



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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APR 25 2008

DEPT OF ENVIRONMENT & NATURAL  
 RESOURCES - RAPID CITY

**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 \_\_\_\_\_

Name and Address of Operator: Continental Resources, Inc. P.O. Box 1032 Enid, OK 73702 Telephone (580) 233-8955

Name and Address of Surface Owner: Beer Mug Ranch Trust c/o Chris & Paul Palczewski, P.O. Box 473, Bowman, ND 58623-0473

Name and Address of Drilling Contractor and Rig Number: Nabors Drilling, Rig #42 515 W. Greens Rd., Suite 1000, Houston, TX 77067

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):

SWSW, Sec 1-22N-6E, Harding Co., 600' FSL & 450' FWL

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

Top of Pay 8980' TVD @ 895' FSL & 734' FWL, BHL 660' FNL & 660' FEL, Sec 1-22N-6E

Acres in Spacing (Drilling) Unit: 640 acres, Order # 8-2008  
 Description of Spacing Unit: All of section 1-22N-6E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Palczewski 1-1H	2909	Wildcat	14,600' MD/Red River "B"

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 13 1/2"	9 5/8"	36#	1440	350 sks "C", 2% GYP; 190 sks "C"	
2) 8 3/4"	7"	23-29#	9210	630 sks 35/65 Poz/"G"; 250 sks "G"	
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.

The Palczewski is a horizontal Red River "B" test. The well will be drilled vertically to approximately the top of the Silurian Interlake formation before drilling a medium radius build section in a 46 degree azimuth direction and 7" casing set a goot or so above the Red River "B" porosity zone, estimated to be at 8980' TVD. Pit will be lined with a 12 mil plastic liner. Estimated spud date 6/2/2008.

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

Nicole Caddell Signature      Nicole Caddell Name (Print)      Regulatory Title      04/21/2008 Date

**FOR OFFICE USE ONLY**

Approved By: [Signature] Title: Oil and Gas Supervisor

Permit No. 1870      API No. 40 063 20645      Date Issued: May 27, 2008

Conditions, if any, on attached page.