SD EForm - 0437 V1

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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MAY 25 2011
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: Nakota Energy LLC PO Box 342, Faith SD 57626 Telephone (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):

SE1/4NE1/4 Sect.21 T12N-R17E Meade County 657.3' FNL & 634.7' FEL OF SE/4 NE/4

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

Acres in Spacing (Drilling) Unit: 40

Description of Spacing Unit: SE1/4NE1/4 Sect.21 T12N-R17E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Nakota-Faith 5-21-12-17	2,520.6'	Faith Field	3,000' Mosby Sandstone

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12 1/4"	8 5/8"	24.00 lb.	800'	Class G 340 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. Pits will have12 mill liners. Proposed start date is July 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.

Signature	Name (Print)	Title	Date
W.J. Sutton	W.J. Sutton	Manager	05/23/2011

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Approved By: Fred W Stice Title: Oil and Gas Supervisor

Permit No. 1995 API No. 40 093 20034 Date Issued: June 7, 2011

Conditions, if any, on attached page.