

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

CASE NO. 32-2013

IN THE MATTER OF THE PETITION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AUTHORIZING THE RECOVERY OF A RISK PENALTY FROM CERTAIN NON-PARTICIPATING OWNERS, FOR THE DRILLING AND OPERATING OF THE LENNEVILLE 44-12H WELL LOCATED IN A SPACING UNIT DESCRIBED AS THE S/2 OF SECTION 12, TOWNSHIP 21 NORTH, RANGE 3 EAST, BUFFALO FIELD, HARDING COUNTY, SOUTH DAKOTA, PURSUANT TO ARSD CHAPTER 74:12:10, AND SUCH OTHER RELIEF AS IS APPROPRIATE.

RECEIVED

AUG 15 2013

**DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY**

PETITION OF CONTINENTAL RESOURCES, INC.

Continental Resources, Inc. ("Continental") and for its Petition, states and alleges as follows:

1.

That Continental is an owner of an interest in the oil and gas leasehold estate in the South Half (S/2) of Section 12, Township 21 North, Range 3 East, Harding County, South Dakota ("South Half (S/2) of Section 12").

2.

That Continental is the operator of the Lennerville 44-12H well, drilled in the South Half (S/2) of Section 12.

3.

That the South Half (S/2) of Section 12 constitutes the spacing unit for the Lennerville 44-12H well in the Buffalo Field.

4.

That by virtue of Order No. 15-2013, dated June 24, 2013, all interests in a spacing unit for the Buffalo Field described as the South Half (S/2) of Section 12 have been pooled by the Board.

5.

That ARSD Chapter 74:12:10:01 provides for the recovery of a risk penalty from any owner who elects not to participate in the risk and cost of drilling and operating a well in an established spacing unit.

6.

That ARSD Chapter 74:12:10:02 provides if the nonparticipating owner's interest in the spacing unit is derived from a lease or other contract for development, the risk compensation is two-hundred percent of the nonparticipating owner's share of the reasonable actual costs of drilling, reworking, side-tracking, deepening, plugging back, testing, completing and recompleting the well and the costs of newly acquired equipment in the well including the wellhead connection.

7.

That ARSD Chapter 74:12:10:03 provides if the nonparticipating owner's interest in the spacing unit is not subject to a lease or other contract for development, the risk compensation is one-hundred percent of the nonparticipating owner's share of the reasonable actual costs of drilling, reworking, side-tracking, deepening, plugging back, testing, completing and recompleting the well and the costs of newly acquired equipment in the well including the wellhead connection.

8.

That the following owner has elected not to participate in the drilling and operating of the Lennerville 44-12H well:

Paul E. Burton

9.

That the interests of the above-referenced owner are not subject to a lease or other contract for development.

10.

That Continental made a good faith attempt to have the above-referenced owner execute an oil and gas lease but was unsuccessful.

11.

That a well proposal was forwarded to the above-referenced owner and said owner failed or refused to respond to the same, or elected not to participate.

12.

That the Lennerville 44-12H well was spud on or about September 10, 2011.

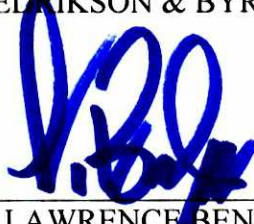
13.

That Continental therefore requests that the Board enter an order authorizing the recovery of a risk penalty from the non-participating owner described above, as provided by ARSD Chapter 74:12:10, for the drilling and operating of the Lennerville 44-12H well located in a spacing unit described as the South Half (S/2) of Section 12, Township 21 North, Range 3 East, Buffalo Field, Harding County, South Dakota, and such other and further relief as is appropriate.

WHEREFORE, Continental respectfully requests that notice of this matter be provided as required by South Dakota laws and that thereafter the Board of Minerals and Environment enter an order granting the relief requested herein.

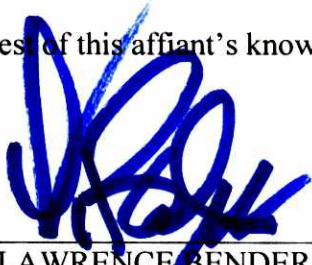
DATED this 12th day of August, 2013.

FREDRIKSON & BYRON, P.A.


By 
LAWRENCE BENDER, ND Bar #03908
Attorneys for Applicant
Continental Resources, Inc.
200 North 3rd Street, Suite 150
P. O. Box 1855
Bismarck, ND 58502-1855
(701) 221-4020

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

LAWRENCE BENDER, being first duly sworn on oath, deposes and says that he is the attorney for the applicant named herein, that he has read the foregoing application, knows the contents thereof, and that the same is true to the best of this affiant’s knowledge and belief.


LAWRENCE BENDER

Subscribed and sworn to before me this 12th day of August, 2013.


Notary Public

6936327_1.DOC

