



# Oil and Gas Division 970142

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](http://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)



*Attn Todd Holweger*

Permit No. <b>970142</b>	
Shot Hole Operations	*Non-Explosive Operations <b>NON</b>

**SECTION 1**

Geophysical Contractor <b>TESLA EXPLORATION USA, LTD.</b>	
Project Name and Number <b>NEW PORTE 3-D 07-6-U257ND</b>	County(s) <b>RENVILLE</b>
Township(s) <b>153, 154, 155, 156</b>	Range(s) <b>94, 95, 96, 97</b>
Drilling and Plugging Contractors <b>NA</b>	
Date Commenced <b>November 21, 2007</b>	Date Completed <b>December 8, 2007</b>

**SECTION 2**

First S.P. #	Last S.P. #
Loaded Holes (Undetonated Shot Points)	
S.P.#s	
Charge Size	
Depth	
Reasons Holes Were Not Shot	

**SECTION 3**

Flowing Holes and/or Blowouts S.P.#s
Procedure for Plugging Flowing Holes and/or Blowouts
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.



**AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)**

STATE OF North Dakota )

COUNTY OF Ward )

Before me, Nicole Bureau, a Notary Public in and for the said

County and State, this day personally appeared CAROLYN PHILLIPS

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

TESLA EXPLORATION USA, LTD, 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.

[Signature]  
Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 7 day of December, 2007.

NICOLE BURAU  
Notary Public  
State of North Dakota  
My Commission Expires March 9, 2012

Notary Public Nicole Bureau

My Commission Expires March 9, 2012



# GEOPHYSICAL EXPLORATION PERMIT

INDUSTRIAL COMMISSION OF NORTH DAKOTA  
 OIL AND GAS DIVISION  
 600 EAST BOULEVARD DEPT 405  
 BISMARCK, ND 58505-0840  
 SFN 51459 (08-2007)

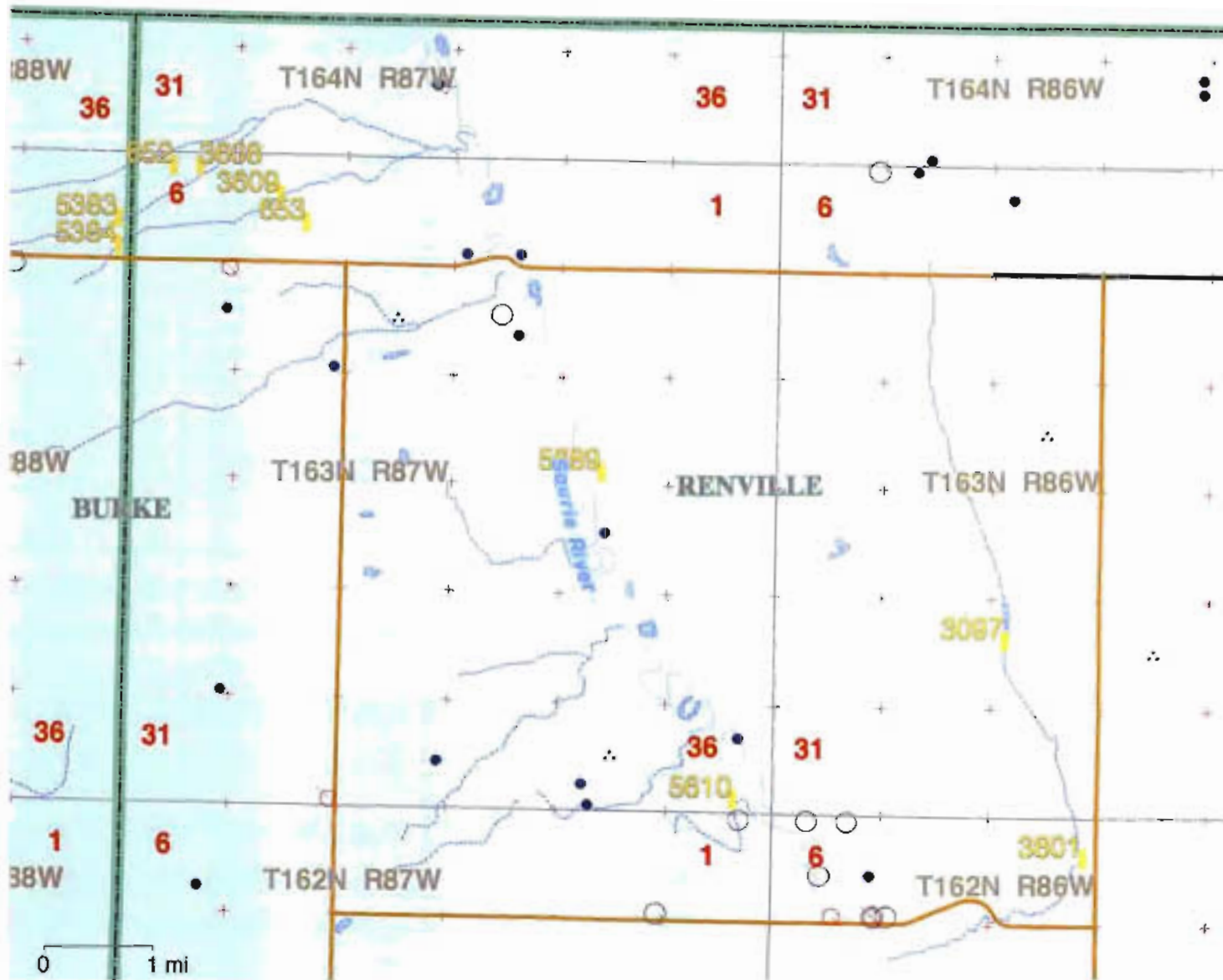


1) a Company <b>Tesla Exploration Ltd.</b>		Address <b>315 19th Street SE</b>	
Contact <b>Brian Korol</b>		Telephone <b>(403) 216-1860</b>	Fax <b>(403) 216-0989</b>
Surety Company <b>Liberty Mutual Insurance Co.</b>		Bond Amount <del>\$50,000</del> <b>25,000</b>	Bond Number <b>965002137</b>
2) a Subcontractor(s) <b>Pathfinder Navigation, Inc.</b>		Address <b>15455 W. Hardy Rd. Houston TX</b>	Telephone <b>281 591-1950</b>
b Subcontractor(s)		Address	Telephone
c. Subcontractor(s)		Address	Telephone
3) Party Manager <b>Larry Smith</b>		Address (local) <b>TBD</b>	Telephone (local)
4) Project Name or Line Numbers <b>NewPorte 3-D</b>			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D, Other) <b>3-D Vibroseis</b>			
6) Approximate Start Date <b>October 20, 2007</b>		Approximate Completion Date <b>December 1, 2007</b>	

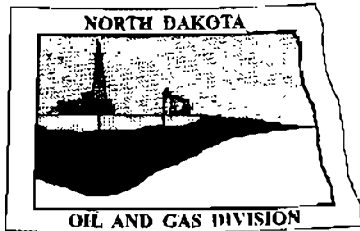
**THE COMMISSION MUST BE NOTIFIED AT LEAST 24 HOURS IN ADVANCE OF COMMENCEMENT OF DRILL/PLUG OPERATIONS**

7) Location of Proposed Project - County <b>Renville</b>					
Section(s), Township(s) & Range(s)			Sec. <b>26,27,28, 29</b>	T. <b>164n</b>	R. <b>87w</b>
			Sec. <b>32,33,34,35</b>	T. <b>164n</b>	R. <b>87w</b>
			Sec. <b>2-5, 8-11</b>	T. <b>163n</b>	R. <b>87w</b>
			Sec. <b>14,15,16,17</b>	T. <b>163n</b>	R. <b>87w</b>
8) Size of Hole <b>3-D NA</b>	Amt of Charge <b>NA</b>	Depth <b>NA</b>	Shots per sq. mi.	No. of sq. mi. <b>16</b>	9) Must supply latitude/longitudes of source and receiver points on an SD card.
Size of Hole <b>2-D</b>	Amt of Charge	Depth	Shots per ln. mi.	No. of ln. mi.	
10) Anticipated special drilling and plugging procedures? <b>NA</b>					
11) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.					
Signed 		Title <b>Permit Agent</b>		Date <b>October 1, 2007</b>	
(This space for State office use)			Conditions of Approval if any		
Permit No. <b>970142</b>		Approval Date <b>10/12/2007</b>			
Approved by 		<b>See Attached Letter</b>			
Title <b>Mineral Resources Permit Manager</b>					
County Approval Sent <b>Renville County</b>					

# ND WATER COMM. MAP



- 50-500 gpm Yield
- Over 500 gpm Yield
- + Precipitation Observers
- Driller Logs
- Domestic Well
- Domestic Well - Plugged
- Industrial Well
- Industrial Well - Plugged
- Irrigation Well
- Irrigation Well - Plugged
- Multi-Well Sample
- Municipal Well
- Municipal Well - Plugged
- Observation Well
- Observation Well - Destroyed
- Observation Well - Plugged
- Observation Well - Recorder
- Production Well
- Production Well - Plugged
- Rural Water Well
- Stock Well
- Stock Well - Plugged
- Surface Water Monitoring Site
- Test Hole
- Test Well
- ? Unknown
- Dams
- Drains
- Dikes
- Diversion Structures
- Dugouts
- Dams
- Corporate limits
- + Section Corners
- Townships
- County Boundaries
- Lakes or Ponds
- River or Stream



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October 12, 2007

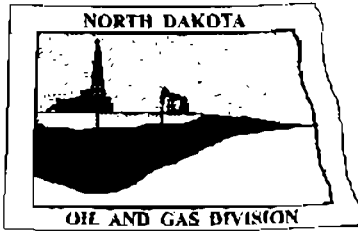
Mr. Brian Korol  
Party Manager  
Tesla Exploration.  
315 19<sup>th</sup> St. SE Calgary  
AB Canada T2E6J7

RE:    Geophysical Exploration Permit # 97-0142  
       NewPorte 3-D  
       Renville 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 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 (fax) 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. All source and receiver points should be made available, on an SD card, 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.
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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.
7. The entire permit can be viewed, as well as the status of various seismic projects in the state, at: <https://www.dmr.nd.gov/oilgas/seismic/seismicstats.asp>

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





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October 12, 2007

The Honorable LeAnn Fisher  
Renville County Auditor  
P.O. Box 68  
Mohall, ND 58761

RE: Geophysical Exploration  
Permit # 97-0142

Dear Ms. Fisher:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Tcsla Exploration Ltd. USA was issued the above captioned permit on October 12, 2007 and will remain in effect for a period of one year.

Should you have any questions, please contact our office.

Sincerely,

Todd L. Holweger  
Mineral Resources Permit Manager