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
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FORM 2

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MINERALS & MINING PROGRAM

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DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

Department 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: Michael Smith 97 Musser Road, Newcastle WY 82701

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

SW1/4NW1/4 Sect. 10 T12N-R17E Meade County 2,042.0' FNL & 181.0' FWL

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

Acres in Spacing (Drilling) Unit: 40

Description of Spacing Unit: T12N-R17E Sect. 10 SW1/4NW1/4

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Nakota-Faith 2-10-12-17	2,548.7'	Faith Field	2,850' Mosby Sandstone

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9 7/8"	7"	20	1,247'	Class G 460 Sks 15lb/gal 3,706' to	1,100'
2) 7 7/8"	5 1/2"	15	3,627'	Class G 210 Sks 15lb/gal 1.100' to	0'
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 the Turner at approx 2,100' and the Eagle at approx 1,200'. An interval in the zone from 525' to 700' may also be tested. This will be an exception location. Therefore, plans do not include producing oil from the same formation in both this well and Nakota-Faith 1-10-12-17. The Mosby at 2,850' may also be tested. Proposed starting date 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.

Signature	Name (Print)	Title	Date
W.J. Sutton	W.J. Sutton	Manager	04/26/2011

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Approved By: Robert Townsend Title: Minerals & Mining Admin.

Permit No. 1997 API No. 40 093 20035 Date Issued: 6/15/11

Conditions, if any, on attached page.