



APPLICATION FOR PERMIT TO DRILL

Type of work: Drill New Well Re-enter Well Drill Directional Well Other _____

Type of well: Oil Well Gas Well Injection Other _____

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

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

Name and Address of Drilling Contractor and Rig Number: **Cyclone Drilling #1 P.O. Box 908, Gillette, WY 82717-0908**

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

NENE Sec 12 T21N R3E, Harding Co., 960' FNL & 540' FEL; Lat: 45 48 11.114, Long: -103 41 19.402

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

Top of Pay: 932' FNL & 1014' FEL BHL: 700' FNL & 520' FWL

Acres in Spacing (Drilling) Unit **320** Description of Spacing Unit **Buffalo Red River Unit**

Well Name and Number		Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Lennerville 41-12H		3042	Buffalo Red River "B"	12578' Red River "B"
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 Type 3; Type III celloflake
2) 8 3/4	7	23-29	8910	958 sks 60/40 Type III; Class G
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.

This well will be drilled to a kick off point near the top of the Interlake, the build section will be drilled to the west to land at least 500' from the east boundary of the 320 acre drilling unit, 7" casing will be landed at or near the top of the Red River "B" zone porosity and the lateral drilled to the west as shown on the attached Red River structure map.

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. Compliance Title 06/19/2012 Date

FOR OFFICE USE ONLY

Approved By: Robert Tarnaud Title: Administrative Minerals Mining Prog.
 Permit No. 2018 API No. 40 063 20736 Date Issued: 10/26/2012
 Conditions, if any, on attached page.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

*Minerals & Mining Program
2050 West Main Street, Suite #1
Rapid City, SD 57702-2493
Telephone: 605-394-2229
Fax: 605-394-5317*

PERMIT CONDITIONS

CRI: 41-12H Lennerville
21N-3E-12 NENE, Harding County

Permit: 2018
API: 40 063 20736

Approval has been granted to drill this location as detailed on the attached Application for Permit to Drill (Form #2) with the spacing unit description corrected to read "N/2 Section 12 T21N R3E" and 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 74-12.
2. A 12-mil woven, reinforced high-density polyethylene liner must be used on all pits.
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. The cement program approved as submitted with the application shall be followed.
 - B. A cement bond log must be run and filed with the department within 60 days after completion of the well as required by Administrative Rules of South Dakota 74:12:02:12.
8. If abandoned, a plugging plan must be submitted to the department for review and approval. The plugging plan should address all requirements found in Administrative Rules of South Dakota 74:12:03.
 - A. If production casing is left in the wellbore, a mechanical integrity test must be conducted to verify the integrity of the casing as required by rule 74:12:03:02(4)(b)(ii).
 - B. The casing string must be cut off at least three feet below the final ground surface contour. A plate with the name of the operator, well name and number, and legal location by quarter-quarter section, township and range must be welded to the casing stub. The location of the abandoned well must be surveyed with high resolution global positioning system equipment or other appropriate survey methods sufficient to accurately locate the well. Survey coordinates must be included in the final abandonment report.
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 or MIT so a witness can be on location. If plugging or MIT will occur after regular business hours, call Lucy Dahl at 605-773-6257.