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DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

Fredrikson
& BYRON, P.A.

July 1, 2013

Ms. Jenny Hegg
Department of Environment and
Natural Resources
2050 West Main, Suite #1
Rapid City, SD 57701

VIA EMAIL AND U.S. MAIL

RE: CASE NO. 26-2013: IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ORDER NO. 6-83, AND ANY OTHER FIELD ORDERS OR SPACING RULES; SO AS TO ALLOW THE MITCHELL 31-16H WELL, LOCATED IN THE NW/4NE/4 OF SECTION 16, TOWNSHIP 22 NORTH, RANGE 3 EAST, TABLE MOUNTAIN FIELD, HARDING COUNTY, SOUTH DAKOTA, TO BE LOCATED, COMPLETED AND/OR TO PRODUCE AT A DISTANCE OF NOT LESS THAN 500 FEET FROM THE KOCH 34-16 STATE WELL CURRENTLY PRODUCING FROM THE "B" ZONE OF THE RED RIVER FORMATION AND/OR SUCH FURTHER AND ADDITIONAL RELIEF AS THE BOARD DEEMS APPROPRIATE.

Dear Ms. Hegg:

Please find enclosed herewith for filing a PETITION AND APPLICATION OF CONTINENTAL RESOURCES, INC. for consideration.

Thank you for your attention to this matter.

If you should have any questions, please advise.

Sincerely,


LAWRENCE BENDER

LB/leo

Enclosure

cc: Mr. Michael Lees – (w/enc.) *Via Email*

Ms. Christi Wood – (w/enc.) *Via Email*

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DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

STATE OF SOUTH DAKOTA

DEPARTMENT OF ENVIRONMENTAL AND NATURAL RESOURCES

BOARD OF MINERALS AND ENVIRONMENT

CASE NO. 26-2013

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ORDER NO. 6-83, AND ANY OTHER FIELD ORDERS OR SPACING RULES; SO AS TO ALLOW THE MITCHELL 31-16H WELL, LOCATED IN THE NW/4NE/4 OF SECTION 16, TOWNSHIP 22 NORTH, RANGE 3 EAST, TABLE MOUNTAIN FIELD, HARDING COUNTY, SOUTH DAKOTA, TO BE LOCATED, COMPLETED AND/OR TO PRODUCE AT A DISTANCE OF NOT LESS THAN 500 FEET FROM THE KOCH 34-16 STATE WELL CURRENTLY PRODUCING FROM THE "B" ZONE OF THE RED RIVER FORMATION AND/OR SUCH FURTHER AND ADDITIONAL RELIEF AS THE BOARD DEEMS APPROPRIATE.

PETITION AND APPLICATION
OF CONTINENTAL RESOURCES, INC.

Continental Resources, Inc. ("Continental") and for its petition and application to the Department of Environment and Natural Resources, Board of Minerals and Environment (the "Board"), states and alleges as follows:

1.

That by Board Order Nos. 6-83, 7-95, 12-08, 13-08 and 5-10, the Table Mountain Field is comprised of the following described lands, Harding County, South Dakota:

Township 23 North, Range 3 East

Section 25: All

Section 26: All

Section 35: All

Section 36: All

Township 23 North, Range 4 East
Section 30: NW/4

Township 22 North, Range 2 East
Section 24: E/2

Township 22 North, Range 3 East

Section 1: All
Section 2: All
Section 3: All
Section 4: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 19: All
Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All

2.

Continental is the owner of an interest in the oil and gas leasehold estate underlying all or portions of the following described lands in Harding County, South Dakota:

Township 22 North, Range 3 East

Section 16: All
Section 21: All

(the "Subject Lands")

3.

In Order No. 4-2013, the Board established the Subject Lands as a 1280-acre spacing unit in the Table Mountain field.

4.

That the Department of Environment and Natural Resources issued a permit to drill the Koch 34-16 State well as a vertical well on the S/2 of Section 16, Township 22 North, Range 3 East, Harding County, South Dakota. Continental is the operator of the Koch 34-16 State vertical well.

5.

That Continental submitted a permit to drill the Mitchell 31-16H well to be located on a spacing unit comprised of the Subject Lands, designating Continental as the operator of the Mitchell 31-16H well within said spacing unit.

6.

That the Subject Lands and spacing unit for the Mitchell 31-16H well overlap the spacing unit for the Koch 34-16 State well.

7.

That pursuant to Order No. 6-83, the current allowable distance between wells in the Table Mountain Field is 1320 feet. The distance between the Koch 34-16 State well and the Mitchell 31-16H well will be approximately 850 feet.

8.

That Continental desires to utilize the horizontal drilling technique to test and develop the "B" zone of the Red River formation, in areas of the Table Mountain Field utilizing the Mitchell 31-16H well.

9.

That in utilizing the horizontal drilling technique, it is reasonably necessary to have a certain

amount of flexibility with respect to well locations that the current rules for the Table Mountain Field fail to provide.

10.

That Continental hereby requests an order of the Board amending Order No. 6-83, and any other field orders or spacing rules; so as to allow the Mitchell 31-16H Well, located in the NW/4NE/4 of Section 16, Township 22 North, Range 3 East, Table Mountain Field, Harding County, South Dakota, to be located, completed and/or to produce at a distance of not less than 500 feet from the Koch 34-16 State well currently producing from the "B" Zone of the Red River Formation and/or such further and additional relief as the Board deems appropriate.

11.

That it is the opinion of Continental that use of the horizontal drilling technique to test and further develop the "B" zone of the Red River formation will increase the ultimate recovery of the reservoir in a manner which will prevent waste, protect correlative rights and prevent the drilling of unnecessary wells.

12.

That the legal authority and jurisdiction under which a hearing would be held and the particular statutes and rules involved are SDCL Ch. 1-26, SDCL Ch. 45-9 and ARSD Ch. 74:09:01 and ARSD Ch. 74:12:02.

WHEREFORE, Continental respectfully requests that notice of this matter be provided as required by South Dakota laws and that thereafter the Board of Minerals and Environment enter its order granting the relief requested herein.

DATED this 1st day of July, 2013.

Fredrikson & Byron, P.A.

By 

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**ATTORNEYS FOR APPLICANT AND
PETITIONER, CONTINENTAL RESOURCES,
INC.**

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