



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program - Oil & Gas Section
 2050 West Main, Suite #1, Rapid City, SD 57702-2493
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FORM 2

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 MAR 17 2005

APPLICATION FOR PERMIT TO DRILL

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

Type of work: Drill New Well Reenter Well Drill Directional Well
 Other _____

Type of well: Oil Well Gas Well Injection
 Other _____

Name and Address of Operator: Fidelity Exploration & Production Company PO Box 1010 2010 Montana Ave
 Telephone: 406-359-7360
 Glendive MT 59330

Name and Address of Surface Owner: Ludlow Co-op Grazing - HC 63 Box 76 Buffalo SD 57720

Name and Address of Drilling Contractor and Rig Number:
 Unknown at this time

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
 SW SW SEC 36, T20N, R5E, Harding Co, 660' FSL, 660' FWL,
 Lat. N 45, 38' 54.20"; Long. W 103 27' 39.02"

If Directional, top of pay and bottom hole location from nearest lines of section:
 NA

Acres in Spacing (Drilling) Unit	Description of Spacing Unit
640	640

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
STATE 14-36	2920.7'	Wildcat	8600' Red River C

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12.250"	8.625"	24#	800'	300 sks Premium 3% CaCl ₂ , 1/4pps flake	Surface
2) 7.875"	5.500"	17,20,15.50#	0-8600'	800 sks Premium & Lite, two stage	3000'
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.

April - start dirt work, build locations and roads
 May-June - plan to spud well; drill a vertical test to Red River C. Surface hole will be drilled with fresh water to 800'.
 Setting 7" casing and cementing back to surface. Plan to drill out with an oil base mud and drill to TD with this mud program.
 A DST will be conducted in the Red River C. Open hole logs will be run from TD to surface casing shoe. Run 5.50" casing to within 50' of TD of 8600'. All drilling fluids and cuttings will be contained in a 12 mil lined pit. All liquids will be disposed of in an approved site, the cuttings and liner will be buried in place.

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

[Signature] _____ Tim Ree _____ **SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE** _____ 3/15/05
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By: *[Signature]* _____ Title: Oil & Gas Supervisor
 Permit No. 1727 API No. 40 063 20585 Date Issued: 04/05/05
 Conditions, if any, on attached page.