SD EForm - 0437 V1

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

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

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
Continental Resources, Inc P.O. Box 1032, Enid, OK 73702 (580) 233-8955

Name and Address of Surface Owner:
Gilbert Cattle Co. HC 63, Box 20, Ludlow, SD 57755

Name and Address of Drilling Contractor and Rig Number:
Nabors Drilling, Rig 592 515 W. Greens Rd, Suite 1000, Houston, TX 77067

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
SHL 880' FSL & 660' FWL, Sec 3-22N-6E, SWSW,

If Directional, top of pay and bottom hole location from nearest lines of section:
660' FNL & 730' FEL, Sec 3-22N-6E, NENE

Acres in Spacing (Drilling) Unit
640 acres Order # 18-97

Description of Spacing Unit
All of Sec 3-22N-6E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Fowler 1-3H	2883' GL	Red River	TD@ 13,400', Red River "B"

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 13 1/2"	9 5/8"	36#	1440	350 sks "C", 2%GYP; 190 sks "C"	
2) 8 3/4"	7"	23-29#	8870	680 sks 35/65 Poz/"G"; 250 sks "G"	
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.

The Fowler is a horizontal Red River "B" test. The well will be drilled vertically to approximately the top of the Silurian Interlake formation before drilling a medium radius build section in a N 41 E direction and 7" casing set a foot or so above the Red River "B" porosity zone, estimated to be at 8880' TVD. Pit will be lined with a 12 mil plastic liner. Estimated spud date 5/20/2007. Intermediate target 2122' N and 1850' E, then 51 degree azimuth to TD.

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	05/03/2007

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Approved By: Fred Ustice Title: Oil and Gas Supervisor

Permit No. 1838 API No. 40 063 20627 Date Issued: May 23, 2007

Conditions, if any, on attached page.