SD EForm - 0437 V1

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
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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: [✓] 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):

NENE, Sec 11-22N-6E, Harding Co., 330' FNL & 330' FEL

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

Top of Pay 8950' TVD @ 619' FNL & 619' FEL, BHL 660' FSL & 660' FWL, Sec 11-22N-6E

Acres in Spacing (Drilling) Unit: 640 acres, Order # 10-2007

Description of Spacing Unit: All of section 11-22N-6E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Beer Mug Ranch 1-11H	2910	Wildcat	14,840' 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#	9180	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 Beer Mug Ranch 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 135 degree azimuth direction and 7" casing set a goot or so above the Red River "B" porosity zone, estimated to be at 8950' TVD. Pit will be lined with a 12 mil plastic liner. Estimated spud date 10/14/2008.

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

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

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

Permit No. 1874 API No. 40 063 20649 Date Issued: May 27, 2008

Conditions, if any, on attached page.