

#1970128

St. Croix Seismic

P.O. Box 172
Wascott, WI 54890
715.376.4712 Office
715.376.4712 Fax



January 12, 2009

North Dakota Oil and Gas Conservation Commission
Attn: Richard A. Suggs
600 E Boulevard Ave, Dept 405
Bismarck, ND 58505-0840

Re: Croff 3D

Dear Mr. Suggs,

This letter is to confirm that the landowners were notified and provided a written copy of the NDCC Section 38-08.1-04.1 (Exploration Permit) and NDCC Chapter 38-11.1 (Oil and Gas Production Damage Compensation) on 5-29-07, as per daily report. This included landowners within the project area and 1/2 mile outside the project area.

Should you have any questions or concerns, I can be reached at the telephone number below.

Regards,

A handwritten signature in cursive script that reads "L. Wright".

Leslie Wright
St. Croix Seismic
Permit Agent
PO Box 1048
Laurel, MT 59044
209-617-7640

Oil and Gas Division 9/20/28

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

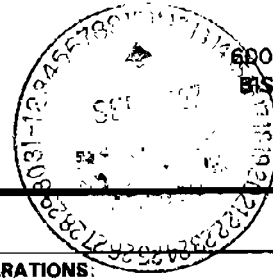
MCKENZIE COUNTY

PERMIT NO. 970108

COMPLETION DATE: 11/30/2006



SEISMIC COMPLETION REPORT
 INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 SFN 51458 (11-97)



600 E BOULEVARD AVE
 BISMARCK, ND 58505

PERMIT NO.: 001-010 #970128

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

SECTION 1

GEOPHYSICAL CONTRACTOR: *Tesla Exploration*

PROJECT NAME AND NUMBER: *Croff 3D U 223 ND* COUNTY(S): *M^o Kenzie*

TOWNSHIP(S): *149 N* RANGE(S): *95W, 96 W*

PERMITTED BY: *Lesle Wright*

DATE COMMENCED: *Aug. 13, 2007* DATE COMPLETED: *Aug. 30, 2007*

SECTION 2

FIRST S.P. #: *560106* LAST S.P. #: *552106*

LOADED HOLES (UNDETONATED SHOT POINTS)

S.P. #'s:	<i>548102</i>	<i>552103</i>										
CHARGE SIZE::	<i>51b</i>	<i>51b</i>										
DEPTH:	<i>40ft</i>	<i>40ft</i>										

REASONS HOLES WERE NOT SHOT:
Dead caps

SECTION 3

FLOWING HOLES
 S.P. #'s
NO

PROCEDURE FOR PLUGGING FLOWING HOLES:
NO

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 McKenzie)



Before me, Diana L. Santero, a Notary Public in and for the said County and State, this day personally appeared Robert Matchett who being first duly sworn, deposes and says that (s)he is employed by Telca 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.

Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 6th day of September, 2007

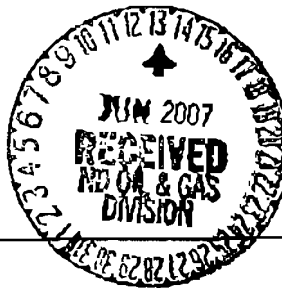


Notary Public

My Commission Expires 12/13/08



SUNDRY NOTICE
 INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 800 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505-0840
 SFN 51458 (03-2003)



PERMIT # 970128

Project Name

Croff 3D

County

McKenzie County

Supplemental Information

Change in drilling contractor from RDL Seismic to Summit Drilling and Holeplugging.

Company

Tesla Exploration

Address

315 19TH Street SE

City

Calgary, AB Canada

State

Zip Code

T2E6J7

By

Leslie Wright

Leslie Wright

Date

June 11, 2007

Title

Permit Agent

Telephone Number

(209) 617-7640

FOR OFFICE USE ONLY

Date Received

6/13/2007

By

John L. [Signature]

Title

Mineral Resources Permit Manager

State of North Dakota

SECRETARY OF STATE



CONTRACTORS LICENSE RENEWAL

NO: 32081 CLASS C

I, Alvin A. Jaeger, Secretary of State of the State of North Dakota, and as Registrar of Contractors, certify that **SUMMIT DRILLING & HOLEPLUGGING** whose address is Froid, MT has filed in this office proper application for Renewal of Class C Contractor's License valid to March 1, 2007, and has paid the required fee, and has complied with all requirements of Chapter 43-07, North Dakota Century Code.

SUMMIT DRILLING & HOLEPLUGGING therefore, is entitled to bid on and accept contracts as authorized by law, under this license, provided that such contracts may not exceed in value the sum of \$120,000.00 for any single contract.

Dated April 12, 2006.

A handwritten signature in cursive script that reads "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF TRADE NAME REGISTRATION OF

SUMMIT DRILLING & HOLEPLUGGING
Secretary of State ID#: 11,352,000

The undersigned, as Secretary of State of North Dakota, hereby certifies that an Application for Registration of a Trade Name, duly signed pursuant to the provisions of the North Dakota Trade Names statutes, has been received in this office and is found to conform to law.

Accordingly the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues the Certificate of Trade Name Registration of SUMMIT DRILLING & HOLEPLUGGING which is owned by MARK MAHLEN with an address of HC 52 BOX 2018, FROID, MT 59226-9406. The Trade Name Registration shall remain in force until November 9, 2009.

DATED: November 9, 2004

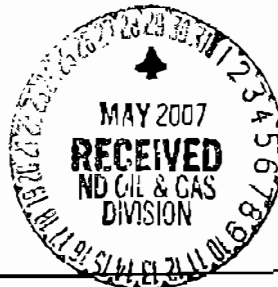
A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State



SUNDRY NOTICE

INDUSTRIAL COMMISSION OF NORTH DAKOTA
OIL AND GAS DIVISION
600 EAST BOULEVARD DEPT 405
BISMARCK, ND 58505-0640
SFN 51468 (03-2003)



PERMIT # 970128

Project Name Croff 3D
County McKenzie
Supplemental Information RDL Seismic Services will conduct drilling and hole plugging. Bond and Licensee to do business in the State of North Dakota attached. Also Included is an updated pre-plot map.

Company Tesla Exploration	
Address 315 19th Street SE	
City Calgary, AB Canada	Zip Code T2E6J7
By Leslie Wright <i>[Signature]</i>	Date May 24, 2007
Title Permit Agent	Telephone Number (209) 617-7640

FOR OFFICE USE ONLY

Date Received 5/29/07
By <i>[Signature]</i>
Title Mineral Resources Permit Manager



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		Address 315 19th Street SE Calgary, AB Canada T2E6J7	
Contact Brian Korol		Telephone (403) 216-1860	Fax (403) 216-0989
Surety Company Liberty Mutual		Bond Amount Attached	Bond Number 965002137
2) a. Subcontractor(s)		Address	Telephone
b. Subcontractor(s)		Address	Telephone
c. Subcontractor(s)		Address	Telephone
3) Party Manager Brian Korol		Address 315 19th Street SE Calgary, AB	Telephone (403) 216-1860
4) Project Name or Line Numbers Croff 3D			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) Shot Hole and Vibroseis - 3D			
6) Approximate Drilling Start Date July 1, 2007		Approximate Completion Date August 31, 2007	

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

7) Location of Proposed Project - County McKenzie County, North Dakota								
Section(s), Township(s) & Range(s)			Sec.	6, 7, 18, 19	T.	149N	R.	95W
			Sec.	1, 2, 11, 12	T.	149N	R.	96W
			Sec.	13, 23, 24	T.	149N	R.	96W
			Sec.		T.		R.	
8) Size of Hole	Amt of Charge	Depth	Shots per Mi (sq.mi.)	No. of Mi. (sq.mi.)	Identifying Marks Used on Nonmetallic Plug			
3.5 - 4	5lb	40'	127	7.53	Geophysical ID	a. Plugger ID	b. Plugger ID	c. Plugger ID
						GPS		

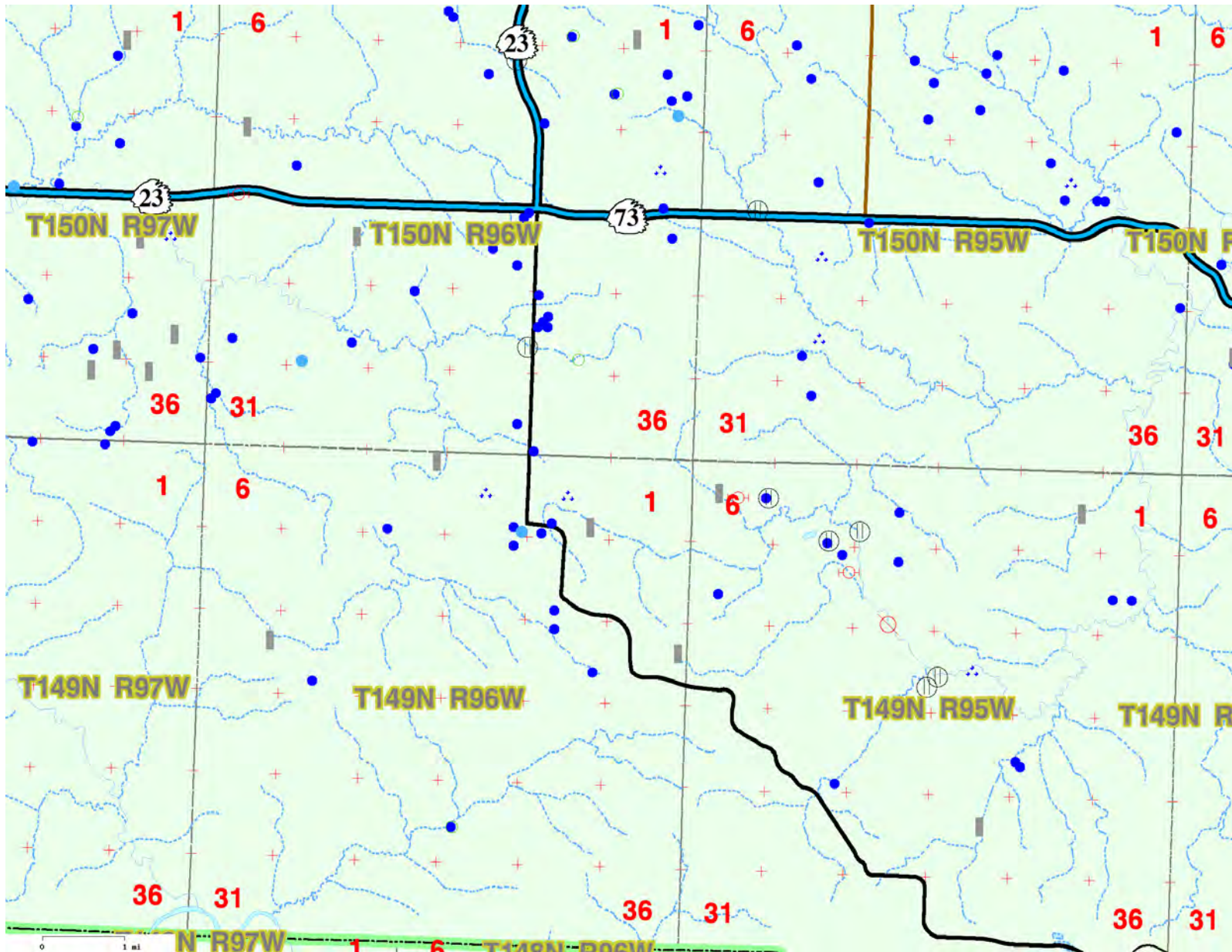
9) Anticipated special drilling and plugging procedures?
McKenzie County, North Dakota

10) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.
McKenzie County, North Dakota *Attached*

Signed *Kate Wright* Title *Permit Agent* Date *3-6-07*

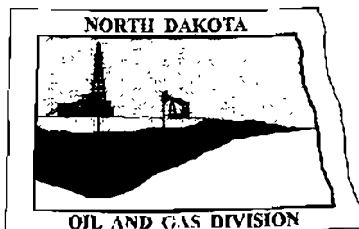
(This space for State office use)		Conditions of Approval if any	
Permit No 970128	Approval Date 3/12/2007	<i>See Attached letter.</i>	
Approved by <i>[Signature]</i>			
Title Mineral Resources Permit Manager			
County Approval Sent <i>McKenzie</i>			

STATE WATER COMMISSION WELLS



- Precipitation Observers
- Driller Logs
- Surface Water Sample
- Domestic Well
- Composite QW Sample
- △ Gaging Station
- Industrial Well
- Industrial Well - Plugged
- Irrigation Well
- ⌋ Irrigation Pilot Well
- Irrigation Well - Plugged
- Stock Well
- Rural Water Well
- Municipal Well
- Municipal Well - Plugged
- Observation Well
- Observation Well - Plugged
- ⊗ Observation Well - Recorder
- ⊗ Observation Well - Destroyed
- Production Well
- Production Well - Plugged
- △ Staff Gauge
- ⌋ Test Hole
- Multi-Port Sampler
- Dams
- ⊙ Drains
- Dikes
- ⌋ Diversion Structures
- ⌋ Dugouts
- Lakes or Ponds
- River or Stream
- Marsh or Wetlands
- Lakes or Ponds
- Marsh or Wetlands
- △ Rivers or Streams
- △ Rivers or Streams
- + Section Corners

Map created using the ND State Water Commission mapservice at <http://mapservice.swc.state.nd.us>.



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

March 12, 2007

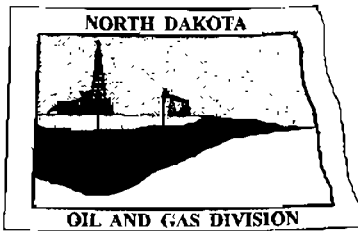
Mr. Brian Korol
Party Manager
Tesla Exploration.
315 19th St. SE Calgary
AB Canada T2E6J7

RE: Geophysical Exploration Permit # 97-0128
 Croff 3-D
 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 March 12, 2007. 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 701-290-1546 (cell) or 701-227-7436 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 of the land on which geophysical exploration activities are to be conducted 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). The permitting agent shall file an affidavit with this office confirming compliance with such notification. For your convenience, a copy of both Sections are enclosed.



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

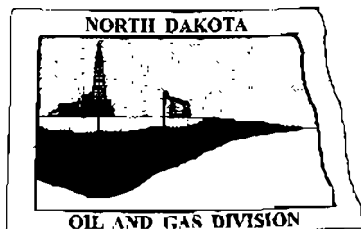
www.oilgas.nd.gov

6. 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.

Should you have any questions regarding this matter, feel free to contact me at 701-328-8020, or Tom Torstenson at the number listed in paragraph 1.

Sincerely,

Todd L. Holweger
Mineral Resources Permit Manager



Oil and Gas Division

Lynn D. Helms - Director Bruce L. Hicks - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov

March 12, 2007

The Honorable Frances Olson
McKenzie County Auditor
P.O. Box 543
Watford City, ND 58854-0543

RE: Geophysical Exploration
Permit #97-0128

Dear Frances Olson:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Tesla Exploration was issued the above captioned permit on March 12, 2007 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 "Todd L. Holweger".

Todd L. Holweger
DMR Permit manager