



March 29, 2019

Mr. Steve M. Pirner, Secretary
Department Environment & Natural Resources
523 E Capitol
Pierre, SD 57501

Letter of Intent Regarding Department of Environment and Natural Resources plan for plugging 40 or more leaking natural gas wells in Harding County, related to the Spyglass business failure

Dear Secretary Pirner:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2019 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 29, 2019.

While the guideline does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

It is the intent of the Committee for the Department of Environment and Natural Resources to provide a detailed plan for the purposes of capping all open gas wells in Harding County involved in the Spyglass business failure. The objective of the plan must include: identifying all wells drilled by Spyglass, evaluating and identifying all wells that need to be plugged, providing a project timeline for plugging all leaking wells, and providing specific details and time-lines to complete all clean-up efforts at the surface area of each well drilled by the Spyglass Company. Projected cost estimates must be included for each phase of the plan.

Thank you for your cooperation.

Senator John Wiik
Chair, Joint Committee on Appropriations

Representative Chris Karr
Lead Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management