

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 BOARD ORDER NOS. 6-83, 7-95, 12-08 AND 28-08 TO AMEND THE FIELD RULES FOR THE TABLE MOUNTAIN FIELD SO AS TO ESTABLISH THE FOLLOWING 1280-ACRE SPACING UNITS: SECTIONS 2 AND 11, SECTIONS 3 AND 10, SECTIONS 4 AND 9, SECTIONS 14 AND 23, AND SECTIONS 16 AND 21, TOWNSHIP 22 NORTH, RANGE 3 EAST, AND THE FOLLOWING OVERLAPPING 1280-ACRE SPACING UNIT: SECTIONS 15 AND 22, TOWNSHIP 22 NORTH, RANGE 3 EAST, TABLE MOUNTAIN FIELD, HARDING COUNTY, SOUTH DAKOTA; AND ALLOW THE DRILLING OF ONE HORIZONTAL WELL TO THE RED RIVER "B" POOL ON EACH SPACING UNIT NOT LESS THAN 500 FEET TO THE SPACING UNIT BOUNDARY; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

OIL AND GAS
CASE NO. 4-2013

ORDER

SECRETARY'S ORDER UNDER SDCL 45-9-74

A Petition and Application of Continental Resources, Inc. ("Continental") was submitted to the South Dakota Board of Minerals and Environment ("Board") on January 24, 2013. The Board prepared and published a Notice of Opportunity for Hearing. The Board received no notice of intervention to said application. Therefore, pursuant to SDCL 45-9-74, SDCL 45-9-20 through -29, ARSD 74:12:02:06, and based upon Continental's application and supporting documents, the Secretary makes and enters the following Order:

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

Township 22 North, Range 3 East

Section 2: All
Section 3: All
Section 4: All
Section 9: All
Section 10: All
Section 11: All
Section 14: All
Section 15: All
Section 16: All
Section 21: All
Section 22: All
Section 23: All

(the "Subject Lands")

That by Board Order Nos. 6-83, 7-95, 13-97, 12-08, 28-08 and 5-10, the Table Mountain

Field is comprised of the following described lands, Harding County, South Dakota:

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 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

Township 22 North, Range 2 East

Section 24: E/2

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

The proposed spacing unit comprised of Sections 15 and 22, Township 22 North, Range 3 East, overlaps an existing 640-acre spacing unit, comprised of Section 15, Township 22 North, Range 3 East, which was established by Board Order No. 7-95.

Murex Petroleum Corporation (“Murex”) operates the Meridian 14-15H well located on Section 15, Township 22 North, Range 3 East.

Said 640-acre spacing unit comprised of Section 15 shall remain in place for the Meridian 14-15H well and a setback of 500 feet from the existing wellbore of the Meridian 14-15H well shall be established for any future wells.

Continental has requested an order of the Board amending Board Order Nos. 6-83, 7-95, 12-08 and 28-08 to extend the field boundaries and amending the field rules for the Table Mountain Field so as to establish the following 1280-acre spacing units: Sections 2 and 11, Sections 3 and 10, Sections 4 and 9, Sections 14 and 23, and Sections 16 and 21, Township 22 North, Range 3 East, and the following overlapping 1280-acre spacing unit: Sections 15 and 22, Township 22 North, Range 3 East, Table Mountain Field, Harding County, South Dakota; and allow the drilling of one horizontal well to the Red River “B” Pool on each spacing unit not less than 500 feet to the spacing unit boundary.

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 the Board amend the field rules for the Buffalo Field so as to establish Sections 2 and 11, Sections 3 and 10, Sections 4 and 9, Sections 14 and 23, and Sections 16 and 21, Township 22 North, Range 3 East, as 1280-acre spacing units, and to establish Sections 15 and 22, Township 22 North, Range 3 East, as an overlapping 1280-acre spacing unit, in the Table Mountain Field, Harding County, South Dakota, and allow the drilling of one horizontal well to the Red River "B" Pool on each spacing unit not less than 500 feet to the spacing unit boundary. And with respect to the overlapping spacing unit comprised of Sections 15 and 22, Township 22 North, Range 3 East, that no portion of the wellbore or lateral of any future well drilled on said spacing unit as authorized by this order shall be located ~~not~~ closer than 500 feet to the Meridian 14-15H well currently operated by Murex.

B. This Order amends prior orders of the Board concerning the above described land, including without limitation Order Nos. 6-83, 7-95, 12-08 and 28-08.

C. 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.

D. That upon filing all required further information and forms with the Department of Environment and Natural Resources, a drilling permit may be issued for a horizontal oil and gas well on each proposed spacing unit, as requested above.

Dated and signed this 19th day of March 2013.

A handwritten signature in black ink, appearing to read 'S. Pirner', with a horizontal line extending to the right.

Steven M. Pirner
Secretary
Department of Environment and Natural Resources