

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

IN THE MATTER OF THE APPLICATION OF PRIMA EXPLORATION, INC. FOR AN ORDER OF THE BOARD AMENDING ANY APPLICABLE ORDERS FOR THE SOUTH MEDICINE POLE HILLS FIELD TO ESTABLISH AN 897.60-ACRE SPACING UNIT CONSISTING OF LOTS 1, 2, 3, 4, AND S/2 (ALL) OF SECTION 20, AND N/2 AND SE/4 OF SECTION 29, TOWNSHIP 23 NORTH, RANGE 4 EAST, HARDING COUNTY, SOUTH DAKOTA; AND AUTHORIZE THE DRILLING OF A HORIZONTAL WELL IN THE RED RIVER "B" ZONE AT A LOCATION NOT CLOSER THAN 500 FEET TO THE BOUNDARY OF SAID SPACING UNIT; TO AUTHORIZE THE ISSUANCE OF A PERMIT FOR THE HORIZONTAL WELL; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

OIL AND GAS  
CASE NO. 7-2013

ORDER

**SECRETARY'S ORDER UNDER SDCL 45-9-74**

A Petition and Application of Prima Exploration, Inc. ("Prima") to establish an 897.60-acre spacing unit comprised of the above-referenced lands was submitted to the South Dakota Board of Minerals and Environment ("Board") on March 1, 2013. The Board prepared and published a Notice of Opportunity for Hearing. No petition requesting a hearing was received. Therefore, pursuant to SDCL 45-9-74, SDCL 45-9-20 through 29, ARSD 74:12:02:06, and based upon Prima's application and supporting documents, the Secretary makes and enters the following Order:

Prima is the owner of an interest in the oil and gas leasehold estate in portions of Lots 1, 2, 3, 4, S/2 (All) of Section 20 and the N/2, SE/4, of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota. Prima has requested that the Board amend its prior

orders, including without limitation Order Nos. 2-1973b, 14-1997, 14-2010, and 15-2010 so as to establish Sections 20 and 29 as an 897.60-acre spacing unit comprised of Lots 1, 2, 3, 4, and S/2 (All) of Section 20, and N/2 and SE/4 of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota, to allow the issuance of a permit for the drilling of a horizontal well.

In Order No. 14-2010, the Board established 832-acre spacing for the "B" Zone of the Red River Formation for the South Medicine Pole Hills Field, comprised of Sections 19 and 20, Township 23 North, Range 4 East. Prima requested the spacing unit comprised of Sections 19 and 20 be vacated and instead the Board establish Sections 20 and 29 as an 897.60-acre spacing unit comprised of Lots 1, 2, 3, 4, and S/2 (All) of Section 20, and N/2 and SE/4 of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota.

In Prima's opinion, forming the requested spacing unit and drilling the well described above will increase the ultimate recovery of the pool, prevent waste, prevent the drilling of unnecessary wells and protect correlative rights.

**IT IS THEREFORE ORDERED**

A. The 832-acre spacing for the "B" Zone of the Red River Formation established under Order No. 14-2010, comprised of Sections 19 and 20, Township 23 North, Range 4 East, is hereby vacated.

B. An 897.60-acre spacing unit comprised of Lots 1, 2, 3, 4, and S/2 (All) of Section 20, and N/2 and SE/4 of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota, is hereby established for the "B" Zone of the Red River Formation for the South Medicine Pole Hills Field.

C. That upon filing all required further information and forms with the Department of Environment and Natural Resources, a drilling permit may be issued for a horizontal oil and gas well at any location within the spacing unit that is not closer than 500 feet to the spacing unit boundary.

D. This Order amends prior orders of the Board concerning the above described land, including without limitation Order Nos. 2-1973b, 14-1997, 14-2010, and 15-2010 so as to establish Sections 20 and 29 as an 897.60-acre spacing unit comprised of Lots 1, 2, 3, 4, and S/2 (All) of Section 20, and N/2 and SE/4 of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota.

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

Dated and signed this 29<sup>th</sup> day of April 2013.

A handwritten signature in black ink, appearing to read 'S. Pirner', with a horizontal line extending to the right.

Steven M. Pirner  
Secretary  
Department of Environment and Natural Resources