

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SUPERVISOR OF WELLS

IN THE MATTER OF:

THE PETITION OF MERIT ENERGY COMPANY, LLC, FOR)
AN ORDER FROM THE SUPERVISOR OF WELLS)
STATUTORILY POOLING ALL INTERESTS INTO AN 80-)
ACRE GUELPH DOLOMITE/RUFF FORMATION DRILLING) CAUSE NO. 02-2016
UNIT IN MANISTEE TOWNSHIP, MANISTEE COUNTY,)
MICHIGAN KNOWN AS THE BAHR DRILLING UNIT AND)
FOR AN ORDER RESUMING PRODUCTION OF THE BAHR)
4-24 WELL.)

NOTICE OF HEARING

Take notice that An evidentiary hearing will be held before the Supervisor of Wells (Supervisor) in the city of Lansing, Michigan, beginning on the THIRTEENTH DAY OF DECEMBER (DECEMBER 13) 2016, BEGINNING AT 9:00 A.M., OTTAWA BUILDING, SECOND FLOOR, 611 W. OTTAWA STREET, LANSING, MICHIGAN 48933. The hearing will be conducted pursuant to Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.61501 *et seq.*; the administrative rules, 1996 AACS, 2001 MR 2, 2002 MR 23, 2015 MR 15, R 324.101 *et seq.*; and the Administrative Procedures Act, 1969 PA 306, as amended, MCL 24.201 *et seq.*; MSA 3.560(101) *et seq.*

The purpose of this hearing is to receive testimony and evidence pertaining to the need or desirability of issuing an order in the matter of the petition of Merit Energy Company, LLC (Petitioner), 13727 Noel Road, Suite 1200, Dallas, Texas 75240.

Pursuant to R 324.304, the Petitioner seeks an order of the Supervisor statutorily pooling all interests into the existing Bahr 4-24 Geulph Dolomite/Ruff Formation drilling unit, which consists of the SW 1/4 of NE 1/4 and NW 1/4 of SE 1/4 of Section 24, T22N, R16W, Manistee Township, Manistee County, Michigan. Drilled in 1976, the Bahr 4-24 well was being operated and produced by Petitioner when operations were suspended by the Supervisor of Wells following a Federal District Court ruling declaring a vested reversionary interest in half of the Bahr drilling unit by an unleased owner. Petitioner has been unable to enter a valid oil and gas lease with the mineral interest owner of the reversionary interest (the NW 1/4 of SE 1/4 of Section 24). Petitioner also seeks an order allowing it to resume production of the Bahr 4-24 well.

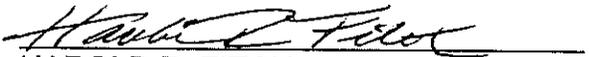
You can obtain a copy of the written petition by requesting one in writing from Ms. Kat Lyles, Merit Energy Company, LLC, 13727 Noel Road, Suite 1200, Dallas, Texas 75240, telephone number 972-701-8377.

Take note that if you wish to participate as a party in the hearing by presenting evidence or cross-examining witnesses, you shall prepare and deliver to the Petitioner and the Supervisor, not less than five days before the hearing date, an answer to the petition in the manner set forth in R 324.1204(6). Proof of mailing or delivering the answer shall be filed with the Supervisor on or before the date of the hearing. The answer shall state with specificity the interested person's position with regard to the petition. Failure to prepare and serve an answer in a timely manner shall preclude you from presenting evidence or cross-examining witnesses at the hearing. If an answer to the petition is not filed, the Supervisor may elect to consider the petition and enter an order without oral hearing. Mail the answer to the petition to Ms. Kat Lyles at the above address, and to the Supervisor in care of the Assistant Supervisor of Wells, Mr. Harold R. Fitch, at the address below.

Take further note that you may request a change in the location of the hearing to the county in which the proposed drilling unit is located. If the majority of the owners of the oil and gas rights, which are listed in the petition as not voluntarily pooling their interests into the proposed drilling unit, include in their timely filed answers a request to hold the hearing in the county where the proposed drilling unit is located, the Assistant Supervisor of Wells shall: (i) at the time and place scheduled in this notice adjourn the scheduled hearing; (ii) reschedule the hearing for a location in such county; and (iii) provide, by first-class mail, notice of the rescheduled hearing date, time, and place prior to the rescheduled hearing date to all persons who filed an answer in response to this notice.

Questions regarding the Notice of Hearing should be directed to Ms. Susan Maul, Resource Management Group, DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741, telephone number 517-284-6536. Persons with disabilities needing accommodations for effective participation in this hearing should call or write Ms. Maul at least a week in advance of the hearing date to request mobility, visual, hearing, or other assistance.

Dated: Oct. 27, 2016


HAROLD R. FITCH
ASSISTANT SUPERVISOR OF WELLS
Office of Oil, Gas, and Minerals
P.O. Box 30256
Lansing, Michigan 48909-7756