DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
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FORM 2

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DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

State of South Dakota Department of Environment and Natural Resources

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

Name and Address of Surface Owner: Merle Johnson HC 63, Box 26, Ludlow, SD 57755

Name and Address of Drilling Contractor and Rig Number: Nabors Drilling, Rig #11 515 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 330' FSL & 300' FWL, Sec 14-22N-6E, SWSW

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

BHL ~~480'~~ 500' FNL & 1050' FEL, Sec 14-22N-6E, NENE

Acres in Spacing (Drilling) Unit: 640 Acres, Order # ~~11-2207~~ 11-2007

Description of Spacing Unit: All of Sec 14-22N-6E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Merle Johnson 1-14H	3065.5	Wildcat	14,716' MD/9040' TVD

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	540 sk Class "C", 2% GYP, 2% CaCL	1440
2) 8 3/4"	7"	23-29	9170	870 sk 35-65 Poz/G, 5% KCl, 6% Gel	9170
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 Merle Johnson 1-14H 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 41E (pre-spud) direction and 7" casing set a foot or so above the Red River "B" porosity zone, estimated to be at 8964' (pre-spud int csg depth) . Pit will be lined with a 12 mil plastic liner. Estimated spud date is 3/1/2008.

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	02/15/2008

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Approved By: Fred Ustine Title: Oil and Gas Supervisor

Permit No. 1859 API No. 40 063 20636 Date Issued: March 4, 2008

Conditions, if any, on attached page.