

Oil and Gas Division

Nathan D. Anderson-Director Mark F. Bohrer - Assistant Director

North Dakota Industrial Commission

Department of Mineral Resources

Nathan D. Anderson-Director

www.dmr.nd.gov/oilgas/

October 24, 2024

Aaron Bateman
President
Paragon Geophysical Services, Inc.
3500 North Rock Road, Bldg. 800 Ste B
Wichita, KS 67226

RE: BLUE FLINT 2-D PHASE II
GEOPHYSICAL EXPLORATION PERMIT #97-0341
MCLEAN COUNTY
NON-EXPLOSIVE METHOD

Dear Mr. Bateman:

Be advised that your Geophysical Exploration permit is conditionally approved; effective for one year from October 24, 2024.

PERMIT STIPULATIONS:

- **Paragon Geophysical Services, Inc. must contact seismic inspector Tom Torstenson at (701) 290-1546 72 hours prior, to arrange a start-up meeting. Also, a copy of the entire permit is required for all contractors at the start up meeting.**
- **Paragon Geophysical Services, Inc. must contact Tom Torstenson at (701) 290-1546 24 hours prior to conducting any geophysical activities.**
- **Pursuant to NDAC 43-02-12-05 (DISTANCE RESTRICTION) Non-explosive exploration methods may not be conducted less than 300 feet from water wells, buildings, underground cisterns, pipelines, and flowing springs.**
- **In addition, pursuant to NDAC 43-02-12-06 (NOTIFICATION OF WORK PERFORMED), "The director is authorized to suspend operations of the entire geophysical project, or any portion thereof, if further activity will cause excessive damage to the surface of the land".**

Review the following conditions for your permit:

1. 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.
2. 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. Must provide a GIS layer using NAD83 in an Esri shape file format and an Image file (.img) on a Flash Drive or email: ttorstenson@nd.gov with all source and receiver points,
3. 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.
 4. 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/>
 5. 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 our office.

Sincerely,



Todd L. Holweger
Permit Manager/Geophysical Supervisor



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)

Received

OCT 14 2024

ND Oil & Gas
Division

1) a. Company Paragon Geophysical Services Inc.		Address 3500 North Rock Road, BLDG 800 Ste B Wichita KS 67226			
Contact Aaron Bateman		Telephone 316.636.5552		Fax 316.636.5572	
Surety Company Arch Insurance		Bond Amount \$50,000.00		Bond Number SU1135989	
2) a. Subcontractor(s) N/A		Address		Telephone	
b. Subcontractor(s) N/A		Address		Telephone	
3) Party Manager Patrick Dooley		Address (local)		Telephone (local) 713.306.4843	
4) Project Name or Line Numbers Blue Flint 2D Phase II					
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D, Other) Non-Explosive - 3D					
6) Distance Restrictions (Must check all that apply)					
<input checked="" type="checkbox"/> 300 feet - NonExplosive - Distance setbacks apply to water wells, buildings, underground cisterns, pipelines, and flowing springs.					
<input type="checkbox"/> 660 feet - Shot Hole - Distance setbacks apply to water wells, buildings, underground cisterns, pipelines, and flowing springs.					
7) Size of Hole 3-D	Amt of Charge	Depth	Source points per sq. mi.	No. of sq. mi.	
Size of Hole 2-D	Amt of Charge N/A	Depth N/A	Source points per ln. mi. 64	No. of ln. mi. 5.7	
8) Approximate Start Date Survey October 20, 2024 / Recording November 1, 2024			Approximate Completion Date November 15, 2024		

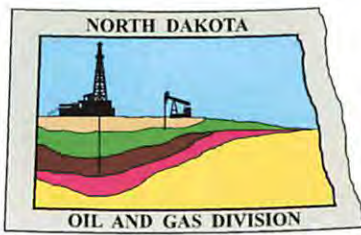
THE COMMISSION MUST BE NOTIFIED AT LEAST 24 HOURS IN ADVANCE OF COMMENCEMENT OF GEOPHYSICAL OPERATIONS

9) Location of Proposed Project - County McLean County					
Section(s), Township(s) & Range(s)	Section	T.	R.		
	6-7-8-17-18-19	145	82		
	Section	T.	R.		
	1-11-12-13-14-24	145	83		
	Section	T.	R.		
	Section	T.	R.		

I hereby swear or affirm that the information provided is true, complete and correct as determined from all available records.			Date October 7, 2024
Signature 	Printed Name Bruce A Fulker	Title Authorized Agent For Paragon	
Email Address(es) bfulker@cougarlandservices.net			

(This space for State office use)		<p align="center">Permit Conditions</p> <p>* Permit in hand required at pre-program meeting with field inspector and be aware of all NDIC Rules and Regulations (i.e. distance restrictions).</p> <p>* See attached letter.</p>
Permit No. 97-0341	Approval Date 10/24/24	
Approved by 	Title Mineral Resources Permit Manager	

*See Instructions On Reverse Side



Oil and Gas Division

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www.dmr.nd.gov/oilgas/

October 24, 2024

The Honorable Beth Knutson
McLean County Auditor
P.O. Box 1108
Washburn, ND 58577

RE: Geophysical Exploration
 Permit Number 97-0341

Dear Ms. Knutson:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that the Paragon Geophysical Services, Inc. was issued the above captioned permit on October 24, 2024, 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

Permit Manager/Geophysical Supervisor



AFFIDAVIT OF NOTICE

BEFORE ME, the undersigned authority, personally appeared Bruce A. Fulker of Cougar Land Services, LLC., whose office address is located at 19901 SW Freeway, Suite 102, Sugar Land, TX. 77479 who being duly sworn, upon oath stated and affirmed that as an authorized agent for Paragon Geophysical Services, Inc. all landowners along the proposed Blue Flint 2D Phase II geophysical project and the ½ mile halo area have been notified of the approximate schedule and location of the project and provided a written copy of North Dakota Century Code (NDCC) Section 38-08.1-04.1 (Exploration Permit) and NDCC Chapter 38-11.1 (Oil & Gas Production Damage Compensation).

Executed this 14th day of October 2024.

Bruce A. Fulker

Bruce A. Fulker

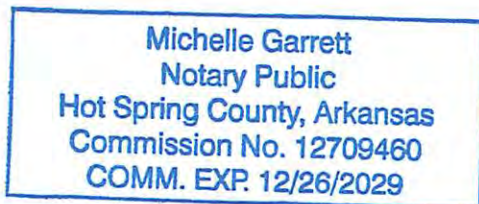
STATE OF ARKANSAS)

) ss

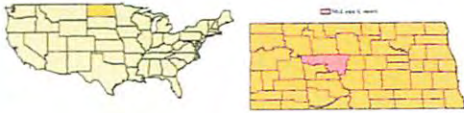
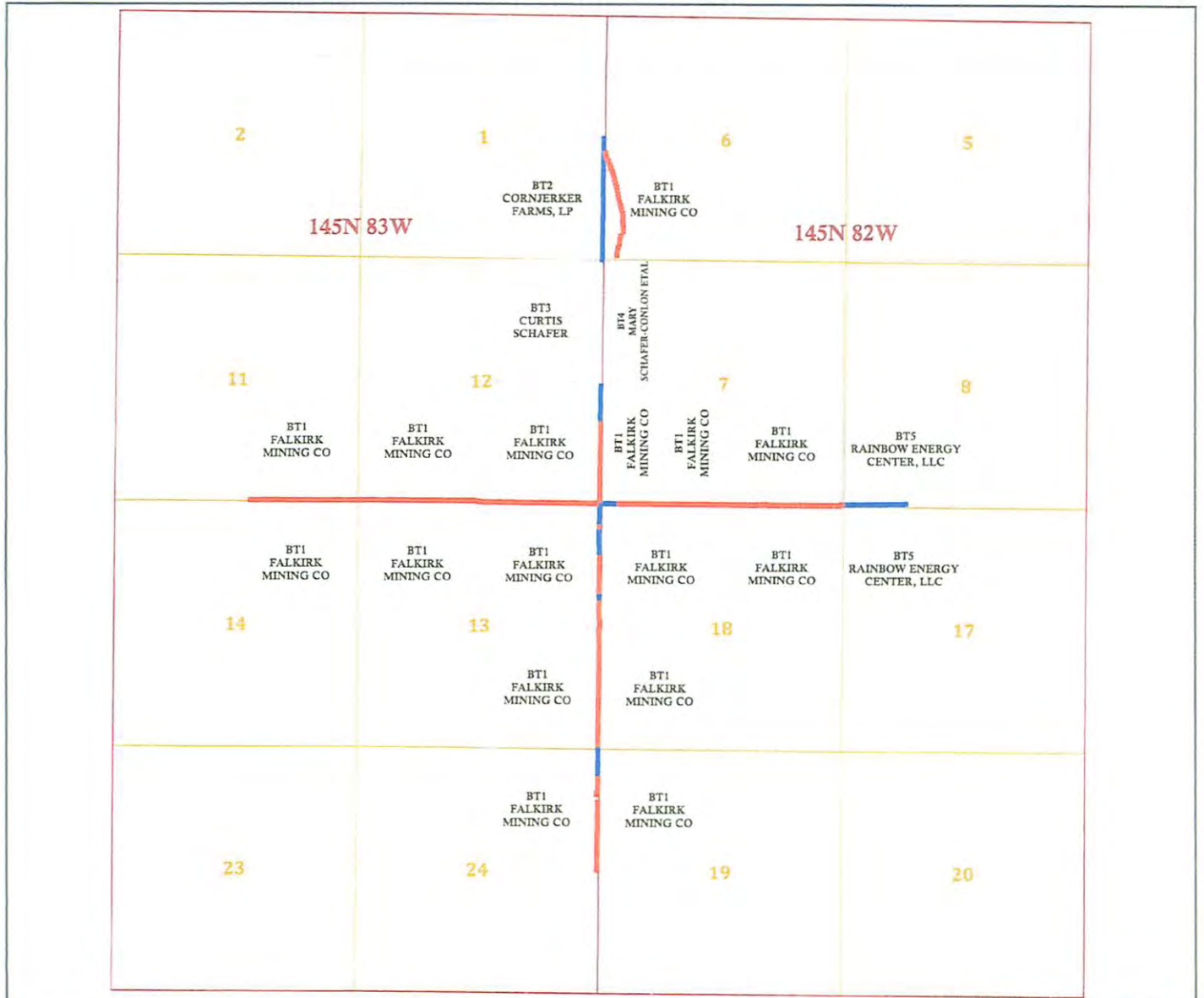
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged signed and subscribed to before me this 14th day of October 2024, by Bruce A. Fulker, who represented that he was duly authorized to execute the foregoing instrument for the uses and purposes set forth therein.

WITNESS my hand and official seal.



Michelle Garrett
Name: Michelle Garrett
Notary Public
State of Arkansas
My commission expires: 12/26/2029



Blue Flint 2D Surface Map

October 07, 2024

- Legend
- Section
 - Railroad
 - County Line
 - Road
 - State Line
 - Patch
 - Township
 - Section
 - Permit
 - No Permit

State Plane
North Dakota North
NAD 27
Scale 1:7,500

Area Of Interest

370 Linear Miles
McLean County
North Dakota



North Dakota Industrial Commission
 Department of Mineral Resources
 Oil & Gas Division

FORM GE 1
 FILING AUTHORIZATION

COMPANY NAME: Paragon Geophysical Services, Inc.

ADDRESS: 3500 N Rock Rd. Bldg. 800 Suite B

CITY: Wichita STATE: KS ZIP: 67266

This form authorizes the person(s) listed below to submit a NDIC Geophysical Exploration Permit – Form GE 1 for approval on behalf of the designated company as listed above.

A new authorization will be required if any changes are to be made to the authorized individuals on the form.

The data submitted from the authorized individuals listed below have been checked and conform to the standards and procedures set forth by the NDIC Department of Mineral Resources.

The authorized individual(s) will ensure that the company, as listed above, and party manager receive a copy of the approved Form GE 1

<u>Authorized Individuals</u>	<u>Phone Number</u>	<u>E-Mail Address</u>
Bruce Fulker	713-806-2024	bfulker@cougarlandservices.net

Company Authorized Signature: Aaron Bateman Date: 01/19/2023

Printed Name: Aaron Bateman Title: President

Phone: 316-638-552 Email Address: abateman@paragongeo.com

 Witness Signature: Erick Erwin Date: 1-19-23

Witness Printed Name: Erick Erwin

McLEAN COUNTY ROAD DEPARTMENT
AGREEMENT FOR USE AND RESTORATION OF HAUL ROAD

Agreement # 1 Dated this 23rd day of September, 2024

WHEREAS, Paragon Geophysical Services, Inc (hereinafter referred to as Permittee) has requested authorization to use the McLean County Road as shown on the attached map and list of roads made a part hereof for all purposes and considerations to haul equipment and materials as set forth in the attached report.

Start Date: 9/23/24

Finish Date: 12/31/25

WHEREAS, in order to complete project, it has become necessary for the contractor to utilize a portion of the McLean County Road System for McLean County for the conveyance of equipment and materials;

And WHEREAS, the Permittee or its designee will restore that portion of said road system, after it has been used to convey said equipment and materials, to the condition which existed immediately prior to its use;

And WHEREAS, an inspection of the proposed route to be so utilized will be made, preferably not to exceed thirty days prior to expected initiation to its stated use, at which time the McLean County Road Superintendent or his designee will determine and record the existing condition of the haul road, including the type, thickness, and width of surfacing material in place;

And WHEREAS, McLean County Road Superintendent or his designee and the Permittee (or an authorized agent thereof), after making said inspection and recording the existing conditions of the haul road, shall all sign the inspection report, agreeing to the conditions stated therein.

And WHEREAS, the Permittee agrees to maintain the haul road in a safe condition satisfactory to the McLean County Road Superintendent. Maintenance of gravel roads shall include blading of material, material replacement, dust control and snow removal as so determined. Maintenance of asphalt roads shall

include repairing of road surface defects, deformities, and any other asphalt failures. All signing shall be in accordance with the Manual of Traffic Control Devices;

And WHEREAS, any improvements, alterations, or proposed changes to said route will be pre-approved by the McLean County Road Superintendent in accordance with McLean County's standard specifications for roads before such improvements, alterations or proposed changes take place.

NOW THEREFORE, in consideration of the premises, the mutual and independent covenants, all as hereinafter more fully set forth, the parties hereto agree as follows:

1. That the portion of the McLean County Road System as shown above, is maintained by McLean County and is that portion which is proposed for use as a haul road, and that, after use of said road as a haul road for the purposes herein set forth, the Permittee hereby agrees to maintain and restore to the satisfaction of the McLean County Road Superintendent said road to its pre-existing condition, as reported in the Haul Road Inspection Report in accordance with measurements and observations at the time of the inspection.
2. That Permittee shall comply with terms of the Risk Management Appendix which is appended hereto and incorporated herein by reference.
3. Other:

This permit authorizes use of vibriosis trucks/buggies to travel county roads and topping in some locations to generate vibrations along one side of county road. Permit authorizes Paragon Geophysical Services, Inc to place geophysical sensors along the outside edge of county road rights-of-way in some locations.

IN WITNESS WHEREOF, the said parties hereto have caused this agreement to be signed by their representative and duly authorized officers.

Application Date: September 23, 2024

Permittee Name: Paragon Geophysical Services, Inc.

Address: 3500 N Rock Rd. Bldg 800 Suite B

Wichita, KS 67226

Phone Number: (316)636-5552

By: 

Representative Signature

Title: Permit agent # of Trucks 8

FOR OFFICIAL USE ONLY

McLean County Road Department

Phone: 701 462-8802

Jim Grey

112. 5th Ave. / PO Box 1103

Wrensburn, ND 58577

Permit Fee: N/A

PAID AND APPROVED THIS DATE



McLean County Road Superintendent

Risk Management Appendix

Permittee agrees to defend, indemnify, and hold harmless McLean County, its agencies, officers, and employees (County), from and against claims based on the vicarious liability of the County or its agents, and based on the County's contributory negligence, comparative and/or contributory negligence or fault, and sole negligence, and intentional misconduct. The legal defense provided by the Permittee to the County under this provision must be free of any conflicts of interest, even if retention or separate legal counsel for the County is necessary. Permittee also agrees to defend, indemnify, and hold the County harmless for all costs, expenses, and attorney's fees incurred if the County prevails in an action against the Permittee in establishing and litigating the indemnification coverage provided herein. The obligation shall continue after the termination of this agreement.

Permittee shall secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools, or government self-retention funds authorized to do business in North Dakota, the following insurance coverages:

- 1) Commercial general liability insurance – minimum limits of liability required are \$250,000. per person and \$1,000.00 per occurrence. If it is not practical for the Permittee to carry commercial general liability insurance, Permittee may substitute farm liability insurance, renters' insurance, or homeowners' insurance in the amount of at least \$300,000.
- 2) If Permittee may use an automobile in relation to the attached agreement, Permittee must secure automobile liability insurance with a minimum liability of at least \$250,000. The above limits may be satisfied through a policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form.
- 3) The County, its agencies, officers, and employees (County) shall be endorsed as an additional Insured on the above policies.

The Permittee shall furnish a certificate of insurance coverage evidencing the requirements in 1 through 3 above to the undersigned County Representative prior to commencement of this agreement.

Permittees' insurance coverage shall be primary (i.e., pay first) as respects any insurance, self-insurance, or self-retention maintained by the County.

The insolvency or bankruptcy of the insured Permittee shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Permittee from meeting the retention limit under the policy.

The Permittee must secure any necessary Workers Compensation coverage that may be required by North Dakota law.

When a portion of a Contract is sublet, the Permittee shall obtain insurance protection (as outlined above) to provide liability coverage to protect the Permittee and the County as a result of work undertaken by the Subcontractor or Sublessor. In addition, the Permittee shall ensure that any and all parties performing work under the Contract are coverage by public liability insurance as outlined above. All Subcontractors and Sublessors performing work under the Permit are require to maintain the same scope of insurance required of the Permittee. The Permittee shall be held responsible for ensuring compliance with those requirements by all Subcontractors and Sublessors.