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.STATE OF SOUTH DAKOTA

**DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY**

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

BOARD OF MINERALS AND ENVIRONMENT

CASE NO. 34-2013

**IN THE MATTER OF THE APPLICATION OF
CONTINENTAL RESOURCES, INC. FOR AN
ORDER OF THE BOARD AMENDING BOARD
ORDER NOS. 2, 2-78, 6-83, 3-96, 7-83, 8-83, 3-96,
20-97 AND 8-01 SO AS TO AMEND THE FIELD
RULES FOR THE BUFFALO FIELD AND
ESTABLISH THE FOLLOWING 1280-ACRE
SPACING UNITS: SECTIONS 2 AND 11,
SECTIONS 4 AND 9, AND SECTIONS 5 AND 8,
TOWNSHIP 21 NORTH, RANGE 3 EAST, THE
FOLLOWING 480-ACRE SPACING UNIT: N/2
AND SE/4 OF SECTION 15, TOWNSHIP 21
NORTH, RANGE 3 EAST, THE FOLLOWING
960-ACRE SPACING UNIT: ALL OF SECTION
13 AND THE E/2 OF SECTION 24, TOWNSHIP
22 NORTH, RANGE 3 EAST, THE
FOLLOWING 1280-ACRE SPACING UNITS:
SECTIONS 26 AND 35, SECTIONS 27 AND 34,
AND SECTIONS 28 AND 33, TOWNSHIP 22
NORTH, RANGE 3 EAST, AND THE
FOLLOWING 320-ACRE SPACING UNIT: W/2
OF SECTION 36, TOWNSHIP 22 NORTH,
RANGE 3 EAST, BUFFALO FIELD, HARDING
COUNTY, SOUTH DAKOTA; AND ALLOW
THE DRILLING OF ONE HORIZONTAL
WELL TO THE RED RIVER "B" POOL ON
EACH SPACING UNIT NOT LESS THAN 500
FEET TO THE SPACING UNIT BOUNDARY
AND FOR OTHER RELIEF AS THE BOARD
DEEMS APPROPRIATE.**

**PETITION AND APPLICATION
OF CONTINENTAL RESOURCES, INC.**

COMES NOW THE PETITIONER, Continental Resources, Inc. ("Continental") and for

its petition and application states and alleges as follows:

1.

That Continental is the owner of an interest in the oil and gas leasehold estate in portions of the following described lands, Harding County, South Dakota:

Township 21 North, Range 3 East

Section 2: All
Section 4: All
Section 5: All
Section 8: All
Section 9: All
Section 11: All
Section 15: N/2 and SE/4

Township 22 North, Range 3 East

Section 13: All
Section 24: E/2
Section 26: All
Section 27: All
Section 28: All
Section 33: All
Section 34: All
Section 35: All
Section 36: W/2

(the "Subject Lands")

2.

That by Board Order Nos. 2, 2-78, 20-97 and 2-10, the Buffalo Field is comprised of the following described lands, Harding County, South Dakota:

Township 22 North, Range 3 East

Sections 13, 24, 25, 26, 33, 34, 35 and 36

Township 22 North, Range 4 East

Sections 2 (SW/4), 3, 9, 10, 11 (W/2), 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33 and 34

Township 21 North, Range 3 East

Sections 1, 2, 3, 4, 9, 10, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36

Township 21 North, Range 4 East

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36

Township 21 North, Range 5 East

Sections 6, 7, 17, 18, 19 and 20

Township 20 North, Range 3 East

Sections 1, 12 and 13 (NE/4)

Township 20 North, Range 4 East

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35 and 36

Township 20 North, Range 5 East

Sections 6, 7, 18, 19, 30 and 31

3.

That Section 2, Township 21 North, Range 3 East, is currently spaced as a 320-acre spacing unit under Board Order No. 2-1978, and Section 11, Township 21 North, Range 3 East is currently spaced as a 640-acre spacing unit under Board Order No. 8-2001.

4.

That Sections 4 and 9, Township 21 North, Range 3 East, are currently spaced as a 640-acre spacing units, pursuant to Board Order No. 3-1996.

5.

That Section 5, Township 21 North, Range 3 East, is currently spaced as a 640-acre spacing unit, pursuant to Board Order No. 3-1996.

6.

That Sections 5 and 8, Township 21 North, Range 3 East, are currently not located in a field.

7.

That Section 15, Township 21 North, Range 3 East, is currently spaced as a 320-acre spacing units pursuant to Board Order No. 8-1983.

8.

That Section 13, Township 22 North, Range 3 East, is currently spaced as a 640-acre spacing unit pursuant to Board Order No. 20-1997 and the E/2 of Section 24, Township 22 North, Range 3 East, is currently spaced as a 320-acre spacing unit pursuant to Board Order No. 7-83.

9.

That Sections 26 and 35, Township 22 North, Range 3 East, are currently spaced as 320-acre spacing units pursuant to Board Order No. 2-78.

10.

That Sections 27 and 28, Township 22 North, Range 3 East, are currently spaced as a 320-acre spacing units in the Table Mountain Field pursuant to Board Order No. 6-83.

11.

That Sections 33 and 34, Township 22 North, Range 3 East, are currently spaced as a 320-acre spacing units pursuant to Board Order No. 7-83.

12.

That the W/2 of Section 36, Township 22 North, Range 3 East, is currently spaced as a 160-acre spacing unit pursuant to Board Order No. 3-76.

13.

That Continental desires to utilize the horizontal drilling technique to test and further develop the "B" zone of the Red River Formation, in and under the Subject Lands.

14.

That in utilizing the horizontal drilling technique, it is reasonably necessary to have a certain amount of flexibility with respect to well locations that the current orders and rules of the Board fail to provide.

15.

That it is the opinion of Continental that use of the horizontal drilling technique to test and further develop the "B" zone of the Red River Formation will increase the ultimate recovery of the reservoir in a manner which will prevent waste, protect correlative rights and prevent the drilling of unnecessary wells.

16.

That Continental requests an order of the Board amending Board Order Nos. 2, 3-76, 2-78, 6-83, 7-83, 8-83, 3-96, 20-97 and 8-01 so as to amend the field rules for the Buffalo Field and establish the following 1280-acre spacing units: Sections 2 and 11, Sections 4 and 9, and Sections 5 and 8, Township 21 North, Range 3 East, the following 480-acre spacing unit: N/2 and SE/4 of Section 15, Township 21 North, Range 3 East, the following 960-acre spacing unit: all of Section 13 and the E/2 of Section 24, Township 22 North, Range 3 East, the following 1280-acre spacing units: Sections 26 and 35, Sections 27 and 34, and Sections 28 and 33, Township 22 North, Range 3 East, and the following 320-acre spacing unit: W/2 of Section 36, Township 22 North, Range 3 East, Buffalo Field, Harding County, South Dakota; and allow the drilling of one horizontal well to the Red River

“B” pool on each spacing unit not less than 500 feet to the spacing unit boundary and for other relief as the Board deems appropriate.

16.

That the legal authority and jurisdiction under which a hearing would be held and the particular statutes and rules involved are S.D.C.L. Ch. 1-26, S.D.C.L. Ch. 45-9 and A.R.S.D. Ch. 74:09:01 and A.R.S.D. Ch. 74:12:02.

WHEREFORE, Continental respectfully requests that this matter be set for hearing and that thereafter the Board of Minerals and Environment grant the following:

- a. That Board Order Nos. 2, 3-76, 2-78, 6-83, 7-83, 8-83, 3-96, 20-97 and 8-01 and any applicable orders or rules of the Board be amended so as to establish Sections 2 and 11, Sections 4 and 9, and Sections 5 and 8, Township 21 North, Range 3 East, as 1280-acre spacing units, the N/2 and SE/4 of Section 15, Township 21 North, Range 3 East, as a 480-acre spacing unit, all of Section 13 and the E/2 of Section 24, Township 22 North, Range 3 East, as a 960-acre spacing unit, Sections 26 and 35, Sections 27 and 34, and Sections 28 and 33, Township 22 North, Range 3 East, as 1280-acre spacing units, and the W/2 of Section 36, Township 22 North, Range 3 East, as a 320-acre spacing unit in the Buffalo Field, Harding County, South Dakota, and allow the drilling of one horizontal well not less than 500 feet to the spacing unit boundary for each spacing unit;
- b. That Board Order Nos. 2, 6-83, 13-97, and 20-97 and any applicable orders or rules of the Board be amended so as to include Sections 27 and 28, Township 22 North, Range 3 East, within the Buffalo Field;

- c. That the boundaries of the Buffalo Field be expanded to encompass Sections 5 and 8, Township 21, North, Range 3 East.
- d. That the Board be authorized to issue drilling permits for the horizontal wells requested upon receipt of appropriate applications as provided by the rules and regulations of the Board; and
- e. That Continental be granted other relief as the Board deems appropriate.

DATED this 4th day of September, 2013.

Fredrikson & Byron, P.A.



By

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