



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

FORM2

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JUN 03 2013

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY



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: PRIMA EXPLORATION, INC. 100 Fillmore St. #450, Denver, CO 80206 Telephone: 303-755-5681

Name and Address of Surface Owner: Stearns Brothers LLC 203 Third Avenue SW, Bowman, ND 58623

Name and Address of Drilling Contractor and Rig Number: NOT YET CONTRACTED

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
 NENE Sec 32-23N-4E 1300' FEL & 300' FNL Lat 45°55'13.971" Long 103°39'2.316"
 If Directional, top of pay and bottom hole location from nearest lines of section: 7" casing @ 9614' MD, 9037' TVD
 500' FSL & 1493' FEL Sec 29-23N-4E BHL 17,426 MD, 9165' TVD @ 610' FNL & 1949' FWL Sec 20-23N-4E

Acres in Spacing (Drilling) Unit: 897.60 Description of Spacing Unit: All of Section 20 & N2, SE Sec 29-T23N-R4E

Well Name and Number:	Elevation:	Field and Pool, or Wildcat:	Proposed Depth and Formation:
Garfield 31-32-2920H	3158.4'	South Medicine Pole Hills	9100 TVD, Red River

Size of Hole:	Size of Casing:	Weight per Foot:	Depth:	Cementing Program (amount, type, yield, additives)	Depth:
1) 13 1/2"	9 5/8	36#	1000'	200 sx control set C @ 2.46 cu ft/sx; 200 sx 0:1:0 G @ 1.15 cu ft/sx	Surface
2) 8 3/4"	7"	26 & 29#	9615'	300 sx 1:1:6 Poz @ 2.3 cu ft/sx; 200 sx Thermal 35 @ 1.63 cu ft/sx	3575'
3) 6 1/8"	None	None	17,426'	None	
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.
 Red River "B" horizontal well. TD 17,426'; TVD 9165'. Open hole lateral 7812'. The vertical section will be drilled to KOP of 8460' in the Lodgepole formation before building a medium radius curve to a 90° horizontal. 7" casing will be set & cemented thru the curve. Artificial lift will be used to produce the well. Construction is planned to begin on July 10, 2013. A surface reserve pit lined with a 12 mil minimum liner will be used to contain all drilling fluids.

Pit Liner Specifications:

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

Kendall Read Signature Kendall Read Name (Print) Operations Manager Title 5/31/2013 Date

FOR OFFICE USE ONLY

Approved By: Paul T... Title: Administrator Minerals & Mining Prog.
 Permit No.: 2035 API No.: 40 063 20749 Date Issued: 6/14/2013
 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

Prima: Garfield 31-32-2920H
23N-4E-32 NENE, Harding County

Permit: #2035
API: 40 063 20749

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 cement program 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. Interim reclamation must be conducted on all areas disturbed by a well drilling operation and not needed for production operations within 12 months after the well 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.