



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

FORM 2
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DEC 13 2011

DEPT OF ENVIRONMENT & NATURAL RESOURCES

State of South Dakota
 Department of Environment
 and Natural Resources

APPLICATION FOR PERMIT TO DRILL

State of Well: New Well Re-enter Well Drill Directional Well

Type of well: Oil Well Gas Well Injection

Other _____ Other _____

Name and Address of Operator: **Continental Resources, Inc** P.O. Box 1032, Enid, OK 73702 Telephone: **(580) 233-8955**

Name and Address of Surface Owner: **Clarkson & Company** 12233 Rasmus Road, Buffalo, SD 57750

Name and Address of Drilling Contractor and Rig Number: **Cyclone 1** P.O. Box 908, Gillette, WY 82717

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):

2070' FNL & 876' FWL, SWNW Sec 19 T21N R4E

If Directional, top of pay and bottom hole location from nearest lines of section:

BHL 2600' FSL & 2200' FEL NWSE Sec 18 T21N R4E

Acres in Spacing (Drilling) Unit: 1280 Description of Spacing Unit: Buffalo Red River Unit

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
BRRU 12=19H	3208	Buffalo	Red River "B" @ 8634

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 13 1/2	9 5/8	36	1440	657 sks	
2) 8 3/4	7	23-29	8910	958 sks	
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.

The BRRU 12-19H is a horizontal Red River "B" well that will be drilled vertically to approximately the top of the Devonian Duperow formation before drilling a medium radius build section in a N 37 E direction and 7" casing set a foot or so above the Red River "B" porosity zone. Pit will be lined with a 12 mil plastic liner. Estimated spud date 12/25/2011.

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

Terry L. Olson Signature Terry L. Olson Name (Print) Reg. Compl. Spec. Title 12/07/2011 Date

FOR OFFICE USE ONLY

Approved By: *Robert T. Jensen* Title: *Minerals & Mining Program Administrator*

Permit No: 2004 API No: 40 063 20727 Date Issued: 12-30-11

Conditions, if any, on attached page

PERMIT CONDITIONS

CRI: 12-19H BRRU
21N-4E-19 SWNW, Harding County

Permit: #2004
API: 40 063 20727

Approval has been granted to drill this location as detailed on the attached Application for Permit to Drill (Form #2) with the following additional conditions:

1. This permit is conditioned on compliance with all applicable requirements of South Dakota Codified Laws 45-9 and Administrative Rules of South Dakota 74-10.
2. A 12-mil woven, reinforced high-density polyethylene liner must be used.
3. Surface runoff must be diverted around the drill site.
4. The surface hole must be drilled with fresh water.
5. Cement must be circulated to the ground surface on the surface casing.
6. If horizontally drilled:
 - A. The coordinates of the production casing shoe and the well terminus must be filed with the department.
 - B. The azimuth of the horizontal segment of the well must be filed with the department along with the results of periodic down hole surveys.
7. If production casing (long string) is set:
 - A. Sufficient cement must be circulated on the long string to cover any fresh water aquifer not covered by the surface casing.
 - B. A cement bond log must be run and filed with the department.
8. If abandoned:
 - A. With long string, sufficient cement must be circulated to install:
 1. A 100-foot cement plug immediately above the KOP, if horizontally drilled.
 2. A 100-foot cement plug, half in and half out of the top of the casing stub after the retrievable part of the production casing has been removed.
 3. A 100-foot cement plug, half in and half out of the top of any fresh water aquifer between the top of the casing stub and the base of the surface casing. Freshwater resources at this site include: Minnelusa, Minnekahta, Canyon Springs, and Inyan Kara.
 4. A 100-foot plug, half in and half out of the base of the surface casing.
 5. A 25-foot cement plug at the top of the surface casing.
 - B. Without long string, sufficient cement must be circulated to set:
 1. A 100-foot cement plug immediately above the KOP, if horizontally drilled.
 2. 100-foot cement plugs, half in and half out of the top of the following formations: Red River, Interlake, Madison, Minnelusa, Canyon Springs, and Inyan Kara.
 3. A 100-foot cement plug, half in and half out of the base of the surface casing.
 4. A 25-foot cement plug at the top of the surface casing.
 - C. Heavy, mud-laden fluid must be used between all plugs.
9. Surface reclamation of the site must be completed within one year of plugging and abandoning the well.
10. A washed set of sample cuttings (or cores, if cut) must be shipped, free of charge, to:

Derric Iles
Geological Survey Program
Akeley-Lawrence Science Center
University of South Dakota
414 E. Clark Street
Vermillion, SD 57069-2390
11. Please notify this office prior to plugging so a witness can be on location. If plugging will occur after regular business hours, call Lucy Dahl at 605-773-3779.