

STATE OF SOUTH DAKOTA  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
BOARD OF MINERALS AND ENVIRONMENT

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ORDER NO. 6-83, AND ANY OTHER FIELD ORDERS OR SPACING RULES; SO AS TO ALLOW THE MITCHELL 31-16H WELL, LOCATED IN THE NW/4NE/4 OF SECTION 16, TOWNSHIP 22 NORTH, RANGE 3 EAST, TABLE MOUNTAIN FIELD, HARDING COUNTY, SOUTH DAKOTA, TO BE LOCATED, COMPLETED AND/OR TO PRODUCE AT A DISTANCE OF NOT LESS THAN 500 FEET FROM THE KOCH 34-16 STATE WELL CURRENTLY PRODUCING FROM THE "B" ZONE OF THE RED RIVER FORMATION AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

OIL AND GAS  
CASE NO. 26-2013

ORDER

**SECRETARY'S ORDER UNDER SDCL 45-9-74**

A Petition and Application of Continental Resources, Inc. ("Continental") to amend Order No. 6-83, and any other field orders or spacing rules, so as to allow the Mitchell 31-16H well, located in the NW/4NE/4 of Section 16, Township 22 North, Range 3 East, Table Mountain Field, Harding County, South Dakota, to be located, completed and/or to produce at a distance of not less than 500 feet from the Koch 34-16 State well, currently producing from the "B" zone of the Red River Formation, was submitted to the South Dakota Board of Minerals and Environment ("Board") on July 1, 2013. The Board prepared and published a Notice of Opportunity for Hearing. No petition requesting a hearing was received. Therefore, pursuant to South Dakota Codified Laws (SDCL) 45-9-74 and based upon Continental's application and supporting documents, the Secretary makes and enters the following Order:

By Board Order Nos. 6-83, 7-95, 12-08, 13-08 and 5-10, the Table Mountain Field is comprised of the following described lands, Harding County, South Dakota:

Township 23 North, Range 3 East

Section 25: All

Section 26: All

Section 35: All

Section 36: All

Township 23 North, Range 4 East

Section 30: NW/4

Township 22 North, Range 2 East

Section 24: E/2

Township 22 North, Range 3 East

Section 1: All

Section 2: All

Section 3: All

Section 4: All

Section 9: All

Section 10: All

Section 11: All

Section 12: All

Section 14: All

Section 15: All

Section 16: All

Section 17: All

Section 19: All

Section 20: All

Section 21: All

Section 22: All

Section 23: All

Section 27: All

Section 28: All

Section 29: All

Section 30: All

Continental is the owner of an interest in the oil and gas leasehold estate underlying all or portions of the following described lands in Harding County, South Dakota:

Township 22 North, Range 3 East

Section 16: All

Section 21: All

(the "Subject Lands")

Order No. 4-2013 established the Subject Lands as a 1280-acre spacing unit in the Table Mountain Field, and authorized the issuance of a permit for the drilling of a horizontal well within the spacing unit.

The Department of Environment and Natural Resources issued a permit to drill the Koch 34-16 State well as a vertical well on the S/2 of Section 16, Township 22 North, Range 3 East, Harding County, South Dakota. Continental is currently the operator of the Koch 34-16 State vertical well.

Continental submitted a permit to drill the Mitchell 31-16H well as an additional well to be located on a spacing unit comprised of the Subject Lands. The Subject Lands and spacing unit for the Mitchell 31-16H well overlap the spacing unit for the Koch 34-16 State well.

Pursuant to Order No. 6-83, the current allowable distance between wells in the Table Mountain Field is 1320 feet. The distance between the Koch 34-16 State well and the Mitchell 31-16H well will be approximately 850 feet. Continental desires to utilize the horizontal drilling technique to test and develop the "B" zone of the Red River Formation, in areas of the Table Mountain Field utilizing the Mitchell 31-16H well. In utilizing the horizontal drilling technique, it is reasonably necessary to have a certain amount of flexibility with respect to well locations that the current rules for the Table Mountain Field fail to provide.

Continental requested an order of the Board amending Order No. 6-83, and any other field orders or spacing rules; so as to allow the Mitchell 31-16H well, located in the NW/4NE/4 of Section 16, Township 22 North, Range 3 East, Table Mountain Field, Harding County, South Dakota, to be located, completed and/or to produce at a distance of not less than 500 feet from

the Koch 34-16 State well currently producing from the "B" zone of the Red River Formation and for other relief as the Board deems appropriate.

It is the opinion of Continental that use of the horizontal drilling technique to test and further develop the "B" zone of the Red River Formation will increase the ultimate recovery of the reservoir in a manner which will prevent waste, protect correlative rights and prevent the drilling of unnecessary wells.

**IT IS THEREFORE ORDERED**

A. That Order No. 6-83 and any other field orders or spacing rules are hereby amended; so as to allow the Mitchell 31-16H well, located in the NW/4NE/4 of Section 16, Township 22 North, Range 3 East, Table Mountain Field, Harding County, South Dakota, to be located, completed and/or to produce at a distance of not less than 500 feet from the Koch 34-16 State well currently producing from the "B" zone of the Red River Formation.

B. That all portions of previous orders of the Board, if any, which are not specifically amended by this Order remain in full force and effect until further order of the Board or Secretary.

Dated and signed this 19th day of August 2013.



Steven M. Pirner  
Secretary  
Department of Environment and Natural Resources