

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

<p>IN THE MATTER OF THE APPLICATION OF BOWERS OIL AND GAS, INC., GRAND JUNCTION, CO, TO AMEND OIL AND GAS ORDER NO. 5-81 TO ESTABLISH A 320-ACRE SPACING UNIT FOR THE WEST SHORT PINE HILLS FIELD CONSISTING OF THE S/2 OF SECTION 3, TOWNSHIP 15 NORTH, RANGE 2 EAST, HARDING COUNTY, SD, AND AUTHORIZE WITHIN THE SPACING UNIT TWO WELLS CAPABLE OF PRODUCING FROM THE EAGLE SAND UNIT OF THE PIERRE FORMATION AT ANY LOCATION NOT CLOSER THAN 100 FEET TO THE SPACING UNIT BOUNDARY AND NOT CLOSER THAN 1,875 FEET TO ANY WELL CAPABLE OF PRODUCING FROM THE EAGLE SAND; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.</p>	<p style="text-align:center">OIL AND GAS CASE NO. 1-2015</p> <p style="text-align:center">ORDER</p>
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SECRETARY'S ORDER UNDER SDCL 45-9-74

A Petition ("Petition") of Bowers Oil and Gas, Inc. ("Bowers") was submitted to the South Dakota Board of Minerals and Environment ("Board") on January 20, 2015. The Board prepared and published a Notice of Opportunity for Hearing ("Notice") and Bowers caused a copy of the Petition and the Notice to be served by mail or personally on each party affected by the petition. No petitions to intervene were filed in accordance with the Notice. Therefore, pursuant to South Dakota Codified Laws (SDCL) 45-9-74, SDCL 45-9-20 through 29, and Administrative Rules of South Dakota (ARSD) 74:12:02:06, and based upon Bowers' Petition and the supporting documents filed by Bowers, the Secretary makes and enters the following order:

Bowers represents owners of interests in the oil and gas leasehold estate in all or portions of the S/2 of Section 3, Township 15 North, Range 2 East, Harding County, South Dakota.

Bowers desires to operate two vertical gas wells capable of producing from the Eagle sand unit within the requested spacing unit.

Such a spacing unit is not smaller than the maximum area that can be efficiently and economically drained by the aforementioned wells and the size, shape and location of the spacing unit will result in the efficient and economic development of the pool as a whole.

IT IS THEREFORE ORDERED

A. A spacing unit consisting of the S/2 of Section 3, Township 15 North, Range 2 East, is hereby established in the West Short Pine Hills Field.

B. Two vertical wells drilled to the Eagle sand unit on this spacing unit not closer than 100 feet to the spacing unit boundary and not closer than 1,875 feet to any well drilling to or capable of production from the Eagle sand unit are hereby authorized.

C. This order amends prior orders concerning the above described land, including without limitation Order No. 5-81.

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

Dated and signed this 6th day of March 2015.



Steven M. Pirner
Secretary
Department of Environment and Natural Resources