

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY

ORDER OF THE SUPERVISOR OF WELLS

IN THE MATTER OF:

THE PETITION OF W.B. OSBORN OIL & GAS)
OPERATIONS, LTD, FOR AN ORDER FROM THE)
SUPERVISOR OF WELLS AUTHORIZING AN EXCEPTION) ORDER NO. 07-2012
TO THE SPACING PATTERN FOR WELLS SET BY)
R 324.301 FOR THE MACKERSIE 1-9 WELL LOCATED IN)
FORK TOWNSHIP, MECOSTA COUNTY, MICHIGAN.)

AMENDED OPINION AND ORDER

Order No. 07-2012 was issued July 31, 2012, effective immediately. It has come to the Supervisor of Wells' attention that an error was made in the legal description of the proposed drilling unit. The drilling unit for the MacKersie 1-9 well was incorrectly identified as the SW 1/4 of SW 1/4 of Section 9, T16N, R9W, Fork Township, Mecosta County, Michigan. The correct description of the proposed drilling unit for the MacKersie 1-9 well is the SW 1/4 of SW 1/4 of Section 9, T16N, R7W, Fork Township, Mecosta County, Michigan.

DETERMINATION AND ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

The following paragraphs of Order No. 07-2012 are hereby amended to provide as follows:

OPINION AND ORDER

This case involves the Petition of W.B. Osborn Oil & Gas Operations, LTD (Petitioner), to drill a well (the MacKersie 1-9 well) within a drilling unit to test the stratigraphic interval known as the Dundee Formation. The Petitioner is requesting an exception to the spacing pattern set by R 324.301 for the proposed MacKersie 1-9 well. The proposed unit consists of the SW 1/4 of SW 1/4 of Section 9, T16N, R7W, Fork Township, Mecosta County, Michigan.

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FINDINGS OF FACT

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The spacing of wells targeting the Dundee Formation in Section 9 of Fork Township, Mecosta County, is governed by R 324.301. This rule establishes drilling units of 40 acres, more or less, and R 324.301(1)(b)(ii) provides, in part, that the bottomhole location of development wells be located in a pattern at the same relative position in each drilling unit as that of the discovery well. Prior wells drilled by the Petitioner have established that the location for the proposed well would be in the northwest ten acres of the drilling unit. The Petitioner's proposed well location is 503 feet from the south line and 630 feet from the west line of the SW 1/4 of SW 1/4 of Section 9, T16N, R7W, Fork Township, Mecosta County, Michigan. The Petitioner has applied for a permit to drill the MacKersie 1-9 well.

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All other provisions of the original Opinion and Order No. 07-2012, are reaffirmed.

DATED: Aug. 13, 2012

Harold R. Fitch

HAROLD R. FITCH
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