



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program - Oil & Gas Section
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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: Telephone
 Nakota Energy LLC PO Box 342, Faith SD 57626 (910) 409-3588

Name and Address of Surface Owner:
 City of Faith PO Box 8, Faith SD 57626

Name and Address of Drilling Contractor and Rig Number:
 Rapid Drilling 22478 Bennett Road, Rapid City SD 57701

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

SW1/4NE1/4 Sect. 21 T12N-R17E Meade County 573.2' FNL & 614.7' FEL OF
 If Directional, top of pay and bottom hole location from nearest lines of section: SWNE

Acres in Spacing (Drilling) Unit Description of Spacing Unit
 40 SW1/4NE1/4 Sect. 21 T12N-R17E

| | | | |
|-------------------------|-----------|----------------------------|------------------------------|
| Well Name and Number | Elevation | Field and Pool, or Wildcat | Proposed Depth and Formation |
| Nakota-Faith 3-21-12-17 | 2,492.9' | Faith Field | 3,000' Mosby Sandstone |

| | | | | | |
|--------------|----------------|-----------------|--------|---|--------|
| Size of Hole | Size of Casing | Weight per Foot | Depth | Cementing Program (amount, type, additives) | Depth |
| 1) 13 1/4" | 9 5/8" | 27.00 lb. | 800' | Class G 370 Sks 15lb/gal surface to | 800' |
| 2) 7 7/8" | 5 1/2" | 15.50 lb. | 3,000' | Class G cement as required to TD | 3,000' |
| 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.
 Plan is to test two zones; the Turner at approx. 2,100' and the Eagle at approx. 1,100'. Oil shows in other formations will be evaluated and possibly tested as drilling proceeds.
 Proposed date of starting is June 1/11.

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

W.J. Sutton W.J. Sutton Manager 05/06/2011
 Signature Name (Print) Title Date

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

Permit No. 1994 API No. 40 093 20033 Date Issued: May 25, 2011

Conditions, if any, on attached page.