



PERMIT NO.: 97-0044	
SHOT HOLE OPERATIONS: 60ft 10#	*NON-EXPLOSIVE OPERATIONS

SECTION 1

GEOPHYSICAL CONTRACTOR: Reliable Exploration, Inc.	
PROJECT NAME AND NUMBER: Panterra Petroleum - North Branch	COUNTY(S): McKenzie
TOWNSHIP(S): T 148 N	RANGE(S): R 101.102 W
DRILLING & PLUGGING CONTRACTORS: Bone Drilling	
DATE COMMENCED: 5/24/99	DATE COMPLETED: 6/5/99

SECTION 2

FIRST S.P. #: Line 1- 101 Line 2- 101	LAST S.P. #: Line 1- 227 Line 2- 232
LOADED HOLES (UNDETONATED SHOT POINTS)	
S.P. #'s:	
CHARGE SIZE::	
DEPTH:	
REASONS HOLES WERE NOT SHOT: NONE	

SECTION 3

FLOWING HOLES AND/OR BLOWOUTS: S.P.#'s NONE
PROCEDURE FOR PLUGGING FLOWING HOLES: AND/OR BLOWOUTS: NONE

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 ~~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 14 day of JUNE, 1999.

Notary Public MaryBeth Barnby

My Commission Expires 4-15-00



United States
Department of
Agriculture

Forest
Service

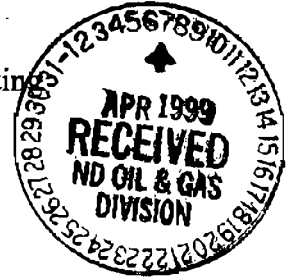
Custer National Forest McKenzie Ranger District
HCO 2, Box 8
Watford City, ND 58854

File Code: 1950/2860

Date: April 6, 1999

North Dakota Industrial Commission
Oil and Gas Division
Mr. Wes Norton
600 East Boulevard
Bismarck, ND 58505

Re: Proposed Seismic Testing



Dear Wes:

We are in the beginning stages of whether to approve a seismic testing proposal on the Little Missouri National Grasslands lands in the McKenzie Ranger District. If you spend time or are interested in this area, please read this information carefully.

The attached Project Proposal contains a map and information about our proposal (titled the Proposed Action). The Project Proposal summarizes what our objectives are and what specifically we propose to do.

We are in the beginning stages of the planning process. What is outlined in the Proposed Action is not a final decision. Your ideas and concerns are important to us, in this early stage, so that we can incorporate your input before we get further along in the planning process.

If you happen to know the project area well, I am especially interested in hearing from you about any special features you may know of that exist in the area (e.g., domestic water sources, wildlife sites, noxious weeds, etc.). I need your comments on this project now so that I can have the best information available to make a decision. If you have questions, information, or concerns, I strongly encourage you to let us know. Putting your comments in writing, either in a letter or through the Internet, helps us document them, but we prefer to speak with you personally, whether it be on the phone or out in the project area.

In order for us to have adequate time to review your comments, I need to receive them by April 25, 1999. Your comments are welcome at any time while we are conducting our analysis; however, it would be most helpful to receive your input early in the planning process.

Your comments, including your name and address, will be considered part of the public record on this proposed action and will be available for public inspection. Comments submitted anonymously will be accepted and considered regarding this project. Please direct your written comments and ideas to:

McKenzie Ranger District
Little Missouri National Grasslands
HCO2, Box 8
Watford City, ND 58854



Attention: Elmer Nordsven

If you know of anyone else who may be interested in this proposal, please share this with them and ask them to stop by or call our office so we can get them a copy of the Project Proposal. To save paper and mailing costs, we will not send you any further information on this project unless you indicate otherwise (see attached comment form).

If you have any questions or would like to talk about this project, contact Elmer Nordsven, the project team leader at (701) 842-2393, or on the Internet (enordsven/r1_dakotaprairie@fs.fed.us).

Sincerely,

Lesley W. Thompson

LESLEY W. THOMPSON
District Ranger

Enclosures

**SPECIAL USE PROSPECTING PERMIT FOR SEISMIC TESTS
PROJECT PROPOSAL
Submitted by Panterra Petroleum**

WHERE IS IT?

The seismic test proposal is located near Bowline Creek Oil Field, about 15 air miles southwest of Watford City, North Dakota. The seismic line length involves 4.5 miles on the National Grassland. The legal description of the affected lands include Sections 34,35, T148N, R102W; Section 31, T148N, R101W; 5th P.M.

The area can be reached from Watford City by travelling west on Highway 85, then southwest on County Rd. 27. Refer to the attached Vicinity Map and Proposed Action Map for project area location and project-specific information.

WHY IS THIS AREA BEING CONSIDERED?

Panterra Petroleum's objective is to gather information regarding reserve minerals and their location. Our jurisdiction with this proposal is to determine whether this proposal should be authorized and under what conditions. The project area is located within Management Areas E and B of the Custer National Forest. The goal for management area E is to facilitate and encourage energy and mineral exploration, development, and production from National Forest lands, which includes the Little Missouri National Grasslands.

The goal of Management Area B is to provide for the continuation of livestock grazing, implementation of intensive range management systems and the facilitation of minerals and energy development with consideration of other resource needs. In areas not considered key for wildlife, adverse impacts to the wildlife habitat will be mitigated where feasible, but not to the exclusion of range and mineral/energy management and development activities.

WHAT CONCERNS HAVE WE IDENTIFIED WITH THIS PROPOSAL?

The interdisciplinary analysis team will conduct surveys for botanical, heritage resources, and wildlife occurrences to determine whether this project would have any effect on them. The results of these surveys will be documented and will be contained in an analysis file for this project.

WHAT ARE WE PROPOSING TO DO?

Panterra Petroleum has submitted their proposal to us to conduct a conventional seismic test (3D). This project, if approved, would occur during the spring of 1999. The proposal would consist of approximately 34 shot holes, each loaded with ten pounds of explosives. The shot holes would be dug 60 feet deep in corridors running in a east/west direction (see enclosed map, Figure 2). The geophysical sensors would be placed on the ground surface running in an east/west direction. The grid pattern is shown on Figure 2. The seismic line's total length on National Forest lands would be 4.5 miles.

WE WANT TO HEAR FROM YOU!

As mentioned in the accompanying letter, it is important that you tell us your ideas or concerns about this project so we can incorporate them into our project planning. Your comments will be used to verify the most important issues. The ID Team will incorporate the ideas, thoughts, and concerns generated from the public into the Proposed Action and will then analyze the probable environmental effects of carrying out the Proposed Action.

A comment form has been enclosed for your convenience. Feel free to use the form, write us a letter, call us on the telephone, visit us at our office, or write to us on the Internet. Your comments are important. The sooner we can incorporate them into our plans, the easier it is to design a project that includes your ideas.

COMMENT FORM
for the
SPECIAL USE PROSPECTING PERMIT FOR SEISMIC TESTS
PROJECT PROPOSAL

After reviewing the enclosed project proposal, take a moment to write down your thoughts, issues, ideas, or any information you may have relevant to this project. Please be as specific as possible. That way we can consider ways to modify our proposal to address your comments. If you have any questions about this proposal, please don't hesitate to call, write, e-mail or visit (e-mail address is: enordsven/rl_dakotaprairie@fs.fed.us).

Please return this form or call in your comments right away.

Name: _____

Address: _____

Phone: _____

____ Please continue to send me information on this project.

____ Please remove my name from your mailing list for this project.

____ Please continue to send me information on this project, but note the following address changes

THANK YOU!

FIGURE 1

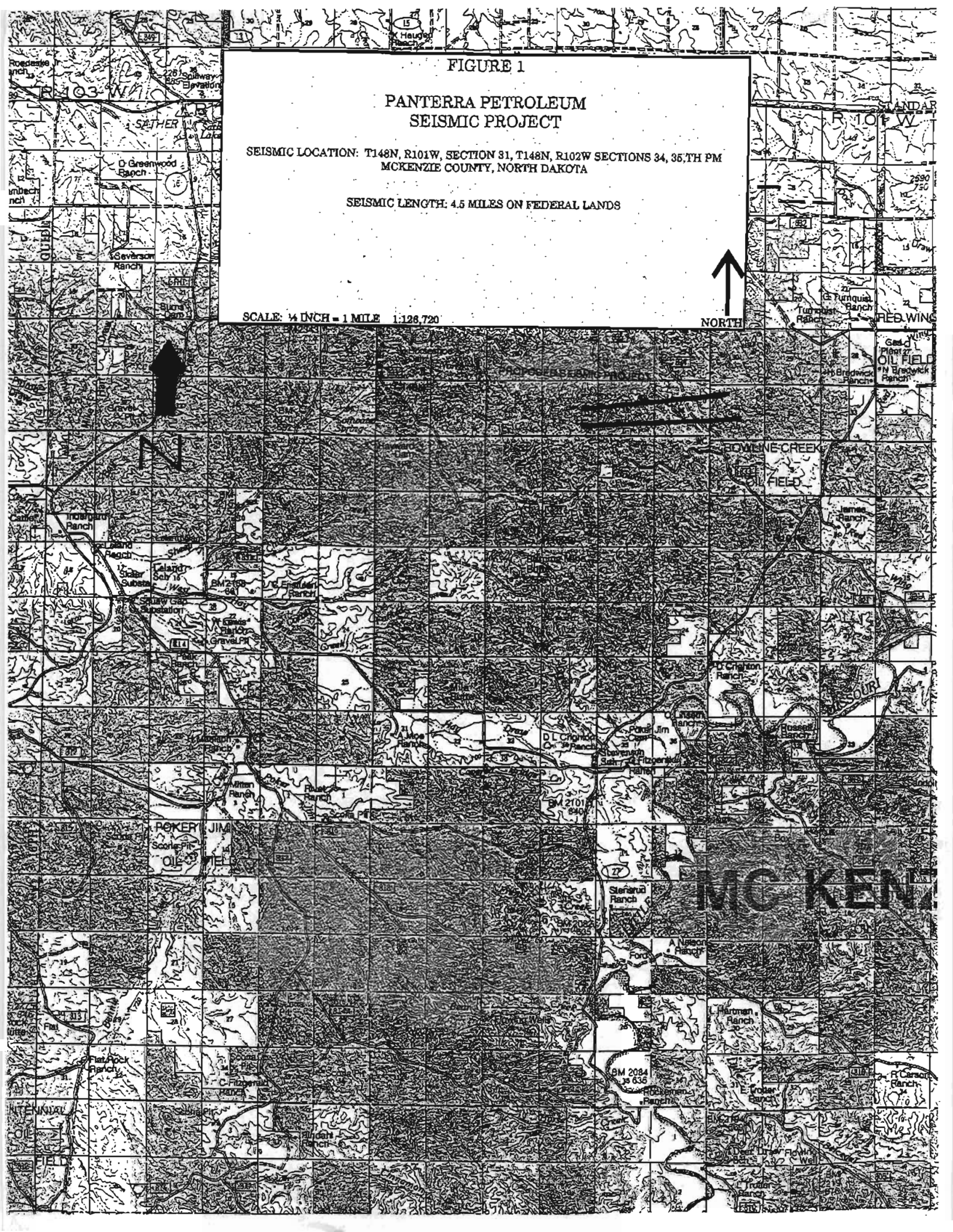
PANTERRA PETROLEUM
SEISMIC PROJECT

SEISMIC LOCATION: T148N, R101W, SECTION 31, T148N, R102W SECTIONS 34, 35, TH PM
MCKENZIE COUNTY, NORTH DAKOTA

SEISMIC LENGTH: 4.5 MILES ON FEDERAL LANDS

SCALE: 1/4 INCH = 1 MILE 1:128,720

NORTH





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: Reliable Exploration, Inc.		Address: 868 Parkway Lane Billings, MT 59101	
Contact: Allen Rein		Telephone: (406) 259-1860	Fax: (406) 259-8589
Surety Company: Amwest Surety		Bond Amount: 50,000.00 ✓	Bond Number: 034000055 ✓
2) a. Subcontractor(s): ✓ AIC2022357/15,000 Swenson Drilling		Address: PO BOX 693 Sidney, MT 59270	Telephone: (406) 482-1270
b. Subcontractor(s): ✓ B06338/15,000 Bohe Drilling & Hole plugging		Address: 715 4th ST SE Minot, ND 58701	Telephone: 1-800-489-3205
c. Subcontractor(s):		Address:	Telephone:
3) Party Manager: Doug Wick		Address: PO BOX 741 Sidney, MT 59270	Telephone: (406) 482-4092
4) Project Name or Line Numbers: Panterra Petroleum-North Branch			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D): Shot Hole			
6) Approximate Drilling Start Date: *		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 McKenzie								
Section(s), Township(s) & Range(s)		Sec. 34, 35, 36	T T 148 N	R R 102 W				
		Sec. 31	T T 148 N	R R 101 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	8/mi	5 mi	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: 3/23/99
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(This space for State office use)		Conditions of Approval if any: * all surface plugs must include an ID mark from the plugging company & the permit #49. Drilling & plugging operations may not commence prior to proper notification of all parties involved. Thanks <i>David C. Smith</i> 3/26/99
Permit No.: 97-0044	Approval Date: 3-26-99	
Approved By: <i>David C. Smith</i>		
Title: <i>Geophysical Regulation Supervisor</i>		
County Approval Sent:		

*See Instructions On Reverse Side



NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

Lynn D. Helms
DIRECTOR

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

E.E. Wilborn
ASSISTANT DIRECTOR

March 26, 1999

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

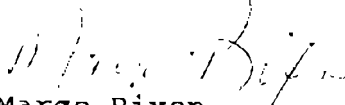
RE: GEOPHYSICAL EXPLORATION PERMIT NO. 970044
Panterra Petroleum-North Branch
McKenzie County

Dear Mr. Rein:

This letter will verify the approval of the above-captioned Geophysical Permit effective March 26, 1999.

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>

F.E. Wilborn
ASSISTANT DIRECTOR

March 26, 1999

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

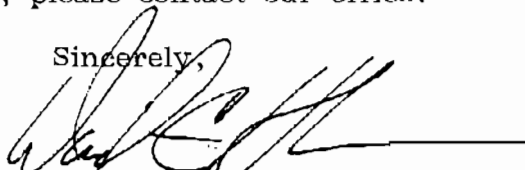
**RE: Geophysical Exploration
Permit #97-0044**

Dear Ms. Olson:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Reliable Exploration Inc. was issued the above captioned permit on March 26, 1999 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/th

PERMIT CHECK SHEET

Permit # 97-0048
Date 3-26-99
Operator Reliable

Advance Party Manager, Name, Address, Phone _____
DOUG WICK 406-482-4092

Party Manager, Name, Address, Phone (if different from above)
same

Date Drilling Begins ?

Stress Notification - NDIC 24 Hours - Answering machine okay. -
County 24 Hours - Call sheriff's office after hours.
Owner 3 Days - Advise to let them know when they
permit them and keep them posted
when they are on their land.

Do you have a pre-project meeting? _____

When? _____

Where? _____

Make arrangements with Kim if possible!

Drill types - Auger Conventional Heliportable
Depth of hole - Standard
- Shale
- Special Circumstances

Recommend procedure for plugging flowing holes? _____

Have permit people agreed with landowner re: damages? _____

Who should it contact if a landowner has problems during? After?

Post plot map must show shot holes #'s and line #'s to correlate with the
plugging logs.