

Minerals & Mining Program - Oil & Gas Section  
 2050 West Main, Suite #1, Rapid City, SD 57702-2493  
 Telephone: 605-394-2229, FAX: 605-394-5317



State of South Dakota  
 Department of Environment  
 and Natural Resources

**APPLICATION FOR PERMIT TO DRILL**

Type of work:  
 Drill New Well  Reenter Well  Drill Directional Well  
 Other \_\_\_\_\_

Type of well:  
 Oil Well  Gas Well  Injection  
 Other \_\_\_\_\_

Name and Address of Operator: \_\_\_\_\_ Telephone: **303 807 6487**

Name and Address of Surface Owner: **Nakota Energy LLC, Mr. David Smith, PO Box 270894, Littleton CO. 80127**  
**City of Faith, City Business Office, 605 967.2261**  
**204 N. Main St. Faith SD 57626 Mayor Mr. Glen Haines**

Name and Address of Drilling Contractor and Rig Number:  
**Water Systems Drilling Inc., 6300 Hitt Blvd. PO Box 368 303 686**  
**Gillette WY 82717 1747**

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):  
**SWSW NW Sec. 10, T12N - R17E, Lat 45' 01' 3.19**  
**181' FWL, 2042' FNL This is an exception location, MEADE CO. S.D.**

If Directional, top of pay and bottom hole location from nearest lines of section:  
**N/A**

Acres in Spacing (Drilling) Unit: **160 (tentative)**

Description of Spacing Unit:  
**1/4 Section = 1 well**  
**1 Section = 4 wells**

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation	
<b>Nakota - Faith # 1-10 - 12-17</b>	<b>91 = 2549</b>	<b>Wildcat</b>	<b>At 4500' test will be deep enough to evaluate primary (Greenhorn) to Sundance</b>	
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)
1) <b>12 1/4"</b>	<b>8 5/8"</b>	<b>24.00</b>	<b>800'</b>	<b>330 SX Class 'G'</b>
2) <b>7 7/8"</b>	<b>5 1/2"</b>	<b>15.50</b>	<b>4500'</b>	<b>Sufficient to cover Carlisle shale</b>
3)				
4)				

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate. **Drill and test two zones (if shows warrant). Targets are (primary) Greenhorn limestone, (Secondary) Muddy Sandstone and (tertiary) Sundance Group. All reserve pits will be lined. Zones w/ hydrocarbon shows will be tested (if possible) and evaluated w/ mud logging equipment, and geophysical logs. Work is expected to commence by mid-Jan., 2010.**

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

**Anthony K. Petres** Signature      **Anthony K. Petres** Name (Print)      **Consulting Geologist** Title      **12/17/09** Date

**FOR OFFICE USE ONLY**

Approved By: **[Signature]** Title: **Oil and Gas Supervisor**

Permit No. **1962** API No. **40 093 20029** Date Issued: **January 6, 2010**

Conditions, if any, on attached page.