

97-0111
Kantson 3-D

PERMIT NUMBER:

AFFIDAVIT OF PLUGGING (HOLE PLUGGER)



STATE OF NORTH DAKOTA)
)
COUNTY OF Billings)

Before me, Nancy R. EVANSON, a Notary Public in and for the said County and State, this day personally appeared CLARK DOUGLAS MACKARENKO who being first duly sworn, deposes and says that (s)he is employed by Waywest 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.

Clark Douglas Mackarenko
Hole Plugger Representative

Subscribed in my presence and sworn before me this 5TH day of Feb 2007.

Notary Public Nancy R. Evanson

My Commission Expires 11-24-2007

**NANCY R. EVANSON
NOTARY PUBLIC
STATE OF COLORADO**
My Commission Expires 11/24/2007



SEISMIC COMPLETION REPORT
 INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 SFN 51456 (11-97)

600 E BOULEVARD AVE
 BISMARCK, ND 58505

PERMIT NO.: # 97-0111

SHOT HOLE OPERATIONS: *yes* *NON-EXPLOSIVE OPERATIONS:

SECTION 1

GEOPHYSICAL CONTRACTOR: *Tesla exploration LTD*

PROJECT NAME AND NUMBER: *Karison 30 ob-S-U162ND* COUNTY(S): *Golden & Billings Counties, ND*

TOWNSHIP(S): *140-141N* RANGE(S): *102-103 West*

PERMITTED BY: *Kelly Triplett*

DATE COMMENCED: *10-28-06* DATE COMPLETED: *11-9-06*

SECTION 2

FIRST S.P. #: *572 119* LAST S.P. #: *671-190*

LOADED HOLES (UNDETONATED SHOT POINTS)

S.P. #'s:	<i>554-150B</i>	<i>545-119</i>	<i>545-130</i>	<i>599-170</i>	<i>626-190A</i>	<i>653-188A,B</i>					
CHARGE SIZE::	<i>5#</i>	<i>10#</i>	<i>10</i>	<i>10#</i>	<i>10#</i>	<i>10#</i>					
DEPTH:	<i>30'</i>	<i>60'</i>	<i>45'</i>	<i>15'</i>	<i>30'</i>	<i>30'</i>					

REASONS HOLES WERE NOT SHOT:

554-150B - dead cap on hole B.

545-119 - Hole lost Broken leads.

545-130 - unable to Load, Skipped.

599-170 - charge stuck, pulled Leads

626-190A - Broken Leads, charge lost

653-188A
653-188B } *Both Leads Broken, charge lost*

SECTION 3

FLOWING HOLES
 S.P.#'s

PROCEDURE FOR PLUGGING FLOWING HOLES:

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 PLUGGING (HOLE PLUGGER)
 INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 600 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505-0840
 SFN 51457 (03-2006)

PERMIT NUMBER 970111

AFFIDAVIT OF PLUGGING (HOLE PLUGGER)

STATE OF COLORADO)
)
 COUNTY OF MESA)

Before me, MICHELLE R. SCHNEIDER a Notary Public in and for the said

County and State, this day personally appeared JEFF L. MACKAY

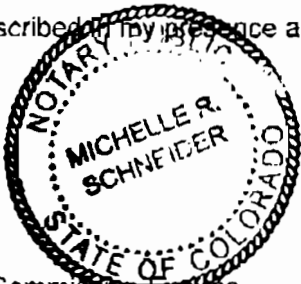
who being first duly sworn, deposes and says that (s)he is employed by

Heli-Port Drilling, Inc., 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.

[Signature]
 Hole Plugger Representative

Subscribed to my presence and sworn before me this 10th day of November, 2006.



Notary Public [Signature]

My Commission Expires 10/05/09

AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)

STATE OF NORTH DAKOTA)

COUNTY OF Stark)

Before me, Travis Hande, a Notary Public in and for the said County and State, this day personally appeared Daniel Monaco who being first duly sworn, deposes and says that (s)he is employed by Tetra 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.

Daniel J. Monaco
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 6th day of November, 2006.

TRAVIS HANDE
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES JULY 7, 2010

Notary Public Travis Hande

My Commission Expires 7-7-10



Knutson 3D

Job# 06-5-U162ND

554150 – had a dead cap on hole “B”

545130 - is a non-recoverable

Blowouts:

590157 – plugged

572128 – plugged

563119 – NOT plugged. Requires an auger

599118 – plugged

599119 – plugged

599154 - plugged

Knutson program
970111

9-12-06

To Whom It May Concern:

As part of the seismic permitting procedure the seismic company is required by law to notify adjacent landowners of the North Dakota Oil and Gas commissions regulations concerning seismic activity. The enclosed letter's intent is to do that. Please note there are two copies of this letter and also an attached self addressed envelope. Please sign one copy and return to me and retain the other copy for your files. At this time I do not know when or if this program will be started. As most of you know the survey work was done earlier this year. Thank you.

Sincerely,



GJ Redmond
Permit agent.



Cc: Roger Myers
Fran Armstrong
Kevin Fugere
Mark O. Golberg
US Forest Service Att: Curt Decker
Theodore Roosevelt National Memorial Park Service
Tom Torstenson ND Oil and Gas Commission

Rec'd. 8-20-2006
Ron Pout



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. USA		Address PO Box 1610, 109 West 2nd Street, Havre, Mt. 59501	
Contact Brian Korol		Telephone (406) 265-7190	Fax (406) 265-7197
Surety Company Liberty Mutual Insurance Company		Bond Amount \$50,000.00	Bond Number 965002143
2) a. Subcontractor(s) Bearpaw Survey- Surveying		Address 4010aSPoplarSt.307CasperWy.82601	Telephone (307) 267-6066
b Subcontractor(s) Douglas Exploration -Buggy Drilling		Address 740 S.4THSt.PO DrawerA DouglasWy	Telephone (307) 358-3125
c Subcontractor(s) American Heli-Drilling		Address 82633	Telephone (970)-461-0988
3) Party Manager Tony Reid		Address Havre, Mt.	Telephone (403) 813-0902
4) Project Name or Line Numbers Knutson 3D			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) 3D SHOT HOLE			
6) Approximate Drilling Start Date April 30th /06		Approximate Completion Date June 15 /06	

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

7) Location of Proposed Project - County GOLDEN VALLEY & BILLINGS COUNTIES			
Section(s), Township(s) & Range(s)	Sec. 19, 20, 21, 28, 29, 30, 34	T. 141 N	R. 102 W
	Sec. 6 & 7	T. 140 N	R. 102 W
	Sec. 1, 2, 3, 10, 11, 12	T. 140 N	R. 103 W
	Sec.	T.	R.

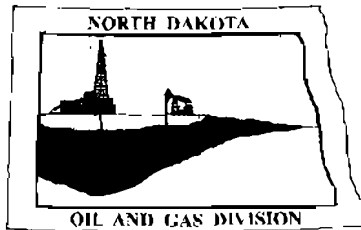
a) Size of Hole	Amt of Charge	Depth	Shots per MI (sq mi.)	No of MI (sq mi.)	Identifying Marks Used on Nonmetallic Plug			
					Geophysical ID	a Plugger ID	b Plugger ID	c Plugger ID
3 1/2 in.	10 lbs.	60 ft.	65	12.44	PERMIT # ?			

9) Anticipated special drilling and plugging procedures?
None - BENTONITE from top of charge to within 2 to 3 feet from surface. Place Plug AND NATIVE Cuttings To Surface

10) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.
MAG SITE = S 1/2 Sec 2 Twp 141 N Rge 103 W

Signed B. A. Kowl.	Title OPERATIONS SUPERVISOR USA.	Date Nov 25 /06.
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(This space for State office use)		Conditions of Approval if any See attached letter
Permit No. 970111	Approval Date DEC 07 2005	
Approved by <i>[Signature]</i>		
Title Mineral Resources Permit Manager		
County Approval Sent Billings & Golden Valley 12-7-05		



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

December 7, 2005

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

RE: Geophysical Exploration Permits # 97-0111
 Knutson 3D
 Golden Valley & Billings Counties, North Dakota

Dear Mr. Korol:

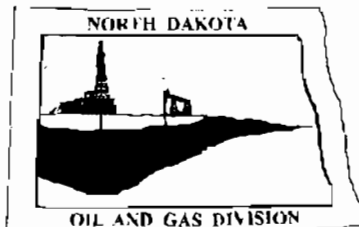
Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from December 7, 2005. Please review the following conditions for your permit:

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. 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

December 7, 2005

Ms. Cecilia Stedman
Golden Valley Auditor
P.O. Box 67
Beach, N.D. 58621

RE: Geophysical Exploration
Permit # 97-0111

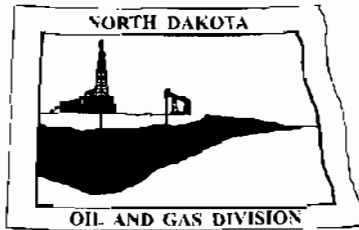
Dear Ms. Stedman:

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 December 7, 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



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.oilgas.nd.gov

December 7, 2005

The Honorable Lynn Arthaud
Billings County Tax Director
P.O. Box 247
Medora, ND 58645

RE: Geophysical Exploration
Permit # 97-0111

Dear Ms. Arthaud:

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 December 7, 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