



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program - Oil & Gas Section
 2050 West Main, Suite #1, Rapid City, SD 57702-2493
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DEPT OF ENVIRONMENT & NATURAL
 RESOURCES - RAPID CITY

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APPLICATION FOR PERMIT TO DRILL

Type of well:
 Oil Well Gas Well Injection
 New Well Re-enter well Drill Directional Well
 Other _____ Other _____

Name and Address of Operator: **NAKOTA ENERGY LLC, Mr. Pete Sutton** Telephone **910 794 8289**
4905 Whitner Dr. Wilmington, N.C. 28409

Name and Address of Surface Owner: **Mark And Janeen Norstegaard**
PO Box 923, Sturgis SD 57785 Telephone **605 347 6303**

Name and Address of Drilling Contractor and Rig Number:
DBJ Drilling LLC, P.O. Box 405, Rapid City SD 57709, 605 318 1540
 Rig # **2**

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
SE SW sec 14 T6N - R5E, 500' from west line, 500' from the north line, SE SW 1/4 sec 14

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

Acres in Spacing (Drilling) Unit: **40**
 Description of Spacing Unit: **SE SW of sec. 14**

Well Name and Number Nakota - Norstegaard # 2 - 14 - 6 - 5		Elevation 91 3116.8'	Field and Pool, or Wildcat Gullickson	Proposed Depth and Formation 500' to completely evaluate Jurassic Sundance formation.
Size of Hole 1) 12 1/4" 2) 7 7/8"	Size of Casing 8 5/8" 5.5"	Weight per Foot 32 15.5	Depth 100' 500'	Cementing Program (amount, type, additives) Depth Surface, Slurry: 4127 x 100' = 4127 ft³ 100' to 500' to 41 x 1.26 = 325 x 257. (excess) = 70.5x Prod. Slurry: 1733 x 500' = 866,500' 500' to 500' to 624 x 257 (excess) = 854x

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.
Objective is to drill to the basal Sundance sandstone and locate and attempt to produce any oil saturations encountered. Pits will be lined w/ 12 mil liner as per regulations. Pressures will be monitored w/ hot wire check on mud gas, and a diverter will also be in place. Work is anticipated to start in mid-Dec.

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: *Tony K. Petres* Name (Print): **Tony K. Petres** Title: **Consulting geologist** Date: **12/8/10**

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Approved By: *Fred W. Steere* Title: **Oil and Gas Supervisor**

Permit No. **1984** API No. **40 093 20031** Date Issued: **December 22, 2010**

Conditions, if any, on attached page.