BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APR 3 0 2015

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CORPORATION COMMISSIO	N
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APPLICANT:

CONTINENTAL RESOURCES, INC.

OF OKLAHOMA

RELIEF SOUGHT:

LOCATION EXCEPTION

CAUSE CD NO.

LEGAL DESCRIPTION:

SECTIONS 10 AND 3, TOWNSHIP 16 NORTH. RANGE 10 WEST,

201502097

BLAINE COUNTY, OKLAHOMA

<u>APPLICATION</u>

Applicant is Continental Resources, Inc., P.O. Box 269091, Parties: 1. Oklahoma City, Oklahoma 73126. The attorney for Applicant is Karl F. Hirsch of the law firm Hirsch, Heath, & White, PLLC, 901 Cedar Lake Boulevard, Oklahoma City, Oklahoma 73114; Applicant is the owner of the right to drill a well into and produce (405) 235-1768. hydrocarbons from the hereinafter named common sources of supply. The name and address of each party being named as a respondent to this Application is shown on Exhibit "A" attached hereto and made a part hereof.

2. Allegation of Facts:

- By Order No. 639444, the Corporation Commission established a 640-acre 2.1 horizontal well drilling and spacing unit for the Mississippian, Woodford and Hunton common sources of supply in Section 3, Township 16 North, Range 10 West, Blaine County, Oklahoma. By the Order to issue in Cause CD No. 201502094, the Corporation Commission will establish 640 acre horizontal well drilling and spacing units for the Springer common source of supply underlying Section 3, Township 16 North, Range 10 West, Blaine County, Oklahoma. By the Order to issue in Cause CD No. 20150 2095, the Corporation Commission will establish 640 acre horizontal well drilling and spacing units for the Springer, Mississippian, Woodford and Hunton common sources of supply underlying Section 10, Township 16 North, Range 10 West, Blaine County, Oklahoma. The permitted well location under these Orders is anywhere within the unit no closer than 660 feet from the horizontal well unit boundaries for the Springer, Mississippian and Hunton common sources of supply and no closer than 165 feet from the north and south horizontal well unit boundaries and no closer than 330 feet from the east and west horizontal well unit boundaries for the Woodford common source of supply.
- Applicant is proposing to drill a multiunit horizontal well pursuant to \$2.50 O.S. §87.7 in the shale reservoir underlying the lands involved herein. A portion of the completion interval of such multiunit horizontal well is to be located in one can be acre horizontal drilling and are acre horizontal drilling and spacing units formed for the common sources of supply involved herein in Sections 10 and 3. Applicant has filed an Application in Cause CD No. 20150 2096, requesting the Commission approve the multiunit horizontal well involved herein and establish a proper allocation factor for allocating the cost of and the production and proceeds from such multiunit horizontal well to each of the units affected thereby.

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2.3 Due to the additional and new data regarding reservoir characteristics and the distribution of common sources of supply underlying the captioned property, Applicant proposes to drill, complete and produce a multiunit horizontal well at an off-pattern location as follows:

<u>Surface Location</u>: no closer than 0 feet from the south line and no closer than 330 feet from the west line of Section 10-16N-10W;

Commencement of Completion Interval in Section 10: no closer than 150 feet from the south line and no closer than 330 feet from the west line of Section 10-16N-10W;

End of Completion Interval in Section 10: no closer than 0 feet from the north line and no closer than 330 feet from the west line of Section 10-16N-10W;

Commencement of Completion Interval in Section 3: no closer than 0 feet from the south line and no closer than 330 feet from the west line of Section 3-16N-10W;

End of Completion Interval in Section 3: no closer than 150 feet from the north line and no closer than 330 feet from the west line of Section 3-16N-10W.

Applicant intends to run casing in the horizontal portion or lateral of the wellbore and to cement the casing so as to cover and isolate the first and last perforations in the horizontal portion or lateral of the well to protect the correlative rights of offset owners. The granting of the Order requested will not obtain to Applicant any geological advantage adverse to the off-set operators.

- 2.4 In order to protect correlative rights, obtain the greatest ultimate recovery of oil and gas and prevent the various types of waste, the Commission should authorize and permit the drilling, completion and production of a multiunit well at the location requested for the aforementioned common source(s) of supply without any downward allowable adjustment.
- 2.5 The Meramec interval of the Mississippian common source of supply in the lands covered hereby has shale characteristics. The Springer common source of supply is located immediately above the Mississippian common source of supply and the Woodford common source of supply is located immediately below the Mississippian common source of supply and the Hunton common source of supply is located immediately below the Woodford common source of supply. The Springer, Mississippian above and below the Meramec interval, Woodford and Hunton common sources of supply may be inadvertently encountered in the drilling of the lateral of a horizontal well in the Meramec interval of the Mississippian and/or Woodford common sources of supply when such wells drill out of or exit the shale formation. The Springer, Mississippian above and below the Meramec interval, Woodford and Hunton common sources of supply are Associated Common Sources of Supply under 52 O.S. §87.6 in regard to the Woodford common source of supply. The four separate common sources of supply covered hereby constitute a Shale Reservoir under 52 O.S. §87.6.

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- 3. <u>Legal Authority</u>: Title 52, Sections 87.1 and 112, O.S.
- 4. Relief Sought: Applicant requests the Corporation Commission enter an Order, to be effective as of the date of the execution thereof or as of a date prior thereto, authorizing Applicant or some other party recommended by Applicant to drill, complete and produce a multiunit horizontal well at the off-pattern location described in paragraph 2.3 above in Sections 10 and 3, Township 16 North, Range 10 West, Blaine County, Oklahoma, so as to produce hydrocarbons from the Springer, Mississippian, Woodford and Hunton common source of supply without any downward allowable adjustment.

CONTINENTAL RESOURCES, INC.

Karl F. Hirsch, OBA No. 4232 HIRSCH, HEATH & WHITE, PLLC

901 Cedar Lake Boulevard

Oklahoma City, Oklahoma 73114

Telephone: (405) 235-1768 Facsimile: (405 608-4913 khirsch@hhwlawfirm.com Attorneys for Applicant APPLICATION OF CONTINENTAL RESOURCES, INC. CAUSE CD NO. 2015_____EXHIBIT "A" TO APPLICATION PAGE 4

RESPONDENTS WITH KNOWN ADDRESSEES:

- Felix Energy, LLC
 1530 16th St., Ste. 500
 Denver, CO 80202
- Linn Operating
 14000 Quail Springs Parkway, Suite 5000
 Oklahoma City, OK 73134
- 3. Sabre Operating
 P.O. Box 4848
 Wichita Falls, TX 76308-0848

RESPONDENTS WITH UNKNOWN OR UNLOCATABLE ADDRESSES (with last known addresses if available):

None.

And if any of the above are deceased or no longer in business, their unknown heirs, devisees, executors, administrators, trustees, successors and assigns, immediate and remote.