

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SUPERVISOR OF WELLS

IN THE MATTER OF:

THE INITIATIVE OF THE SUPERVISOR OF WELLS FOR)
AN ORDER TO FIX THE SPACING OF GAS WELLS IN)
THE UTICA SHALE FORMATION AND THE COLLINGWOOD)
SHALE FORMATION, AND ABROGATING EXISTING) CAUSE NO. 12-2010
SPACING ORDERS AND RULES IN PARTS OF MICHIGAN)
NORTH OF TOWNLIN 12 NORTH)

THIRD ORDER OF CONTINUANCE

On August 31, 2010, a pre-hearing conference was held in the above-captioned case. The majority of the Parties in attendance were in agreement that there was not enough data available to schedule a hearing at that time. It was determined that status reports would be filed with the Supervisor on or before December 22, 2010, stating whether each Party believed there was enough data available to schedule a hearing in early 2011, or propose a date for submission of another status report if not enough data to go forward with a hearing.

Status reports were filed by Encana Oil & Gas (USA) Inc. by Mr. William Horn, Attorney; Atlas Gas & Oil Company, LLC, by Mr. Gary Worman, Attorney; O.I.L. Niagaran, L.L.C., and BreitBurn Management Company, LLC, by Mr. James R. Neal, Attorney; Manhattan EnergyOne by Paula K. Manis, Attorney; Merit Energy by Joseph Quandt, Attorney. None of the Parties filing a status report indicated there was enough data to schedule a hearing at that time. Therefore, the Supervisor established a second status report due June 30, 2011.

Status reports were filed in June 2011 by Encana Oil & Gas (USA) Inc., by Mr. William Horn, Attorney; Chevron Michigan, LLC, successor in interest to Atlas Gas & Oil Company, LLC, by Mr. Gary Worman, Attorney; O.I.L. Niagaran, L.L.C., and BreitBurn Management Company, LLC, by Mr. James R. Neal, Attorney; Manhattan EnergyOne by Paula K. Manis, Attorney; Merit Energy by Joseph Quandt, Attorney; and Peter Vellenga. All of the Parties except Mr. Vellenga indicated that there was still not enough data to schedule a hearing at that time and proposed another status report be filed at the end of the year. A Second Order of Continuance was issued requiring another status report due December 29, 2011.

Status reports were filed in December 2011 by Encana Oil & Gas (USA) Inc. by Mr. William Horn, Attorney; Chevron Michigan, LLC, by Mr. Gary Worman, Attorney; O.I.L. Niagaran, L.L.C., and BreitBurn Management Company, LLC, by Mr. James R. Neal, Attorney; Manhattan EnergyOne by Paula K. Manis, Attorney; Merit Energy by Joseph Quandt, Attorney; and Peter Vellenga. All of the Parties except Mr. Vellenga indicated that there is still not enough data to schedule a hearing at this time and proposed another status report be filed on or about June 29, 2012. Mr. Vellenga believes there is data available that the other

Parties have failed to report and, therefore, he requests that a hearing be scheduled immediately.

I find that there is not sufficient data showing activity in the Utica Shale and Collingwood Formations to schedule a hearing at this time.

THEREFORE, IT IS ORDERED:

1. Status reports are to be filed with the Supervisor on or before June 29, 2012, and shall be served on all Parties to this matter. The status reports shall state whether each Party believes there is enough data available to schedule a hearing in late 2012.
2. In the interim, requests for testing of wells and alternate drilling units shall be reviewed on a case-by-case basis.

DATED: Jan. 12, 2012



HAROLD R. FITCH
ASSISTANT SUPERVISOR OF WELLS
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