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DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

STATE OF SOUTH DAKOTA

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

BOARD OF MINERALS AND ENVIRONMENT

CASE NO. 8-2013

IN THE MATTER OF THE APPLICATION OF
PRIMA EXPLORATION, INC. FOR AN ORDER
OF THE BOARD POOLING ALL INTERESTS
IN A SPACING UNIT FOR THE SOUTH
MEDICINE POLE HILLS-RED RIVER "B"
ZONE OF THE RED RIVER FORMATION
DESCRIBED AS LOTS 1, 2, 3, 4, AND S/2 (ALL)
OF SECTION 20, AND N/2, SE/4 OF SECTION
29, TOWNSHIP 23 NORTH, RANGE 4 EAST,
HARDING COUNTY, SOUTH DAKOTA;
(COMPRISED OF 897.60 ACRES) AND FOR
SUCH OTHER RELIEF AS THE BOARD
DEEMS APPROPRIATE.

PETITION AND APPLICATION
OF PRIMA EXPLORATION, INC.

Prima Exploration, Inc. ("Prima") and for its petition and application states and alleges as follows:

1.

Prima is the owner of an interest in the oil and gas leasehold estate underlying all or portions of the following described lands in Harding County, South Dakota:

Township 23 North, Range 4 East

Section 20: Lots 1, 2, 3, 4, S/2 (All)

Section 29: N/2, SE/4

2.

That by petition and application dated March 1, 2013, and to be docketed as Case No. 7-2013, Prima requests that the afore-mentioned lands be established as a spacing unit.

3.

Prima hereby requests the Board designate Prima as the operator of the proposed spacing unit.

4.

That by Petition and Application of Prima Exploration, Inc., filed with the Board and to be docketed for the April 2013 hearings, Prima has requested the Board amend its prior orders, including without limitation Order No. 14-2010, so as to establish Sections 20 and 29 as a 897.60-acre spacing unit comprised of Lots 1, 2, 3, 4, and S/2 (All) of Section 20, and N/2, SE/4 of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota.

5.

That there are both separately owned tracts and separately owned interests in the spacing unit comprised of the above-referenced lands.

6.

That a voluntary pooling of the above-referenced lands has not been accomplished.

7.

That Section 45-9-31 of the South Dakota Codified Laws provides as follows:

45-9-31. Order of board pooling all interests in spacing unit--Application by interested person--Notice and hearing--Terms and conditions. In the absence of voluntary pooling the Board of Minerals and Environment, upon the application of any interested person, shall enter an order pooling all interests in the spacing unit for the development and operation thereof, and for the sharing of production therefrom. Each such pooling order shall be made after notice and hearing, and shall be upon terms and conditions that are just and reasonable, and that afford to the owner of each tract or interest in the spacing unit the opportunity

to recover or receive without unnecessary expense, his just and equitable share.

8.

That Section 45-9-32 of the South Dakota Codified Laws provides as follows:

45-9-32. Order of Board of Minerals and Environment pooling all interests in spacing unit--Operation of well--Rights of owners to participate--Payment of expenses. Each such pooling order shall authorize the drilling, equipping, and operation of a well on the spacing unit; shall provide who may drill and operate the well; shall prescribe the time and manner in which all the owners in the spacing unit may elect to participate therein; and shall make provision for payment by all those who elect to participate therein of the reasonable actual cost thereof, plus a reasonable charge for supervision and interest.

9.

Prima plans to drill the Garfield 44-29-20H well in the SE/4SE/4 of Section 29, Township 23 North, Range 4 East.

10.

Prima respectfully requests that the Board enter an order pooling all interests in a spacing unit for the South Medicine Pole Hills-Red River "B" zone of the Red River Formation described as Lots 1, 2, 3, 4, and S/2 (all) of Section 20, and N/2, SE/4 of Section 29, Township 23 North, Range 4 East, Harding County, South Dakota (comprised of 897.60 acres).

11.

In Prima's opinion, pooling the afore-mentioned lands will increase the ultimate recovery of the pool, prevent waste, prevent the drilling of unnecessary wells and protect correlative rights.

12.


The Board is authorized to grant the pooling request by Section 45-9-30, *et. seq.* of the South Dakota Codified Laws.

13.

WHEREFORE, Prima respectfully requests that notice of this matter be provided as requested by South Dakota laws and that thereafter the Board of Minerals and Environment enter its order granting the relief requested herein.

DATED this 1 day of March, 2013.

Fredrikson & Byron, P.A.



By _____

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PETITIONER, PRIMA EXPLORATION, INC.***