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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. 4-2013

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING BOARD ORDER NOS. 6-83, 7-95, 12-08 AND 28-08 TO AMEND THE FIELD RULES FOR THE TABLE MOUNTAIN FIELD SO AS TO ESTABLISH THE FOLLOWING 1280-ACRE SPACING UNITS: SECTIONS 2 AND 11, SECTIONS 3 AND 10, SECTIONS 4 AND 9, SECTIONS 14 AND 23, AND SECTIONS 16 AND 21, TOWNSHIP 22 NORTH, RANGE 3 EAST, AND THE FOLLOWING OVERLAPPING 1280-ACRE SPACING UNIT: SECTIONS 15 AND 22, TOWNSHIP 22 NORTH, RANGE 3 EAST, TABLE MOUNTAIN 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 22 North, Range 3 East

Section 2: All
Section 3: All
Section 4: All
Section 9: All
Section 10: All
Section 11: All
Section 14: All
Section 15: All
Section 16: All
Section 21: All
Section 22: All
Section 23: All

2.

That by Board Order Nos. 6-83, 7-95, 12-08 and 28-08, the Table Mountain Field is comprised of the following described lands, Harding County, South Dakota:

Township 22 North, Range 3 East

Section 2: W/2
Section 3: W/2
Section 4: E/2
Section 9: E/2
Section 10: W/2
Section 11: W/2
Section 14: All
Section 15: E/2
Section 16: All
Section 21: All
Section 22: E/2
Section 23: All

(the "Subject Lands")

3.

That the proposed spacing unit comprised of the Sections 15 and 22, Township 22 North, Range 3 East, overlaps an existing 640-acre spacing unit established under Board Order No. 7-95.

4.

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.

5.

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.

6.

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.

7.

That Continental requests an order of the Board amending Board Order Nos. 6-83, 7-95, 12-08 and 28-08 to extend the field boundaries and amending the field rules for the Table Mountain Field so as to establish the following 1280-acre spacing units: Sections 2 and 11, Sections 3 and 10, Sections 4 and 9, Sections 14 and 23, and Sections 16 and 21, Township 22 North, Range 3 East, and the following overlapping 1280-acre spacing unit: Sections 15 and 22, Township 22 North, Range 3 East, Table Mountain 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.

8.

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. 6-83, 7-95, 12-08 and 28-08 and any applicable orders or rules of the Board be amended so as to establish Sections 2 and 11, Sections 3 and 10, Sections 4 and 9, Sections 14 and 23, and Sections 16 and 21, Township 22 North, Range 3 East, as 1280-acre spacing units, Sections 15 and 22, Township 22 North, Range 3 East, as an overlapping 1280-acre spacing unit in the Table Mountain 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



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