SD EForm - 0437 V1

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2

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DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

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

Type of well:
☐ Oil Well ☑ Gas Well ☐ Injection
☐ Other _____

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

Name and Address of Operator:
Sands Oil Company Box 373 Billings, MT 59103 Telephone (406) 245-7714

Name and Address of Surface Owner:
State Of South Dakota

Name and Address of Drilling Contractor and Rig Number:
Conquest Energy Services

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
NENW Section 16-T14N3E 2140' FWL, 500' FNL

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

Acres in Spacing (Drilling) Unit: 320 Acre

Description of Spacing Unit: N1/2 Section 16

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
State #14-1-16	3136.5	Wildcat	1200'

KP

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 8.75"	7"	17#	150'	50 SX CL G	Surf
2) 6.25"	4.5"	10.5#	1200'	70 SX Lite, 25 SX CL G	Surf
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.

1. Drill 8.75" surface hole with wtr to 150' , run 150' of 7" csg and cement to surface with 50 SX CL G.
2. Drill 6.25" mail hole to 1200' +- with chem gel mud. Pits will be lined. Run 1200' +- 4.5", 10.5 # csg to surface and cement to surface as indicated.
3. Run cased hole log (either PNN or gamma-neutron) with cement bond log from TD to base surf csg.
4. Perforate and complete or abandon as per State of South Dakota rules and regulations.

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	Name (Print)	Title	Date
	William Fulton	President	01/08/2007

FOR OFFICE USE ONLY

Approved By: Fred W Steece Title: Oil and Gas Supervisor

Permit No. 1820 API No. 40 019 20080 Date Issued: March 1, 2007

Conditions, if any, on attached page.