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 - 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: North Finn LLC. 950 Stafford, Casper, Wy 82609 Telephone (307) 237-7854

Name and Address of Surface Owner: South Dakota School Lands 500 East Capital Ave. Pierre, SD 57501

Name and Address of Drilling Contractor and Rig Number: Rainbow Drilling LLC. P.O. Box 353, Evansville, Wy. 82636 Rig #1

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

NWNW Sec 16-T15N-R4E, 660' FNL & 660' FWL, Lat.= 45 deg 16' 9.33" Long.= 103 deg 38' 51.17"

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

Acres in Spacing (Drilling) Unit: 320 Acres

Description of Spacing Unit: N 1/2 Section 16-T15N-R4E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Clanton-State #4-16-15-4	3,137'	~~Cady Creek Field~~ Butte - Hrdg 5-81	1,500'

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 8 3/4"	7"	17.0	400'	100 Sks Class "G"	400
2) 6 1/2"	4 1/2"	11.6	1,500'	200 Sks Class "G"	1,500'
3)				Will circulate cement to surface.	
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.

Drill well with a KCL mud system.
Surface pits will be lined with a 12 mil pit liner.
Anticipated spud date is December 13, 2008.
Surface owner and mineral owner are the same.

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
Wayne P. Neumiller	Wayne P. Neumiller	Manager, Member	11/14/2008

FOR OFFICE USE ONLY

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

Permit No. 1902 API No. 40 063 20673 Date Issued: December 18, 2008

Conditions, if any, on attached page.