

STATE OF SOUTH DAKOTA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
BOARD OF MINERALS AND ENVIRONMENT

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC., ENID, OKLAHOMA, FOR AN ORDER OF THE BOARD TO ESTABLISH ALL OF SECTION 13 AND THE EAST HALF OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 3 EAST, BUFFALO FIELD, HARDING COUNTY, SOUTH DAKOTA, AS A 960-ACRE SPACING UNIT AND ALLOW THE DRILLING OF ONE HORIZONTAL WELL NOT LESS THAN 500 FEET FROM THE SPACING UNIT BOUNDARY OR ALTERNATIVELY ALLOWING THE DRILLING OF A HORIZONTAL WELL ACROSS THE BOUNDARIES OF SECTION 13 AND THE EAST HALF OF SECTION 24, AND ALLOCATING PRODUCTION BASED ON LATERAL LENGTH IN EACH SPACING UNIT; AND FOR OTHER RELIEF THE BOARD DEEMS APPROPRIATE.

NOTICE
OF
HEARING

CASE NO. 16-2010

Notice is hereby given that the Board of Minerals and Environment will hold a contested case hearing on the above described matter on Thursday, November 18, 2010, at 10:15 a.m. CST in the Matthew Environmental Education and Training Center, 523 East Capitol Avenue, Pierre, SD 57501. The case involves oil and gas interests in the following land: all of Section 13 and the east half of Section 24, Township 21 North, Range 3 East, Buffalo Field, Harding County, South Dakota.

The board has jurisdiction and legal authority to issue orders for the development of the oil and gas resources of the state pursuant to South Dakota Codified Laws (SDCL) Chapter 45-9 and Chapter 1-26 and further pursuant to Administrative Rules of South Dakota (ARSD) 74:09 and 74:10. The hearing is an adversary proceeding and any party has the right to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised at the hearing. The board may approve, conditionally approve, or deny the application. The board's decision will be based upon the evidence received at the hearing. The board's decision may be appealed to the Circuit Court and the State Supreme Court as provided by law.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated, any party to the contested case may require the agency to use the Office of Hearing Examiners by giving notice of the request to the agency no later than ten days after service of a notice of hearing issued pursuant to SDCL 1-26-17.

Any person who wishes to intervene in this proceeding as a party must file a petition to intervene pursuant to ARSD 74:09:01:04 on or before November 2, 2010.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources at least 48 hours before the public hearing if you have a disability for which special arrangements must be made at the hearing by calling the telephone number listed below.

The applicant's application and notice of hearing are also posted on the department's website at: <http://denr.sd.gov/des/og/oghome.aspx>. Additional information about this petition is available from Fred V. Steece, Oil and Gas Supervisor, Department of Environment and Natural Resources, 2050 West Main Street, Suite #1, Rapid City, SD 57702, telephone 605.394.2229, email fred.steece@state.sd.us.

Dated: September 23, 2010



Steven M. Pirner
Secretary

Published twice at the total approximate cost of _____.

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SEP 14 2010

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

STATE OF SOUTH DAKOTA

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

BOARD OF MINERALS AND ENVIRONMENT

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD TO ESTABLISH ALL OF SECTION 13 AND THE E/2 OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 3 EAST, BUFFALO FIELD, HARDING COUNTY, SOUTH DAKOTA, AS A 960-ACRE SPACING UNIT AND ALLOW THE DRILLING OF ONE HORIZONTAL WELL NOT LESS THAN 500 FEET TO THE SPACING UNIT BOUNDARY OR ALTERNATIVELY ALLOWING THE DRILLING OF A HORIZONTAL WELL ACROSS THE BOUNDARIES OF SAID SECTION 13 AND THE E/2 OF SECTION 24 AND ALLOCATING PRODUCTION BASED ON LATERAL LENGTH IN EACH SPACING UNIT AND/OR SUCH FURTHER AND ADDITIONAL RELIEF AS THE BOARD DEEMS APPROPRIATE.

Case

16 - 2010

**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 13: All

Section 24: E/2

(the "Subject Lands")

2.

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.

3.

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.

4.

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.

5.

That Continental requests an order of the Board establishing all of Section 13 and the E/2 of Section 24, Township 21 North, Range 3 East, Buffalo Field, Harding County, South Dakota, as a 960-acre spacing unit and allow the drilling of one horizontal well not less than 500 feet to the spacing unit boundary or alternatively allowing the drilling of a horizontal well across the boundaries of said Section 13 and the E/2 of Section 24 and allocating production based on lateral length in each spacing unit and/or such further and additional relief as the Board deems appropriate.

6.

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.

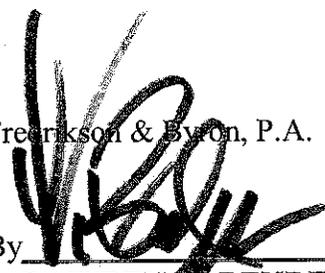
74:09:01 and A.R.S.D. Ch. 74:10:03.

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 an order be entered of the Board establishing all of Section 13 and the E/2 of Section 24, Township 21 North, Range 3 East, Buffalo Field, Harding County, South Dakota, as a 960-acre spacing unit and allow the drilling of one horizontal well not less than 500 feet to the spacing unit boundary or alternatively allowing the drilling of a horizontal well across the boundaries of said Section 13 and the E/2 of Section 24 and allocating production based on lateral length in each spacing unit;
- b. That a directional drilling permit for the horizontal well proposed herein be issued 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 13th day of September, 2010.

Frederickson & Byron, P.A.

By 

LAWRENCE BENDER

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