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DEC 26 2013

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

Department of Environment and Natural Resources
Minerals & Mining Program, - Oil and Gas Section
2050 West Main, Suite #1
Rapid City, SD 57702-2493

**RE: (1) Petition regarding the Carla 1-35H Well
(2) Petition regarding Corey Butte Field
(3) Petition regarding Table Mountain Field
(4) Petition regarding Risk Compensation.
Our file: 4385.42**

Dear Sirs:

Enclosed please find four Petitions as referenced above. Please file the same. If you have any questions, please feel free to contact me. Thank you for your attention to this.

Very truly yours,

MAY, ADAM, GERDES & THOMPSON LLP



BRETT KOENECKE

BK/sjs

Enclosure

Cc/encl: John W. Morrison

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DEC 26 2013

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

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

IN THE MATTER OF THE PETITION OF)
LUFF EXPLORATION COMPANY, DENVER,)
COLORADO, TO AMEND THE)
APPLICABLE ORDERS FOR THE COREY)
BUTTE FIELD, INCLUDING WITHOUT)
LIMITATION BOARD ORDER NO. 19-07, SO)
AS TO VACATE AN EXISTING 640-ACRE)
SPACING UNIT CONSISTING OF ALL OF)
SECTION 35, TOWNSHIP 23 NORTH,)
RANGE 6 EAST, AND ESTABLISH INSTEAD)
A 320-ACRE SPACING UNIT CONSISTING)
OF THE W/2 OF SECTION 35, AND)
AUTHORIZE THE DRILLING OF A)
HORIZONTAL WELL WITH ONE OR MORE)
LATERALS IN THE RED RIVER "B" ZONE)
AT ANY LOCATION NOT CLOSER THAN)
500 FEET TO THE BOUNDARY OF SAID)
SPACING UNIT; TO AUTHORIZE THE)
ISSUANCE OF A PERMIT FOR SUCH WELL;)
AND FOR OTHER RELIEF AS THE BOARD)
DEEMS APPROPRIATE.)

Case No. 64-2013_____

PETITION

COMES NOW the petitioner, Luff Exploration Company ("Luff"), and respectfully alleges as follows:

1. Luff represents the owners of interests in the oil and gas leasehold estate underlying all or portions of Section 35, Township 23 North, Range 6 East, Harding County, South Dakota.

2. In Order No. 3-75a, the Board created the Corey Butte Field to include various lands including Section 35, Township 23 North, Range 6 East, and established 320-acre spacing for the field. In Order No. 19-07, the Board established 640-acre spacing for the purpose of drilling a horizontal well in Section 35.

3. In 2008 Continental Resources, Inc. drilled the Carla 1-35H well on such 640-acre spacing unit. The well produced 1,334 barrels of oil in 2008 and has not produced oil since that time.

4. Luff desires to reenter the Carla 1-35H well, fill the portion of the lateral extending into the E/2 of Section 35 with cement, and redrill a lateral on the W/2 of Section 35. In Luff's opinion, such a well will produce oil and gas in commercial quantities.

5. In order to drill a lateral of optimal length and orientation in the optimal location, Luff believes that a spacing unit consisting of the W/2 of Section 35 should be established and a horizontal well should be authorized to be drilled at any location not closer than 500 feet to the boundary of such spacing unit.

6. Establishing the requested spacing unit will optimize primary recovery, prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights.

7. The spacing unit requested to be created is not smaller than the maximum area that can be efficiently and economically drained by the proposed wells and the size, shape and location thereof will result in the efficient and economic development of the pool as a whole.

8. The Board is authorized to grant the requested spacing unit by South Dakota Codified Laws 45-9-20 through 45-9-29 and the Administrative Rules of South Dakota 74:12:02:06. Luff further requests that the order authorize the issuance of a permit for the drilling of a horizontal well in accordance with this application.

WHEREFORE, applicant respectfully requests that the Board issue its notice of opportunity for hearing and, if any interested party intervenes in accordance with said notice, set this matter for hearing at the regularly scheduled meeting in February 2014, or such other date as may be established by the Board, and that the Board enter its order granting the relief requested.

Dated this 23 day of December 2013.

LUFF EXPLORATION COMPANY

John W. Morrison
CROWLEY FLECK PLLP.
100 West Broadway, Suite 250
P.O. Box 2798
Bismarck, ND 58502

MAY, ADAM, GERDES & THOMPSON, L.L.P.
503 South Pierre Street
P.O. Box 160
Pierre, SD 57501-0160

By: 
BRETT M. KOENECKE

State of Colorado)
)ss.
County of Denver)

Luff Exploration Company, applicant in the captioned matter, hereby grants permission to the secretary for the performance of inspections required or authorized by SDCL Chapter 45-9 or ARSD Article 74:12.

LUFF EXPLORATION COMPANY

By: *Keith H. Luff*

Subscribed and sworn to this 20th day of December, 2013.



Kristal Davila
Notary Public
Denver County, Colorado
My Commission Expires: 6/24/2015

**STATE OF SOUTH DAKOTA
BEFORE THE SECRETARY OF
THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

IN THE MATTER OF THE)
APPLICATION OF Corey Butte - Spacing) CERTIFICATION OF
APPLICANT

STATE OF Colorado)
) SS
COUNTY OF Denver)

I, Richard D. George, 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 20th day of December, 2013.



Applicant

Subscribed and sworn before me this 20th day of December, 2013.



Notary Public

My commission expires: 6/24/2015

(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.**