BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: CONTINENTAL RESOURCES, INC.

RELIEF SOUGHT: POOLING

LANDS COVERED: SECTION 35, TOWNSHIP 8 NORTH, RANGE 7 WEST, GRADY COUNTY, OKLAHOMA

CAUSE CD NO.
201207649

ORDER NO.
606059

ORDER OF THE COMMISSION

This cause came on for hearing before Michael Porter, Administrative Law Judge for the Corporation Commission of Oklahoma, on the 17th day of December, 2012, at 8:30 a.m. in the Commission Courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma, pursuant to notice given as required by law and the Rules of the Commission for the purpose of hearing, taking testimony and reporting the findings and recommendations to the Commission.

David E. Pepper, Attorney, appeared for the Applicant, CONTINENTAL RESOURCES, INC.

The Administrative Law Judge heard the cause and filed a report with the Commission, which report has been considered, and the Commission, therefore, finds as follows:

FINDINGS

1. That this is the Application of Continental Resources, Inc. for an order pooling interests and adjudicating rights and equities of oil and gas owners in the Endicott, Tonkawa, Hoxbar, 1st Deese, 2nd Deese, Gibson, Hart, Osborn, Skinner, Atoka (Dornick Hills), Springer Series, Caney, Sycamore, Woodford and Hunton common sources of supply underlying Section 35-8N-7W, Grady County, Oklahoma.

2. That at the time of the hearing, certain Respondents were dismissed as shown on Exhibit "A" attached hereto.

3. That the Commission has jurisdiction over the subject matter herein; that notice has been given in all respects as required by law and the rules of the Commission.

4. That Section 35-8N-7W, Grady County, Oklahoma is a 640-acre drilling and spacing unit for the production of hydrocarbons from the Endicott, Tonkawa, Hoxbar, 1st Deese, 2nd Deese, Gibson, Hart, Osborn, Skinner, Atoka (Dornick Hills), Springer Series, Caney, Sycamore, Woodford and Hunton common sources of supply, heretofore established by Order Nos. 97525, 578016 and 97146.

5. That Continental Resources, Inc. is the owner of the right to drill wells on said drilling and spacing unit and to develop and produce said common sources of supply, has made a bona fide effort to reach an agreement with all of the other such owners in such drilling and spacing unit, as set forth on Exhibit "A", to pool their interests and to develop the drilling and spacing unit and common sources of supply as a unit, and the Commission should issue an order requiring such owners to pool and develop the drilling and spacing unit and common sources of supply covered hereby as a unit.

6. That Continental Resources, Inc. proposes to drill a well in Section 35-8N-7W, Grady County, Oklahoma, to a depth sufficient to test the Endicott, Tonkawa, Hoxbar, 1st Deese, 2nd Deese, Gibson, Hart, Osborn, Skinner, Atoka (Dornick Hills), Springer Series, Caney, Sycamore, Woodford and Hunton common sources of supply, and that to protect correlative rights, all owners should be required to pool and develop the unit and common sources of supply covered hereby as a unit, upon the terms and conditions set out in "Order" below, all of which are found hereby, after a consideration of the substantial evidence in this cause, to be just and reasonable and will afford each owner in the unit the opportunity to recover or receive without unnecessary expense his just and fair share of the production from the unit.

7. That in the interest of the prevention of waste and the protection of correlative rights, this Application should be granted, and the rights of all owners pooled and adjudicated.

ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of Oklahoma as follows:

1. That Continental Resources, Inc. proposes to drill a well in Section 35-8N-7W, Grady County, Oklahoma, a drilling and spacing unit for the Endicott, Tonkawa, Hoxbar, 1st Deese, 2nd Deese, Gibson, Hart, Osborn, Skinner, Atoka (Dornick Hills), Springer Series, Caney, Sycamore, Woodford and Hunton common sources of supply, and to develop said unit and the common sources of supply thereunder as a unit, and the rights and equities of all oil and gas owners covered hereby are pooled, adjudicated and determined.

Well Costs:

2a. That estimated well costs are:

Completed as a dry hole - $4,856,000.00
Completed for production - $8,852,500.00

Cash bonus of $850 per acre plus a total royalty of 1/8 as more fully set forth below:

2b. That $850 per acre is a fair, reasonable and equitable cash bonus to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the costs thereof; such cash bonus when paid as set out in this Order should be satisfaction in full for all rights and interests of such owner in the well covered hereby, except for any normal 1/8 royalty interest as defined in 52 O.S. Section 87.1(e); provided that any party unable to deliver a 7/8 interest shall be required to elect option 2c or to participate in the drilling of the well;

Cash bonus of $800 per acre plus a total royalty of 3/16 as more fully set forth below:

2c. That $800 per acre, plus a proportionate share of an overriding or excess royalty of 1/16 of 8/8 is a fair, reasonable and equitable cash bonus to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the costs thereof; such cash bonus when paid as set out in this Order should be satisfaction in full for all rights and interests of such owner in the well covered hereby, except for any normal 1/8 royalty interest as defined in 52 O.S. Section 87.1(e);

Provided, however, in the event the oil and gas interest of any owner is subject to any royalty, overriding royalty or other payments out of production which will create a burden on such interests, in excess of the normal 1/8 royalty defined above, then such excess royalty, overriding royalty or other payment out of production should be charged against the overriding royalty as hereinabove set forth, and the same should be reduced by the amount of any such excess.

3. That any owner of the right to drill in said drilling and spacing unit who has not agreed with Continental Resources, Inc. to develop said unit and common sources of supply shall be afforded the following election as to all or any portion of his interest:

3a. To participate in the development of the unit and common sources of supply by agreeing to pay such owner's proportionate part of the actual costs of the well covered hereby, and by paying, as set out herein, to Applicant, such owner's proportionate part of the estimated completed for production

costs thereof as set out in paragraph 2a above, or by securing or furnishing security for such payment satisfactory to the Applicant; in all events, such owner's cost in said well should not exceed his proportionate part of the actual or reasonable costs thereof which should be determined by the Commission in the event there is a dispute as to such costs; the payment of such owner's proportionate part of the estimated costs of said well, or the securing of such costs or the furnishing of security therefor, as aforesaid, should be accomplished within 25 days from the date of this Order, PROVIDED that the Applicant, upon satisfactory evidence of ability to pay well costs, may allow a participating owner additional time in which to pay well costs. Applicant advised the Commission that in certain circumstances they would allow the respondents to pay their share of the costs having received notice of spud no sooner than sixty (60) days prior to spud, with respondent having 10 days to pay; or

3b. To receive the cash bonus, plus share of production as set out in paragraph 2b or 2c above, which cash bonus shall be paid or tendered, by Applicant, if same can be paid or tendered, within 35 days from the date of this Order, or if same cannot be paid or tendered, a fund therefor created for the use and benefit of any owner accepting, or deemed to have accepted, such cash bonus, plus share of production.

4. That each owner of the right to drill in said drilling and spacing unit to said common sources of supply covered hereby who has not agreed to develop said unit as a unit, other than Applicant, should be required to select which of the alternatives set out in paragraph 3 above, such owner accepts, in writing, within 20 days from the date of this Order; in the event any owner fails to elect, in the time and in the manner as set out above, which of the alternatives set forth in paragraph 3 above any such owner accepts, then such owner shall be deemed to have accepted the cash bonus, plus the share of production, as set out in paragraph 2b above; in the event any owner elects to do other than participate in said well by paying his proportionate share of the costs thereof, or fails to make an election provided above, such owner shall be deemed to have relinquished unto Applicant, all of such owner's right, title, interest or claim in and to the unit well, except for any normal 1/8 royalty interest, defined above, or other share in production to which such owners may be entitled by reason of an election hereunder.

5. Only those owners electing to participate in the initial well drilled hereunder will be allowed to participate in subsequent wells drilled on the drilling and spacing unit and common sources of supply covered hereby. Owners electing or deemed to have elected the cash consideration plus excess royalty provided in paragraph 2b or 2c above, for the initial well shall thereafter receive no additional cash consideration for subsequent wells, but shall receive the royalty it originally elected to receive or was deemed to have elected to receive.

6. In the event Applicant or any other owner that participates in the initial well and all subsequent wells proposes the drilling of a subsequent well it shall notify those owners who elected to participate in the initial well drilled hereunder of its intent to drill a subsequent well and said owners will have 20 days from the receipt of said notice to elect whether to participate in said subsequent well or elect alternative 2b or 2c set forth above. The notice provided by the proposing party shall include the estimated dry hole costs and estimated completed well costs of the subsequent well and owners electing to participate must pay, or make satisfactory arrangements with the Operator to secure the payment of, their proportionate share of said completed well costs within 25 days from the receipt of notice from the proposing party. Those owners failing to elect within the period provided or those owners electing to participate but failing to pay their share of costs within the period provided shall be deemed to have elected not to participate in the subsequent well and shall receive the option set forth in paragraph 2c above. Anytime an owner elects or is deemed to have elected not to participate in a subsequent well, then that owner shall not be allowed to participate in future wells drilled on the drilling and spacing units covered hereby. The Oklahoma Corporation Commission shall retain jurisdiction over the drilling and completion costs proposed by Applicant for subsequent wells. Any well proposal made under this provision shall expire after 180 days if no well has been commenced.

7. That Applicant, in addition to any other rights provided in this Order, shall have a lien on the entire mineral leasehold estate or rights owned by the other owners therein and upon each such owner's share of the production from the unit and common sources of supply covered by this Order in order to secure the payment in full of such owner's share of the cost incurred in the development and operation upon said unit. Such liens shall be separable as to each separate owner within such unit, shall be in addition to all other rights and remedies available to the Applicant or Operator, or both, under this Order or applicable law, or both, and shall remain liens until the owner or owners drilling or operating any well located in such unit have been paid the entire amount due under the terms of this Order. By this Order, the Commission specifically authorizes and orders that the owner or owners drilling or operating, or paying for the drilling or for the operation of, one or more wells in the unit for the benefit of all the participants therein, shall be entitled to production from each such well (and the proceeds from the sale of such production) which would be received by the owner or owners for whose benefit each such well was drilled or operated, after paying their royalty, until the owner or owners drilling or operating such well or wells, as applicable, have been

paid the amount due under the terms of this Order or any orders settling any dispute concerning the unpaid amount.

8. If any payment of bonus, royalty payments or other payments due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then said bonus, royalty payments or other payments shall be paid into an escrow account in a financial institution within ninety days (90) after this Order and shall not be commingled with any funds of the Applicant or Operator. Provided, however, that the Commission shall retain jurisdiction to grant to financially solid and stable holders an exception to the requirement that such funds be paid into an escrow account with a financial institution and permit such holder to escrow such funds within such holder's organization. Responsibility for filing reports with the Commission as required by law and Commission rule as to bonus, royalty or other payments escrowed hereunder shall be with the applicable holder. Such escrowed funds shall be held for the exclusive use of, and the sole benefit of, the person entitled thereto. It shall be the responsibility of the Operator to notify all other holders of this provision and of the Commission rules regarding unclaimed monies under pooling orders.

9. Continental Resources, Inc. is designated operator of the unit well and common sources of supply covered hereby, and all elections shall be communicated to said operator at the address shown below as required in this Order.

Continental Resources, Inc.
PO Box 269091
Oklahoma City, OK 73126

10. Any party electing to participate shall send their well cost payment to the following address:

Continental Resources, Inc.
P.O. Box 268835
Oklahoma City, OK 73126

11. That Continental Resources, Inc. must commence operations for the drilling and other operations with respect to the initial well covered hereby within three hundred sixty-five (365) days from the date of this Order, or this Order shall be null and void except as to the payment of cash bonuses to the owners having elected that alternative under the terms of this Order.

12. That Applicant, or its Attorney, shall file with the Secretary of the Commission within ten (10) days from the date of this Order, an affidavit stating that a copy of this Order was

mailed within three (3) days from the date of this Order to all parties pooled by this Order whose addresses are known.

DONE AND PERFORMED this 31 day of December, 2012.

CORPORATION COMMISSION OF OKLAHOMA

Patrice Douglas
PATRICE DOUGLAS, Chairman

Bob Anthony
BOB ANTHONY, Vice Chairman

ATTEST:

Peggy Mitchell
Peggy Mitchell, Secretary

Dana L. Murphy
DANA L. MURPHY, Commissioner

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

Approved:

Michael Porter 21 December 2012
Administrative Law Judge Date

12-26-12
Technical Reviewer Date

APPROVED AS TO FORM AND CONTENT:

David E. Pepper

EXHIBIT "A"

RESPONDENTS POOLED:

1. Anne N. Kelly, Trustee of the Anne N. Kelly Revocable Trust dtd. Oct. 8, 2010
   2520 NW 61st Street
   Oklahoma City, OK 73112

2. Cascade Resources, L.L.C.
   6803 Forest Creek Drive
   Edmond, OK 73034

3. Charles Edward Burruss
   201 St. James Place
   Chickasha, OK 73018

4. Ellen M. Madden
   6500 NW Grand Blvd.
   Oklahoma City, OK 73116

5. Farmers Union Cooperative Royalty Company
   3829 N. Classen Blvd., Suite 101
   Oklahoma City, OK 73118

6. John David Burruss
   3416 NW 69th Street
   Oklahoma City, OK 73116

7. Marcia N. Anderson, Trustee of the Marcia N. Anderson Revocable Trust dtd. September 18, 2009
   PO Box 18669
   Oklahoma City, OK 73154

8. SAME AS NO. 7

9. Panhandle Royalty Company
   5400 N. Grand Blvd., Suite 300
   Oklahoma City, OK 73112

10. William Shirk
    2340 Wesley Street
    Salina, KS 67401

11. Calvert Exploration Company
    c/o Sunoco Partners Marketing
    2300 N. Twin City Highway
    Nederland, TX 77627

12. Carla Jean O'Hornett Connor, now Gibbs
    9920 N. Sedona Place
    Tucson, AZ 85742

13. DISMISSED

14. Elizabeth Marie O'Hornett Gilthvedt
    5642 Rose Street
    Owatonna, MN 55060

15. Harlequin Royalty, L.L.C.
    6308 Christon Court
    Oklahoma City, OK 73118

16. Kevin Michael O'Hornett Gilthvedt
    PO Box 80
    Golden, CO 80402

17. Mary Patricia O'Hornett Petersdorf
    5148 W. Aquamarine Street
    Tucson, AZ 85742

18. DISMISSED

19. MidContinent II, L.L.C.
    14000 Quail Springs Parkway, Suite 5000
    Oklahoma City, OK 73134

20. DISMISSED

21. Sun Calvert Company
    c/o Sunoco, Inc.
    1735 Market Street, Suite LL
    Philadelphia, PA 19103

22. Sun Company, Inc.
c/o Sunoco, Inc.
1735 Market Street, Suite LL
Philadelphia, PA 19103

23. Sun Oil Company
c/o Sunoco, Inc.
1735 Market Street, Suite LL
Philadelphia, PA 19103

24. Sunoco, Inc.
1735 Market Street, Suite LL
Philadelphia, PA 19103

25. Vecses, L.L.C.
2801 NW 57th Street
Oklahoma City, OK 73112

26. William Shirk and Jan M. Shirk
2340 Wesley Street
Salina, KS 67401

RESPONDENTS POOLED FOR CURATIVE PURPOSES:

NONE

RESPONDENTS DISMISSED:

13. Elizabeth Kathryn Schlotterbeck
c/o c/o Schlotterbeck Minerals, Inc.
145 Central Avenue
St. Louis, MO 63119

18. Mary Ruth Hiller
c/o Schlotterbeck Minerals, Inc.
145 Central Avenue
St. Louis, MO 63119

20. Raymond Lee Schlotterbeck
c/o Schlotterbeck Minerals, Inc.
145 Central Avenue
St. Louis, MO 63119

RESPONDENTS ADDRESS UNKNOWN:

NONE