



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 USA Ltd.		Address P.O.Box 1610 Havre,Mt. 59501	
Contact Brian Korol		Telephone (403) 216-1860	Fax (404) 216-0989
Surety Company Liberty Mutual Insurance Company		Bond Amount \$50,000.00	Bond Number 965002143
2) a. Subcontractor(s) ECS Inc. (PERMITTING & Surveying)		Address 1101-5THSt.SW Sidney,Mt.59270	
b. Subcontractor(s) Summit Drilling		Address HC 52 Box 2018 Froid,Mt. 59266	
c. Subcontractor(s)		Address	
3) Party Manager Tony Reid		Address Williston,ND	
4) Project Name or Line Numbers White Earth 06 2D			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) SHOT HOLE 2D			
6) Approximate Drilling Start Date January 17, 2006		Approximate Completion Date January 31, 2006	

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

7) Location of Proposed Project - County Mountrail County			
Section(s), Township(s) & Range(s)	Sec. 11,12,13,14,15,16,21,22,23	T. 155 N	R. 93 W
	Sec. 6, 17, 18, 97	T. 155 N	R. 92 W
	Sec.	T.	R.
	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			
					Geophysical ID	a. Plugger ID	b. Plugger ID	c. Plugger ID
3 1/2 inch	1.1 Lbx3Holes	10ft	20/mile	12.7	Permit# ?	Summit Dr.		

9) Anticipated special drilling and plugging procedures?
NONE. BENTONITE from Charge to within 2 to 3 feet from Surface. Place ID'd Plug and Native Cuttings to Surface

10) Enclose a pre-plot map with proposed location of seismic program lines and powder mag.
SW 1/4 Sec 15-155^N-93^W is the Proposed Mag Site

Signed <i>B. A. Kauf</i>	Title <i>OPERATIONS SUPERVISOR USA</i>	Date <i>JAN 4/06.</i>
-----------------------------	---	--------------------------

(This space for State office use)		Conditions of Approval if any <i>See attached letter</i>
Permit No. 97-0112	Approval Date 1-20-06	
Approved by Original signed by KELLY TRIPLETT		
Title Mineral Resources Permit Manager		
County Approval Sent <i>Mountrail</i>		

*See Instructions On Reverse Side



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

January 20, 2006

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

RE: Geophysical Exploration Permits # 97-0112
 White Earth 06 2D
 Mountrail County, North Dakota

Dear Mr. Korol:

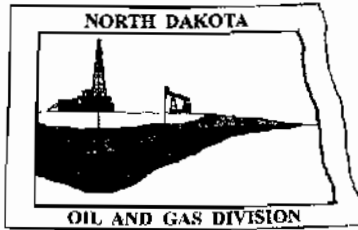
Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from January 20, 2006. Please review the following conditions for your permit:

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

January 20, 2006

The Honorable Karen H. Eliason
Mountrail County Auditor
P.O. Box 69
Stanley, ND 58784

RE: Geophysical Exploration
Permit # 97-0112 & 97-0113

Dear Ms. Eliason:

Pursuant to Section 38-08.1-04.2 of the North Dakota Century Code, please be advised that Tesla Exploration USA Ltd.(97-0112) and Quantum Geophysical Inc.(97-0113) were issued the above captioned permits on January 20, 2006 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