

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

IN THE MATTER OF THE APPLICATION OF PETER K. ROOSEVELT, DENVER, COLORADO, FOR A PERMIT TO DRILL AN OIL AND GAS WELL AT AN EXCEPTION LOCATION TO THE EDGEMONT FIELD SPACING, DESCRIBED AS THE 8-16-1X STATE WELL, LOCATED 2,036 FEET FROM THE NORTH LINE AND 200 FEET FROM THE EAST LINE IN SECTION 16, TOWNSHIP 9 SOUTH, RANGE 2 EAST; APPROXIMATELY THREE MILES WEST-SOUTHWEST OF EDGEMONT, FALL RIVER COUNTY, SOUTH DAKOTA.

NOTICE
OF
RECOMMENDATION

OIL AND GAS
CASE NO. 3-2016

Notice is hereby given to the public and all interested persons that pursuant to South Dakota Codified Laws (SDCL) 1-26 and 45-9 and further pursuant to Administrative Rules of South Dakota (ARSD) 74:12:02:08 and 74:12:09, the above described application has been filed with the Department of Environment and Natural Resources.

The Secretary recommends approval of the exception location for the following reasons:

1. The recommended location is within a 40-acre spacing unit consisting of the SE/4 of the NE/4 of Section 16, T9S, R2E ("the spacing unit"). In 1981 the Placid 16-8 State well was drilled in the center of the spacing unit in accordance with setback requirements established under South Dakota Oil and Gas Order No. 2-80. The Placid 16-8 State well, which targeted the Leo Pool, was deemed a dry hole, and plugged in 1981.
2. Based on proximity to the Wulf 1 Federal oil well in the SE/4 of the NW/4 of Section 15, T9S, R2E, the applicant anticipates the proposed 8-16-1x State oil well will intercept productive sand similar to the Second Leo Sands successfully produced by the Wulf 1 Federal well.
3. The proposed well location is more than 1,000 feet from any well completed in or drilling in the Leo Pool.

Authority for the Secretary to approve this application is contained in ARSD 74:12:02:08 and 74:12:09. Unless a person files a petition requesting a hearing on the above application, pursuant to ARSD 74:09:01, on or before October 31, 2016, 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 websites at: <http://denr.sd.gov/des/og/pubhearing.aspx> and <http://denr.sd.gov/public>. Additional information about this application is available from Bob Townsend, Administrator, Minerals and Mining Program, Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, SD 57501, telephone (605) 773-4201, email bob.townsend@state.sd.us.

Dated: October 6, 2016

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

Steven M. Pirner
Secretary

Published once at the total approximate cost of _____.