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DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

Fredrikson
& BYRON, P.A.

November 25, 2013

VIA EMAIL AND U.S. MAIL

Ms. Jenny Hegg
Department of Environment and
Natural Resources
2050 West Main, Suite #1
Rapid City, SD 57701

**RE: CASE NO. 61-2013
CONTINENTAL RESOURCES, INC.**

Dear Ms. Hegg:

Please find enclosed herewith for filing a PETITION OF CONTINENTAL RESOURCES, INC. for consideration.

Should you have any questions, please advise.

Sincerely,



LAWRENCE BENDER

LB/mpg
Enclosure

cc: Mr. Michael Lees (via email w/enc.)
Ms. Christi Wood (via email w/enc.)

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

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

CASE NO. 61-2013

IN THE MATTER OF THE PETITION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AUTHORIZING THE RECOVERY OF RISK COMPENSATION FROM CERTAIN NON-PARTICIPATING OWNERS, FOR THE DRILLING AND OPERATING OF THE MITCHELL 31-16H WELL LOCATED IN A SPACING UNIT DESCRIBED AS SECTIONS 16 AND 21, TOWNSHIP 22 NORTH, RANGE 3 EAST, TABLE MOUNTAIN FIELD, HARDING COUNTY, SOUTH DAKOTA, PURSUANT TO ARSD CHAPTER 74:12:10, AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

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 Sections 16 and 21, Township 22 North, Range 3 East, Harding County, South Dakota ("Sections 16 and 21").

2.

Order No. 4-2013, dated March 19, 2013, established Sections 16 and 21 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.

3.

That Sections 16 and 21 constitute the spacing unit for the Mitchell 31-16H well in the Table Mountain Field.

4.

The Department of Environment and Natural Resources issued a permit to drill the Mitchell 31-16H well as a horizontal well on June 26, 2013. Drilling of the Mitchell 31-16H well commenced on August 3, 2013.

5.

Order No. 20-2013, dated August 19, 2013, pooled all interests in the spacing unit for the Table Mountain Field described as Sections 16 and 21, designated Continental as the operator of the Mitchell 31-16H well, and recognized Continental's right to submit further application to the Board requesting recovery of risk compensation from any non-participating owners as provided for by SDCL Ch. 45-9 and ARSD Ch. 74:12:10.

6.

The Mitchell 31-16H was completed on or about October 22, 2013.

7.

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

8.

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.

9.

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.

10.

That the following owners have elected not to participate in the drilling and operating of the Mitchell 31-16H well:

- (a) Fairway Resources, Inc.; and
- (b) ConocoPhillips Company.

11.

That the interests of the above-referenced owners are leasehold.

12.

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

13.

That the Mitchell 31-16H well was spud on or about August 3, 2013.

14.

That Continental therefore requests that the Board enter an order authorizing the recovery of risk compensation from the non-participating owners described above, as provided by ARSD Chapter 74:12:10, for the drilling and operating of the Mitchell 31-16H well located in a spacing unit described as Sections 16 and 21, Township 22 North, Range 3 East, 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 25th day of November, 2013.

FREDRIKSON & BYRON, P.A.



By _____
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***ATTORNEYS FOR APPLICANT AND
PETITIONER, CONTINENTAL RESOURCES,
INC.***