SD EForm - 0437 V1

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

Name and Address of Surface Owner: Grubbing Hoe Ranch HC 64 Box 62 Buffalo, SD 57722

Name and Address of Drilling Contractor and Rig Number: Rainbow Drilling P.O. Box 353 Evansville, WY 82636

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

SWNW Sec. 16 T15N R5E Harding County,1980' FNL & 700' FWL Lat=45d15'56.34" Long=-103.31'31.72"

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

Acres in Spacing (Drilling) Unit: ~~160~~ Acres 320

Description of Spacing Unit: ~~NW~~ N/2 Sec. 16 T15N R5E

| Well Name and Number | Elevation | Field and Pool, or Wildcat | Proposed Depth and Formation |
|---|---|---|---|
| State #5-16-15-5 | 3010.3' | Cady Creek Butte - Harding | 1500' Shannon |

| 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 1/4" | 4 1/2" | 11.6 | 1500' | 200 sks Class "G" | 1500' |
| 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.

Drill well with low water loss fresh water mud system.
Surface pits will be lined with 12 mil pit liner.
Anticipated spud date is January 22nd, 2009.
State Minerals.

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

Wayne P. Neumiller — Signature
Wayne Neumiller — Name (Print)
Manager/Member — Title
1/6/09 — Date

**FOR OFFICE USE ONLY**

Approved By: _____ Title: Oil and Gas Supervisor

Permit No. 1916 API No. 40 063 20685 Date Issued: January 30, 2009

Conditions, if any, on attached page.