

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

IN THE MATTER OF THE APPLICATION OF PETER K. ROOSEVELT, DENVER, CO, FOR AN ORDER TO ESTABLISH A FIELD FOR THE PRODUCTION OF OIL AND GAS FROM THE SECOND LEO SANDS OF THE MINNELUSA FORMATION, CONSISTING OF THE N1/2 OF THE SW1/4 AND THE NW1/4 OF THE SE1/4 OF SECTION 25, TOWNSHIP 9 SOUTH, RANGE 2 EAST, FALL RIVER COUNTY, SD, WITH SPACING OF ONE WELL PER 40-ACRE TRACT, EACH WELL TO BE LOCATED NOT CLOSER THAN 500 FEET FROM THE SPACING UNIT BOUNDARY, AND NOT CLOSER THAN 1,000 FEET TO THE NEAREST WELL DRILLED TO OR PRODUCING FROM THE SECOND LEO SANDS OF THE MINNELUSA FORMATION; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.	OIL AND GAS CASE NO. 7-2015 ORDER
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SECRETARY'S ORDER UNDER SDCL 45-9-74

A Petition ("Petition") of Peter K. Roosevelt ("Roosevelt") was submitted to the South Dakota Board of Minerals and Environment ("Board") on August 3, 2015. The Board prepared and published a Notice of Opportunity for Hearing ("Notice") and Roosevelt 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 74:12:02:06, and based upon Roosevelt's Petition and supporting documents filed by Roosevelt, the Secretary makes and enters the following Order:

Roosevelt owns an oil and gas leasehold interest in the captioned lands.

In June 2012, Roosevelt drilled the 11-25 Barker discovery well in the NE1/4 of the SW1/4 of Section 25, Township 9 South, Range 2 East, BHM, Fall River County, SD. The 11-25 Barker well produces from the Second Leo Sands of the Minnelusa Formation.

The captioned lands have not been spaced by the Board for oil and gas production.

Within each separate governmental quarter-quarter section, or governmental lot corresponding to it, in the captioned lands, the Second Leo Sands of the Minnelusa Formation contains a separate common accumulation of oil or gas or both.

Based on production from similar Fall River County oil fields producing from the Second Leo Sands, a spacing of one well per governmental quarter-quarter section, or governmental lot corresponding to it, in the captioned lands is likely not smaller than the maximum area that can be efficiently and economically drained by one well. However, given the limited amount of specific information pertaining to the proposed field, temporary spacing units are appropriate in this case pursuant to SDCL 45-9-25.

Based on production from similar Fall River County oil fields producing from the Second Leo Sands, the spacing of one well per governmental quarter-quarter section, or governmental lot corresponding to it, in the captioned lands will likely result in the efficient and economical development of the Second Leo Sands pools as a whole.

The temporary spacing of one well per governmental quarter-quarter section, or governmental lot corresponding to it, in the captioned lands will prevent waste, avoid the drilling of unnecessary wells, protect correlative rights, and contribute to a greater ultimate recovery of oil and gas.

IT IS THEREFORE ORDERED

- A. Roosevelt's Petition be, and the same hereby is, granted.
- B. The following described lands in Fall River County, SD:

Township 9 South, Range 2 East, BHM
Section 25: N1/2SW14 and NW1/4SE1/4

are temporarily spaced to allow the drilling and completion of one oil and gas well per governmental quarter-quarter section, or governmental lot corresponding to it, into the Second Leo Sands of the Minnelusa Formation, with each oil and gas well to be located no closer than 500 feet from a spacing unit boundary, and no closer than 1,000 feet to the nearest well drilled to or producing from the Second Leo Sands of the Minnelusa Formation. The 11-25 Barker discovery well is an exception location.

- C. The above-described lands are designated the Hills View Field.
- D. Upon filing all required further information and forms, drilling permits may be issued for the drilling of oil and gas wells in the Hills View Field.

Dated and signed this 23rd day of November 2015.



Steven M. Pirner
Secretary
Department of Environment and Natural Resources