



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

FORM 2
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 SEP 25 2014

State of South Dakota
 Department of Environment
 and Natural Resources

APPLICATION FOR PERMIT TO DRILL

DEPT OF ENVIRONMENT & NATURAL
 RESOURCES - RAPID CITY

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

Name and Address of Surface Owner: Johnson Ranch, LLP, 12478 Bob's Place, Buffalo, SD 57720

Name and Address of Drilling Contractor and Rig Number: Cyclone Drilling, Inc., #1, P.O. Box 908, Gillette, WY 82717-0908

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
 SESW Sec 6 T20N R5E, Harding Co., 739' FSL & 1763' FWL; Lat: 45°43' 15.86"; Long: -103°33' 31.67"

If Directional, top of pay and bottom hole location from nearest lines of section:
 Top of Pay: 8552' TVD, 1172' FSL & 1562' FWL SESW Sec 6 T20N R5E; BHL: NWSE Sec 36 T21N R4E, 2000' FSL & 2000' FEL

Acres in Spacing (Drilling) Unit: 20,648 Description of Spacing Unit: South Buffalo Red River Unit

Well Name and Number:	Elevation:	Field and Pool, or Wildcat:	Proposed Depth and Formation:
SBRRU Federal 24-6H	3011' FRGE	SBRRU	15,426' MD; Red River "B"

Size of Hole:	Size of Casing:	Weight per Foot:	Depth:	Cementing Program (amount, type, yield, additives)	Top of Cement:
1) 13.5"	9 5/8"	36#	1500'	542 sks Type III	Surface
2) 8 3/4"	7"	23, 26, 32#	8825'	673 sks 60/40 Type III/Pozz, Glass G	3000'
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.

The SBRRU Federal 24-6H is a horizontal Red River "B" well with a SHL located at 739' FSL and 1763' FWL of Sec 6 T20N R5E in Harding Co., S. Dakota. The well will be drilled vertically, approximately to the top of the Silurian Interlake formation. From this point, an 8 3/4" hole at 12 deg/100 ft BUR will be drilled to the northwest at and azimuth of 335 degrees, through which the 7" casing will be set approximately at the top of the Red River "B" porosity zone. The lateral will then be drilled to a BHL of 2000' FSL & 2000' FEL of Sec 36 T21N R4E. Estimated date to begin dirt work is 10/10/2014.

Pit Liner Specifications: A 12 mil plastic liner will be used to line the cuttings pit during drilling operations.

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 Specialist 9/23/2014
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By: R. L. Townsend Title: Administrator Minerals & Mining Prog.
 Permit No.: 2056 API No.: 40 06320768 Date Issued: 10/9/2014

Conditions, if any, on attached page.



**DEPARTMENT OF ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov



PERMIT CONDITIONS

CRI: SBRRU Federal 24-6H
20N-5E-6 SESW, Harding County

Permit: #2056
API: 40 063 20768

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. If drilling does not commence within one year from the issuance date, this permit will expire.
4. Surface runoff must be diverted around the drill site.
5. The surface hole must be drilled with fresh water.
6. Cement must be circulated to the ground surface on the surface casing.
7. 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.
8. 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.
9. 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.
10. Surface reclamation of the site must be completed within one year of plugging and abandoning the well.
11. 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.

12. 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

13. 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.