

NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

Lynn D. Helms
DIRECTOR

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

Bruce E. Hicks
ASSISTANT DIRECTOR

March 25, 2003

Mr. Harry Stevenson
4396 Highway 39
Forsythe, MT 59327

Re: T147W – R102N – NW/4 SW/4 of section 2
McKenzie County, North Dakota

Dear Mr. Stevenson:

As per our telephone conversation today, our records indicate that the above tract of land does not have any oil wells drilled on it, nor does it fall under any spacing units of any wells drilled adjacent to the property.

Further review of the lands indicate that two seismic programs have been completed in adjacent areas since July 1997. Permit 970037 – North Branch Swath was completed November 4, 1998. In reviewing the post plot map for this program (enclosed) it appears that the nearest shot holes were drilled in the north half of the north half of section 2. Permit 970065 – Red Wing Creek 3-D was completed December 1, 2001. In reviewing the post plot map for this program (enclosed) it appears that the nearest shot holes were drilled in the NE quarter of the NE quarter of section 2. Due to jurisdictional changes in July of 1997, we have no records prior to this date; however, you may contact McKenzie County to review their records.

Our records have no indication during the course of the above-mentioned programs, whether or not any of your land was used for access to other lands located in the shoots.

Should you have any further questions regarding this matter, please feel free to contact our office.

Sincerely,



David C. Hvinden

Geophysical Regulation Supervisor



PERMIT NO.: 97-0037	
SHOT HOLE OPERATIONS: 60 ft 10#	*NON-EXPLOSIVE OPERATIONS:



SECTION 1

GEOPHYSICAL CONTRACTOR: RELIABLE EXPLORATION, INC.	
PROJECT NAME AND NUMBER: D. J. SIMMONS - NORTH BRANCH	COUNTY(S): Mc Kenzie
TOWNSHIP(S): T 147, 148 N, R 102 W	RANGE(S):
DRILLING & PLUGGING CONTRACTORS: Heliportable/Dave Bohe Drilling	
DATE COMMENCED: 10/23/98	DATE COMPLETED: 11/4/98 ** See Attached Letter

SECTION 2

FIRST S.P. #: 701	LAST S.P. #: 815
LOADED HOLES (UNDETONATED SHOT POINTS) none	
S.P. #'s:	
CHARGE SIZE::	
DEPTH:	
REASONS HOLES WERE NOT SHOT:	

SECTION 3

FLOWING HOLES AND/OR BLOWOUTS: S.P.'s none
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.

AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)

Montana

STATE OF ~~MONTANA~~ NORTH DAKOTA)

)

COUNTY OF Yellowstone)

Before me, MaryBeth Barnby, a Notary Public in and for the said County and State, this day personally appeared Allen Rein who being first duly sworn, deposes and says that (s)he is employed by RELIABLE EXPLORATION, INC., 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.

Allen Rein
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 18th day of August, 1999.

Notary Public MaryBeth Barnby

My Commission Expires 4-15-00



868 Parkway Lane
Billings, Montana 59101

(406) 259-1860
FAX (406) 259-8589

August 18, 1999

Mr. Elmer Nordsven
CUSTER NATION FOREST
Mc Kenzie Ranger District
HCS 2, Box 8
Watford City, ND 58854

RE: D.J. Simmons, Inc.
NORTH BRANCH AREA

Dear Elmer:

Please be advised that Reliable Exploration, Inc. recorded the N/S Line on the above prospect in November 1998. Due to project changes from D.J. Simmons, all pin flagging was still on the ground and the job was put on hold.

In June of 1999, our crew was in the area and picked up the flagging and trashed the lines left in the field. Therefore, the project is now complete and ready for inspection if your staff has not already done so.

Please contact our office if you have any questions.

Sincerely,

RELIABLE EXPLORATION, INC.

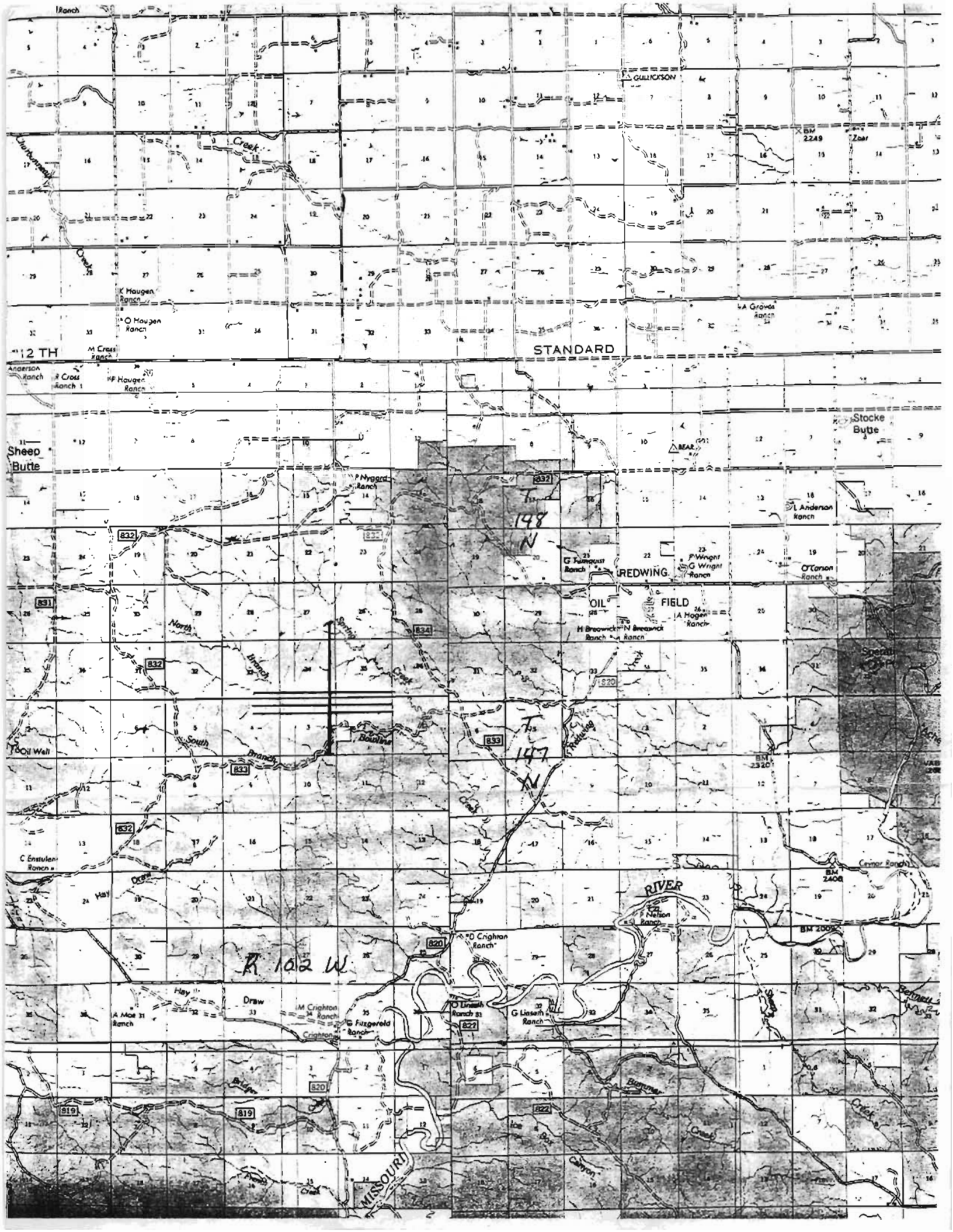
A handwritten signature in cursive script that reads 'Betsy Barnby'.

Betsy Barnby
Office Manager

Bb

Enclosure – 1 SP map

✓ cc: ND Industrial Commission



Ranch

GULLICKSON

BM 2249

12 TH

STANDARD

Stoake Butte

Sheep Butte

148

REDWING

OIL FIELD

147

R 102 W

RIVER

MISSOURI

BM 2408

BM 2000

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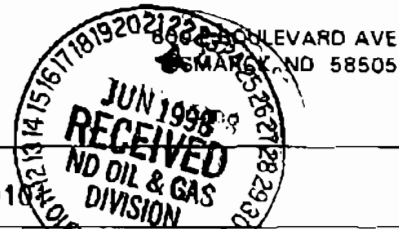
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GEOPHYSICAL EXPLORATION PERMIT
 INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 SFN 51459 (11-97)



1) a. Company: RELIABLE EXPLORATION, INC.	Address: 868 Parkway Lane BILLINGS, MT 59108	
Contact: ALLEN REIN	Telephone: (406) 245-1860	Fax: (406) 259-8589
Surety Company: AMWEST SURETY	Bond Amount: 50,000.	Bond Number: 034000055
2) a. Subcontractor(s): TCS DRILLING	Address: BOX 574 SIDNEY, MT 59270	Telephone: (406) 482-7769
b. Subcontractor(s): BUCKSKIN SERVICES	Address: 919-12th ST S.E. SIDNEY, MT 59270	Telephone: (406) 482-1143
c. Subcontractor(s): NAY DRILLING	Address: BOX 143 Fairview, MT 59221	Telephone: (406) 489-1790
3) Party Manager: DOUG WICK	Address: BOX 741 SIDNEY, MT 59270	Telephone: (406) 482-4092
4) Project Name or Line Numbers: NORTH BRANCH SWATH PROSPECT		
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D): SHOT HOLES		
6) Approximate Drilling Start Date: APPROVAL OF PERMIT	Approximate Completion Date:	

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

7) Location of Proposed Project - County MC KENZIE COUNTY, NORTH DAKOTA								
Section(s), Township(s) & Range(s)	Sec. 2,3,4	T	147 N	R	102 W			
	Sec. 27,34,35	T	148 N	R	102 W			
	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 3/4	10#	60ft	16 mi	7.5	Geophysical ID	a. Plugger ID	b. Plugger ID	c. Plugger ID
					REL	REL	REL	

9) Anticipated special drilling and plugging procedures?

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

Signed: <i>Allen Rein</i>	Title: VICE PRESIDENT	Date: 6/8/98
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(This space for State office use)	
Permit No.: <i>97-0037</i>	Approval Date: <i>6/22/98</i>
Approved By: <i>David C. Hunter</i>	
Title: <i>Geophysical Regulation Supervisor</i>	
County Approval Sent: <i>McKenzie 6/22/98</i>	

Conditions of Approval if any:

BURNING MINE BUTTE QUADRANGLE
 NORTH DAKOTA—MCKENZIE CO.
 7.5 MINUTE SERIES (TOPOGRAPHIC)

277 240
 10 240 240

R102W

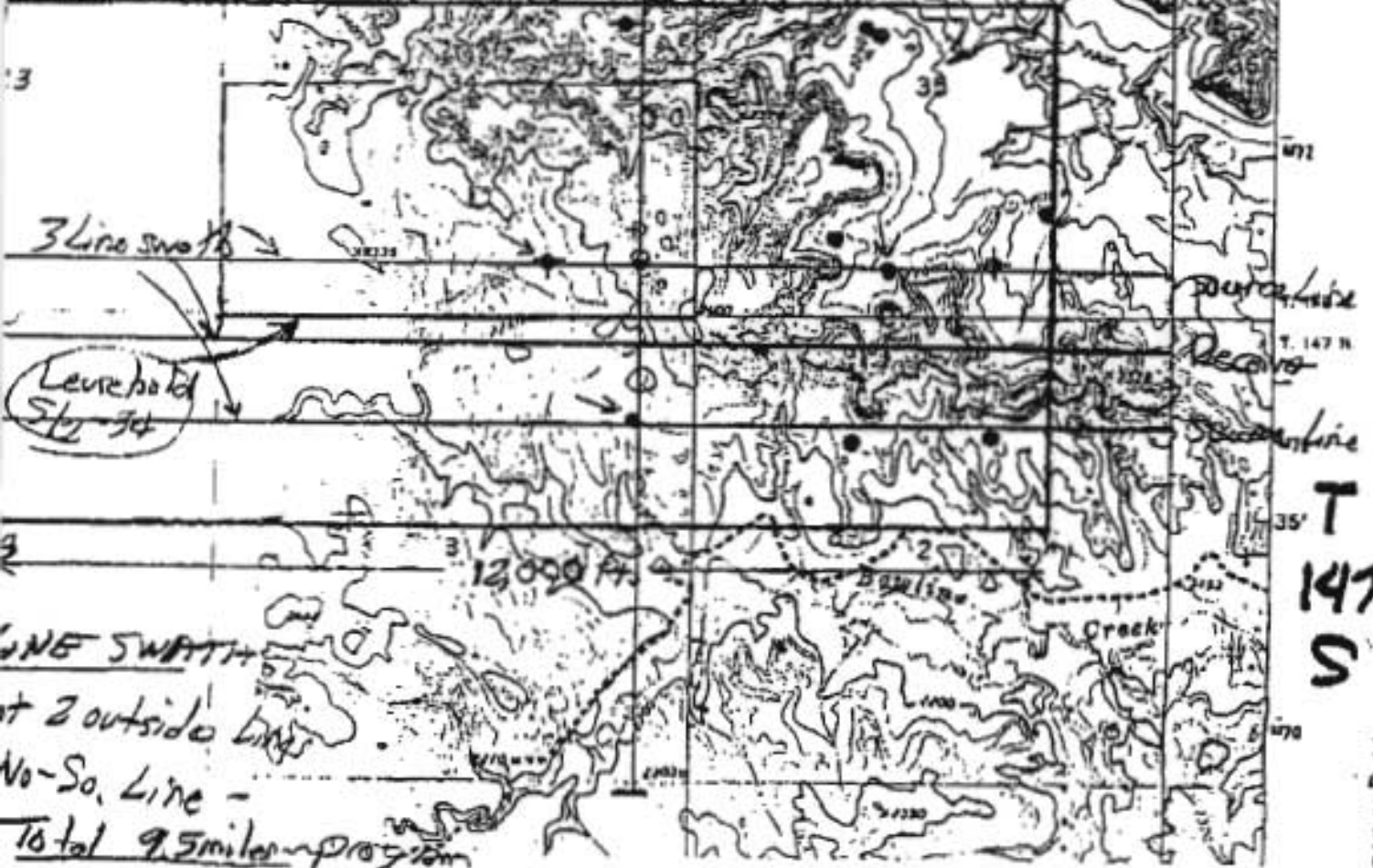
103° 37' 30" 47° 37' 30"

im- Please make revised
 bid on 3-line swath, use
 curve lines on 2 outside lines,
 eccent only on middle line,
 also No-South line

attl Please try
 put together
 something on this
 today

0-330 10@60
 20 stations x 3 lines
 R Outside Only
 inside on EW
 R on ND

↓



3 Line swath

Leurehold
 St 2-34

LINE SWATH

at 2 outside lines

No-So. Line -

Total 9.5 miles - program

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NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

Wesley D. Norton
DIRECTOR

F.E. Wilborn
ASSISTANT DIRECTOR

June 22, 1998

Allen Rein
Reliable Exploration, Inc.
868 Parkway Lane
Billings, MT 59101

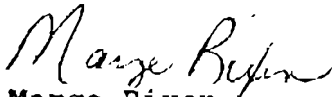
**RE: GEOPHYSICAL EXPLORATION PERMIT NO. 97-0037
NORTH BRANCH SWATH PROSPECT
McKenzie County**

Dear Mr. Rein:

This letter will verify the approval of the above-captioned Geophysical Permit effective June 22, 1998.

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

Sincerely,


Marge Rixen
Legal Assistant

/mr