

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 TEST WELL AT AN EXCEPTION LOCATION TO STATEWIDE SPACING, DESCRIBED AS THE #6-35 B&H RANCH WELL, LOCATED 2,143 FEET FROM THE WEST LINE AND 2,443 FEET FROM THE NORTH LINE, BEING THE SE ¼ OF THE NW ¼ OF SECTION 35, TOWNSHIP 8 SOUTH, RANGE 2 EAST, APPROXIMATELY ONE-HALF MILE NORTHWEST OF EDMONT, FALL RIVER COUNTY, SOUTH DAKOTA.

NOTICE
OF
RECOMMENDATION

CASE NO. 1-2011

Notice is hereby given to the public and all interested persons that pursuant to South Dakota Codified Laws (SDCL) 1-26 and Chapter 45-9 and further pursuant to Administrative Rules of South Dakota (ARSD) 74:10:03:11 and 74:10:11.01, 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. A test hole has previously been drilled, plugged and abandoned at the center of the SE ¼ of the NW ¼ 40-acre tract specified by statewide spacing;
2. Seismic survey information makes the exception location more favorable for possible oil occurrence; and
3. No other producing or drilling oil and gas wells are located within 1,000 feet of the proposed location.

The Secretary also recommends approval of the application for a permit to drill for this location with the following conditions:

1. The operator will comply with all applicable requirements of SDCL 45-9 and ARSD 74-10.
2. Cement will be circulated to the ground surface on the surface casing.
3. If production casing (long string) is set:
 - A. Sufficient cement will be circulated on the long string to cover any fresh water aquifer not covered by the surface casing.
 - B. A cement bond log will be run and filed with the department.
4. If abandoned:
 - A. With long string, sufficient cement will be circulated to install:
 1. A 100-foot cement plug immediately above the perforation.
 2. A 100-foot cement plug, half in and half out of the top of the casing stub after the retrievable part of the production casing has been removed.
 3. A 100-foot cement plug, half in and half out of the top of any fresh water aquifer

- between the top of the casing stub and the base of the surface casing.
4. A 100-foot plug, half in and half out of the base of the surface casing.
 5. A 25-foot cement plug at the top of the surface casing.
- B. Without long string, sufficient cement will be circulated to set:
1. 100-foot cement plugs, half in and half out of the top of the following formations: Red Marker, Minnelusa, Canyon Springs and Fall River.
 2. A 100-foot cement plug, half in and half out of the base of the surface casing.
 3. A 25-foot cement plug at the top of the surface casing.
- C. Heavy, mud-laden fluid will be used between all plugs.
5. A washed set of sample cuttings (or cores, if cut) is to be shipped to the state free of charge.
 6. Please notify this office at (605) 394-2229 prior to plugging so a witness can be on location. If plugging will occur after regular work hours (8:00 a.m. to 5:00 p.m. MT), call Fred V. Steece at (605) 343-8617 or Mack McGillivray at (605) 341-0207.

Authority for the Secretary to approve this application is contained in ARSD 74:10:03:11 and 74:10:11.01. Unless a person files a petition requesting a hearing on the above application, pursuant to ARSD 74:09:01, on or before March 9, 2011, 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 website at: <http://denr.sd.gov/des/og/oghome.aspx>. Additional information about this application is available from Fred V. Steece, Oil and Gas Supervisor, Department of Environment and Natural Resources, 2050 West Main Street, Suite #1, Rapid City, SD 57702, telephone (605) 394-2229, email fred.steece@state.sd.us.

Dated: January 31, 2011



Steven M. Pirner
Secretary

Published twice at the total approximate cost of _____.