

Oil and Gas Division 970110

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

BRIAN KOROL
TESLA EXPLORATION LTD USA
P.O. BOX 1610, #109 W. 2ND ST.
HAVRE, MT 59501

RE: See Attached List of Projects

Dear Brian:

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,



Richard A. Suggs
Engineering Technician

List of Projects Missing a Letter Confirming Surface Owners Notification for
TESLA EXPLORATION LTD USA

| | |
|---|-----------------------------|
| COLORADO CREEK 2-D BURKE COUNTY PERMIT NO. 970158 | COMPLETION DATE: 8/7/2008 |
| WALLY 2-DV BOWMAN COUNTY PERMIT NO. 970145 | COMPLETION DATE: 9/1/2008 |
| NEWPORTE 3-D RENVILLE COUNTY PERMIT NO. 970142 | COMPLETION DATE: 12/8/2007 |
| CROFF 3-D MCKENZIE COUNTY PERMIT NO. 970128 | COMPLETION DATE: 8/29/2007 |
| SIOUX 2005 3-D MCKENZIE COUNTY PERMIT NO. 970110 | COMPLETION DATE: 2/3/2006 |
| SOUTH TOBACCO 3-D MCKENZIE COUNTY PERMIT NO. 970108 | COMPLETION DATE: 11/30/2006 |



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. 970110 | |
| Shot Hole Operations | *Non-Explosive Operations Vibroseis |

SECTION 1

| | |
|---|---|
| Geophysical Contractor Whiting Oil and Gas | |
| Project Name and Number Sioux 3D/ U160ND | County(s) McKenzie County |
| Township(s) 150-151 North | Range(s) 100-101 West |
| Drilling and Plugging Contractors Summit Drilling | |
| Date Commenced October 23, 2005 | Date Completed February 3, 2006 |

SECTION 2

| | | | | | | | | | | | |
|---|------------------------------|---------------|---------------|---------------|---------------|---------------|--|--|--|--|--|
| First S.P. # 565136 | Last S.P. # 605181 | | | | | | | | | | |
| Loaded Holes (Undetonated Shot Points) | | | | | | | | | | | |
| S.P.#'s | 613148 | 541168 | 629102 | 549186 | 573194 | 645144 | | | | | |
| Charge Size | 5lbs | 5lbs | 5lbs | 5lbs | 5lbs | 5lbs | | | | | |
| Depth | 40ft | 40ft | 40ft | 40ft | 40ft | 40ft | | | | | |
| Reasons Holes Were Not Shot Dead Caps | | | | | | | | | | | |

SECTION 3

| |
|---|
| Flowing Holes and/or Blowouts S.P.#'s N/A |
| 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.

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

970110

PERMIT NUMBER:

SIoux ND U155ND

U155ND

AFFIDAVIT OF PLUGGING (HOLE PLUGGER)

STATE OF NORTH DAKOTA)

COUNTY OF McKenzie)

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 03-08-2009

AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)

(Notarized in Yuma, Colorado)

STATE OF North Dakota) Colorado

COUNTY OF McKenzie) Yuma

Before me, Kathleen Glantz, a Notary Public in and for the said

County and State, this day personally appeared Tara Hill

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

Tesla 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.

Tesla Exploration (USA)
Geophysical Contractor Representative [Signature]

Subscribed in my presence and sworn before me this 07th day of February, 2016.

Notary Public [Signature]

My Commission Expires 3.26.17



AFFIDAVIT OF PLUGGING (HOLE PLUGGER)

Mustang
STATE OF NORTH DAKOTA)
Richland, MT)
COUNTY OF Williams)

Before me, Douglas A Lang, a Notary Public in and for the said County and State, this day personally appeared Terry Williams who being first duly sworn, deposes and says that (s)he is employed by Thermal Drill Inc (Sioux 3-0), 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.

Thermal Drill Inc
Terry Williams
Hole Plugger Representative

Subscribed in my presence and sworn before me this 6th day of December, 2005.

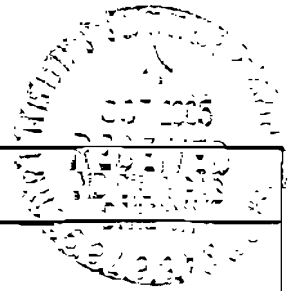
Notary Public Douglas A Lang

My Commission Expires 4-19-2007



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 Tesla Exploration Ltd. U.S.A. | | Address P.O.Box 1610 Havre, Mt. 59501 | |
| Contact Brian Korol | | Telephone (403) 216-1860 | Fax (403) 216-0989 |
| Surety Company Liberty Mutual Insurance Company | | Bond Amount \$50,000.00 | Bond Number 965002143 |
| 2) a. Subcontractor(s) Midcon Permit Services (Permits) | | Address 12877 W 78th Circle, Arvada, Co. 80005 | |
| b. Subcontractor(s) (Survey) ERICKSON CONTRACT SURVEYING INC. | | Address 59270 1101-5th St. S.W. Sydney Mt. | |
| c. Subcontractor(s) Summit Drilling (Drilling) | | Address HC 52 Box 2018 Froid, Mt. 59266 | |
| 3) Party Manager Larry Smith | | Address Williston, N.D. | |
| 4) Project Name or Line Numbers Sioux 2005 3D | | | |
| 5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) Shot Hole 3D | | | |
| 6) Approximate Drilling Start Date Nov 10th /05 | | Approximate Completion Date Nov 18th /05 | |

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

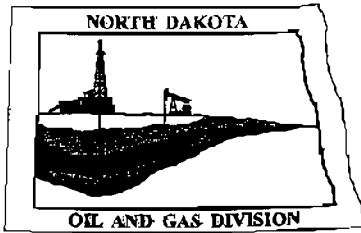
| | | | | |
|---|---|-------------------------------------|---|------------------------------------|
| 7) Location of Proposed Project - County MCKENZIE | | | | |
| Section(s), Township(s) & Range(s) | Sec. 4, 5, 6, 7, 8, 9, 17, 18, 19, 20 | T. 151 N | R. 101 W | |
| | Sec. 31, 32, 33 | T. 152 N | R. 101 W | |
| | Sec. 1, 2, 11, 12, 13, 14, 23, 24 | T. 151 N | R. 102 W | |
| | Sec. 35 & 36 | T. 152 N | R. 102 W | |
| 8) Size of Hole 3 1/2 Inch | Amt of Charge 5 Lbs. | Depth 40 Ft. | Shots per MI. (sq. mi.) 75/sq. mi | |
| | | No. of MI. (sq. mi.) 17.6 | Identifying Marks Used on Nonmetallic Plug | |
| | | | | Geophysical ID Permit # |
| | | | | a. Plugger ID Summit Dr. |
| | | | | b. Plugger ID |
| | | | | c. Plugger ID |

9) Anticipated special drilling and plugging procedures?
None - Bentonite from charge 40 within 2 to 3 ft from surface - Place Iod Plug AND Native Cuttings TO SURFACE.

10) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.
S 1/2 Sec 12 - 151 N - 102 W is Proposed Mag SITE.

Signed **B.A. Korol.** Title **OPERATIONS SUPERVISOR. USA** Date **Oct 17/05**

| | | |
|---|-------------------------------|---|
| (This space for State office use) | | Conditions of Approval if any See attached letter |
| Permit No. 970110 | Approval Date 10-31-05 | |
| Approved by Kelle [Signature] | | |
| Title Geophysical Permit Manager | | |
| County Approval Sent MCKENZIE 10-31-05 | | |



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

October 31, 2005

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

RE: Geophysical Exploration Permits # 97-0110
 Sioux 2005 3D
 Mckenzie County, North Dakota

Dear Mr. Korol:

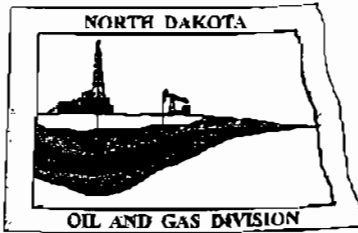
Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from October 31, 2005. Please review the following conditions for your permit:

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 PI 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. The permitting agent shall file an affidavit with this office confirming compliance with such notification.
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.

Should you have any questions regarding this matter, feel free to contact me at 701-328-8020, or Tom Torstenson at the numbers 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

October 31, 2005

The Honorable Frances M. Olson
McKenzie County Auditor
P.O. Box 543
Watford City, ND 58854

RE: Geophysical Exploration
Permit # 97-0110

Dear Ms. Olson:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Tesla Exploration Ltd. U.S.A. was issued the above captioned permits on October 31, 2005 and will remain in effect for a period of one year.

Should you have any questions, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Triplett".

Kelly Triplett
Geophysical Permit Manager