SD EForm - 0437 V1

South Dakota
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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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SEP 13 2007
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
Fidelity Exploration & Production Company PO Box 1010 Glendive MT 59330 406-359-7360

Name and Address of Surface Owner:
Bernard & Sons – Steve and Bob Stoeser – 20628 Willow Creek Road – Ft. Pierre SD 57532

Name and Address of Drilling Contractor and Rig Number:
Elenburg Exploration Inc
1910 N Loop Ave Casper WY 82601 Rig 2

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): NE NW SEC 34 T5N R29E 659' FNL 1973' FWL LAT 44.35556 LONG 100.60400

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

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 |
|---|---|---|---|
| Stoeser Farms 1-34 | 1844.3 | Wildcat | 1800 Dakota |

| Size of Hole | Size of Casing | Weight per Foot | Depth | Cementing Program (amount, type, additives) | Depth |
|---|---|---|---|---|---|
| 1) 9.875" | 7" | 17# | 150' | 65 sks Class G | |
| 2) 6.25" | 4.5" | 10.5" | | 200 sks Class G +- per logs | |
| 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.

Dirt work start date 9/24/2007. Approximate spud date 10/1/2007.
Plan to drill a 9.875" surface hole, set and cement to surface 150' of 7", 17 lb/ft surface casing. Install and test BOP equipment. Then drill a 6.25" hole to TD and set and cement to surface 4.5", 10.5 lb/ft production casing. Open Hole logs will be run from TD to surface casing shoe. All drilling fluids and cuttings will be contained in a 12 mil lined pit. Cuttings will be left on location and buried 3-4 feet below surface with liner.

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 |
|---|---|---|---|
| T. Ree | Tim Ree | Drilling Supervisor | 9/12/07 |

**FOR OFFICE USE ONLY**

Approved By: Fred Wisteece Title: Oil and Gas Supervisor

Permit No. 1848 API No. 40 117 20027 Date Issued: September 28, 2007

Conditions, if any, on attached page.