

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

IN THE MATTER OF THE PETITION OF LUFF EXPLORATION COMPANY FOR AN ORDER APPROVING THE OPERATION OF A PORTION OF THE TRAVERS RANCH FIELD, THE STATE LINE FIELD, AND THE YELLOW HAIR FIELD, CONSISTING OF THE SE/4 OF SECTION 28, THE E/2 OF SECTION 32 AND ALL OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 5 EAST, AND THE N/2 OF SECTION 4, ALL OF SECTION 5, THE E/2 AND SW/4 OF SECTION 6, THE N/2 OF SECTION 7 AND THE NW/4 OF SECTION 8, TOWNSHIP 22 NORTH, RANGE 5 EAST, HARDING COUNTY, SOUTH DAKOTA, LOCATED ABOUT 20 MILES NORTH OF BUFFALO, SOUTH DAKOTA, AS THE TRAVERS RANCH RED RIVER UNIT; PROVIDING FOR THE RECOVERY OF RISK COMPENSATION FROM OWNERS WHO ELECT TO HAVE THEIR SHARE OF UNIT EXPENSES CARRIED; AMENDING EXISTING ORDERS TO INCLUDE ALL OF THE LANDS IN THE TRAVERS RANCH FIELD; APPROVING THE UNIT AGREEMENT AND UNIT OPERATING AGREEMENT FOR THE UNIT; DESIGNATING LUFF EXPLORATION COMPANY AS UNIT OPERATOR; AND FOR OTHER RELIEF AS THE BOARD DEEMS APPROPRIATE.

NOTICE
OF
HEARING

CASE NO. 4-2012

Notice is hereby given to Luff Exploration Company, Denver, Colorado, and to all interested persons that the Board of Minerals and Environment, hereinafter "board," will hold a contested case hearing on the above described matter on Thursday, June 14, 2012, at 10:15 a.m. CDT at the Matthew Environmental Education and Training Center, Joe Foss Building, 523 East Capitol Avenue, Pierre, SD 57501, for the purpose of hearing the above matter.

The board has jurisdiction and legal authority to issue orders for the development of the oil and gas resources of the state pursuant to South Dakota Codified Laws (SDCL) Chapters 45-9-30 through 45-9-36 and further pursuant to Chapter 1-26 and to Administrative Rules of South Dakota (ARSD) 74:09 and 74:12. The hearing is an adversary proceeding and any party has the right to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised at the hearing. The board may approve, conditionally approve, or deny the application. The board's decision will be based upon the evidence received at the hearing. The board's decision may be appealed to the Circuit Court and the State Supreme Court as provided by law.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated, any party to the contested case may require the agency to use the Office of Hearing Examiners by giving notice of the request to the agency no later than ten days after service of a notice of hearing issued pursuant to SDCL Chapter 1-26-17.

Any person who wishes to intervene in this proceeding as a party must file a petition to intervene pursuant to ARSD 74:09:01:04 on or before May 23, 2012.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources at least 48 hours before the public hearing if you have a disability for which special arrangements must be made at the hearing. The telephone number for making special arrangements is (605) 773-4201.

The application and notice of hearing are also posted on the department's website at: <http://denr.sd.gov/des/og/oghome.aspx>. 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: April 20, 2012

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

Steven M. Pirner
Secretary