Operations Yes	*Non-Explosive Operations

SECTION 1

Geophysical Contractor VERITAS DGC LAND INC	
Project Name and Number STEELHEAD 3D	County(s) WILLIAMS
Township(s) 155N,154N	Range(s) 97W
Drilling and Plugging Contractors EXPLORATION DRILLING INC	
Date Commenced SEPT 8,2006	Date Completed SEPT 17,2006

SECTION 2

First S.P. # 5748/1586	Last S.P. # 5772/1540
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Loaded Holes (Undetonated Shot Points)

S.P.#s	5692/ 1616	5692/ 1639	5796/ 1662	5697/ 1612								
Charge Size	5.5 LB	5.5 LB	5.5 LB	5.5 LB								
Depth	40 FT	41 FT	42 FT	43 FT								

Reasons Holes Were Not Shot

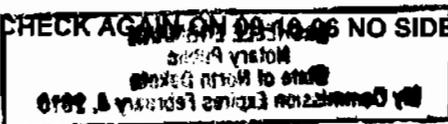
5692/1616- BAD CAP 5692/1639-BAD CAP,5796/1582-BAD CAP,5697/1612 CUT,TOO CLOSE TO SPRING,REDRILLED FARTHER AWAY

SECTION 3

Flowing Holes and/or Blowouts S.P.#s 5684/1639- DRILLED ,NEVER LOADED
--

Procedure for Plugging Flowing Holes and/or Blowouts

FILLED WITH BENTONITE,STOPPED FLOWING. CHECK AGAIN ON 09-16-06 NO SIDES OF IT FLOWING+A40



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

AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)

STATE OF North Dakota)

COUNTY OF Holliston)

Before me, Michelle Engmann, a Notary Public in and for the said
County and State, this day personally appeared Patrick Arosley

who being first duly sworn, deposes and says that (s)he is employed by Veritas
DGC Land, that (s)he has read North Dakota

Century Code Section 38-08.1, that the foregoing seismic project has been completed in
accordance with North Dakota Administrative Code Rule 43-02-12 and that the statements on
the reverse side of this document are true.

Patrick Arosley
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 21st day of November, 2008.

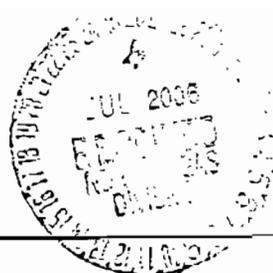
MICHELLE ENGMANN
Notary Public
State of North Dakota
My Commission Expires February 4, 2010

Michelle Engmann

My Commission Expires _____



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



600 E BOULEVARD AVE
 BISMARCK, ND 58506

1) a. Company: <i>INTL.</i> VERITAS DGC LAND		Address: 10300 TOWN PARK DR., HOUSTON, TX. 77072	
Contact: RAYMOND L. LOHSE		Telephone: 214-952-5548	Fax:
Surety Company: U.S. SPECIALTY INSURANCE CO.		Bond Amount: 50,000	Bond Number: 8000724
2) a. Subcontractor(s): SURVEY CO.		Address: SIDNEY	Telephone:
ERICKSON CONTRACT SURVEYING		333 10TH AVE. SW MT. 59270	406-482-6606
b. Subcontractor(s): DRILLING CO. LLC.		Address: 59270	Telephone:
EXPLORATION DRILLING INC.		RT. 2 BOX 2150, SIDNEY, MT.	406-482-3356
c. Subcontractor(s):		Address:	Telephone:
3) Party Manager: SCOTT D. NESH		Address: 410 17TH ST. SUITE 1140	Telephone: 303-825-7400
4) Project Name or Line Numbers: STEELHEAD 3-D			
6) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D): SHOT HOLE 3-D			
8) Approximate Drilling Start Date: 9-21-06		Approximate Completion Date: 11-15-06	

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

7) Location of Proposed Project - County: WILLIAMS								
Section(s), Township(s) & Range(s)	Sec. 15-22, 27-34	T 155N	R 97W					
	Sec. 3-6	T 154N	R 97W					
	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			
3 1/2 IN.	5 LBS.	40 FT.	71	18	Geophysical ID	a. Plugger ID	b. Plugger ID	c. Plugger ID
					EDI			
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. POWDER MAG. T155N R97W SEC. 29 NE1/4 SE1/4								
Signed: Raymond L. Lohse		Title: PERMIT AGENT		Date: 7-25-06				

(This space for State office use)	
Permit No.: 975116	Approval Date: 8/15/06
Approved By: [Signature]	
Title: Developmental Regulatory Supervisor	
County Approval Sent: Williams	

Conditions of Approval if any:
(see attached letter)

August 15, 2006

Mr. Raymond Lohse
Veritas DGC Land Inc.
10300 Town Park Drive
Houston, TX 77072

RE: Geophysical Exploration Permits # 97-0116
Steelhead 3D
Williams County, North Dakota

Dear Mr. Lohse:

Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from August 15, 2006. Please review the following conditions for your permit:

1. A pre-program meeting with state seismic inspector Tom Torstenson may be required. You must contact him at 701-227-7436 (w) or 701-290-1546 (cell) at least 24 hours prior to any exploration operations.
2. All variances for distance restrictions are to be furnished, and a pre-plot map displaying any source points that do not comply with the distance restriction rule must be supplied to the inspector.
3. The post plot map must show all water wells, buildings, underground cisterns, pipelines, and flowing springs that fall within the program area and within one half mile of the perimeter of the program.
4. If available, a SEG P1 with all source and receiver points should be made available to the Oil and Gas Division upon filing of the seismic completion report within 30 days of the completion of the program.
5. It is required that within seven days of initial contact between the permitting agent and the operator of the land, the permitting agent shall provide the operator of the land and each landowner owning land within one-half mile of the land on which geophysical exploration activities are to be conducted a written copy of section 38-08.1-04.1 and chapter 38-11.1. The permitting agent shall file an affidavit with this office confirming compliance with such notification.
6. The permit agent shall notify the operator of the land at least seven days before commencement of any geophysical exploration activity, unless waived by mutual agreement of both parties. The notice must include the approximate time schedule and the location of the planned activity.

Should you have any questions regarding this matter, feel free to contact me at 701-328-8037, or Tom Torstenson at the number listed in paragraph 1.

Sincerely,

David C. Hvinden
Geophysical Regulation Supervisor

Mr. Raymond Lohse
P.O Box 1739
Williston, ND 58802-1739



Oil and Gas Division

Lynn D. Helms - Director Bruce E. Hicks - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov

August 15, 2006

The Honorable Beth Innis
Williams County Auditor
P.O. Box 2047
Williston, ND 58802

RE: Geophysical Exploration
Permit # 97-0116

Dear Ms. Innis:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Veritas DGL Land was issued the above captioned permit on August 15, 2006 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



Money Order

Date: 7/25/06 078636

Branch: 4001

\$100.00

PAY EXACTLY **100 AND 00/100 DOLLARS
TO THE
ORDER OF NORTH DAKOTA INDUSTRIAL COMMISSION OIL AND GAS DIVISION

Raymond J. Lohse
SIGNATURE OF REMITTER
ADDRESS 115 WALNUT ST. SARGOVILLE
RE. SARGOVILLE, ND 58159

⑈0000078636⑈ ⑆091300515⑆ 40652⑈ 963



Money Order

078636

Not Negotiable

The customer procuring this Personal Money Order to cash, corresponding in number and amount to that shown hereon, agrees to insert thereon in ink the date, place, his/her signature and address and assumes responsibility for all errors made possible by his/her failure to do so.

DATE: 7/25/06

REMITTER: RAYMOND LOHSE

TO: NORTH DAKOTA INDUSTRIAL COMMISSION OIL AND GAS DIVISION

BRANCH: 4001
ORIGINATOR: DJO
TIME: 10:43:13
CK AMT: \$100.00
FEE AMT: \$2.00
TOTAL: \$102.00

This is a copy of the lost check. He will be contacting me in 30 days to verify that it was not cashed.

W. Lohse
8/7/06

Dear Mr. Hvinden

I'm sending a copy of the money order that I had sent. In 30 day's of the date of this check I'll send a lost form that you need to fill out. So I can get my money back.

Thank you
Raymond L. Lohse
P.O. Box 1739
Williston, ND. 58802-1739
Cell 214-952-5548





VERITAS
Geophysical Integrity

Veritas DGC Land, Inc.
10300 Town Park Drive
Houston, TX 77072
Phone : 214-952-5548



Permit to Conduct Geophysical Survey

State of North Dakota
State Capitol Building
Bismarck, ND. 58505

Prospect: Steelhead 3-D
Date: July 13, 2006
Permit # STA-01

VERITAS DGC LAND, INC. requests your permission to conduct a 3-D geophysical seismic survey including the right to ingress and egress across property owned by you in Williams County, State of North Dakota being described below, and including any minerals interests owned by you within the boundary of our prospect.

Legal Description: View, TWP 155N, R97W, Sec. 16, SE/4, SW/4, 320 ac. Total: 320 ac.

Total Acres: 320 AC. @ \$ 3.00 per acre

Total Payment: \$ 960.00

Our operations will be conducted in accordance with standard geophysical practices and in a prudent, careful manner. **Veritas DGC Land, Inc.**, further agrees to indemnify and hold you harmless from and against all actions, suits claims and demands whatsoever, that may arise from our operations. Permittee does hereby let, grant unto **Veritas DGC Land, Inc.**, the right to conduct said survey on and across the lands described herein, and under specific conditions herein stated. Unless otherwise voided by conditions stated herein, this agreement shall survive any lease, sale, trade or conveyance of property interests described above and made after the executed date of this agreement. If for whatever reason, this seismic work does not take place, or if this property is not crossed, this contract is null and void, and payment will not be due.

Signed this _____ day of _____, 2006

By: _____
(Landowner's Authorized Signature)

Tax ID or SS#: _____

Phone: _____

Permit Agent: Raymond J. Chue

Additional Permit Conditions: _____



VERITAS
Geophysical Integrity

Veritas DGC Land, Inc.
10300 Town Park Drive
Houston, Tx. 77072
Phone : 214-952-5548



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Signed this _____ day of _____, 2006

By: _____
(Landowner's Authorized Signature)

Tax ID or SS#: _____

Phone: _____

Permit Agent: Raymond D. [Signature]

Additional Permit Conditions: _____

