



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 E CAPITOL AVE
PIERRE SD 57501-3182
danr.sd.gov

August 13, 2021

Al Salomone, Manager
Gulf Exploration, L.L.C.
9701 North Broadway Extension
Oklahoma City, OK 73114

Dear Mr. Salomone:

Thank you for your application filed July 14, 2021, requesting approval to drill an oil well at a location that is not already spaced for directional drilling. The well is located 1,756 feet from the north line and 274 feet from the west line in Section 10, Township 10 South, Range 1 East, approximately 11 miles southwest of Edgemont, Fall River County, SD.

The department published a Notice of Recommendation, Oil and Gas Case No. 3-2021, recommending approval of the application. The date for intervention was August 11, 2021, and no parties petitioned the Board of Minerals and Environment for a hearing on the application by the deadline.

Therefore, in accordance with the Administrative Rules of South Dakota 74:12:09, approval of the application is hereby granted. Enclosed is the Notice of Recommendation.

If our office can be of further assistance to you, please do not hesitate to contact me at (605) 773-4201.

Sincerely,

Mike Lees, Administrator
Minerals and Mining Program

Enclosure

cc w/enc: Brett Koenecke, May, Adam, Gerdes & Thompson, P. O. Box 160, Pierre, SD

STATE OF SOUTH DAKOTA
SECRETARY OF THE
DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF GULF EXPLORATION CO., OKLAHOMA CITY, OKLAHOMA, FOR A PERMIT TO DRILL A DIRECTIONAL OIL AND GAS WELL LOCATED IN AN AREA NOT ALREADY SPACED FOR DIRECTIONAL DRILLING, DESCRIBED AS THE SOLOMON 1-10, LOCATED IN THE NW1/4 SW1/4 IN SECTION 10, TOWNSHIP 10 SOUTH, RANGE 1 EAST; APPROXIMATELY 11 MILES SOUTHWEST OF EDMONT, FALL RIVER COUNTY, SOUTH DAKOTA.

NOTICE
OF
RECOMMENDATION

OIL AND GAS
CASE NO. 3-2021

Notice is hereby given to the public and to all interested persons that pursuant to South Dakota Codified Laws (SDCL) Chapter 1-26 and Chapter 45-9 and further pursuant to the Administrative Rules of South Dakota (ARSD) 74:12:09, the following matter has come to the attention of the Secretary of the Department of Agriculture and Natural Resources, hereinafter "Secretary."

The Secretary recommends approval of the application with the following conditions:

1. The applicant must comply with applicable requirements of SDCL 45-9 and ARSD 74:12.
2. A 12-mil woven, reinforced high-density polyethylene liner will be used on all pits.
3. If oil-based mud is used, the operator must obtain department approval of a pit reclamation plan.
4. Surface runoff must be diverted around the drill site.
5. The surface hole must be drilled with fresh water.
6. Cement must be circulated to the ground surface on the surface casing.
7. After production casing is set, a cement bond log must be run and filed with the department.
8. If directionally drilled:
 - a. The coordinates of the production casing shoe and the well terminus will be filed with the department.
 - b. The azimuth of the directional segment of the well will be filed with the department along with the results of periodic downhole surveys.
9. If abandoned, a plugging plan must be submitted to the department for approval or the following cement plugs shall be set:
 - a. A 100-foot plug immediately above the kickoff point, if directionally drilled,
 - b. A 100-foot plug half in and half out of the base of the surface casing, and
 - c. A 25-foot. plug at the top of the surface casing.
10. Heavy, mud-laden fluid will be used between all plugs.

11. A washed and dried set of sample cuttings, and cores if cut, must be shipped to the department, free of charge.

Authority for the Secretary to approve this application is contained in ARSD 74:12:09. Unless a person files a petition requesting a hearing on the above application pursuant to the provisions of ARSD 74:09:01 on or before August 11, 2021, the Secretary's recommendation will be considered final and the Secretary will approve the application in accordance with that recommendation.

The application and notice of recommendation are also posted on the department's website at: <https://danr.sd.gov/Environment/MineralsMining/OilGas/OilGasCases.aspx> and <https://danr.sd.gov/public>. Additional information about this application is available from Mike Lees, Administrator, Minerals and Mining Program, Department of Agriculture and Natural Resources, 523 East Capitol Avenue, Pierre, SD 57501, telephone (605) 773-4201, email michael.lees@state.sd.us.

July 22, 2021

A handwritten signature in blue ink that reads "Hunter Roberts". The signature is written in a cursive style and is followed by a long horizontal line.

Hunter Roberts
Secretary

Published once at the total approximate cost of _____.