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 POOL ALL INTERESTS IN A 1059.28-ACRE SPACING UNIT DESCRIBED AS ALL OF SECTION 21 AND ALL OF SECTION 28, TOWNSHIP 23 NORTH, RANGE 4 EAST, HARDING COUNTY, SOUTH DAKOTA; 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 21: All
   Section 28: All

   (the “Subject Lands”)

2. In Order No. 11-2012, the Board established the Subject Lands as an overlapping 1059.28-acre spacing unit in the South Medicine Pole Hills field.
3. That Prima hereby requests the Board designate Prima as the operator of said spacing unit.

4. That there are both separately owned tracts and separately owned interests in the spacing unit comprised of the Subject Lands.

5. That a voluntary pooling of the Subject Lands has not been accomplished.

6. 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.

7. 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.

8.

Prima plans to drill the Harding 34-28-21 H well in the SW/4SE/4 of Section 28, Township 23 North, Range 4 East.

9.

Prima respectfully requests that the Board enter an order to pool all interests in a 1059.28-acre spacing unit for the South Medicine Pole Hills Field described as the Subject Lands.

10.

In Prima’s opinion, pooling the Subject Lands will increase the ultimate recovery of the pool, prevent waste, prevent the drilling of unnecessary wells and protect correlative rights.

11.

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

12.

WHEREFORE, Prima respectfully requests that notice of this matter by 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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