

Nakota Energy LLC

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SEP 27 2010

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

September 23, 2010

Fred V. Steece
Supervisor
Oil & Gas Section
Dept of the Environment and Natural Resources
2050 West Main, Suite #1
Rapid City SD 57702-2493

Tel: 605-394-2229
Fax: 605-394-5317
fred.steece@state.sd.us

Re: Amended Application

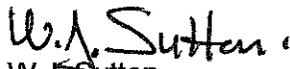
Dear Mr. Steece:

This is in regard to the application prepared by Inyan Kara Group, LLC on behalf of Nakota Energy LLC dated September 9, 2010 for the establishment of a field for the production of oil and gas. After a review of the letter by Inyan Kara Group and a discussion with Tony Petres we are writing to request an amendment to the letter as follows:

- 1) The request for field designation should include 'north half of Section 23'. The field request would now correctly read: ALL OF SECTION 14 AND THE NORTH HALF OF SECTION 23, TOWNSHIP 6 NORTH, RANGE 5 EAST, MEADE COUNTY, SOUTH DAKOTA.
- 2) The target formations for the potential production of oil should include the Minnelusa. The two target formations would be the Sundance and the Minnelusa.

Thank you for your assistance with this and we hope that the Minerals Board will favorably consider our request for these two amendments.

Yours truly,


W.J. Sutton
Managing Member

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SEP 13 2010

September 9, 2010

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

Mr. Fred V. Steece
Oil and Gas Program Director
State of South Dakota
2050 West Main, Ste. # 1
Rapid City, South Dakota 57702

Case
17-2010

Re: request for case addition (designation of a producing oil field located at Nakota's Gullickson Prospect) to the November meeting of the SD Board of Minerals and Environment. Gullickson Prospect occurs primarily in sec. 14, T6N-R5E of Meade Co. SD

Dear Fred:

On behalf of Nakota Energy LLC of Littleton Colorado, I would like to make a formal request to include our case for a field designation of the above referenced oil prospect, known as the Gullickson Prospect, on the Board's November docket. We would be asking the Board for 40 acre spacing in the new field.

Nakota is currently in the process of completing the # 1 Traub well located at T6N-R5E-sec. 14, NESW in Meade Co. SD (Fig 6). In Nakota's opinion, the well has shown potential to produce commercial amounts of crude oil. In order to be able to drill the next defining well (in a delineation of the local geologic structure, aka Gullickson anticline), we will need said designation to allow the exploration drilling to continue in an adjacent and southerly direction (Figure 6).

Figure 6 (a land plat which was prepared for the geologic report written for Nakota, and which also illustrates the outer - most closed structure contour) does illustrate the rather limited lateral extent of the Gullickson Anticline, as it is currently understood. It is for this reason that additional wells, placed in a one well per 40 acre drainage pattern, will have to be drilled on adjacent 40 acre spacing parcels. Currently, SD code prohibits drilling on adjacent 40's unless a field boundary has been specified. In addition, Nakota has made assurances to certain mineral owners which in essence dictate which mineral owner will get the next exploration well. Hence the incentives to make application to the board.

If anything further is required at this point, please advise. On behalf of Nakota Energy LLC, I appreciate your assistance and attention to the matter.

Sincerely,


Tony Petres
(for) Nakota Energy LLC

Pete Sutton's e-mail
psutton@klpenergyfunds.com

Tony 390-7798 cell