

STATE OF SOUTH DAKOTA
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES

IN THE MATTER OF)	
SPYGLASS CEDAR CREEK, LP'S)	<u>SECOND AMENDED NOTICE OF</u>
VIOLATIONS OF)	<u>CONTESTED CASE HEARING</u>
SDCL CHAPTER 45-9 AND)	
ARSD ARTICLE 74:12)	

TO ALL PARTIES OF RECORD:

Notice is hereby given that the Board of Minerals and Environment (Board) has scheduled a contested enforcement hearing in the above reference matter to be held on **Thursday, December 20, 2018**, at the **Matthews Training Center, Joe Foss Building, 523 East Capitol Avenue, Pierre, South Dakota 57501**. The hearing is scheduled to begin at **10:15 a.m** central time, or as soon thereafter as the matter may be heard.

The hearing will be held pursuant to the authority and jurisdiction granted to the Board by SDCL chs. 1-26 and 45-9, and any applicable administrative rule of South Dakota, specifically including ARSD chs. 74:09 and 74:12.

The Department of Environment and Natural Resources (Department) issued Spyglass Cedar Creek LP (Spyglass) the following Permit to Drill numbers located in Harding County, South Dakota: 1780, 1778, 1781, 1789, 1793, 1814, 1825, 1826, 1827, 1828, 1829, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1876, 1877, 1885, 1886, 1887, 1888, 1890, 1948, 1949, 1950, 1960, 1961, 1964, 1965, 1966, 1967, 1968, 1969, 1971, 1975, 1978, and 1979.

This enforcement hearing will be held to consider the Petition to Revoke Drilling Permit & Petition for Forfeiture of Surety submitted by the Department and concerning the above listed drilling permits. The Department's Petition is based upon the Notice of Violation issued by the Department on July 10, 2018, to Spyglass. The Board may consider other civil or administrative remedies at the hearing.

This matter is considered an enforcement proceeding initiated by the Department under the provisions of ARSD § 74:09:01:05. The parties to this proceeding are Spyglass, who has initiated a contested case proceeding as the operator in whose name the drilling permits were issued, and the Department. According to ARSD § 74:09:01:06, no other party may intervene in a contested hearing held in an enforcement action.

Pursuant to SDCL ch. 1-26 the hearing will be an adversarial proceeding at which the parties will have the right to be present and represented by legal counsel; as well as the right to introduce evidence, present testimony, call witnesses, cross examine all witnesses present, and to submit appropriate written argument. If any party does not exercise these and other due process rights they will be forfeited.

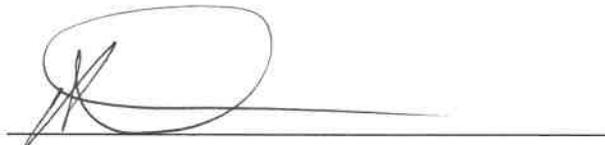
The hearing will be conducted before a quorum of the Board by a hearing chair appointed by the Chairman of the Board. The Board, after examining the testimony and evidence presented may take action to 1.) revoke the drilling permits issued to Spyglass, 2.) forfeit the sureties currently held, and/or 3.) seek other civil or administrative remedies.

Due to the contested nature of this application, prior to this hearing, the parties should not communicate directly with Board members, including the hearing chair, unless all parties to the case are given notice and an opportunity to participate in the communication(s).

If the amount in controversy in this matter exceeds two thousand five hundred dollars, or if a property right may be terminated, any party to the contested action may require the agency to use the Office of Hearing Examiners by giving notice of that request to the agency no later than ten days after service of this Notice of Hearing.

Any final decision entered by the Board may be appealed to circuit court or the state Supreme Court as provided by law.

Dated this 24th day of October 2018.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

Richard M. Williams
Deputy Attorney General
1302 East Highway 14, Suite 1
Pierre, South Dakota 57501-8501
Telephone: (605) 773-3215
Rich.williams@state.sd.us

*Counsel for Department of Environment
and Natural Resources*