

**Holweger, Todd L.**

**From:** Jacqueline Day [jday@aguila.ca]  
**Sent:** Monday, March 16, 2009 3:31 PM  
**To:** Holweger, Todd L.  
**Cc:** Nigel Brasok  
**Subject:** Cancellation of Geophysical Permit 970170



Hello Todd. In November of 2008 Aguila was granted Geophysical Permit No. 970170 for the project "Big Island 3D 2009". Shortly thereafter our client put the project on hold, and more recently the project was cancelled altogether. No field work was ever conducted under this permit.

We would therefore like to apply to have our cash bond (#4295) released. It is my understanding Marge Rixen at ND OGC requires a letter from your office in order to begin the refund proceedings. What do you require from me in order to facilitate this?

Kindest regards,

Jacqueline Day



**Jacqueline Day** Operations Coordinator  
jday@aguila.ca

FEL: 1-403-366-2147  
CEL: 1-403-501-7845

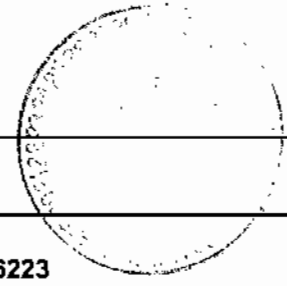


Suite 1500, 717 Seventh Ave SW  
Calgary, Alberta, Canada T2P 0Z3  
www.aguila.ca



# GEOPHYSICAL EXPLORATION PERMIT

INDUSTRIAL COMMISSION OF NORTH DAKOTA  
 OIL AND GAS DIVISION  
 800 EAST BOULEVARD DEPT 405  
 BISMARCK, ND 58505-0840  
 SFN 51459 (02-2008)



1) a. Company <b>Aguila Exploration Management Inc.</b>		Address <b>910 16 Street, Suite 516, Denver CO 80202</b>	
Contact <b>Jacqueline Day</b>		Telephone <b>(403) 366-2147</b>	Fax <b>(403) 232-6223</b>
Surety Company		Bond Amount <b>\$50,000</b>	Bond Number <b>Cash Deposit at Bank of ND, #4295</b>
2) a. Subcontractor(s) <b>Summit Drilling &amp; Hole Plugging, Inc.</b>		Address <b>2018 Road 2052, Froid MT 59226</b>	
b. Subcontractor(s) <b>Exploration Drilling, Inc.</b>		Address <b>12653 Co. Rd. 352, Sidney MT 59270</b>	
c. Subcontractor(s)		Address	
3) Party Manager <b>Doug Newman</b>		Address (local) <b>75 East River Road South, Medora</b>	Telephone (local) <b>(701) 623-4800</b>
4) Project Name or Line Numbers <b>Big Island 3D 2009</b>			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D, Other) <b>Shot Hole 3D</b>			
6) Approximate Start Date <b>November 7, 2008</b>		Approximate Completion Date <b>April 30, 2009</b>	

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

7) Location of Proposed Project - County <b>Golden Valley</b>					
Section(s), Township(s) & Range(s)	Section <b>see attached document</b>	T.		R.	
	Section	T.		R.	
	Section	T.		R.	
	Section	T.		R.	
8) Size of Hole <b>3-D</b>	Amt of Charge <b>5.5 lbs</b>	Depth <b>40 ft.</b>	Source points per sq. mi. <b>70</b>	No. of sq. mi. <b>126.82</b>	9) Must supply latitudes and longitudes of post-plot source and receiver points on an SD card.
Size of Hole <b>2-D</b>	Amt of Charge	Depth	Source points per In. ml.	No. of In. ml.	

10) Anticipated special drilling and plugging procedures?  
**All procedures will adhere to geophysical exploration rules and regulations, Chapters 38-08.1 & 43-02-12.**

11) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.  
**1:30,000 Topographical Map Enclosed**

Signed 		Title <b>Operations Coordinator</b>	Date <b>October 31, 2008</b>
(This space for State office use)		Conditions of Approval if any	
Permit No. <b>972170</b>	Approval Date <b>11/3/08</b>	<b>See Attached letter</b>	
Approved by 			
Title <b>Mineral Resources Permit Manager</b>			
County Approval Sent <b>Golden Valley</b>			

**Location of Proposed Big Island 3D 2009**

<b>Section</b>	<b>Township</b>	<b>Range</b>
✓ 31 - 35	143N	105W
✓ 1 - 36	142N	105W
✓ 1 - 36	141N	105W
✓ 1 - 3	140N	106W
✓ 1 - 6	140N	105W
✓ 5 - 8	142N	104W
✓ 17 - 20	142N	104W
✓ 29 - 32	142N	104W
✓ 5 - 10	141N	104W
✓ 15 - 36	141N	104W
✓ 1 - 6	140N	104W
✓ 19 - 20	141N	103W
✓ 29 - 32	141N	103W

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



November 3, 2008

Ms. Jacqueline Day  
Aguila Exploration Management Inc.  
910 16 St.  
Ste 516  
Denver, CO 80202

RF:    Big Island 3-D 2009  
      Geophysical Exploration Permit #97-0170  
      Golden Valley County

Dear Ms. Day:

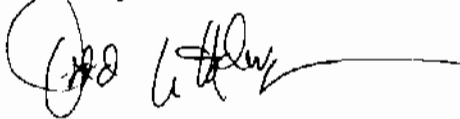
Please be advised that we are in receipt of your Geophysical Exploration permit and it is conditionally approved; effective for one year from November 3, 2008. Review the following conditions for your permit:

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 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 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 for the locations 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,



Todd L. Holweger  
Mineral Resources Permit Manager

# Oil and Gas Division

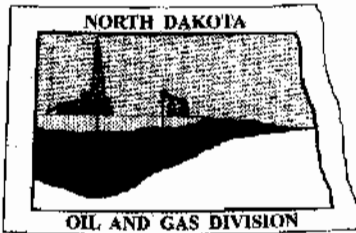
Lynn D. Helms - Director      Bruce F. Hicks - Assistant Director

**Department of Mineral Resources**

Lynn D. Helms - Director

**North Dakota Industrial Commission**

[www.dmr.nd.gov/oilgas](http://www.dmr.nd.gov/oilgas)



November 3, 2008

The Honorable Cecilia Stedman  
Golden Valley County Auditor  
P.O. Box 67  
Beach, ND 58621-0067

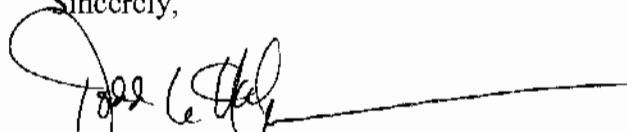
RE:    Geophysical Exploration  
       Permit #97-0170

Dear Ms. Stedman:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Aguila Exploration Management Inc. was issued the above captioned permit on November 3, 2008 and will remain in effect for a period of one year.

Should you have any questions, please contact our office.

Sincerely,



Todd L. Holweger  
DMR Permit manager



October 31, 2008

Attn: Todd Holweger, Mineral Resources Permit Manager

North Dakota Industrial Commission  
Oil & Gas Division  
1016 East Calgary Avenue  
Bismarck, North Dakota 58503

Re: Big Island 3D 2009, Geophysical Exploration Permit Application


Dear Mr. Holweger,

Please find enclosed Geophysical Exploration Permit Application for the proposed Big Island 3D 2009. Included is a check in the amount of \$100 USD, and two copies of the following:

- Completed Geophysical Exploration Permit Application
- 1:30,000 scale topographical pre-plot map
- Copy of Certificate of Deposit from the Bank of North Dakota, verifying the \$50,000 Geophysical Bond
- Copy of the Notice of Intent to Golden Valley County, sent October 31, 2008-10-31

If you have any questions or concerns, please contact me at 403-366-2147, or via email at [jday@aguilaexploration.com](mailto:jday@aguilaexploration.com).

Regards,



Jacqueline Day  
Operations Coordinator