

Oil and Gas Division 970119

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

JIM HUFF
DAWSON GEOPHYSICAL
508 WEST WALL, STE. 800
MIDLAND, TX 797019976

RE: See Attached List of Projects

Dear Jim:

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,

A handwritten signature in black ink, appearing to read "Richard A. Suggs", with a long horizontal line extending to the right.

Richard A. Suggs
Engineering Technician

List of Projects Missing a Letter Confirming Surface Owners Notification for
DAWSON GEOPHYSICAL

WEST HALEY 3-D
BOWMAN COUNTY
PERMIT NO. 970119

COMPLETION DATE: 12/4/2006

PARSHALL 3-D
MOUNTRAIL COUNTY
PERMIT NO. 970114

COMPLETION DATE: 11/24/2006



PERMIT NO.: 97-0119	
SHOT HOLE OPERATIONS: N/A	*NON-EXPLOSIVE OPERATIONS: Vibrations only

SECTION 1

GEOPHYSICAL CONTRACTOR: Dawson Geophysical Company	
PROJECT NAME AND NUMBER: West Haley Project	COUNTY(S): Bowman
TOWNSHIP(S): T129 N	RANGE(S): R102 W
PERMITTED BY: Bill Michaels	
DATE COMMENCED: 11-23-06	DATE COMPLETED: 12-4-06

SECTION 2

FIRST S.P. #:	LAST S.P. #:										
LOADED HOLES (UNDETONATED SHOT POINTS)											
S.P. #'s:											
CHARGE SIZE::											
DEPTH:											
REASONS HOLES WERE NOT SHOT: <i>NO Holes drilled.</i>											

SECTION 3

FLOWING HOLES S.P.#'s <i>N/A</i>
PROCEDURE FOR PLUGGING FLOWING HOLES: <i>N/A</i>
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)

STATE OF NORTH DAKOTA)

COUNTY OF Bowman)
Johnson

Before me, Bonnie Drake, a Notary Public in and for the said County and State, this day personally appeared William Michaeli who being first duly sworn, deposes and says that (s)he is employed by Dawson, 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.

It is my understanding that North Dakota Century Code Section 38-08.1 in accordance with North Dakota Administrative Code Rule 43-02-12 covers the drilling of oil and gas wells and very little to do with, if any, Vibroseis seismic on the surface of the ground. I personally have no knowledge of well drilling activities or its affects on the subsurface

William Michaeli
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 5th day of Dec, 2006



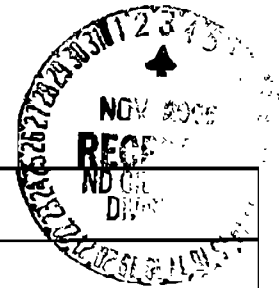
Notary Public B Drake

My Commission Expires 5/10/10



GEOPHYSICAL EXPLORATION PERMIT

INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 600 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505-0840
 SFN 51459 (03-2005)



1) a. Company Dawson Geophysical Company		Address 8400 E. Prentice Ave. Suite 1500	
Contact Joe Broussard		Telephone (303) 409-7787	Fax (303) 409-7788
Surety Company U.S. Specialty Ins. Co.		Bond Amount \$25,000.00	Bond Number B000778
2) a. Subcontractor(s)		Address	Telephone
b. Subcontractor(s)		Address	Telephone
c. Subcontractor(s)		Address	Telephone
3) Party Manager Zane Zirschky		Address Same as above	Telephone (432) 413-3199
4) Project Name or Line Numbers West Haley Project			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) Vibroseis (non-explosive), 3D			
6) Approximate Drilling Start Date November 7, 2005		Approximate Completion Date December 24, 2006	

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

7) Location of Proposed Project - County Bowman			
Section(s), Township(s) & Range(s)	Sec. 8-9-13-14-	T. 129N	R. 102W
	Sec. 15-16-17-20	T. 129N	R. 102W
	Sec. 21-22-23-24-25	T. 129N	R. 102W
	Sec. 26-27-28-29-32 - 33	T. 129N	R. 102W

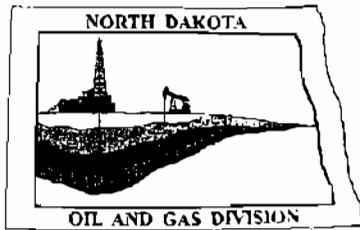
8) Size of Hole N/A	Amt of Charge	Depth	Shots per Mi.(sq.mi.)	No. of Mi (sq.mi.) 15	Identifying Marks Used on Nonmetallic Plug			
					Geophysical ID	a. Plugger ID	b. Plugger ID	c. Plugger ID

9) Anticipated special drilling and plugging procedures?
Bowman *NO Drilling Vibros only*

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

Signed <i>William J. Michaeli</i>	Title Permit Agent	Date October 17, 2006
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(This space for State office use)		Conditions of Approval if any <i>See attached letter</i>
Permit No. 97-0119	Approval Date 11/6/2006	
Approved by <i>[Signature]</i>		
Title Mineral Resources Permit Manager		
County Approval Sent Bowman		



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November 6, 2006

The Honorable Sandi Tivis
County Auditor
104 1st St. NW
Bowman, ND 58623

RE: Geophysical Exploration
Permit # 97-0119

Dear Ms. Tivis:

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 November 6, 2006 and will remain in effect for a period of one year.

Should you have any questions, please contact our office.

Sincerely,

Todd L. Holweger
Mineral Resources Permit Manager

Oil and Gas Division

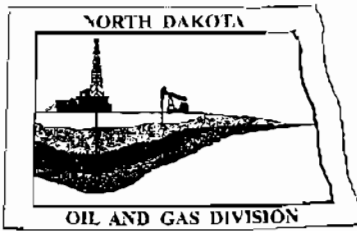
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November 6, 2006

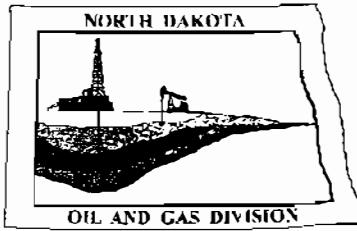
Mr. Joe Broussard
8400 E. Prentice Ave. Ste. 1500
Greenwood Village, CO 80111

RE: Geophysical Exploration Permits # 97-0119
 West Haley Project
 Bowman County, North Dakota

Dear Mr. Broussard:

Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from November 6, 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 701-290-1546 (cell) or 701-227-7436 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.



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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,

Todd L. Holweger
Mineral Resources Permit Manager

Mr. Joe Broussard
8400 E. Prentice Ave. Ste. 1500
Greenwood Village, CO 80111