

Dawson Geophysical Company  
508 West Wall, Suite 800  
Midland, Texas 79701-5910  
Phone: (432) 684-3005  
Toll Free: (800) 332-9766  
Fax: (432) 684-3006



January 10, 2012

Department of Mineral Resources,

The intent of this letter is to confirm that Dawson Geophysical is in compliance and sent a copy of the NDCC Section 38-08.1-04.1 (Exploration Permit) and NDCC Chapter 38-11.1 (Oil and Gas Production Damage Compensation) to each surface owner in the East Prairie 3D project and each surface owner within one-half mile of the outline.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen Gilliam".

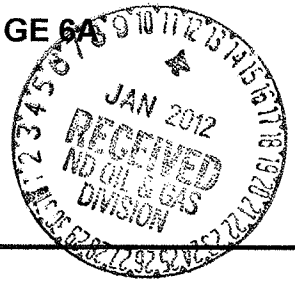
Stephen Gilliam

Permit Agent Contracted to Dawson Geophysical  
(817)966-4028



# GEOPHYSICAL EXPLORATION COMPLETION REPORT - FORM GE 6A

INDUSTRIAL COMMISSION OF NORTH DAKOTA  
OIL AND GAS DIVISION  
600 EAST BOULEVARD DEPT 405  
BISMARCK, ND 58505-0840  
SFN 51456 (03-2011)



|                                    |                                                    |
|------------------------------------|----------------------------------------------------|
| Permit No.<br><b>970207</b>        |                                                    |
| Shot Hole Operations<br><b>N/A</b> | *Non-Explosive Operations<br><b>VII3/ROSEIS 3D</b> |

## SECTION 1

|                                                             |                                           |
|-------------------------------------------------------------|-------------------------------------------|
| Geophysical Contractor<br><b>DAWSON GEOPHYSICAL COMPANY</b> |                                           |
| Project Name and Number<br><b>EAST PRAIRIE 3D - #14111</b>  | County(s)<br><b>BOTTINEAU</b>             |
| Township(s)<br><b>159, -160 - 161</b>                       | Range(s)<br><b>81, 82 - 8182 - 80, 81</b> |
| Drilling and Plugging Contractors<br><b>N/A</b>             |                                           |
| Date Commenced<br><b>12/7/2011</b>                          | Date Completed<br><b>1/7/2012</b>         |

## SECTION 2

|                                        |             |  |  |  |  |  |  |  |  |  |  |  |
|----------------------------------------|-------------|--|--|--|--|--|--|--|--|--|--|--|
| First S.P. #                           | Last S.P. # |  |  |  |  |  |  |  |  |  |  |  |
| Loaded Holes (Undetonated Shot Points) |             |  |  |  |  |  |  |  |  |  |  |  |
| S.P.#s                                 |             |  |  |  |  |  |  |  |  |  |  |  |
| Charge Size                            |             |  |  |  |  |  |  |  |  |  |  |  |
| Depth                                  |             |  |  |  |  |  |  |  |  |  |  |  |
| Reasons Holes Were Not Shot            |             |  |  |  |  |  |  |  |  |  |  |  |

## SECTION 3

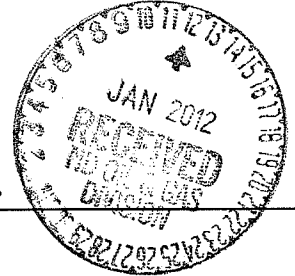
|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Flowing Holes and/or Blowouts<br>S.P.#s                                                                                                                                                           |
| Procedure for Plugging Flowing Holes and/or Blowouts                                                                                                                                              |
| 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 (Form GE 6B).



# GEOPHYSICAL EXPLORATION AFFIDAVIT OF COMPLETION REPORT - FORM GE 6B

INDUSTRIAL COMMISSION OF NORTH DAKOTA  
OIL AND GAS DIVISION  
600 EAST BOULEVARD DEPT 405  
BISMARCK, ND 58505-0840  
SFN 51456 (03-2011)



PERMIT NAME (Required): EAST PRAIRIE 3D

PERMIT NUMBER: 970207

## AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)

STATE OF North Dakota )

COUNTY OF Bottineau )

Before me, Judy A Rardon, a Notary Public in and for the said

County and State, this day personally appeared Stephen Michael Gilliam

who being first duly sworn, deposes and says that (s)he is employed by Dawson Geophysical

\_\_\_\_\_ , that (s)he has read North Dakota

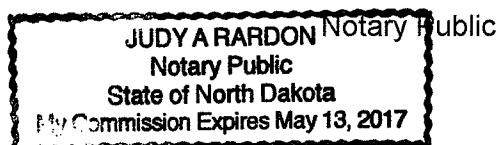
Century Code Section 38-08.1, that the foregoing seismic project has been completed in

accordance with North Dakota Administrative Code Rule 43-02-12 and that the statements on

the reverse side of this document are true.

Stephen Michael Gilliam  
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 10th day of January, 2012.



My Commission Expires \_\_\_\_\_

Judy A Rardon







**GEOPHYSICAL EXPLORATION SUNDRY NOTICE - FORM GE 4**

INDUSTRIAL COMMISSION OF NORTH DAKOTA

OIL AND GAS DIVISION

600 EAST BOULEVARD DEPT 405

BISMARCK, ND 58505-0840

SFN 51458 (03-2011)

PERMIT #

**970207**

Project Name

**East Prairie 3D**

County

**Bottineau**

Supplemental Information

**Dawson Geophysical would like to add the following tracts to the East Prairie 3D prospect:****T160N-R81W- Section 3: E2, Section 2: ALL, Section 1: W2, Section 12: W2, Section 11: ALL, Section 10: ALL, Section 15: ALL, Section 14: ALL, Section 13: W2**

Company

**Dawson Geophysical Company**

Telephone Number

**(432)681-3000**

Address

**6855 S Havana Suite 560**

City

**Centennial**

State

**CO**

Zip Code

**80112**

Signature

Printed Name

**Stephen Gilliam**

Title

**Contract Permit Agent**

Date

**November 15, 2011**

Email Address

**gilliam.stephen@gmail.com****FOR STATE USE ONLY**☐ Received☒ Approved

Date

11/16/2011

By

Todd L. Holweger

Title

DMR Permit Manager



# EAST PRAIRIE 3D

ST. CROIX EXPLORATION

SURFACE MAP

BOTTINEAU COUNTY, ND

11-15-2011

ID # 14111

## LEGEND

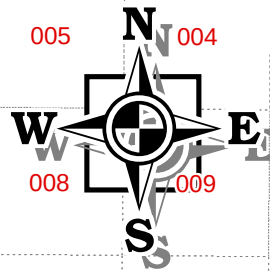
- No Contact
- Contacted
- Permitted
- Permitted W/ Conditions
- No Permit
- US Fish & Wildlife
- US Fish & Wildlife Permitted

161N 81W

161N 80W

160N 82W

160N 81W



159N 81W





# 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](http://www.oilgas.nd.gov)

JUNE 22, 2011

Mr. Zane Zirschky  
Dawson Geophysical Company  
508 WEST WALL STREET  
STE 800  
MIDLAND, TX 79710

RE: EAST PRAIRIE 3D  
GEOPHYSICAL EXPLORATION PERMIT # 970207  
BOTTINEAU COUNTY  
NON EXPLOSIVE METHOD

Dear Mr. Zirschky:

Please be advised that we are in receipt of your Geophysical Exploration permit application and it is conditionally approved; effective for one year from JUNE 22, 2011. **PURSUANT TO NDAC 43-02-12-05 (DISTANCE RESTRICTION) non-explosive exploration method may not be conducted not less than 300 feet from a water well, building, underground cistern, pipelines, and flowing spring.** Review the following conditions for your permit:

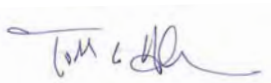
1. A pre-program meeting with state seismic inspector Tom Torstenson may be required. You must contact him at 701-290-1546 (cell) or 701-227-7436 at least 24 hours prior to any exploration operations. Also, a copy of the entire permit is required for all contractors at the pre-program meeting.
2. All 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 following information must be submitted within 30 days of the completion of the project by the Geophysical Company:
  - a. Completion Report,
  - b. Completion Affidavit,
  - c. Post Plot Map. It 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.
  - d. SD card or email: [ttorstenson@nd.gov](mailto:ttorstenson@nd.gov) with all source and receiver points,
  - e. Letter stating that the Geophysical Company has given all surface owner's a copy of the Section and Chapter of the NDCC as stated in paragraph 5.
4. The following information must be submitted within 30 days of the completion of the project by the SUBCONTRACTOR(s) (when applicable):
  - a. Plugging Report
  - b. Plugging Affidavit



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 NDCC Section 38-08.1-04.1 (Exploration Permit) and NDCC Chapter 38-11.1 (Oil and Gas Production Damage Compensation). The permitting agent shall file an affidavit with this office confirming compliance with such notification. For your convenience, a copy of both Sections are enclosed.
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.
7. Information regarding the location of water wells, springs, etc.; refer to the following ND State Water Commission Mapservice website, at: <http://mapservice.swc.state.nd.us/>
8. The entire permit can be viewed, as well as the status of various seismic projects in the state, at: <https://www.dmr.nd.gov/oilgas/seismic/seismicstats.asp>

Should you have any questions regarding this matter, feel free to contact me at 701-328-8020, or Tom Torstenson at the number listed in paragraph 1.

Sincerely,

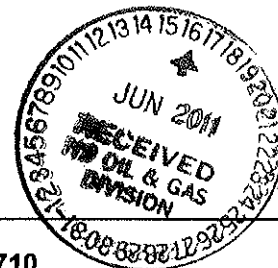
A handwritten signature in blue ink, appearing to read "Todd L. Holweger", is written over a light blue rectangular background.

Todd L. Holweger  
DMR Permit Manager



**GEOPHYSICAL EXPLORATION PERMIT - FORM GE 1**

INDUSTRIAL COMMISSION OF NORTH DAKOTA  
OIL AND GAS DIVISION  
600 EAST BOULEVARD DEPT 405  
BISMARCK, ND 58505-0840  
SFN 51459 (03-2011)



|                                                                                                                                                                                                                                                                                                                                                                                            |                             |                                                                      |                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------|-----------------------------------------|
| 1) a. Company<br><b>Dawson Geophysical Company</b>                                                                                                                                                                                                                                                                                                                                         |                             | Address<br><b>508 W Wall Street, Suite 800, Midland, Texas 79710</b> |                                         |
| Contact<br><b>Zane Zirschky</b>                                                                                                                                                                                                                                                                                                                                                            |                             | Telephone<br><b>(432)681-3000</b>                                    | Fax<br><b>(432)684-3030</b>             |
| Surety Company<br><b>U.S. Specialty Insurance Company</b>                                                                                                                                                                                                                                                                                                                                  |                             | Bond Amount<br><b>\$50,000.00</b>                                    | Bond Number<br><b>B005272</b>           |
| 2) a. Subcontractor(s)                                                                                                                                                                                                                                                                                                                                                                     |                             | Address                                                              |                                         |
| b. Subcontractor(s)                                                                                                                                                                                                                                                                                                                                                                        |                             | Address                                                              |                                         |
| 3) Party Manager<br><b>Zane Zirschky</b>                                                                                                                                                                                                                                                                                                                                                   |                             | Address (local)<br><b>6855 S Havana Ste. 560, Centennial</b>         |                                         |
|                                                                                                                                                                                                                                                                                                                                                                                            |                             | Telephone (local)<br><b>(303)720-2229</b>                            |                                         |
| 4) Project Name or Line Numbers<br><b>East Prairie 3D</b>                                                                                                                                                                                                                                                                                                                                  |                             |                                                                      |                                         |
| 5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D, Other)<br><b>Vibroseis 3D</b>                                                                                                                                                                                                                                                                                                     |                             |                                                                      |                                         |
| 6) Distance Restrictions (Must check all that apply)<br><input checked="" type="checkbox"/> 300 feet - NonExplosive - Distance setbacks apply to water wells, buildings, underground cisterns, pipelines, and flowing springs.<br><input type="checkbox"/> 660 feet - Shot Hole - Distance setbacks apply to water wells, buildings, underground cisterns, pipelines, and flowing springs. |                             |                                                                      |                                         |
| 7) Size of Hole<br><b>3-D N/A</b>                                                                                                                                                                                                                                                                                                                                                          | Amt of Charge<br><b>N/A</b> | Depth<br><b>N/A</b>                                                  | Source points per sq. mi.<br><b>96</b>  |
| Size of Hole<br><b>2-D N/A</b>                                                                                                                                                                                                                                                                                                                                                             | Amt of Charge<br><b>N/A</b> | Depth<br><b>N/A</b>                                                  | Source points per ln. mi.<br><b>N/A</b> |
| 8) Approximate Start Date<br><b>July 15, 2011</b>                                                                                                                                                                                                                                                                                                                                          |                             | Approximate Completion Date<br><b>October 31, 2011</b>               |                                         |

**THE COMMISSION MUST BE NOTIFIED AT LEAST 24 HOURS IN ADVANCE OF COMMENCEMENT OF GEOPHYSICAL OPERATIONS**

|                                                                     |                                              |                  |                 |
|---------------------------------------------------------------------|----------------------------------------------|------------------|-----------------|
| 9) Location of Proposed Project - County<br><b>Bottineau County</b> |                                              |                  |                 |
| Section(s),<br>Township(s)<br>& Range(s)                            | Section<br><b>6, 7, 18, 19, 30</b>           | T.<br><b>159</b> | R.<br><b>81</b> |
|                                                                     | Section<br><b>1-3, 10-15, 22-27</b>          | T.<br><b>159</b> | R.<br><b>82</b> |
|                                                                     | Section<br><b>1, 2, 11-14, 24-26, 35, 36</b> | T.<br><b>160</b> | R.<br><b>82</b> |
|                                                                     | Section<br><b>3-10, 15-21, 28-33</b>         | T.<br><b>160</b> | R.<br><b>81</b> |
|                                                                     | Section<br><b>22-28, 34-36</b>               | T.<br><b>161</b> | R.<br><b>81</b> |
|                                                                     | Section<br><b>19, 30, 31</b>                 | T.<br><b>161</b> | R.<br><b>80</b> |

|                                                                                                                                |                                        |                                       |                              |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------|------------------------------|
| I hereby swear or affirm that the information provided is true, complete and correct as determined from all available records. |                                        |                                       | Date<br><b>June 15, 2011</b> |
| Signature<br>                                                                                                                  | Printed Name<br><b>Stephen Gilliam</b> | Title<br><b>Contract Permit Agent</b> |                              |
| Email Address(es)<br><b>gilliam.stephen@gmail.com</b>                                                                          |                                        |                                       |                              |

|                                                  |                                 |
|--------------------------------------------------|---------------------------------|
| (This space for State office use)                |                                 |
| Permit No.<br><b>970207</b>                      | Approval Date<br><b>6/22/11</b> |
| Approved by<br>                                  |                                 |
| Title<br><b>Mineral Resources Permit Manager</b> |                                 |

**Permit Conditions**

- \* Permit in hand required at pre-program meeting with field inspector and be aware of all NDIC Rules and Regulations (i.e. distance restrictions).
- \* See attached letter.





# 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](http://www.oilgas.nd.gov)

JUNE 22, 2011

The Honorable Mae Steich  
Bottineau County Auditor  
314 West 5<sup>th</sup>  
Bottineau, ND 58318-1204

RE: Geophysical Exploration  
Permit # 97-0207

Dear Ms. Steich:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that DAWSON GEOPHYSICAL COMPANY was issued the above captioned permit on JUNE 22, 2011 and will remain in effect for a period of one year. The entire permit can be viewed on our website at: <https://www.dmr.nd.gov/oilgas/seismic/seismicstats.asp>

Should you have any questions, please contact our office.

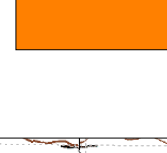
Sincerely,

Todd L. Holweger  
Mineral Resources Permit Manager

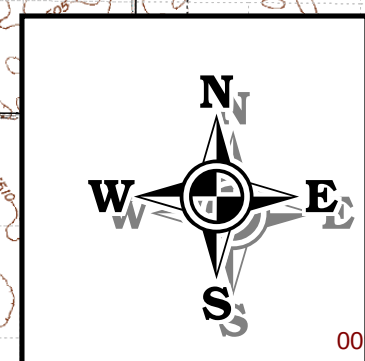


## ID # 14111

US Fish & Wildlife



160N 81W



159°N 81°W

159N 82W