

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.dmr.nd.gov/oilgas

March 18, 2009

Mr. Brian Korol
Permit Agent
Tesla Exploration LTD.
315 19th Street SE
Calgary AB Canada T2E 6J7

RE: SW Smith 2-D
 Renville County
 Geophysical Exploration Permit # 970157
 Original Permit Date: 3/18/2008

Dear Mr. Korol,

According to our records the above captioned seismic project has expired. It must be renewed on a Sundry Notice and accompany a \$100 fee. Please note the enclosed Sundry Notice for your convenience. Should you have any questions, feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd L. Holweger", is written over the typed name.

Todd L. Holweger
DMR Permit Manager

Cc: P.O. Box 1610
 Havre, MT 59501



GEOPHYSICAL EXPLORATION PERMIT

INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 600 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505-0840
 SFN 51459 (10-2007)



1) a. Company Tesla Exploration LTD.		Address 315 19th Street SE Calgary AB Canada T2E 6J7	
Contact Brian Korol	Telephone 403 216-1860	Fax 403 216-0989	
Surety Company Liberty Mutual Insurance Co.	Bond Amount \$25,000	Bond Number 965002137	
2) a. Subcontractor(s) Pathfinder Navigation, Inc.		Address 19555 West Hardy Road, Houston. TX	
		Telephone 281 591-1950	
b. Subcontractor(s)		Address	
		Telephone	
c. Subcontractor(s)		Address	
		Telephone	
3) Party Manager Mike McFarlane		Address (local) TBD	
		Telephone (local) 403 862-8666	
4) Project Name or Line Numbers SW Smith 2-D			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D, Other) 2-D Vibrseis			
6) Approximate Start Date March 20,2008		Approximate Completion Date April 30,2008	

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

7) Location of Proposed Project - County Renville				
Section(s), Township(s) & Range(s)	Section 6	T. 159	R. 86	
	Section 29, 31 & 32	T. 160	R. 86	
	Section	T.	R.	
	Section	T.	R.	
8) Size of Hole 3-D	Amt of Charge	Depth	Shots per sq. mi.	No. of sq. mi.
2-D	na	na	24	2.5
9) Must supply latitude/longitudes of source and receiver points on an SD card.				

10) Anticipated special drilling and plugging procedures?
NA

11) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.

Signed 		Title Jeff Lund: Permit Agent	Date March 10,2008
(This space for State office use)		Conditions of Approval if any	
Permit No. 270157	Approval Date 3/18/08		
Approved by 	See Attached letter		
Title Mineral Resources Permit Manager			
County Approval Sent Renville			

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March 18, 2008

Mr. Brian Korol
Tesla Exploration Ltd. USA
315 19th St SE
Calgary AB Canada T2E 6J7

RE: SW Smith 2-D
Geophysical Exploration Permit #97-0157
Renville County

Dear Mr. Korol:

Please be advised that we are in receipt of your Geophysical Exploration permit and it is conditionally approved; effective for one year from March 18, 2008. 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 following information must be submitted within 30 days of the completion of the project by the Geophysical Company:
 - a. Completion Report,
 - b. Completion Affidavit,
 - c. Post Plot Map. It 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.
 - d. SD card with all source and receiver points,
 - e. Letter stating that the Geophysical Company has given all surface owner's a copy of the Section and Chapter of the NDCC as stated in paragraph 5.
4. The following information must be submitted within 30 days of the completion of the project by the SUBCONTRACTOR(s) (when applicable):
 - a. Plugging Report
 - b. Plugging Affidavit

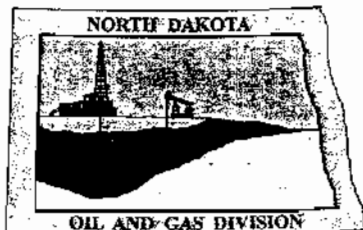
5. It is required that within seven days of initial contact between the permitting agent and the operator of the land, the permitting agent shall provide the operator of the land and each landowner owning land within one-half mile of the land on which geophysical exploration activities are to be conducted 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.
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. Information regarding the location of water wells, springs, etc.; refer to the following ND State Water Commission Mapservice website, at:
<http://mapservice.swc.state.nd.us/>
8. 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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March 18, 2008

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

RE: Geophysical Exploration
Permit # 97-0157

Dear Ms. Fisher:

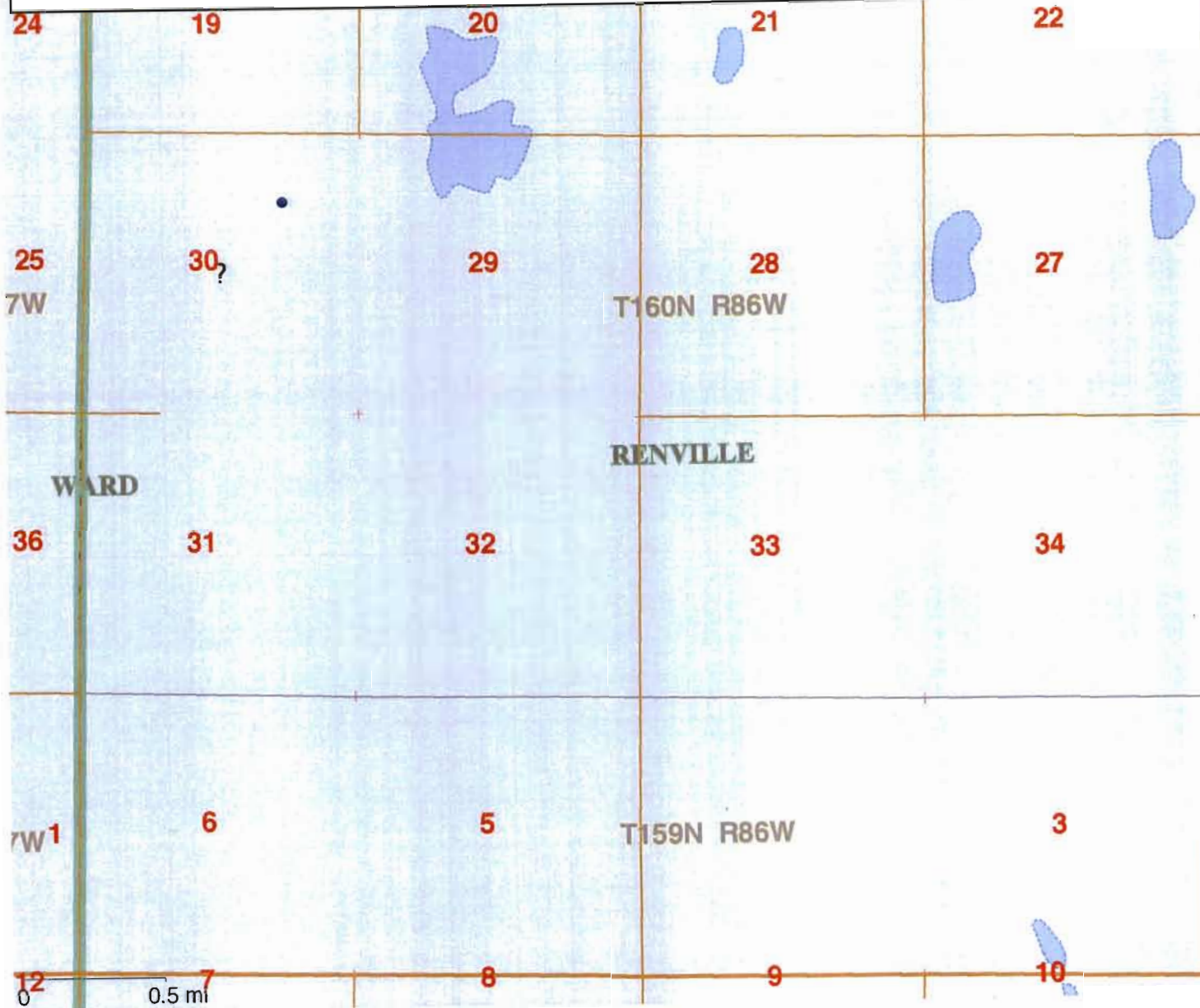
Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Tesla Exploration LTD. was issued the above captioned permit on March 18, 2008 and will remain in effect for a period of one year. The entire permit can be viewed on our website at: <https://www.dmr.nd.gov/oilgas/seismic/seismicstats.asp>

Should you have any questions, please contact our office.

Sincerely,

Todd L. Holweger
Mineral Resources Permit Manager

ND STATE WATER COMMISSION 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
- M Townships
- M County Boundaries
- Lakes or Ponds
- River or Stream

Map created using the NDSWC's mapservice at <http://mapservice.swc.nd.gov>