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DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

STATE OF SOUTH DAKOTA

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

BOARD OF MINERALS AND ENVIRONMENT

CASE NO. 3-2013

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING BOARD ORDER NOS. 2, 2-78, 7-83, 13-97 AND 8-01 TO AMEND THE FIELD RULES FOR THE BUFFALO FIELD SO AS TO ESTABLISH A 1280-ACRE SPACING UNIT COMPRISED OF SECTIONS 3 AND 10, TOWNSHIP 21 NORTH, RANGE 3 EAST, AND TO ESTABLISH A 640-ACRE SPACING UNIT COMPRISED OF THE W/2 OF SECTION 24 AND THE W/2 OF SECTION 25, TOWNSHIP 22 NORTH, RANGE 3 EAST, BUFFALO FIELD, HARDING COUNTY, SOUTH DAKOTA; AND ALLOW THE DRILLING OF ONE HORIZONTAL WELL TO THE RED RIVER "B" POOL ON EACH SPACING UNIT NOT LESS THAN 500 FEET TO THE SPACING UNIT BOUNDARY AND/OR SUCH FURTHER AND ADDITIONAL RELIEF AS THE BOARD DEEMS APPROPRIATE.

PETITION AND APPLICATION
OF CONTINENTAL RESOURCES, INC.

COMES NOW THE PETITIONER, Continental Resources, Inc. ("Continental") and for its petition and application states and alleges as follows:

1.

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

Township 21 North, Range 3 East
Section 3: All
Section 10: All

Township 22 North, Range 3 East

Section 24: W/2

Section 25: W/2

(the "Subject Lands")

2.

That by Board Order Nos. 2, 2-78, 7-83, 13-97 and 8-01, the Buffalo Field is comprised of the following described lands, Harding County, South Dakota:

Township 22 North, Range 3 East

Sections 13, 24, 25, 26, 33, 34, 35 and 36

Township 22 North, Range 4 East

Sections 3, 9, 10, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33 and 34

Township 21 North, Range 3 East

Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36

Township 21 North, Range 4 East

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36

Township 21 North, Range 5 East

Sections 6, 7, 17, 18, 19 and 20

Township 20 North, Range 3 East

Sections 1, 12 and the NE $\frac{1}{4}$ of Section 13

Township 20 North, Range 4 East

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35 and 36

Township 20 North, Range 5 East

Sections 6, 7, 18, 19, 30 and 31

3.

That Continental desires to utilize the horizontal drilling technique to test and further develop the "B" zone of the Red River Formation, in and under the Subject Lands.

4.

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 orders and rules of the Board fail to provide.

5.

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.

6.

That Continental requests an order of the Board amending Board Order Nos. 2, 2-78, 7-83, 13-97 and 8-01 to amend the field rules for the Buffalo Field so as to establish a 1280-acre spacing unit comprised of Sections 3 and 10, Township 21 North, Range 3 East, and to establish a 640-acre spacing unit comprised of the W/2 of Section 24 and the W/2 of Section 25, Township 22 North, Range 3 East, Buffalo Field, Harding County, South Dakota; and allow the drilling of one horizontal well to the Red River "B" Pool on each spacing unit not less than 500 feet to the spacing unit boundary and/or such further and additional relief as the Board deems appropriate.

7.

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

WHEREFORE, Continental respectfully requests that this matter be set for hearing and that thereafter the Board of Minerals and Environment grant the following:

- a. That Board Order Nos. 2, 2-78, 7-83, 13-97 and 8-01, and any applicable orders or rules of the Board, be amended so as to establish Sections 3 and 10, Township 21 North, Range 3 East, as a 1280-acre spacing unit and to establish the W/2 of Section 24 and the W/2 of Section 25, Township 22 North, Range 3 East, as a 640-acre spacing unit in the Buffalo Field, Harding County, South Dakota, and allow the drilling of one horizontal well not less than 500 feet to the spacing unit boundary for each spacing unit;
- b. That the Board be authorized to issue drilling permits for the horizontal wells requested upon receipt of appropriate applications as provided by the rules and regulations of the Board; and
- c. That Continental be granted such further and additional relief as the Board deems appropriate.

DATED this 24 day of January, 2013.

Fredrikson & Byron, P.A.

By 

LAWRENCE BENDER

SOUTH DAKOTA LICENSE #3461

200 North 3rd Street, Suite 150

P. O. Box 1855

Bismarck, ND 58502-1855

(701) 221-4020

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

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