



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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DEC 04 2012

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

Name and Address of Surface Owner:
 David Niemi 12201 S. Cave Road, Buffalo, SD 57720-8000

Name and Address of Drilling Contractor and Rig Number:
 Cyclone Drilling, Inc. #1 P.O. Box 908, Gillette, WY 84717-0908

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
 NWSW Sec 32 T21N R4E, Harding Co.; 1400' FSL & 700' FWL; Lat: 45 44 13.424; Long: -103 39 47.369
 If Directional, top of pay and bottom hole location from nearest lines of section:
 Top of Pay: 8774' MD; BHL: NENE Sec 6 T20N R4E 1300' FNL & 500' FEL

Acres in Spacing (Drilling) Unit Description of Spacing Unit
 20,648 South Buffalo Red River Unit; Order # 4-97

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
SBRRU 13-32H	3148' FRGE	South Buffalo	11,701' MD Red River "B"

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 13 1/2"	9 5/8"	36#	1440'	657 sks Type 3; Type III	
2) 8 3/4"	7"	23, 26, 29	8774'	945 sks Type III	
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.
 Case #15-2012: The SBRRU 13-32H is a horizontal Red River "B" test located in Sec 32 T21N R4E, Harding Co., South Dakota. The well will be drilled vertically, approximately to the Silurian Interlake formation, before drilling an 8 3/4" hole at 12 degrees/100 BUR to the southwest and setting 7" casing approximately one foot above the Red River "B" porosity zone. The lateral will then be drilled to the bottom hole at 1300' FNL & 500' FEL of Sec 6 T20N R4E. The estimated date to begin work is 12/20/2012

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 12/3/2012
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By: [Signature] Title: Administrator Minerals & Mining Programs
 Permit No. 2020 API No. 40 063 20737 Date Issued: 12/12/2012
 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: SBRRU 13-32H
21N-4E-32 NWSW, Harding County

Permit: 2020
API: 40 063 20737

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 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. 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

11. 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.