SD EForm - 0437 V1

Case 19-2004

South Dakota
GREAT FACES. GREAT PLACES.

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2

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MAR 17 2005
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

Type of work:
☒ Drill New Well ☐ Reenter Well ☐ Drill Directional Well
☐ Other _____

Type of well:
☒ Oil Well ☐ Gas Well ☐ Injection
☐ Other _____

Name and Address of Operator: Telephone
Fidelity Exploration & Production Company PO Box 1010 2010 Montana Ave 406-359-7360
Glendive MT 59330

Name and Address of Surface Owner:
Ludlow Co-op Grazing - HC 63 Box 76 Buffalo SD 57720

Name and Address of Drilling Contractor and Rig Number:
Unknown at this time

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
SW SW SEC 36, T20N, R5E, Harding Co, 660' FSL, 660' FWL,
Lat. N 45, 38' 54.20"; Long. W 103 27' 39.02"

If Directional, top of pay and bottom hole location from nearest lines of section:
NA

Acres in Spacing (Drilling) Unit: 640
Description of Spacing Unit: 640

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
STATE 14-36	2920.7'	Wildcat	8600' Red River C

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12.250"	8.625"	24#	800'	300 sks Premium 3% CaCl, 1/4pps flake	Surface
2) 7.875"	5.500"	17,20,15.50#	0-8600'	800 sks Premium & Lite, two stage	3000'
3)					
4)					

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.
April - start dirt work, build locations and roads
May-June - plan to spud well; drill a vertical test to Red River C. Surface hole will be drilled with fresh water to 800'.
Setting 7" casing and cementing back to surface. Plan to drill out with an oil base mud and drill to TD with this mud program.
A DST will be conducted in the Red River C. Open hole logs will be run from TD to surface casing shoe. Run 5.50" casing to within 50' of TD of 8600'. All drilling fluids and cuttings will be contained in a 12 mil lined pit. All liquids will be disposed of in an approved site, the cuttings and liner will be buried in place.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

Signature	Name (Print)	Title	Date
T Ree	Tim Ree	Drilling Supervisor	3/15/05

FOR OFFICE USE ONLY

Approved By: [signature] Title: Oil & Gas Supervisor

Permit No. 1727 API No. 40 063 20585 Date Issued: 04/05/05

Conditions, if any, on attached page.