

#970135

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
800 E Boulevard Ave, Dept 405
Bismarck, ND 58505-0840

Re: State Line 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 5-23-07. There was one landowner involved 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 970135

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

PAUL CRILLY
CONQUEST SEISMIC SERVICES, INC.
2200-39 AVE NE
CALGARY, AB CANADA T2E6P7

RE: See Attached List of Projects

Dear Paul:

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
CONQUEST SEISMIC SERVICES, INC.

URLACHER 3-D
HETTINGER COUNTY
PERMIT NO. 970163 COMPLETION DATE: 8/28/2008

NE NESSON 2-D
MOUNTRAIL COUNTY / BURKE COUNTY
PERMIT NO. 970154 COMPLETION DATE: 3/23/2008

RIVAL 3-D
BURKE COUNTY
PERMIT NO. 970146 COMPLETION DATE: 2/22/2008

NORTH RAY 3-D
WILLIAMS COUNTY
PERMIT NO. 970139 COMPLETION DATE: 12/3/2007

SOUTH YELLOWSTONE 3-D
MCKENZIE COUNTY
PERMIT NO. 970136 COMPLETION DATE: 10/5/2007

STATE LINE 3-D
MCKENZIE COUNTY
PERMIT NO. 970135 COMPLETION DATE: 9/23/2007



United States
Department of
Agriculture

Forest
Service

Dakota Prairie
Grasslands

McKenzie Ranger District
1901 South Main Street
Watford City, ND 58854

File Code: 2860

Date: June 10, 2008

Nance Petroleum
Attn: Shane Mogensen
550 N 31st Street
Billings, MT 59103

970135



Dear Shane,

Please reference your seismic permit MCK07014 dated September 10, 2007 for geophysical prospecting in T148N R105W, McKenzie County, North Dakota.

A final inspection has been performed and all work was performed in compliance with permit specifications. This case is closed.

If you have any questions, please contact Katie Knutson of my staff at (701)842-2394 ext. 22.

Sincerely,

RONALD E. HECKER
District Ranger

cc: SO

Tom Torstenson
600 East Blvd Ave Dept 405
Bismarck, ND 58505

St Croix Seismic LLC
ATTN: Pat Bouchard
P.O. Box 172
Wascott, WI 54890





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. <i>97-0135</i>	
Shot Hole Operations <input checked="" type="checkbox"/>	*Non-Explosive Operations <input checked="" type="checkbox"/>

SECTION 1

Geophysical Contractor <i>CONQUEST SEISMIC SERVICES</i>	
Project Name and Number <i>STATE LINE 3D</i>	County(s) <i>MCKENZIE</i>
Township(s) <i>148N</i>	Range(s) <i>105W</i>
Drilling and Plugging Contractors <i>ERICKSON CONTRACT SURVEYING</i>	
Date Commenced <i>9/11/07</i>	Date Completed <i>9-27-07</i>

SECTION 2

First S.P. # <i>506-101</i>	Last S.P. # <i>542-133</i>																		
Loaded Holes (Undetonated Shot Points) <i>NONE</i>																			
S.P.#s																			
Charge Size																			
Depth																			
Reasons Holes Were Not Shot																			

SECTION 3

Flowing Holes and/or Blowouts S.P.#s <i>NONE</i>
Procedure for Plugging Flowing Holes and/or Blowouts <i>NORTH DAKOTA STATE REGULATION</i>
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.

970135

AFFIDAVIT OF COMPLETION (GEOPHYSICAL CONTRACTOR)

STATE OF Montana)

COUNTY OF Richland)

Before me, Carol A. Breuer, a Notary Public in and for the said

County and State, this day personally appeared Monte Benedict

who being first duly sworn, deposes and says that (s)he is employed by St. Croix

_____ , 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.

Monte Benedict

Geophysical Contractor Representative

Subscribed in my presence and sworn before me this 28 day of Oct, 2007.

Notary Public Carol A. Breuer

My Commission Expires 11-1-2010



AFFIDAVIT OF PLUGGING (HOLE PLUGGER)

INDUSTRIAL COMMISSION OF NORTH DAKOTA
OIL AND GAS DIVISION
600 EAST BOULEVARD DEPT 405
BISMARCK, ND 58505-0840
SFN 51467 (03-2005)



970135

STATELINE 3-0

PERMIT NUMBER: 6ED1000

AFFIDAVIT OF PLUGGING (HOLE PLUGGER)

STATE OF Montana)

)

COUNTY OF Richland)

Before me, Lori M. Oberly a Notary Public in and for the said

County and State, this day personally appeared Chuck Peterson

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

Erickson contract surveying, that (s)he has read North Dakota

Century Code Section 38-08.1 and that the foregoing seismic project has been plugged in

accordance with North Dakota Administrative Code Rule 43-02-12 and that the statements on

the attached documents are true.

Hole Plugger Representative

Subscribed in my presence and sworn before me this 18 day of October, 2007.

Notary Public

My Commission Expires 10-10-2011



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 Conquest Seismic Services		Address 2200 39th Ave NE Calgary, AB Canada T2E6P7	
Contact Randy Luckiw		Telephone (403) 216-5901	Fax
Surety Company RLI Insurance Co		Bond Amount \$50,000	Bond Number RLB0010406
2) a. Subcontractor(s) (ECS) Erickson Contract		Address 333 E 10th St. SE	Telephone (406) 482-6606
b. Subcontractor(s) <i>Surveying</i>		Address	Telephone
c. Subcontractor(s)		Address	Telephone
3) Party Manager Randy Luckiw		Address 2200 39th Ave NE Calgary, AB	Telephone (406) 216-5901
4) Project Name or Line Numbers State Line 3D			
5) Exploration Method (Shot Hole, Non-Explosive, 2D, 3D) Vibroseis/Shot Hole 3D			
6) Approximate Drilling Start Date August 1, 2007		Approximate Completion Date September 10, 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			
Section(s), Township(s) & Range(s)	Sec. 1,2,3,10,11	T. 148	R. 105
	Sec. 12,13,14,15	T. 148	R. 105
	Sec. 22,23,24	T. 148	R. 105
	Sec.	T.	R.

8) Size of Hole 3.5-4	Amt of Charge 5 lb	Depth 40'	Shots per Mi. (sq.mi.) 120	No. of Mi. (sq.mi.) 6.9	Identifying Marks Used on Nonmetallic Plug			
					Geophysical ID	a. Plugger ID GPS	b. Plugger ID	c. Plugger ID

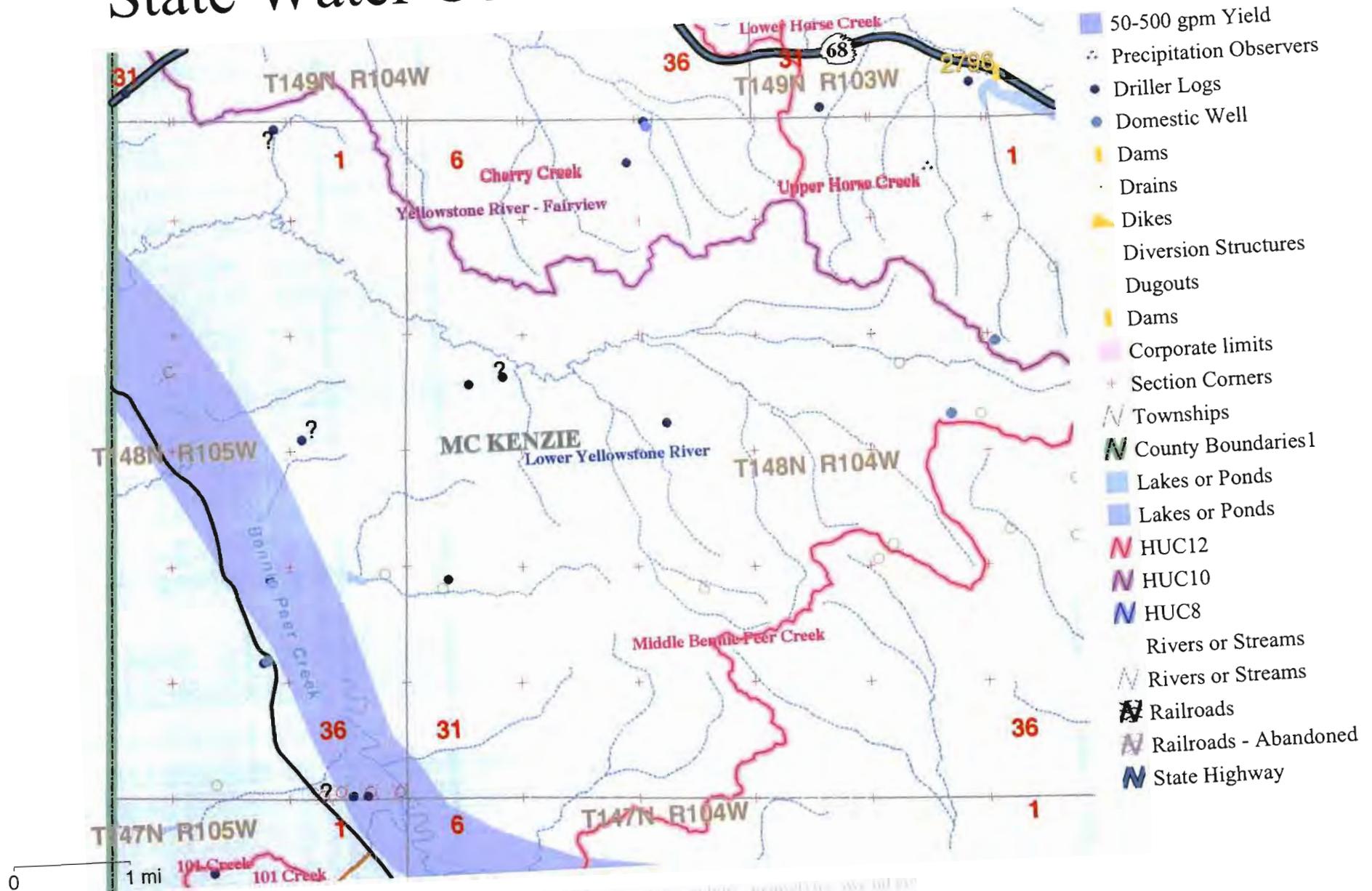
9) Anticipated special drilling and plugging procedures?
~~McKenzie County~~ **As per State of ND - GPS**

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

Signed <i>Leah Alright</i>	Title Permit Agent	Date 6-10-07
(This space for State office use)		Conditions of Approval if any See Attached letter
Permit No. 97-0135	Approval Date 7/16/2007	
Approved by <i>Gott L. [Signature]</i>	Title Mineral Resources Permit Manager	
County Approval Sent McKenzie County		

*See Instructions On Reverse Side

State Water Commission Water Wells



Map created using the NDSWC's computerized mapping system. See <http://www.ndswc.com>

Oil and Gas Division

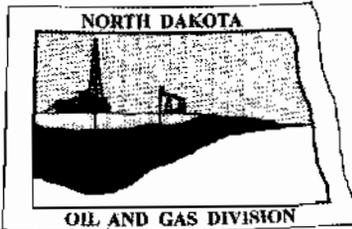
Lynn D. Helms - Director Bruce E. Hicks - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov



July 16, 2007

Mr. Randy Luckiw
2200 39th Ave NE
Calgary, AB Canada T2E6P7

RE: Geophysical Exploration Permits # 97-0135
State Line 3-D
McKenzie County, North Dakota

Dear Mr. Luckiw:

Please be advised that we are in receipt of your Geophysical Exploration permit and have conditionally approved your permit effective for one year from July 16, 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

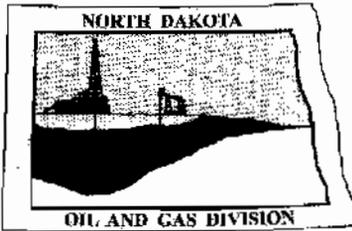
www.oilgas.nd.gov

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.
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



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

July 16, 2007

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

RE: Geophysical Exploration
 Permit #97-0135

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 July 16, 2007 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/scismicstats.asp>

Should you have any questions, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd L. Holwegger", with a long, sweeping horizontal line extending to the right.

Todd L. Holwegger
DMR Permit manager