



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program
 2050 West Main, Suite #1, Rapid City, SD 57702-2493
 Telephone: 605-773-4201, FAX: 605-394-5317

FORM 2
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MAR 29 2013

DEPT OF ENVIRONMENT & NATURAL
 RESOURCES - RAPID CITY

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: Continental Resources, Inc., P.O. Box 268870, Oklahoma City, OK 73126 Telephone: 405-234-9000

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

Name and Address of Drilling Contractor and Rig Number: Cyclone Drilling, Inc. #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):
 NWNNE, Sec. 8-T21N-R4E, Harding Co., 660' FNL & 1325' FEL; Lat: 45° 48' 13.75"; Long: -103° 39' 01.74"

If Directional, top of pay and bottom hole location from nearest lines of section:
 Top of Pay: 668' FNL & 1684' FEL, Sec. 8; BHL: 900' FNL & 700' FWL, Sec. 7-T21N-R4E

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

Well Name and Number:	Elevation:	Field and Pool, or Wildcat:	Proposed Depth and Formation:
BRRU 31-8H	3003' FRGE	Buffalo	16,940' MD; Red River "B"

Size of Hole:	Size of Casing:	Weight per Foot:	Depth:	Cementing Program (amount, type, yield, additives)	Depth:
1)					
2)					
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 31-8H is an existing horizontal, Red River "B" formation well. CRI requests to re-enter the wellbore and extend the length of the original lateral from 906' FNL & 1281' FEL of Sec. 7, to 900' FNL & 700' FWL of Sec. 7. Please see the attached directional plan, location plats, and original wellbore surveys.

Pit Liner Specifications: A 12 mil plastic liner will be used to line the cuttings pit during drilling operations.

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 Terry L. Olson Reg. Compliance Spec. 03/25/2013
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By: Pat Tansoul Title: Administrator Minerals Mining Prog.

Permit No.: 2029 API No.: 40 063 20533.01 Date Issued: 4/12/2013

Conditions, if any, on attached page.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

PERMIT CONDITIONS

CRI: BRRU 31-8H
21N-4E-8 NWNE, Harding County

Permit: 2029
API: 40 063 20533.01

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 74-12.
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 casing and cementing program of the wellbore to be reentered is acceptable.
 - 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. **Interim reclamation must be completed within one year after site is completed in accordance with Administrative Rules of South Dakota 74:12:03:07.**
11. 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

12. 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 Jeff Klenner at (605) 929-1414.