

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, DENVER, CO, FOR AN ORDER POOLING ALL INTERESTS IN A SPACING UNIT FOR THE COREY BUTTE FIELD DESCRIBED AS ALL OF SECTION 25 AND THE E/2 OF SECTION 26, TOWNSHIP 23 NORTH, RANGE 6 EAST, HARDING COUNTY, SD; PRESCRIBING THE TIME AND MANNER IN WHICH ALL OWNERS MAY ELECT TO PARTICIPATE IN THE DRILLING AND OPERATION OF A WELL ON SUCH SPACING UNIT; PROVIDING AN ALTERNATIVE WHEREBY AN OWNER WHO DOES NOT ELECT TO PARTICIPATE IN THE RISK AND COST OF A WELL MAY PARTICIPATE ON A LIMITED OR CARRIED BASIS; AUTHORIZING THE RECOVERY OF RISK COMPENSATION IN ADDITION TO THE PRO RATA SHARE OF REASONABLE, ACTUAL COSTS FROM THE INTEREST OF ANY LESSEE OR UNLEASED MINERAL OWNER WHO ELECTS NOT TO PARTICIPATE IN THE RISK AND COST OF DRILLING AND COMPLETING AUTHORIZED WELLS ON SAID SPACING UNIT; AND FOR OTHER RELIEF AS DETERMINED BY THE BOARD TO BE JUST AND REASONABLE.

NOTICE
OF
OPPORTUNITY FOR
HEARING

OIL AND GAS
CASE NO. 6-2015

Notice is hereby given to Luff Exploration Company, Denver, CO, 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, August 20, 2015, at 9:15 a.m. MDT at the Mineral Palace Hotel, Gem Theatre meeting room, 601 Historic Main Street, Deadwood, SD 57732, for the purpose of hearing the above matter if any party intervenes and requests a hearing as provided by law.

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 and 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 June 24, 2015. The above described matter will only be heard before the board if a person intervenes in this proceeding. If no petition to intervene is filed, the Secretary of the Department of Environment and Natural Resources will approve or conditionally approve the application in accordance with SDCL 45-9-74.

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/pubhearing.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: June 1, 2015



Steven M. Pirner
Secretary

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