

# Oil and Gas Division 970158

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,

A handwritten signature in black ink, appearing to read "Richard A. Suggs", with a long horizontal line extending to the right.

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

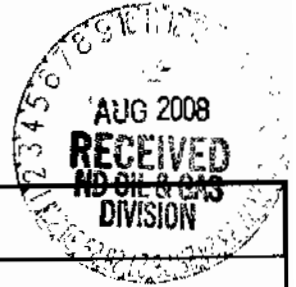
COMPLETION DATE: 2/3/2006

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. <b>970158</b>	
Shot Hole Operations <b>No</b>	*Non-Explosive Operations <b>Yes - Vibrator program</b>

**SECTION 1**

Geophysical Contractor <b>Tesla Exploration Ltd</b>	
Project Name and Number <b>Colorado Creek 2DV</b>	County(s) <b>Burke and Ward</b>
Township(s) <b>161, 162 &amp; 163N</b>	Range(s) <b>91 and 89</b>
Drilling and Plugging Contractors <b>N/A</b>	
Date Commenced <b>July 31, 2008</b>	Date Completed <b>August 7, 2008</b>

**SECTION 2**

First S.P. # <b>N/A</b>	Last S.P. # <b>N/A</b>
Loaded Holes (Undetonated Shot Points)	
S.P.#'s	
Charge Size	
Depth	
Reasons Holes Were Not Shot <b>N/A</b>	

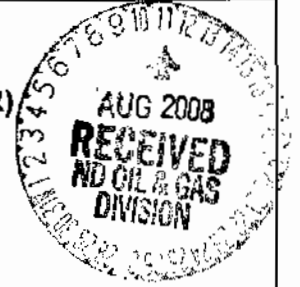
**SECTION 3**

Flowing Holes and/or Blowouts S.P.#'s <b>N/A</b>
Procedure for Plugging Flowing Holes and/or Blowouts <b>N/A</b>
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.

970158

**AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)**



STATE OF North Dakota )

COUNTY OF Ward )

Before me, Deborah K Walter, a Notary Public in and for the said

County and State, this day personally appeared Tracy Bradshaw

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

Tesla Exploration 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 August, 2008.

DEBORAH K. WALTER  
Notary Public  
State of North Dakota  
My Commission Expires June 8, 2011

Notary Public [Signature]

My Commission Expires June 8 2011



# 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)

Page 1



1) a. Company <b>Tesla Exploration LTD.</b>		Address <b>315 19th Street SE Calgary AB Canada T2E 6J7</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 <b>\$25,000</b>	Bond Number <b>965002137</b>	
2) a. Subcontractor(s) <b>Pathfinder Navigation, Inc.</b>		Address <b>19555 West Hardy Road, 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>Colorado Creek 2-D</b>				
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D, Other) <b>2-D Vibroseis</b>				
6) Approximate Start Date <b>June 1, 2008</b>			Approximate Completion Date <b>June 30, 2008</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>Burke</b>				
Section(s), Township(s) & Range(s)	Section <b>6</b>	T. <b>162</b>	R. <b>88</b>	
	Section <b>1</b>	T. <b>162</b>	R. <b>89</b>	
	Section <b>30</b>	T. <b>163</b>	R. <b>88</b>	
	Section <b>23, 24, 25, 26, 35 &amp; 36</b>	T. <b>163</b>	R. <b>89</b>	
8) Size of Hole <b>3-D</b>	Amt of Charge	Depth	Shots per sq. mi.	No. of sq. mi.
Size of Hole <b>2-D</b>	Amt of Charge <b>na</b>	Depth <b>na</b>	Shots per ln. mi. <b>24</b>	No. of ln. mi. <b>17</b>
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 <b>Jeff Lund: Permit Agent</b>	Date <b>May 5, 2008</b>
(This space for State office use)		Conditions of Approval if any <b>See Attached letter</b>
Permit No. <b>970158</b>	Approval Date <b>5/9/08</b>	
Approved by 		
Title <b>Mineral Resources Permit Manager</b>		
County Approval Sent <b>Burke County</b>		

**Additional properties on the Colorado Creek 2-D prospect (PART II):**

**Burke County, North Dakota:**

T. 161n. R.91w: Sec.5 & 6.

T. 162n. R.91w: Sec.7, 16, 17, 18, 19, 20, 21, 28, 29, 31 & 32.

T. 162n. R.92w: Sec.13 & 25.

# Oil and Gas Division

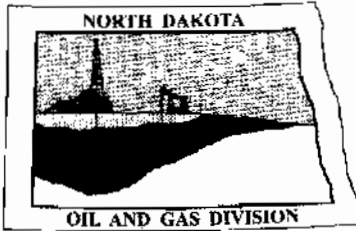
Lynn D. Helms - Director      Bruce F. Hicks - Assistant Director

## Department of Mineral Resources

Lynn D. Helms - Director

## North Dakota Industrial Commission

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May 9, 2008

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

RE: Colorado Creek 2-D  
Geophysical Exploration Permit #97-0158  
Burke County

Dear Mr. Korol:

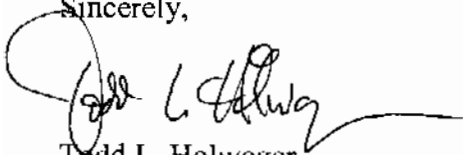
Please be advised that we are in receipt of your Geophysical Exploration permit and it is conditionally approved; effective for one year from May 9, 2008. Review the following conditions for your permit:

1. A pre-program meeting with state seismic inspector Tom Torstenson may be required. You must contact him at 701-290-1546 (ccll) 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





# Oil and Gas Division

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

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Lynn D. Helms - Director

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May 9, 2008

The Honorable Teri Baumann  
Burke County Auditor  
P.O. Box 310  
Bowbells, ND 58721-0310

RE:    Geophysical Exploration  
       Permit #97-0158

Dear Ms. Baumann:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Conquest Seismic Services Inc. was issued the above captioned permit on May 9, 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>

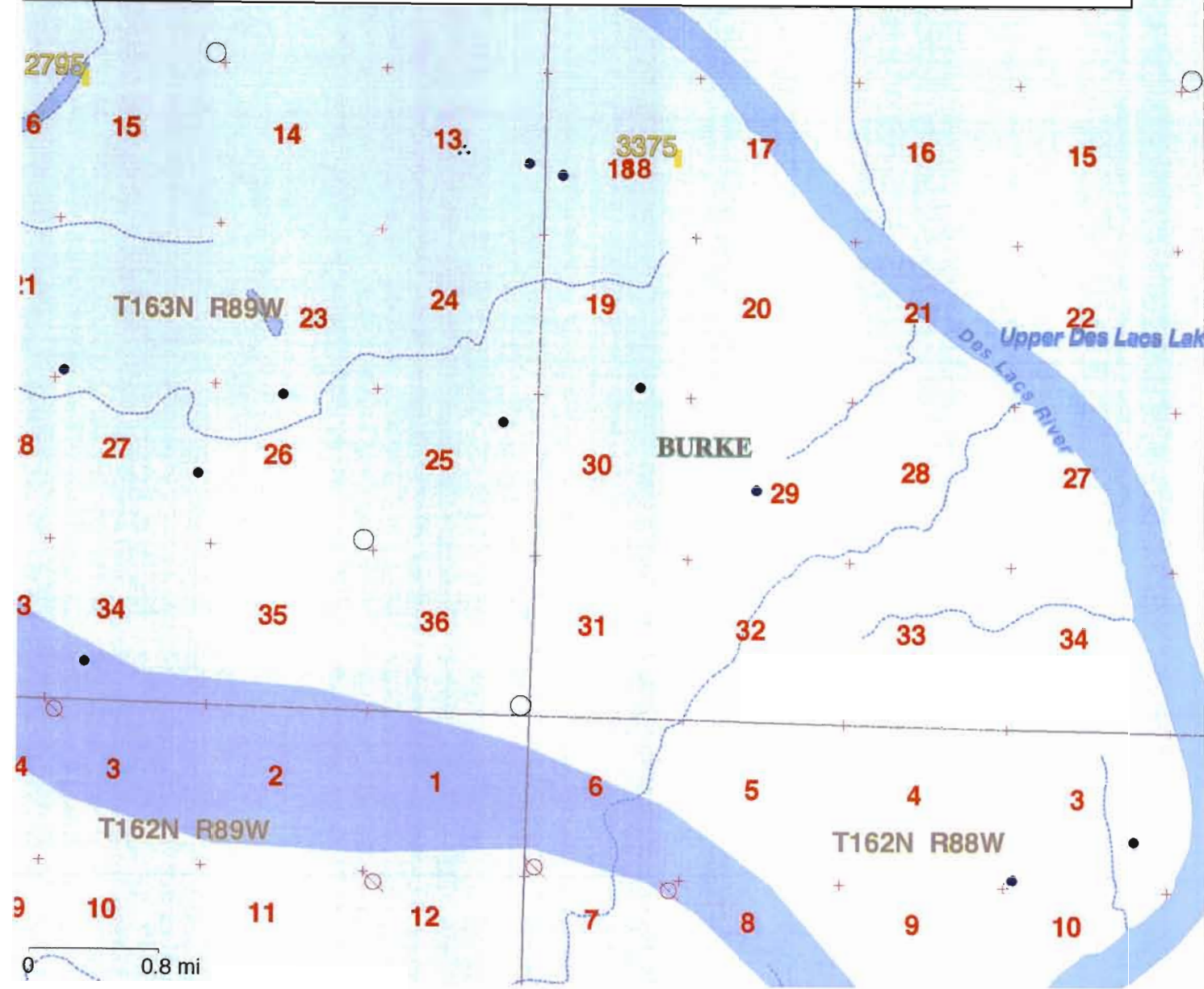
Should you have any questions, please contact our office.

Sincerely,

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Todd L. Holweger  
DMR Permit manager

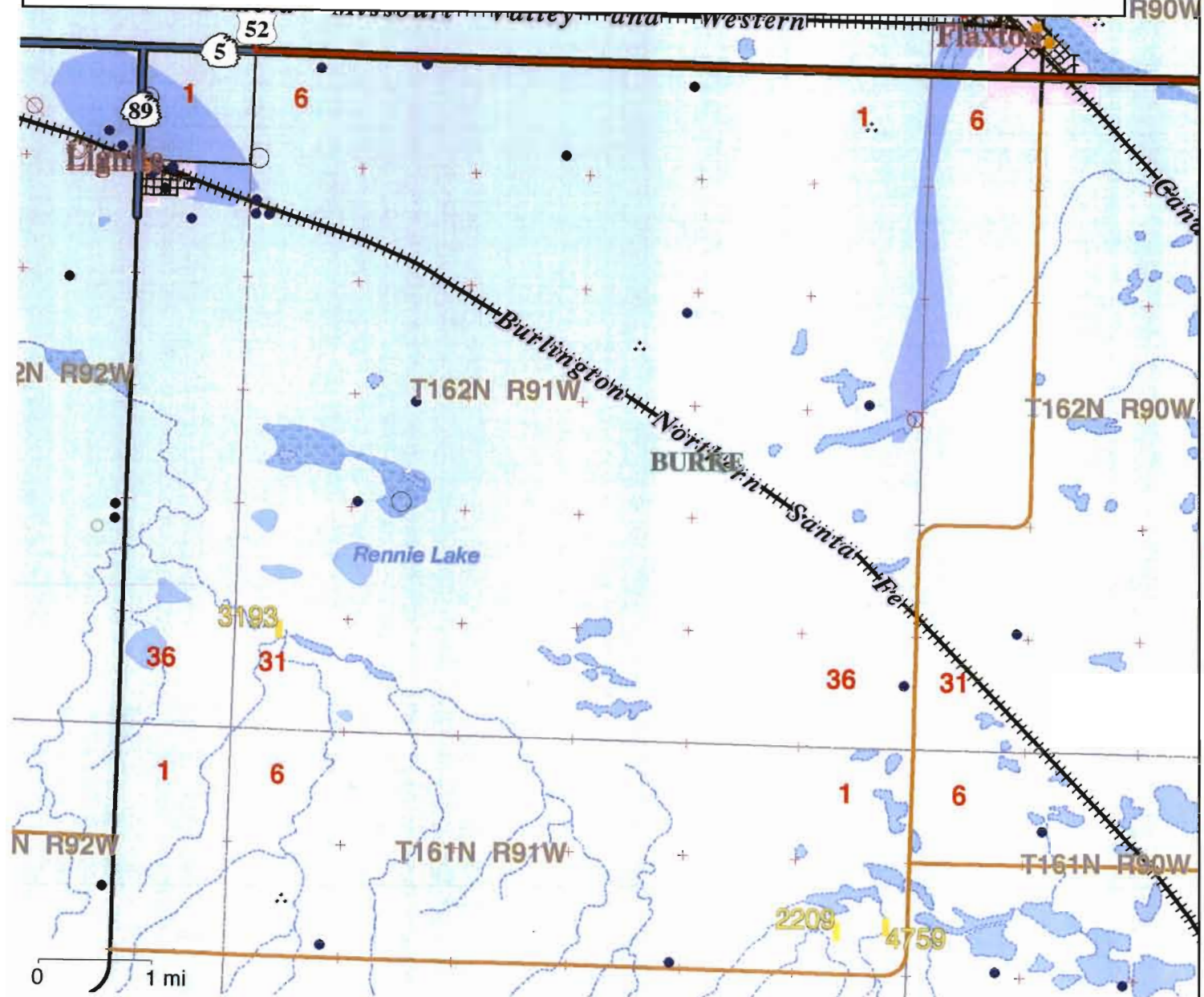
# ND STATE WATER COMMISSION MAP



- 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
- Townships
- County Boundaries
- Lakes or Ponds
- River or Stream

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

# ND STATE WATER COMMISSION MAP



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

- 50-500 gpm Yield
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