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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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 _____

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

Name and Address of Operator: Continental Resources, Inc P.O. Box 1032, Enid, OK 73702 Telephone (580) 233-8955

Name and Address of Surface Owner: John H. Niemi P.O. Box 227, Buffalo, SD 57720

Name and Address of Drilling Contractor and Rig Number: J&R Well Service 791 Land 9, Powell, WY 82435

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):

SHL 1980' FNL & 1730' FEL, SWNE, Sec 16-20N-4E

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

#1 350' FNL & 150' FEL, NENE, Sec 16-20N-4E #2 1650' FSL & 2100' FWL, NESW, Sec 16-20N-4E

Acres in Spacing (Drilling) Unit: 7675.65

Description of Spacing Unit: South Buffalo Red River Unit

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
SBRRU 32-16H	3115' GL	Buffalo	#1 10,700'MD/#2 10,600' MD Red River "B"

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12 1/4	8 5/8	24	1542'	800 sks	
2) 7 7/8	4 1/2	11.6 & 13.5	8415'	1150 sks	
3)					
4)				DV @ 5711' w/800 sks lite	

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.

Well laterals will be drilled out of existing 5 1/2" casing by cutting a southeast facing window at least 10' below the Gunton formation located at 8220-8278', landing in the Red River "B" porosity at 8384-8400'. Out of this window one lateral will turn to the southwest and one to the northeast to the bottom hole locations as shown on the attached maps. We will be using closed circulating system with cuttings being hauled to a state approved facility. No pit liner will be used.

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

Signature	Name (Print)	Title	Date
Becky Barnes	Becky Barnes	Regulatory Comp	11/16/2006

FOR OFFICE USE ONLY

Approved By: Fred W Sleece Title: Oil and Gas Supervisor

Permit No. 1806 API No. 40 063 20288.01 Date Issued: December 1, 2006

Conditions, if any, on attached page.