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 - RAPID CITY

State of South Dakota Department of Environment and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of work:
[X] Drill New Well [ ] Reenter Well [ ] Drill Directional Well
[X] Other: Drill New Horizontal Well

Type of well:
[X] Oil Well [ ] Gas Well [ ] Injection
[ ] Other

Name and Address of Operator: One Warren Place, 6100 S. Yale, Ste 700, Tulsa, OK 74136 Telephone
~~Tecton Energy, LLC~~ ~~3000 Wilcrest, Suite 300, Houston, TX 77042~~ ~~(281) 668-8068~~
Zenergy Operating Co, LLC 918-488-6416

Name and Address of Surface Owner:
Bureau of Land Management

Name and Address of Drilling Contractor and Rig Number:
To be determined.

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
875' FNL 1,515' FEL (NW/4 NE/4) Sec. 1 T22N R2E Lat: 45° 54' 15.98" Long: 103° 48' 58.71"

If Directional, top of pay and bottom hole location from nearest lines of section:
±1,075' FNL ±1,805' FEL (NW/4 NE/4) Sec. 1 T22N R2E – Top of Pay Zone
±500' FSL ±1,880' FEL (SW/4 SE/4) Sec. 2 T22N R2E – Bottomhole Location

Acres in Spacing (Drilling) Unit: 1,280.00 acres
Description of Spacing Unit:

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Lakota Federal 1-1H	2,987.4'	Wildcat	8,451' TVD 15,047' MD

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12-1/4"	9-5/8"	J-55 36#	2,000'	±400 sxs Premium Lite and ±250 sxs "G"	To surface
2) 8-3/4"	7"	HCL-80 29# & 32#	8,630'	±500 sxs Premium Lite & ±200 sxs Prm Lite II HS	4,500'
3) 6"	None	Open Hole	14,942'	None	
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 1, 2008

See attached Drilling Program and Directional Profile

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
Kimberly J. Rodell	Kimberly J. Rodell	Permit Agent for Tecton Energy, LLC	Revised: March 21, 2008 Original: February 1, 2008

FOR OFFICE USE ONLY

Approved By: Fred W. Reece Title: Oil and Gas Supervisor

Permit No. 1862 API No. 40 063 20637 Date Issued: May 20, 2008

Conditions, if any, on attached page.

See Transfer of operator (copy this file) — Jm