

INDUSTRIAL COMMISSION OF NORTH DAKOTA  
SFN 51457 (11-97) Page 2

970106

PERMIT NUMBER:

Doc# ND 151

**AFFIDAVIT OF PLUGGING (HOLE PLUGGER)**

STATE OF NORTH DAKOTA )

COUNTY OF Divide )

Before me, Genevieve Nordmeyer, a Notary Public in and for the said County and State, this day personally appeared Tyler Mahlen who being first duly sworn, deposes and says that (s)he is employed by Summit Drilling, that (s)he has read North Dakota Century Code Section 38-08.1 and that the foregoing seismic project has been plugged in accordance with North Dakota Administrative Code Rule 43-02-12 and that the statements on the attached documents are true.

Tyler Mahlen  
Hole Plugger Representative

Subscribed in my presence and sworn before me this 8 day of Feb, 2006

Notary Public Genevieve Nordmeyer

My Commission Expires 02-28-2009



**SEISMIC COMPLETION REPORT**  
 INDUSTRIAL COMMISSION OF NORTH DAKOTA  
 OIL AND GAS DIVISION  
 600 EAST BOULEVARD DEPT 405  
 BISMARCK, ND 58505-0840  
 SFN 51456 (03-2005)



Permit No 97-0106	
Shot Hole Operations Yes	*Non-Explosive Operations N/A

**SECTION 1**

Geophysical Contractor Testa Exploration USA Ltd.	
Project Name and Number Doral 3D Job # 05-S-U155ND	County(s) Divide County
Township(s) 161N	Range(s) 98W
Drilling and Plugging Contractors Summit Drilling	
Date Commenced Drilling - September 29 <sup>th</sup> /05	Date Completed Recording Crew - October 27 <sup>th</sup> /05

**SECTION 2**

First S.P. # 3D Program	Last S.P. # 3D Program										
Loaded Holes (Undetonated Shot Points)											
S.P.#s	605-119	599-118	605-124	621-124	589-125						
Charge Size	5lbs	5lbs	5lbs	5lbs	5lbs						
Depth	25ft	25ft	25ft	40ft	40ft						
Reasons Holes Were Not Shot SP 605119, 599118 and 605124 Charge was too shallow to shoot safely - Cap lead was pulled out of holes. Holes were plugged top to bottom SP 621124 and 589125 - Dead caps - Cap leads were cut											

**SECTION 3**

Flowing Holes and/or Blowouts S.P.#s None
Procedure for Plugging Flowing Holes and/or Blowouts N/A
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 Williams )

Before me, Liette Arsenault, a Notary Public in and for the said

County and State, this day personally appeared \_\_\_\_\_

who being first duly sworn, deposes and says that (s)he is employed by Isla

Exploration, 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.

L Arsenault  
\_\_\_\_\_  
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 2<sup>nd</sup> day of November, 2005.

**KATIE GENDREAU**  
Notary Public  
State of North Dakota  
My Commission Expires August 17, 2011

Notary Public Katie Gendreau

My Commission Expires August 17, 2011



## REPORT OF LINEXPLODED CHARGES

<b>Program:</b>	Doral 3D	<b>Permit No.</b>	97-0106
<b>Licensee:</b>		<b>Permittee:</b>	Tesla Exploration Ltd.
<b>Drilling Contractor:</b>	Summit Drilling	<b>Driller / Shooter:</b>	Mark Mahlen
<b>Line No:</b>	597	<b>Shotpoint No:</b>	118
<b>Location:</b>	Approx. 9 miles south of Crosby, ND		
<b>Latitude</b>	N 48 Degrees	45 Minutes	35.64 Seconds
<b>Longitude:</b>	W 103 Degrees	22 Minutes	6.22 Seconds
<b>Co-ordinate System Used:</b>	NAD 27	XX	or NAD 83
<b>Hole Depth:</b>	40 feet	<b>Charge Depth</b>	25 feet
<b>Charge Size:</b>	5 lbs.	<b>Number of Caps</b>	1
<b>Type of Charge (plastic/paper, NG/Watergel, ect).:</b>	NG/Watergel		
<b>Date Drilled/Loaded:</b>	Oct. 13, 2005	<b>Date of Misfire</b>	
<b>Was shotpoint offset from station flag? If yes, give distance and direction:</b>	No		
<b>Condition in which shotpoint was left:</b>			
Charge was too shallow is shoot safely. Cap lead was pulled out of hole. Hole was plugged top to bottom.			
<b>Remarks/Action taken:</b>			

<b>Name:</b>	Larry Smith	<b>Title:</b>	Project Manager
<b>Signature</b>		<b>Company:</b>	Tesla Exploration Ltd.
<b>Date:</b>	October 31, 2005	<b>Telephone No:</b>	(403) 216-0999
		<b>Fax No:</b>	(403) 216-0989



## REPORT OF UNEXPLODED CHARGES

<b>Program:</b>	Doral 3D	<b>Permit No.</b>	97-0106
<b>Licensee:</b>		<b>Permittee:</b>	Tesla Exploration Ltd.
<b>Drilling Contractor:</b>	Summit Drilling	<b>Driller / Shooter:</b>	Taite Mahlen
<b>Line No:</b>	605	<b>Shotpoint No:</b>	119
<b>Location:</b>	Approx. 9 miles south of Crosby, ND		
<b>Latitude</b>	N 48 Degrees	45 Minutes	37.8 Seconds
<b>Longitude:</b>	W 103 Degrees	21 Minutes	36.67 Seconds
<b>Co-ordinate System Used:</b>	NAD 27 XX or NAD 83		
<b>Hole Depth:</b>	40 feet	<b>Charge Depth</b>	25 feet
<b>Charge Size:</b>	5 lbs.	<b>Number of Caps</b>	1
<b>Type of Charge (plastic/paper, NG/Watargel, ect):</b>	NG/Watargel		
<b>Date Drilled/Loaded:</b>	Oct. 14, 2005	<b>Date of Misfire</b>	
<b>Was shotpoint offset from station flag? If yes, give distance and direction:</b>	No		
<b>Condition in which shotpoint was left:</b>			
<b>Remarks/Action taken:</b>	Charge was too shallow is shoot safely. Cap lead was pulled out of hole. Hole was plugged top to bottom.		

<b>Name:</b>	Larry Smith	<b>Title:</b>	Project Manager
<b>Signature</b>		<b>Company:</b>	Tesla Exploration Ltd.
<b>Date:</b>	October 31, 2005	<b>Telephone No:</b>	(403) 216-0999
		<b>Fax No:</b>	(403) 216-0989



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<b>Program:</b>	Doral 3D	<b>Permit No.</b>	97-0106
<b>Licensee:</b>		<b>Permittee:</b>	Tesla Exploration Ltd.
<b>Drilling Contractor:</b>	Summit Drilling	<b>Driller / Shooter:</b>	Taite Mahlen
<b>Line No:</b>	605	<b>Shotpoint No:</b>	124
<b>Location:</b>	Approx. 9 miles south of Crosby, ND		
<b>Latitude</b>	N 48 Degrees	<b>45 Minutes</b>	<b>48.65 Seconds</b>
<b>Longitude:</b>	W 103 Degrees	<b>21 Minutes</b>	<b>23.53 Seconds</b>
<b>Co-ordinate System Used:</b>	NAD 27 XX or NAD 83		
<b>Hole Depth:</b>	40 feet	<b>Charge Depth</b>	25 feet
<b>Charge Size:</b>	5 lbs.	<b>Number of Caps</b>	1
<b>Type of Charge (plastic/paper, NG/Watergel, ect):</b>	NG/Watergel		
<b>Date Drilled/Loaded:</b>	Oct. 14, 2005	<b>Date of Misfire</b>	
<b>Was shotpoint offset from station flag? If yes, give distance and direction:</b>	No		
<b>Condition in which shotpoint was left:</b>			
<b>Remarks/Action taken:</b>	Charge was too shallow is shoot safely. Cap lead was pulled out of hole. Hole was plugged top to bottom.		

<b>Name:</b>	Larry Smith	<b>Title:</b>	Project Manager
<b>Signature</b>		<b>Company:</b>	Tesla Exploration Ltd.
<b>Date:</b>	October 31, 2005	<b>Telephone No:</b>	(403) 216-0999
		<b>Fax No:</b>	(403) 216-0989



## REPORT OF UNEXPLODED CHARGES

<b>Program:</b>	Doral 3D	<b>Permit No.</b>	97-0106
<b>Licensee:</b>		<b>Permittee:</b>	Tesla Exploration Ltd.
<b>Drilling Contractor:</b>	Summit Drilling	<b>Driller / Shooter:</b>	Mark Mahlen
<b>Line No:</b>	621	<b>Shotpoint No:</b>	124
<b>Location:</b>	Approx. 9 miles south of Crosby, ND		
<b>Latitude</b>	N 48 Degrees	<b>45 Minutes</b>	<b>48.55 Seconds</b>
<b>Longitude:</b>	W 103 Degrees	<b>20 Minutes</b>	<b>41.86 Seconds</b>
<b>Co-ordinate System Used:</b>	NAD 27 XX or NAD 83		
<b>Hole Depth:</b>	40 feet	<b>Charge Depth</b>	40 feet
<b>Charge Size:</b>	5 lbs.	<b>Number of Caps</b>	1
<b>Type of Charge (plastic/paper, NG/Watargel, act):</b>	NG/Watargel		
<b>Date Drilled/Loaded:</b>	Oct. 15, 2005	<b>Date of Misfire</b>	Oct. 26, 2005
<b>Was shotpoint offset from station flag? If yes, give distance and direction:</b>	No		
<b>Condition in which shotpoint was left:</b>			
Abandoned			
<b>Remarks/Action taken:</b>			
Dead Cap - Leads were cut.			

<b>Name:</b>	Liette Arsenault	<b>Title:</b>	Field Administrator
<b>Signature</b>		<b>Company:</b>	Tesla Exploration Ltd.
<b>Date:</b>	October 31, 2005	<b>Telephone No:</b>	(403) 216-0999
		<b>Fax No:</b>	(403) 216-0989



## REPORT OF UNEXPLODED CHARGES

<b>Program:</b>	Doral 3D	<b>Permit No.</b>	97-0106
<b>Licensee:</b>		<b>Permittee:</b>	Tesla Exploration Ltd.
<b>Drilling Contractor:</b>	Summit Drilling	<b>Driller / Shooter:</b>	Mark Mahlen
<b>Line No:</b>	589	<b>Shotpoint No:</b>	125
<b>Location:</b>	Approx. 9 miles south of Crosby, ND		
<b>Latitude</b>	N 48 Degrees	45 Minutes	50.83 Seconds
<b>Longitude:</b>	W 103 Degrees	22 Minutes	09.50 Seconds
<b>Co-ordinate System Used:</b>	NAD 27 XX or NAD 83		
<b>Hole Depth:</b>	40 feet	<b>Charge Depth</b>	40 feet
<b>Charge Size:</b>	5 lbs.	<b>Number of Caps</b>	1
<b>Type of Charge (plastic/paper, NG/Watergel, ect):</b>	NG/Watergel		
<b>Date Drilled/Loaded:</b>	Oct. 14, 2005	<b>Date of Misfire</b>	Oct. 26, 2005
<b>Was shotpoint offset from station flag? If yes, give distance and direction:</b>	No		
<b>Condition in which shotpoint was left:</b>	Abandoned		
<b>Remarks/Action taken:</b>	Dead Cap - Leads were cut.		

<b>Name:</b>	Liette Arsenault	<b>Title:</b>	Field Administrator
<b>Signature</b>		<b>Company:</b>	Tesla Exploration Ltd.
<b>Date:</b>	October 31, 2005	<b>Telephone No:</b>	(403) 216-0999
		<b>Fax No:</b>	(403) 216-0989





# 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)

SEP 2005

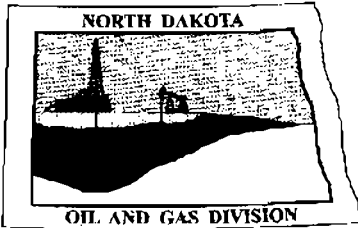
1) a. Company <b>Tesla Exploration Ltd. U.S.A.</b>		Address <b>P.O.Box 1610 Havre, Mt. 59501</b>	
Contact <b>Brian Korol</b>		Telephone <b>(403) 216-1860</b>	Fax <b>(403) 216-0989</b>
Surety Company <b>Liberty Mutual Insurance Company</b>		Bond Amount <b>\$50,000.00</b>	Bond Number <b>965002143</b>
2) a. Subcontractor(s) <b>Midcon Permit Services (Permits)</b>		Address <b>12877 W 78th Circle, Arvada, Co. 80005</b>	
b. Subcontractor(s) <b>E. C. S. Inc. (Suevey)</b>		Address <b>1101-5th ST S.W. Sidney, MT. 59270</b>	
c. Subcontractor(s) <b>Summit Drilling (Drilling)</b>		Address <b>HC 52 Box 2018 Froid, Mt. 59266</b>	
3) Party Manager <b>Larry Smith</b>		Address <b>Williston, N.D.</b>	
4) Project Name or Line Numbers <b>DORAL 3D</b>			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) <b>Shot Hole 3D</b>			
6) Approximate Drilling Start Date <b>SEPT. 29/2005</b>		Approximate Completion Date <b>Oct 7th/2005</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>DIVIDE County</b>				
Section(s), Township(s) & Range(s)	Sec. <b>2, 3, 10, 11, 12, 13, 14</b>	T. <b>161 N</b>	R. <b>98 W</b>	
	Sec. <b>15, 22, 23, &amp; 24</b>	T. <b>161 N</b>	R. <b>98 W</b>	
	Sec.	T.	R.	
	Sec.	T.	R.	
8) Size of Hole <b>3 1/2 Inch</b>	Amt of Charge <b>5 Lbs.</b>	Depth <b>40Ft.</b>	Shots per Mi. (sq.mi.) <b>75/sq.mi</b>	
		No of Mi. (sq.mi.) <b>8.0</b>	Identifying Marks Used on Nonmetallic Plug	
		Geophysical ID <b>Permit # ?</b>		a. Plugger ID <b>Summit Dr.</b>
				b. Plugger ID
				c. Plugger ID
9) Anticipated special drilling and plugging procedures? <b>NONE - BENTONITE FROM THE CHARGE TO WITHIN 2 TO 3 FT. FROM SURFACE. PLACE PLUG AND NATURAL CEMENT TO SURFACE.</b>				
10) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.				

Signed <b>B.A. Korol</b>	Title <b>OPERATIONS SUPERVISOR. USA.</b>	Date <b>SEP 26/05</b>
(This space for State office use)		Conditions of Approval if any <b>See attached Letter</b>
Permit No. <b>970106</b>	Approval Date <b>9-28-05</b>	
Approved by <b>[Signature]</b>		
Title <b>Geophysical Permit Manager</b>		
County Approval Sent <b>Divide Co 9-28-05</b>		

\*See Instructions On Reverse Side



# 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.oilgas.nd.gov

September 28, 2005

Mr. Brian Korol  
Tesla Exploration Ltd., U.S.A.  
P. O. Box 1610  
Havre, MT 59501

RE:    Geophysical Exploration Permits # 97-0106  
       Doral 3-D  
       Divide County, North Dakota

Dear Mr. Korol:

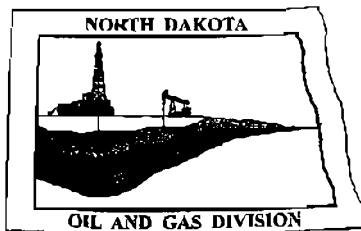
Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from September 28, 2005. Please review the following conditions for your permit:

1. A pre-program meeting with state seismic inspector Tom Torstenson may be required. You must contact him at 701-227-7436 (w) or 701-290-1546 (cell) 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 [.80 kilometer] 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.
6. The permitting agent shall notify the operator of the land at least seven days before the 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. The permitting agent shall file an affidavit with this office *confirming compliance with such notification stating that the notification to the owner of the land has been completed.*

Should you have any questions regarding this matter, feel free to contact me at 701-328-8037, or Tom Torstenson at the number listed in paragraph 1.

Sincerely,

Kelly Triplett  
Geophysical Permit Manager



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

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September 28, 2005

Ms. Gayle Jastrzebski  
Divide County Auditor  
300 N. Main  
Crosby, ND 58730

RE: Geophysical Exploration  
Permit # 97-0106

Dear Ms. Jastrzebski:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Tesla Exploration Ltd. USA was issued the above captioned permit on September 28, 2005 and will remain in effect for a period of one year.

Should you have any questions, please contact our office.

Sincerely,

Kelly Triplett  
Geophysical Permit Manager