



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

MAY 25 2011

DEPT OF ENVIRONMENT & NATURAL  
 RESOURCES - RAPID CITY

**APPLICATION FOR PERMIT TO DRILL**

Type of work:  Drill New Well  Re-enter Well  Drill Directional Well  Other \_\_\_\_\_

Type of well:  Oil Well  Gas Well  Injection  Other \_\_\_\_\_

Name and Address of Operator: **Nakota Energy LLC** PO Box 342, Faith SD 57626 Telephone: (910) 409-3588

Name and Address of Surface Owner: **City of Faith** PO Box 8, Faith SD 57626

Name and Address of Drilling Contractor and Rig Number: **Rapid Drilling** 22478 Bennett Road, Rapid City SD 57701

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):  
**SE1/4NE1/4 Sect.21 T12N-R17E Meade County 657.3' FNL & 634.7' FEL OF**

If Directional, top of pay and bottom hole location from nearest lines of section: **SE1/4 NE1/4**

Acres in Spacing (Drilling) Unit: **40** Description of Spacing Unit: **SE1/4NE1/4 Sect.21 T12N-R17E**

| Well Name and Number    | Elevation | Field and Pool, or Wildcat | Proposed Depth and Formation |
|-------------------------|-----------|----------------------------|------------------------------|
| Nakota-Faith 5-21-12-17 | 2,520.6'  | Faith Field                | 3,000' Mosby Sandstone       |

| Size of Hole | Size of Casing | Weight per Foot | Depth  | Cementing Program (amount, type, additives) | Depth  |
|--------------|----------------|-----------------|--------|---|--------|
| 1) 12 1/4"   | 8 5/8"         | 24.00 lb.       | 800'   | Class G 340 Sks 15lb/gal surface to         | 800'   |
| 2) 7 7/8"    | 5 1/2"         | 15.50 lb        | 3,000' | Class G cement as required to TD            | 3,000' |
| 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.

Plan is to test two zones; the Turner at approx. 2,100' and the Eagle at approx. 1,100'. Oil shows in other formations will be evaluated and possibly tested as drilling proceeds. Pits will have 12 mill liners. Proposed start date is July 1/11.

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

W.J. Sutton W.J. Sutton Manager 05/23/2011  
 Signature Name (Print) Title Date

**FOR OFFICE USE ONLY**

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

Permit No. 1995 API No. 40 093 20034 Date Issued: June 7, 2011

Conditions, if any, on attached page.