ORDER / CASE NO: ORDER NO. 40-2013

ORDER / NOTICE OF
RECOMMENDATION TYPE: POOLING

COUNTY: HARDING

LOCATION(S): T. 22N., R. 3E.,
ALL OF SEC. 13 AND E/2 SEC. 24

OPERATOR: CONTINENTAL RESOURCES, INC.

DATE ORDER ISSUED: 10/21/2013

DATE ORDER CLOSED:

AMENDS:

AMENDED BY:

APPROVAL STATUS: APPROVED

FIELD NAME: BUFFALO FIELD

UNIT NAME:
Lawrence Bender  
Fredrikson & Byron, P.A.  
200 North Third Street, Suite 150  
Bismarck, ND 58501-3879

Dear Mr. Bender:


On September 16, 2013, a petition to intervene in Case No. 32-2013 was received from Paul Burton. However, based on the letter from your office dated October 9, Case No. 32-2013 was dismissed.

On October 3, 2013, petitions of intervention for Case Nos. 33-2013 and 38-2013 were received from Robert Hellerud. Based on letters from your office dated October 8, the contested portion of Case No. 33-2013 was dismissed, and Case No 38-2013 was dismissed.

As per a letter from your office dated September 16, Case No. 44-2013 was withdrawn.

If you have any questions regarding the orders, please feel free to contact me at 605.773.4201 or email at bob.townsend@state.sd.us.

Sincerely,

Robert Townsend, Administrator  
Minerals and Mining Program

Enclosures
STATE OF SOUTH DAKOTA  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
BOARD OF MINERALS AND ENVIRONMENT

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ANY APPLICABLE ORDERS FOR THE BUFFALO FIELD TO POOL ALL INTERESTS IN A 960-ACRE SPACING UNIT DESCRIBED AS ALL OF SECTION 13 AND THE E/2 OF SECTION 24, TOWNSHIP 22 NORTH, RANGE 3 EAST, HARDING COUNTY, SOUTH DAKOTA; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

OIL AND GAS  
CASE NO. 40-2013  
ORDER

SECRETARY’S ORDER UNDER SDCL 45-9-74

A Petition and Application of Continental Resources, Inc. (“Continental”) to pool all interests in a 960-acre spacing unit comprised of the above-referenced lands was submitted to the South Dakota Board of Minerals and Environment (“Board”) on September 5, 2013. The Board prepared and published a Notice of Opportunity for Hearing. No petition requesting a hearing was received. Therefore, pursuant to South Dakota Codified Laws (SDCL) 45-9-74 and SDCL 45-9-30 through 36, and based upon Continental’s application and supporting documents, the Secretary makes and enters the following Order:

Continental is the owner of an interest in the oil and gas leasehold estate in portions of Section 13 and the E/2 of Section 24, Township 22 North, Range 3 East, Harding County, South Dakota (“the Subject Lands”). Order No. 34-13 established the Subject Lands as a 960-acre spacing unit in the Buffalo Field, and authorized the issuance of a permit for the drilling of a horizontal well within the spacing unit.

There are both separately owned tracts and separately owned interests in the spacing unit comprised of the Subject Lands. Voluntary pooling of the Subject Lands has not been
accomplished.

Under the current case, Continental has requested that the Board pool all interests in the aforementioned spacing unit, and that the Board authorize Continental to drill, equip and operate the Kincheloe 41-13H horizontal well within said spacing unit.

In Continental’s opinion, pooling the Subject Lands will increase the ultimate recovery of the pool, prevent waste, prevent the drilling of unnecessary wells and protect correlative rights.

**IT IS THEREFORE ORDERED**

A. Pooling of all interests in the 960-acre spacing unit comprised of Section 13 and the E/2 of Section 24, Township 22 North, Range 3 East, Harding County, South Dakota, is hereby granted for the Buffalo Field. Continental is hereby authorized to drill, equip and operate the Kincheloe 41-13H well.

B. All expenses incurred in drilling, equipping and operating the Kincheloe 41-13H well on the spacing unit, plus a reasonable charge for supervision and interest, and all production from the well, shall be allocated to the various tracts within the spacing unit on the basis of the ratio of the number of acres contained in each separately owned tract to the number of acres in the spacing unit.

C. Operations incident to the drilling of a well on any portion of the spacing unit shall be deemed for all purposes the conduct of such operation upon each separately owned tract in the spacing unit, and production allocated to each tract shall, when produced, be deemed for all purposes to have been produced from each tract by a well drilled thereon.

D. Any owner of mineral interests in the spacing unit may elect to participate in the risk and cost of the drilling and operation of the Kincheloe 41-13H well at any time prior to completion of the well upon the basis of full participation or upon terms and conditions mutually agreeable to Continental and the mineral interest owner.
E. Owners of mineral interests in the spacing unit who participate in the costs of drilling, equipping and operating the Kincheloe 41-13H well or continue to pay future operating costs for the Kincheloe 41-13H well for the benefit of nonparticipating owners of mineral interests in the spacing unit are entitled to the share of production from the spacing unit accruing to the interest of the nonparticipating owners, exclusive of a royalty not to exceed one-eighth of the production, until the market value of the nonparticipating owners' share of the production exclusive of the royalty, equals the sums payable by or charged to the interest of the nonparticipating owners.

F. Nothing contained herein shall prohibit Continental, its successors and assigns, from making further application to the Board for a risk penalty to be imposed against any nonparticipating owners as provided for by SDCL Ch. 45-9 and Administrative Rules of South Dakota Ch. 74:12:10 (2013).

G. In the event of a dispute as to the costs of drilling, equipping or operating the well, the South Dakota Board of Minerals and Environment shall determine the costs in accordance with SDCL 45-9-35.

H. That all portions of previous orders of the Board, if any, which are not specifically amended by this Order remain in full force and effect until further order of the Board or Secretary.

Dated and signed this 21st day of October 2013.

Steven M. Pirner
Secretary
Department of Environment and Natural Resources
Ms. Jenny Hegg  
Department of Environment & Natural Resources  
2050 West Main, Suite 1  
Rapid City, SD  57702-2493

RE: CASE NO. 40-2013  
Continental Resources, Inc.

Dear Ms. Hegg:

Please find enclosed herewith for filing the following:

1. Map which outlines the spacing unit;
2. Affidavit of Service by Mail with attached list of persons notified; and
3. Green certified return receipts, and any envelopes which were returned as being undeliverable.

If you should have any questions, please advise.

Sincerely,

[Signature]

LAWRENCE BENDER

Enclosures

cc: Ms. Christi Wood (via email w/o enc.)

7487061_1.DOC
General Locator Map
STATE OF SOUTH DAKOTA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
BOARD OF MINERALS AND ENVIRONMENT

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ANY APPLICABLE ORDERS FOR THE BUFFALO FIELD TO POOL ALL INTERESTS IN A 960-ACRE SPACING UNIT DESCRIBED AS ALL OF SECTION 13 AND THE E/2 OF SECTION 24, TOWNSHIP 22 NORTH, RANGE 3 EAST, HARDING COUNTY, SOUTH DAKOTA; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

AFFIDAVIT OF SERVICE BY MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Stephanie Sweet, being first duly sworn, deposes and says that on the 11th day of September, 2013, she served the attached:

PETITION OF CONTINENTAL RESOURCES, INC.;
and
NOTICE OF OPPORTUNITY FOR HEARING

by placing a true and correct copy thereof in an envelope addressed as follows:

See attached Exhibit A

and depositing the same, with postage prepaid, certified mail, return receipt requested, in the United States mail at Bismarck, North Dakota.

Stephanie Sweet

Subscribed and sworn to before me this 11th day of September, 2013.

MELISSA P GIBSON
Notary Public
State of North Dakota
My Commission Expires July 4, 2017
Betty Joy Njos
P.O. Box 266
Rhame, ND 58651

Catherine Curry Staib
6139 Saginaw Court
Lexington, KY 40503

Darlene M. Rosiska
539 Webster St.
Clay Center, KS 67432

Deborah Thomason
8802 Apple Creek Road
Bismarck, ND 58504

Dorothy Louise Thunem Trust
Agreement 4/9/2010
2708 Bixby Ave. NE
Bemidji, MN 56601

Judy K. McCann Mineral Interest Trust
1912 State Street
Brookings, SD 57706

Marjorie Thorpen
203 11th Avenue NW, #104
Bowman, ND 58623

Maurine A. Avery Revocable Trust
under Agreement dated 1/15/2003
9505 Woodbridge Rd.
Bloomington, MN 55438

Ruth Stearns
P.O. Box 916
Bowman, ND 58623

Thomas G. Peterson
33308 Turtle View Trail
Underwood, MN 56586

Betty Joy Njos Revocable Trust
Agreement 2/7/2013
P.O. Box 266
Rhame, ND 58651

Clara Flemmer
1001 - 2nd St. NE
Mandan, ND 58554-3716

David Stearns
16378 Pleasant Valley Drive NE.
Silverton, OR 97381-9752

Debra Kay Brown
P.O. Box 655
Buffalo, SD 57720

Frederick Crosby Grant
353 Grand Ave. W
South Saint Paul, MN 55075

Laurine J. Cheney
154 W. Dale St.
South St. Paul, MN 55075

Marjorie Thorpen Mineral Trust
203 11th Avenue NW, #104
Bowman, ND 58623

Mildred & Sidney L. Richardson
P.O. Box 51
Coldstrip, MT 59323

Sharlet Rene Teigen
10827 Karsten Drive
Belle Fourche, SD 57717-6304

Thomas Kahrs
16090 Gardner East Rd.
Gardner, KS 66030-9666

Bill Stearns
203 3rd Ave. SW
Bowman, ND 58623

Dale & Merlene Palczewski
101 Street SW.
Scranton, ND 58653

Dean Kahrs
9804 - 134th Ave. SW
Scranton, ND 58653

Dennis Kahrs
4616 Colorado Blvd.
P.O. Box 19227
Colorado City, CO 81019

Vegas Production Company
c/o Prima Exploration
100 Fillmore St., Ste. 450
Denver, CO 80206

Lynn & Michele Heath
P.O. Box 803
Hettinger, ND 58639

Mary Ann Robison
602 S. Kenneth Ave.
Monahans, TX 79756-4118

Myron A. & Maureen Grant
28306 County Road 52
Bigfork, MN 56628

State of South Dakota
500 E. Capitol Ave.
Pierre, SD 57501

Timothy Glenn Brown
10723 Table Mountain Rd.
Buffalo, SD 57720

EXHIBIT A
Todd Sterns  
203 3rd Ave. SW  
Bowman, ND  58623

William C. Carrigan  
7500 Priest Pass Road  
Helena, MT 59601

Bayswater Exploration & Production, LLC  
730 - 17th St., Ste. 610  
Denver, CO  80202

Captiva Resources, Inc.  
8001 Interport Blvd., Ste. 360  
Englewood, CO 80112-5908

Gunlikson Petroleum, Inc.  
17 Brookhaven Trail  
Littleton, CO  80123

Marshall Resources, LLC  
c/o Prima Exploration  
100 Fillmore St., Ste. 450  
Denver, CO  80206

Prima Exploration, Inc.  
100 Fillmore St., Ste. 450  
Denver, CO  80206
IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ANY APPLICABLE ORDERS FOR THE BUFFALO FIELD TO POOL ALL INTERESTS IN A 960-ACRE SPACING UNIT DESCRIBED AS ALL OF SECTION 13 AND THE E/2 OF SECTION 24, TOWNSHIP 22 NORTH, RANGE 3 EAST, HARDING COUNTY, SOUTH DAKOTA; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

AFFIDAVIT OF SERVICE BY MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Stephanie Sweet, being first duly sworn, deposes and says that on the 12th day of September, 2013, she served the attached:

PETITION OF CONTINENTAL RESOURCES, INC.;
and
NOTICE OF OPPORTUNITY FOR HEARING

by placing a true and correct copy thereof in an envelope addressed as follows:

See attached Exhibit A

and depositing the same, with postage prepaid, registered mail, return receipt requested, in the United States mail at Bismarck, North Dakota.

Subscribed and sworn to before me this 12th day of September, 2013.

Stephanie Sweet

Subscribed and sworn to before me this 12th day of September, 2013.

MELISSA P. GIBSON
Notary Public
State of North Dakota
My Commission Expires July 4, 2017

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CERTIFIED MAIL RECEIPTS NOT SCANNED

HARD COPIES AVAILABLE AT DENR’S OFFICE IN RAPID CITY
Affidavit of Publication

STATE OF SOUTH DAKOTA:
COUNTY OF HARDING:

Letitia Lister of said County and State being first duly sworn, on her oath says: That the NATION’S CENTER NEWS is a legal weekly newspaper of general circulation, printed and published in the City of Buffalo, in said County and State by Letitia Lister, and has been such a newspaper during the times hereinafter mentioned; and that said newspaper has a bonafide circulation of at least 200 copies weekly, and has been published within said County in the English language for at least one year prior to the first publication of the notice herein mentioned, and is printed in whole or in part in an office maintained at the place of publication; and that I, Letitia Lister, the undersigned, am the Publisher of said newspaper and have personal knowledge of all the facts stated in this affidavit; and that the advertisement headed:

Case No. 40-2013

a printed copy of which is hereto attached, was printed and published in said newspaper for ______ successive and consecutive weeks, the first publication being made on the ______ day of ___2013___ and the last publication on the ______ day of _______, that the full amount of fees charged for publishing same, to-wit: The sum of $37,537, insures solely to the benefit of the publisher of the NATION CENTER NEWS, that no agreement or understanding for a division thereof has been made with any person and that no part thereof has been agreed to be paid to any other person whomsoever.

Subscribed and sworn to before me this ______ day of __________, 2013.

Notary Public, Lawrence County, South Dakota
My commission expires: 10-24-2016
September 6, 2013

Lawrence Bender
Fredrikson & Byron, P.A.
200 North 3rd Street, Suite 150
Bismarck, ND 58501-3879

Dear Mr. Bender:

Enclosed are copies of the notices of opportunity for hearing for Oil and Gas Case Nos. 33-2013, 34-2013, 35-2013, 36-2013, 37-2013, 38-2013, 39-2013, 40-2013, 41-2013, 42-2013, 43-2013, 44-2013, 45-2013, 46-2013, 47-2013 and 48-2013 in Harding County, SD, which have been sent to the Nation's Center News in Buffalo, SD, for publication on Thursday, September 12, 2013.

The purpose of this letter is to advise you that it is the applicant’s responsibility to serve notice on those persons “....whose property may be affected…” as specified in South Dakota Codified Laws 45-9-58.

Please file with this office the following:

1. Affidavit of Notification
2. Certified mail return receipts
3. A list of persons notified

Thank you for your cooperation.

Sincerely,

Robert Townsend, Administrator
Minerals and Mining Program

Enclosures
IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC., OKLAHOMA CITY, OKLAHOMA, FOR AN ORDER OF THE BOARD AMENDING ANY APPLICABLE ORDERS FOR THE BUFFALO FIELD TO POOL ALL INTERESTS IN A 960-ACRE SPACING UNIT DESCRIBED AS ALL OF SECTION 13 AND THE E/2 OF SECTION 24, TOWNSHIP 22 NORTH, RANGE 3 EAST, HARDING COUNTY, SOUTH DAKOTA; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

NOTICE OF OPPORTUNITY FOR HEARING

OIL AND GAS CASE NO. 40-2013

Notice is hereby given to Continental Resources, Inc., Oklahoma City, Oklahoma, and to all interested persons that the Board of Minerals and Environment, hereinafter “board,” will hold a contested case hearing on the above described matter on Thursday, October 17, 2013, at 10:15 a.m. CDT at the Matthew Environmental Education and Training Center, Joe Foss Building, 523 East Capitol Avenue, Pierre, South Dakota 57501, for the purpose of hearing the above matter if any party intervenes and requests a hearing as provided by law.

The board has jurisdiction and legal authority to issue orders for the development of the oil and gas resources of the state pursuant to South Dakota Codified Laws (SDCL) Chapters 45-9 and 1-26 and to Administrative Rules of South Dakota (ARSD) 74:09 and 74:12. The hearing is an adversary proceeding and any party has the right to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised at the hearing. The board may approve, conditionally approve, or deny the application. The board’s decision will be based upon the evidence received at the hearing. The board’s decision may be appealed to the Circuit Court and the State Supreme Court as provided by law.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated, any party to the contested case may require the agency to use the Office of Hearing Examiners by giving notice of the request to the agency no later than ten days after service of a notice of hearing issued pursuant to SDCL Chapter 1-26-17.

Any person who wishes to intervene in this proceeding as a party must file a petition to intervene pursuant to ARSD 74:09:01:04 on or before October 2, 2013. The above described matter will only be heard before the board if a person intervenes in this proceeding. If no petition to intervene is filed, the Secretary of the Department of Environment and Natural Resources will approve or conditionally approve the application in accordance with SDCL 45-9-74.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources at least 48 hours before the public hearing if you have a disability for which special
arrangements must be made at the hearing. The telephone number for making special arrangements is (605) 773-4201.

The application and notice of hearing are also posted on the department’s website at: http://denr.sd.gov/des/og/newpermit.aspx. Additional information about this application is available from Bob Townsend, Administrator, Minerals and Mining Program, Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, South Dakota 57501, telephone (605) 773-4201, email bob.townsend@state.sd.us.

Dated: September 6, 2013

Steven M. Pirner
Secretary

Published once at the total approximate cost of __________.
September 6, 2013

VIA EMAIL & U.S. MAIL

Ms. Jenny Hegg
Department of Environment and Natural Resources
2050 West Main, Suite #1
Rapid City, SD 57701

RE: CASE NO. 40-2013

Dear Ms. Hegg:

Please find enclosed herewith for filing a Certification of Applicant for the above-captioned matter.

Should have any questions, please advise.

Sincerely,

[Signature]

LAWRENCE BENDER

Enclosure

cc: Mr. Michael Lees (via email w/enc.)
Ms. Christi Wood (via email w/enc.)

7314741_1.DOC
IN THE MATTER OF THE
APPLICATION OF CONTINENTAL RESOURCES, INC.

CERTIFICATION OF APPLICANT

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

I, JIM CANON, the applicant in the above matter after being duly sworn upon oath hereby certify the following information in regard to this application:

South Dakota Codified Laws Section 1-40-27 provides:

"The secretary may reject an application for any permit filed pursuant to Titles 34A or 45, including any application by any concentrated swine feeding operation for authorization to operate under a general permit, upon making a specific finding that:

(1) The applicant is unsuited or unqualified to perform the obligations of a permit holder based upon a finding that the applicant, any officer, director, partner, or resident general manager of the facility for which application has been made:

(a) Has intentionally misrepresented a material fact in applying for a permit;

(b) Has been convicted of a felony or other crime of moral turpitude;

(c) Has habitually and intentionally violated environmental laws of any state or the United States which have caused significant and material environmental damage;

(d) Has had any permit revoked under the environmental laws of any state or the United States;

(e) Has otherwise demonstrated through clear and convincing evidence of previous actions that the applicant lacks the necessary good character and competency to reliably carry out the obligations imposed by law upon the permit holder; or

(2) The application substantially duplicates an application by the same applicant denied within the past five years which denial has not been reversed by a court of competent jurisdiction. Nothing in this subdivision may be construed to prohibit an applicant from submitting a new application for a permit previously denied, if the new application represents a good faith attempt by the applicant to correct the deficiencies that served as the basis for the denial in the original application."
All applications filed pursuant to Titles 34A and 45 shall include a certification, sworn to under oath and signed by the applicant, that he is not disqualified by reason of this section from obtaining a permit. In the absence of evidence to the contrary, that certification shall constitute a prima facie showing of the suitability and qualification of the applicant. If at any point in the application review recommendation, or hearing process, the secretary finds the applicant has intentionally made any material misrepresentation of fact in regard to this certification, consideration of the application may be suspended and the application may be rejected as provided for under this section.

Applications rejected pursuant to this section constitute final agency action upon that application and may be appealed to circuit court as provided for under chapter 1-26.”

Pursuant to SDCL 1-40-27, I certify that I have read the forgoing provision of state law, and that I am not disqualified by reason of that provision from obtaining the permit for which application has been made.

I declare and affirm under the penalties of perjury that this claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Dated this 5th day of SEPTEMBER, 2013.

Applicant

Subscribed and sworn before me this 5th day of SEPTEMBER, 2013.

Notary Public

My commission expires: 6-11-2014

(Seal)

PLEASE ATTACH SHEET DISCLOSING ALL FACTS PERTAINING TO SDCL 1-40-27 (1)(a) THROUGH (e). ALL VIOLATIONS MUST BE DISCLOSED, BUT WILL NOT AUTOMATICALLY RESULT IN THE REJECTION OF AN APPLICATION.
VIA EMAIL AND U.S. MAIL

Ms. Jenny Hegg
Department of Environment and Natural Resources
2050 West Main, Suite #1
Rapid City, SD 57701

RE: CASE NO. 40-2013
CONTINENTAL RESOURCES, INC.

Dear Ms. Hegg:

Please find enclosed herewith for filing a PETITION OF CONTINENTAL RESOURCES, INC. for consideration.

Should you have any questions, please advise.

Sincerely,

[LAWRENCE BENDER]

LB/mpg
Enclosure

cc: Mr. Michael Lees (via email w/enc.)
Ms. Christi Wood (via email w/enc.)

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STATE OF SOUTH DAKOTA

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

BOARD OF MINERALS AND ENVIRONMENT

CASE NO. 40-2013

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER OF THE BOARD AMENDING ANY APPLICABLE ORDERS FOR THE BUFFALO FIELD TO POOL ALL INTERESTS IN A 960-ACRE SPACING UNIT DESCRIBED AS ALL OF SECTION 13 AND THE E/2 OF SECTION 24, TOWNSHIP 22 NORTH, RANGE 3 EAST, HARDING COUNTY, SOUTH DAKOTA; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

PETITION AND APPLICATION OF CONTINENTAL RESOURCES, INC.

Continental Resources, Inc. (“Continental”) and for its petition and application to the Department of Environment and Natural Resources, Board of Minerals and Environment (the “Board”), states and alleges as follows:

1.

Continental is the owner of an interest in the oil and gas leasehold estate underlying all or portions of the following described lands in Harding County, South Dakota:

- Township 22 North, Range 3 East
- Section 13: All
- Section 24: E/2

(the “Subject Lands”)
2. That Section 13 is currently spaced as a 640-acre spacing unit pursuant to Board Order No. 20-1997 and the E/2 of Section 24 is currently spaced as a 320-acre spacing unit pursuant to Board Order No. 7-83.

3. That by petition filed by Continental requesting to establish Section 13 and the East Half (E/2) of Section 24 as a 960-acre spacing unit, it is anticipated that an order will be issued by the Board establishing said spacing unit in the Buffalo Field.

4. That Continental hereby requests the Board authorize Continental to drill, equip and operate the Kincheloe 41-13H well as a horizontal well in the “B” Zone of the Red River pool in the Buffalo Field within the Subject Lands.

5. That there are both separately owned tracts and separately owned interests in the spacing unit comprised of the Subject Lands.

6. That a voluntary pooling of the Subject Lands has not been accomplished.

7. That Section 45-9-31 of the South Dakota Codified Laws provides as follows:

   **45-9-31. Order pooling all interests in spacing unit:** Application by interested person—Notice and hearing—Terms and conditions. In the absence of voluntary pooling, the Board of Minerals and Environment or the secretary, as applicable, upon
the application of any interested person, shall enter an order pooling all interests in the spacing unit for the development and operation of the spacing unit, and for the sharing of production from the spacing unit. Each such pooling order shall be made after notice and opportunity for hearing, and shall be upon terms and conditions that are just and reasonable, and that afford to the owner of each tract or interest in the spacing unit the opportunity to recover or receive without unnecessary expense, his or her just and equitable share.

8.

That Section 45-9-32 of the South Dakota Codified Laws provides as follows:

45-9-32. Order of Board of Minerals and Environment pooling all interests in spacing unit--Operation of well--Rights of owners to participate--Payment of expenses. Each such pooling order shall authorize the drilling, equipping, and operation of a well on the spacing unit; shall provide who may drill and operate the well; shall prescribe the time and manner in which all the owners in the spacing unit may elect to participate therein; and shall make provision for payment by all those who elect to participate therein of the reasonable actual cost thereof, plus a reasonable charge for supervision and interest.

9.

Continental respectfully requests that the Board enter an order to pool all interests in a 960-acre spacing unit for the Buffalo Field described as the Subject Lands.

10.

In Continental's opinion, pooling the Subject Lands will increase the ultimate recovery of the pool, prevent waste, prevent the drilling of unnecessary wells and protect correlative rights.

WHEREFORE, Continental respectfully requests that notice of this matter be provided as required by South Dakota laws and that thereafter the Board of Minerals and Environment enter its order granting the relief requested herein.
DATED this __ day of September, 2013.

FREDRIKSON & BYRON, P.A.

By ____________________________

LAWRENCE BENDER
SOUTH DAKOTA LICENSE #3461
200 North 3rd Street, Suite 150
P. O. Box 1855
Bismarck, ND 58502-1855
(701) 221-4020

ATTORNEYS FOR APPLICANT AND
PETITIONER, CONTINENTAL RESOURCES,
INC.