

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE

RECEIVED  
Resource Evaluation

MAY 30 2007

Alaska Region

(Insert Appropriate Regional Office)

U.S. Dept. of the Interior  
Minerals Management Svc.  
Alaska OCS Region

APPLICATION FOR PERMIT TO CONDUCT GEOLOGICAL OR GEOPHYSICAL  
PROSPECTING FOR MINERAL RESOURCES OR SCIENTIFIC RESEARCH  
IN THE OUTER CONTINENTAL SHELF RELATED TO  
MINERALS OTHER THAN OIL, GAS, AND SULPHUR

(Section 11, Outer Continental Shelf Lands Act of August 7, 1953, as amended on September 18, 1978, by Public Law 95-372, 92 Statute 629, 43 U.S.C. 1340; and 30 CFR Part 251)

Hemis Corporation

Name of Applicant

11564 Belfry Point

Number and Street

Bentonville, AR 72712

City, State, and Zip Code

Name of Service Company or Purchaser  
(if different from above)

Application is made for the following activity: (check one)

Geological prospecting for mineral resources

Geological scientific research

Geophysical prospecting for mineral resources

Geophysical scientific research

Submit: Original, two copies, and one public information copy.

To be completed by MMS

Permit Number: 07-08P

Date: JUN 12 2007

**A. General Information**

1. The activity will be conducted by:

HEMIS Corporation For \_\_\_\_\_  
Service Company Name Purchaser(s) of the Data

11564 Belfry Point \_\_\_\_\_  
Number and Street Number and Street

Bentonville AR 72712 \_\_\_\_\_  
City, State, and Zip Code City, State, and Zip Code

1(479) 685 7379 \_\_\_\_\_  
Telephone/FAX Numbers Telephone/FAX Numbers

\_\_\_\_\_  
E-Mail Address E-Mail Address

2. The purpose of the activity is:  Mineral prospecting  
 Scientific research

3. Describe the environmental effects of the proposed activity, including potential adverse effects on marine life and what steps you plan to minimize these adverse effects (use continuation sheets as necessary):

4. The expected commencement date is: May 1, 2007

The expected completion date is: September 30, 2007

5. The name of the individual in charge of the field operation is: Doug Oliver

May be contacted at: 11564 Belfry Point, Bentonville, AR 72712

Telephone (Local) +1(479) 685 7379 (Marine) N/A

Radio call sign N/A

6. The vessel(s) to be used in the operation is (are): to be submitted before operations commence ("to be submitted")

Name to be submitted Registry number to be submitted

Registered owner to be submitted

7. The port from which the vessel(s) will operate is: to be submitted

8. Briefly describe the navigation system (vessel navigation only): \_\_\_\_\_  
to be submitted

**B. Complete for Geological Prospecting for Mineral Resources  
or Geological Scientific Research**

1. The type of operation(s) to be used is: (check one)
  - (a) \_\_\_\_\_ Deep stratigraphic test, or
  - (b) \_\_\_\_\_ Shallow stratigraphic test with proposed total depth of \_\_\_\_\_, or
  - (c)  X  Other  sediment sampling
2. Exact geographic coordinates of proposed test(s) (attach a page-size plat(s)): \_\_\_\_\_  
 see Figure 3 attached

**C. Complete for Geophysical Prospecting for Mineral Resources  
or Geophysical Scientific Research**

1. Proposed location of the activity (attach a page-size plat(s)): \_\_\_\_\_
2. The type(s) of operation(s) to be used is (are): \_\_\_\_\_  
\_\_\_\_\_  
(Seismic, gravity, magnetic, etc.)
3. The instrumentation and/or technique(s) to be used in the operation(s) is (are): \_\_\_\_\_  
\_\_\_\_\_  
(Air gun, sparker, etc.)
4. Explosive charges will \_\_\_\_\_ will not \_\_\_\_\_ be used. If applicable, indicate the type of explosive and maximum charge size (in pounds) to be used:  
Type \_\_\_\_\_ Pounds \_\_\_\_\_ Equivalent Pounds of TNT \_\_\_\_\_

**D. Proprietary Information Attachments**

Use the appropriate form on page 9 for a "geological" permit application or the form on page 10 for a "geophysical" permit application. You must submit a separate form MMS-134 to apply for each geological or geophysical prospecting permit.

**E. Certification**

I hereby certify that foregoing and attached information are true and correct.

SIGNED Stephen C. Sunbard <sup>for</sup> DATE 5/30/07  
Douglas H. Oliver  
TITLE Geologist, HELIX Corp.

**TO BE COMPLETED BY MMS**

Permit No. 07-08P Assigned by Virginia Hoffa Date 5/30/2007  
of MMS

**This application is hereby:**

- a.  Approved
- b.  Returned for reasons in the attached

**The approved permit is:**

- a.  Attached
- b.  Will be forwarded at a later date

SIGNED R. W. ... TITLE Regional Supervisor DATE 6/12/07

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE

ALASKA REGION

(Insert Appropriate Regional Office)

PERMIT FOR GEOLOGICAL PROSPECTING  
FOR MINERAL RESOURCES OR SCIENTIFIC RESEARCH  
ON THE OUTER CONTINENTAL SHELF RELATED TO  
MINERALS OTHER THAN OIL, GAS, AND SULPHUR

In consideration of the terms and conditions contained herein and the authorization granted hereby, this permit is entered into by and between the United States of America (the Government), acting through the Minerals Management Service (MMS) of the Department of the Interior, and

Hemis Corporation  
(Name of Permittee)

11564 Belfry Point  
(Number and Street)

Bentonville, AR 72712  
(City, State, and Zip Code)

PERMIT NUMBER: 07-08P

DATE: JUN 12 2007

This permit is made pursuant to the authority of the Outer Continental Shelf Lands Act, as amended, (43 U.S.C. 1331 et seq.), hereinafter called the "Act," and Title 30 Code of Federal Regulations Part 280 (Prospecting for Minerals Other Than Oil, Gas, and Sulphur on the Outer Continental Shelf).

**Paperwork Reduction Act of 1995 (PRA) Statement:** This permit refers to information collection requirements contained in 30 CFR part 280 regulations. The Office of Management and Budget (OMB) has approved those reporting requirements under OMB control number 1010-0072.

**Section I. Authorization**

The Government authorizes the permittee to conduct:

- Geological prospecting for mineral resources by means other than a deep stratigraphic test, as defined in 30 CFR 280.1. This activity utilizes geological and geochemical techniques, including, but not limited to, gas sniffing, various bottom sampling methods, and shallow test drilling.
- Geological prospecting for mineral resources or scientific research by means of a deep stratigraphic test, as defined in 30 CFR 280.1, or developing data and information for proprietary use or sale.

This permit authorizes the permittee to conduct the above geological activity during the period from

May 1, 2007 to September 30, 2007 in the following area(s):

Lower Cook Inlet, Offshore and North of Anchor Point, Alaska.

Extensions of the time period specified above must be requested in writing. A permit plus extensions for activities other than a deep stratigraphic test will be limited to a period of not more than 3 years from the original specified issuance date of the permit. The duration of a permit for a deep stratigraphic test must be controlled in accordance with 30 CFR 251.7. Group participation in test drilling activities, bonds, inspection and reporting of geological prospecting activities, suspension and cancellation of authority to conduct prospecting or scientific research activities under permit and penalties, and appeals must be carried out in accordance with 30 CFR 251.7, 280.23 through 280.28, 280.32, and 280.33. The authority of the Regional Director may be delegated to the appropriate Regional Supervisor for the purposes of this permit.

**Section II. Type(s) of Operations and Technique(s)**

A. The permittee will employ the following type(s) of operations:

- 1. oceanographic survey
- 2. marine sediment sampling;

and will utilize the following instruments and/or technique(s) in such operations:

- 1. acoustic, radiometric sensors and grab sampler
- 2. small geotechnical drill by marine vessel.

B. The permittee will conduct all activities in compliance with the terms and conditions of this permit, including the "Stipulations," "Special Provisions," and the approved "Application for Permit," which are attached to and incorporated into this permit.

C. The permittee will conduct all geological prospecting or scientific research activities in compliance with the Act, the regulations in 30 CFR Part 280, and other applicable statutes and regulations whether such statutes and regulations are enacted, promulgated, issued, or amended before or after this permit is issued. Some of the provisions of 30 CFR Part 280 are restated in this permit for emphasis. However, all of the provisions of 30 CFR Part 280 apply to this permit.

### **Section III. Reports on Operations**

- A. The permittee must submit status reports on a weekly basis in a manner approved or prescribed by the Regional Supervisor, Resource Evaluation (hereinafter, except in section V only wherein Supervisor refers to the Regional Supervisor for Operations, referred to as Supervisor). The report must include a daily log of operations.
- B. The permittee must submit to the Supervisor a final report within 30 days after the completion of operations. The final report must contain the following:
1. A description of the work performed including number of samples acquired;
  2. Chart(s), map(s), or plat(s) depicting the areas and blocks in which any prospecting or scientific research activities were conducted. These graphics must clearly indicate the location of the activities so that the data produced from the activities can be accurately located and identified;
  3. The dates on which the actual geological prospecting or scientific research activities were performed;
  4. A narrative summary of any: (a) hydrocarbon and/or mineral occurrences or environmental hazards observed and (b) adverse effects of the geological prospecting or scientific research activities on the environment, aquatic life, archaeological resources, or other uses of the area in which the activities were conducted;
  5. The estimated date on which the processed or analyzed data or information will be available for inspection by the MMS;
  6. A final edited navigation tape or other suitable storage medium, of all data or sample locations in latitude/longitude degrees. The tape or other medium is to be formatted to be readable by a PC running current Windows software, coded in ASCII with fixed record length and fixed block size. A printed listing and a format statement are to be included;
  7. Identification of geocentric ellipsoid (NAD 27 or NAD 83) used as a reference for the data or sample locations; and
  8. Such other descriptions of the activities conducted as may be specified by the Supervisor.
- C. The last status report and the final report can be combined into one report.

### **Section IV. Permit or Notice Requirements for Shallow Test Drilling**

Prior to the commencement of shallow test drilling for prospecting for mineral resources or for scientific research, the Supervisor may require for permits, or recommend for notices, the gathering and submission of geophysical data and information sufficient to determine shallow structural detail across and in the vicinity of the proposed test. Data and information may include, but are not limited to, seismic, bathymetric, side-scan sonar, and magnetometer systems, across and in the vicinity of the proposed test. When required, 30 CFR 251.7 will apply to permits issued for shallow test drilling. All Outer Continental Shelf (OCS) regulations relating to drilling operations in 30 CFR Part 250 apply, as appropriate, to drilling activities authorized under this section.

## **Section V. Permit Requirements for a Deep Stratigraphic Test**

- A. No deep stratigraphic test drilling activities may be initiated or conducted until a Drilling Plan and Application for Permit to Drill have been submitted by the applicant and approved by the Regional Supervisor, Operations (referred to as Supervisor in this section only). The Drilling Plan must include:
1. The proposed type of sequence of drilling activities to be undertaken together with a timetable for their performance from commencement to completion;
  2. A description of the drilling rig proposed for use, unless a description has been previously submitted to the Supervisor, indicating the important features thereof, with special attention to safety features and pollution prevention and control features, including oil spill containment and cleanup plans and onshore disposal procedures;
  3. The location of deep stratigraphic test to be conducted, including the surface and projected bottomhole location of the borehole;
  4. The types of geological and geophysical instrumentation to be used for site surveys;
  5. Geophysical data and information sufficient to evaluate seafloor characteristics, shallow geologic and man-made hazards, and structural detail across and in the vicinity of the proposed test to the total depth of the proposed test well. Data and information from side-scan sonar and magnetometer surveys must be submitted as required, at the option of the Supervisor; and
  6. Such other relevant data and information as the Supervisor may require.
- B. At the same time the applicant submits a Drilling Plan to the Supervisor, an Environmental Report must be submitted. The report must be in summary form and should include information available at the time the related Drilling Plan is submitted. Data and information which are site-specific, or which are developed subsequent to the most recent Environmental Impact Statement or other environmental analyses in the immediate area, must be specifically considered. The applicant must summarize and provide references for data, information, and issues specific to the site of drilling activity in the related plan, and in other environmental reports, analyses, and impact statements prepared for the geographic area. Any material based on proprietary data which is not itself available for inspection should not be referenced. The Environmental Report must include the following:
1. (a) A list and description of new or unusual technologies that are to be used, (b) the location of travel routes for supplies and personnel, (c) the kinds and approximate levels of energy sources to be used, (d) the environmental monitoring systems that are to be used, and (e) suitable maps and diagrams showing details of the proposed project layout;
  2. A narrative description of the existing environment. This section must include the following information on the area: (a) geology, (b) physical oceanography, (c) other uses of the area, (d) flora and fauna, (e) existing environmental monitoring systems, and (f) other unusual or unique characteristics which may affect or be affected by the drilling activities;
  3. A narrative description of the probable impacts of the proposed action on the environment and the measures proposed for mitigating these impacts;



4. A narrative description of any unavoidable or irreversible adverse effects on the environment that could be expected to occur as a result of the proposed action; and
  5. Such other relevant data and information as the Supervisor may require.
- C. Any revisions to an approved Drilling Plan must be approved by the Supervisor.
  - D. All OCS regulations relating to drilling operations in 30 CFR Part 250 apply, as appropriate, to drilling activities authorized under this Permit.
  - E. At the completion of the test activities, the borehole of all deep stratigraphic tests must be permanently plugged and abandoned by the permittee prior to moving the rig off location in accordance with the requirements of the regulations in 30 CFR Part 250.

#### **Section VI. Submission, Inspection, and Selection of Geological Data and Information**

- A. The permittee must notify the Supervisor, in writing, when the permittee has completed the initial analysis, processing, or interpretation of any geological data and information collected under a prospecting permit or a scientific research permit that involves developing data and information for proprietary use or sale. If the Supervisor asks if the permittee has further analyzed, processed, or interpreted any geological data and information collected under a permit, the permittee must respond within 30 days. If the data or information are further analyzed or reprocessed, it is the responsibility of the permittee to keep the most current resulting products available in the event the Supervisor requests the current status of data analysis or processing. At any time within 10 years after receiving notification of the completion of the acquisition activities conducted under the permit, the Supervisor may request that the permittee submit for inspection and possible retention all or part of the geological data, analyzed geological information, processed geological information, and interpreted geological information.
- B. In the event that a third party obtains geological data, analyzed geological information, processed geological information, or interpreted geological information from a permittee or from another third party by sale, trade, license agreement, or other means:
  1. The third party recipient of the data and information assumes the obligations under this section, except for notification of initial analysis, processing, and interpretation of the data and information, and is subject to the penalty provisions of 30 CFR Part 250, Subpart N; and
  2. A permittee or third party that sells, trades, licenses, or otherwise provides the data and information must advise the recipient, in writing, that accepting these obligations is a condition precedent of the sale, trade, license, or other agreement; and
  3. Except for license agreements, a permittee or third party that sells, trades, or otherwise provides data and information to a third party, must advise the Supervisor in writing within 30 days of the sale, trade, or other agreement, including the identity of the recipient of the data and information; or
  4. With regard to license agreements, a permittee or third party that licenses data and information to a third party, within 30 days of a request by the Supervisor, must advise the Supervisor, in writing, of the license agreement, including the identity of the recipient of the data and information.

- C. Each submission of geological data, analyzed geological information, processed geological information, and interpreted geological information must contain, unless otherwise specified by the Supervisor, the following:
1. An accurate and complete record of geological (including geochemical) data, analyzed geological information, processed geological information, and interpreted geological information resulting from each operation;
  2. Paleontological reports identifying microscopic fossils by depth, and/or washed samples of drill cuttings normally maintained by the permittee for paleontological determination and are made available upon request by the Supervisor. In addition, any other samples or cores requested by the Supervisor are made available on request;
  3. Copies of well logs and charts: one paper copy, one copy on a reproducible stable base, and copies of composite digital well logs on magnetic tape or other suitable medium in a format approved by the Supervisor;
  4. Data and results obtained from formation fluid test;
  5. Analyses of core or bottom samples or a representative cut or split of the core or bottom sample;
  6. Detailed descriptions of any hydrocarbons or hazardous conditions encountered during operations, including near losses of well-control, abnormal geopressure, and losses of circulation; and
  7. Such other geological data, analyzed geological information, processed geological information, and interpreted geological information as may be specified by the Supervisor.

#### **Section VII. Reimbursement to Permittees**

- A. After the delivery of geological data, analyzed geological information, processed geological information, and interpreted geological information requested by the Supervisor in accordance with subsection VI of this permit, and upon receipt of a request for reimbursement and a determination by MMS that the requested reimbursement is proper, MMS will reimburse the permittee or third party for the reasonable costs of reproducing the submitted data and information at the permittee's or third party's lowest rate or at the lowest commercial rate established in the area, whichever is less.
- B. The permittee or third party will not be reimbursed for the costs of acquiring, analyzing, or interpreting geological information.

## **Section VIII. Disclosure of Data and Information to the Public**

- A. The MMS will make data and information submitted by a permittee available in accordance with the requirements and subject to the limitations of the Freedom of Information Act (5 U.S.C. 552) and the implementing regulations (43 CFR Part 2), the requirements of the Act, and the regulations contained in 30 CFR Part 250 (Oil and Gas and Sulphur Operations in the Outer Continental Shelf), 30 CFR Part 280, and 30 CFR Part 252 (Outer Continental Shelf (OCS) Oil and Gas Information Program).
- B. Except as specified in this section, or Section X, or in 30 CFR Parts 250, 252, and 280 no data or information determined by MMS to be exempt from public disclosure under subsection A of this section will be provided to any affected State or be made available to the executive of any affected local government or to the public unless the permittee or third party and all persons to whom such permittee has sold, traded, or licensed the data or information under promise of confidentiality agree to such an action.
- C. Geological data, analyzed geological information, processed geological information, and interpreted geological information submitted under a permit, and retained by MMS will be disclosed as follows:
  - 1. The Director, MMS, will immediately issue a public announcement when any significant hydrocarbon and/or mineral occurrences are detected or environmental hazards are encountered on unleased lands during drilling operations. In the case of significant hydrocarbon occurrences, the Director will announce such occurrences in a form and manner that will further the national interest without unduly damaging the competitive position of those conducting the drilling. Other data and information pertaining to the permit will be released according to the schedule provided in subsection D and paragraphs 2 and 3 of this subsection.
  - 2. The MMS will make available to the public all processed geological data, analyzed geological information, processed geological information, and interpreted geological information (except geological data, analyzed geological information, processed geological information, and interpreted geological information obtained from drilling a deep stratigraphic test) 10 years after the date of issuance of the permit under which the data and information were obtained; and
  - 3. The MMS will make available to the public all geological data and information related to a deep stratigraphic test at the earlier of the following times: (a) 25 years after the completion of the test, or (b) for a lease sale held after the test well is completed, 60 calendar days after the Department of the Interior executes the first lease for a block, any part of which is within 50 geographic miles (92.6 kilometers) of the site of the completed test.
- D. All other information submitted as a requirement of 30 CFR 280.41 and determined by MMS to be exempt from public disclosure will be considered as "PROPRIETARY." Such data and information will not be made available to the public without the consent of the permittee for a period of 10 years from the date of issuance of the permit; unless the Director, MMS, determines that earlier release is necessary for the proper development of the area permitted. The executed permit will be considered as "NONPROPRIETARY" and will be available to the public upon request.
- E. The identities of third party recipients of data and information collected under a permit will be kept confidential. The identities will not be released unless the permittee and the third parties agree to the disclosure.

## **Section IX. Disclosure to Independent Contractors**

The MMS reserves the right to disclose any data or information acquired from a permittee to an independent contractor or agent for the purpose of reproducing, analyzing, processing, or interpreting such data or information. When practicable, MMS will advise the permittee who provided the data or information of intent to disclose the data or information to an independent contractor or agent. The MMS's notice of intent will afford the permittee a period of not less than 5 working days within which to comment on the intended action. When MMS so advises a permittee of the intent to disclose data or information to an independent contractor or agent, all other owners of such data or information will be deemed to have been notified of the MMS's intent. Prior to any such disclosure, the contractor or agent will be required to execute a written commitment not to sell, trade, license, or disclose any data or information to anyone without the express consent of MMS.

## **Section X. Sharing of Information with Affected States**

- A. The MMS will make proprietary data, information, and samples submitted to MMS by permittees to adjacent State(s) upon request by the Governor(s) in accordance with the following:
1. The person who submitted the data and information will be notified and will have at least 5 working days to comment on the action;
  2. Regional Director advises the person who submitted the data and information, all other owners of the data or information will be considered to have been so notified; and
  3. Before disclosure, the Governor must sign a written commitment not to sell, trade, license, or disclose data or information to anyone without the Regional Director's consent.
- B. Disclosure will occur only after the Governor and the Secretary have entered into an agreement providing that:
1. The confidentiality of the information shall be maintained;
  2. In any action commenced against the Federal Government or the State for the failure to protect the confidentiality of proprietary information, the Federal Government or the States, as the case may be, may not raise as a defense any claim of sovereign immunity or any claim that the employee who revealed the proprietary information, which is the basis of the suit, was acting outside the scope of the person's employment in revealing the information;
  3. The State agrees to hold the United States harmless for any violation by the State or its employees or contractors of the agreement to protect the confidentiality of proprietary data and information and samples; and
  4. The materials containing the proprietary data, information, and samples will remain the property of the United States.
- C. The data, information, and samples available to the State(s) pursuant to an agreement will be related to leased lands.

- D. The materials containing the proprietary data, information, and samples must be returned to MMS when they are no longer needed by the State or when requested by the Director.
- E. Information received and knowledge gained by a State official under paragraph (d) of this section is subject to applicable confidentiality requirements of:
  1. The Act; and
  2. The regulations at 30 CFR Parts 250, 280, 281, and 282.

**Section XI. Fishermen's Contingency Fund**

For deep stratigraphic test drilling activities as described under Section V of this permit, the permittee must meet the requirements of establishing an account with the Fishermen's Contingency Fund for the drilling activities area pursuant to Title IV [Subsection 402(b)] of the Act and pay assessment as required in 50 CFR 296.3 (Chapter 11 - National Marine Fisheries Service; Subchapter J - Continental Shelf). The amount of the assessment is specified by the Secretary of Commerce, collected by the Director, MMS, and deposited in the fund to be appropriate account.

**Section XII. Permit Modifications**

The Department will have the right at any time to modify or amend any provisions of this permit, except that the Department will not have such right with respect to the provisions of Sections VIII, IX, and X hereof, unless required by an Act of Congress.

**IN WITNESS WHEREOF** the parties have executed this permit and it will be effective as of the date of signature by the Regional Supervisor.

**PERMITTEE:**

**THE UNITED STATES OF AMERICA:**

Stephen C. Sambach  
 (Signature of Permittee) *for*

Rance R. Wall  
 (Signature of Regional Supervisor)

Douglas H. Oliver  
 (Type or Print Name of Permittee)

Rance R Wall  
 (Type or Print Name of Regional Supervisor)

Geologist, HEMIS Corp.  
 (Title)

6/12/07  
 (Date)

5/21/07  
 (Date)