

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
ESTABLISH AN OVERLAPPING 1059.28-ACRE
SPACING UNIT CONSISTING OF ALL OF
SECTION 21 AND SECTION 28, TOWNSHIP 23
NORTH, RANGE 4 EAST, HARDING COUNTY,
SOUTH DAKOTA; AND AUTHORIZE THE
DRILLING OF A HORIZONTAL WELL WITH
ONE OR MORE LATERALS IN THE RED
RIVER "B" ZONE AT A LOCATION NOT
CLOSER THAN 500 FEET TO THE
BOUNDARY OF SAID SPACING UNIT; TO
AUTHORIZE THE ISSUANCE OF A PERMIT
FOR HORIZONTAL WELL; AND FOR SUCH
OTHER RELIEF AS THE BOARD DEEMS
APPROPRIATE.

Case No. 11-2012

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 (Lots 1, 2, 3 & 4, S2)
- Section 28: All

2.

In Order No. 2-73b, the Board established 320-acre spacing for the South Medicine Pole Hills field and included all of the lands described above within the field. In Order No. 14-97, the Board established 640-acre spacing for horizontal Red River "B" wells in various lands within the field, including Section 34. In Order No. 7-2012, the Board established a 960-acre spacing unit for the South Medicine Pole Hills Field consisting of the SW/4 of Section 27, and SE/4 of Section 28, the E/2 of Section 33, and the W/2 of Section 34, all in Township 23 North, Range 4 East.

3.

Two wells have been drilled in the lands described above. The Buckley 33-28 well was drilled in the NW/4SE/4 of Section 28 in 1973 and produced approximately 119,000 barrels of oil from the Red River "B" formation before being plugged and abandoned. The Arithson #1 well was drilled in the SW/4NW/4 of Section 21 in 1970, penetrated the Red River "B", and was plugged and abandoned without any attempted completion. Prima desires to drill a horizontal well in the Red River "B" zone commencing in the SE/4 of Section 28 and drilling to the northwest towards the Arithson #1 in Section 21. Due to the structure and areal extent of the Red River accumulation in this area, such a well will, in applicant's opinion, maximize the recovery of oil and gas.

4.

Prima respectfully requests that the Board amend its prior orders, including without limitation Order Nos. 2-73b, 14-97 and 7-2012 so as to establish an overlapping 1059.28-acre spacing unit for the South Medicine Pole Hills Field consisting of all of

Section 21 and all of Section 28, all in Township 23 North, Range 4 East, and to allow a horizontal well with one or more laterals to be drilled in the Red River "B" pool at any location thereon not closer than 500 feet to the boundary of such spacing unit. Said 1059.28-acre spacing unit will overlap that portion of a 960-acre spacing unit established by Order No. 7-2012 inasmuch as it covers the SE/4 of Section 28.

5.

In Prima's opinion, forming the requested spacing unit and drilling the well described above will increase the ultimate recovery of the pool, prevent waste, prevent the drilling of unnecessary wells and protect correlative rights.

6.

The spacing unit requested to be created is not smaller than the maximum area that can be efficiently and economically drained by the proposed wells and the size, shape and location thereof will result in the efficient and economic development of the pool as a whole.

7.

The Board is authorized to grant the requested spacing unit by SDCL 45-9-20 through 45-9-29 and ARSD 74:12:02:06. Prima further requests that the order authorize the issuance of a permit for the drilling of horizontal wells in accordance with this application.

WHEREFORE, Prima respectfully requests that this matter be set for hearing and that thereafter the Board of Minerals and Environment enter its order granting the relief requested herein.

DATED this 30 day of July, 2012.

Fredrikson & Byron, P.A.

By 
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