

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SUPERVISOR OF WELLS

IN THE MATTER OF

THE PETITIONS OF HIGHMOUNT MIDWEST ENERGY, LLC)	
FOR AN ORDER FROM THE SUPERVISOR OF WELLS)	CAUSE NO. 01-2010
FORMING SIX FULL 80-ACRE ANTRIM SHALE FORMATION)	02-2010
DRILLING UNITS CONSISTENT WITH ORDER NO. (A) 14-9-)	03-2010
94 BY COMPULSORY POOLING ALL INTERESTS INTO THE)	04-2010
UNITS.)	05-2010
)	06-2010

at a session of the Department of Environmental Quality held
at Lansing, Michigan, on January 5, 2010, Harold R. Fitch,
Assistant Supervisor of Wells, Presiding

ORDER OF ADJOURNMENT

A Supervisor of Wells hearing in this matter was scheduled for 9:00 a.m. on January 5, 2010. Answers to the Petitions were filed by SHR Limited Partnership and Frontier Energy LLC (Respondents), alleging that they do not currently own the interests which Petitioner ascribes to them and which Petitioner is requesting the Supervisor compulsory pool. Through their Stipulation to Adjourn, dated January 4, 2010, attorneys for Petitioner and Respondents have agreed to adjourn the hearing scheduled for January 5, 2010, and brief the question regarding the propriety of compulsory pooling the interests of Respondents and, after review of the briefs, request the Supervisor issue a ruling on whether the interests of Respondents can be compulsory pooled.

NOW THEREFORE, IT IS ORDERED:

1. The consolidated hearing on Cause Nos. 01-2010 through 06-2010, is hereby adjourned. The hearing is rescheduled for February 4, 2010, at 9:00 a.m. in the Steven Nesbit Hearing Room, Atrium Level, Constitution Hall, 525 W. Allegan Street, Lansing, Michigan.
2. Petitioner will file its brief on the compulsory pooling issue with the Supervisor, and serve a copy on Respondents, on or before January 8, 2010.
3. Respondents will file their reply brief with the Supervisor and serve a copy on Petitioner, on or before January 15, 2010.
4. At least 5 days prior to the rescheduled hearing, either party may request an oral argument before the Supervisor. If oral argument is requested, the oral argument will be heard at the rescheduled hearing.

Dated: 1/5/2010


HAROLD R. FITCH
ASSISTANT SUPERVISOR OF WELLS
Office of Geological Survey
P.O. Box 30256
Lansing, Michigan 48909-7756

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NOTICE OF HEARING

Take notice that a consolidated hearing will be held before the Supervisor of Wells (Supervisor) in the city of Lansing, Michigan, on the FIFTH DAY OF JANUARY (JANUARY 5) 2010, BEGINNING AT 9:00 A.M., AT THE DEPARTMENT OF ENVIRONMENTAL QUALITY, STEPHEN NISBET HEARING ROOM, ATRIUM LEVEL, SOUTH TOWER, CONSTITUTION HALL, 525 WEST ALLEGAN STREET, LANSING, MICHIGAN. 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 AACRS, 2001 MR 2, 2002 MR 23, 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 hearing is for the purpose of receiving testimony and evidence pertaining to the need or desirability of issuing an order in the matter of the petitions of Highmount Midwest Energy, LLC (Petitioner), 226 East Sixteenth Street, Suite A, Traverse City, Michigan 49684.

Petitioner seeks an order of the Supervisor, consistent with Order No. (A) 14-9-94, to form six full 80-acre Antrim Formation drilling units for the following wells by compulsory pooling all interests into the proposed drilling units pursuant to R 324.304:

<u>Well Name</u>	<u>Cause Number</u>	<u>Location</u>
Lakes of the North D4-33	01-2010	S 1/2 of SE 1/4 of Section 33
Lakes of the North A4-33	02-2010	N 1/2 of NE 1/4 of Section 33
Lakes of the North B3-33	03-2010	SW 1/4 of NE 1/4 and SE 1/4 of NW 1/4 of Section 33
Lakes of the North B4-33	04-2010	SE 1/4 of NE 1/4 of Section 33 and SW 1/4 of NW 1/4 of Section 34
Lakes of the North C2-25	05-2010	NE 1/4 of SW 1/4 and SE 1/4 of NW 1/4 of Section 25
Lakes of the North D3-25	06-2010	SW 1/4 of SE 1/4 and SE 1/4 of SW 1/4 of Section 25

All six proposed drilling units are located in T30N, R5W, Star Township, Antrim County, Michigan.

You can obtain copies of the written petitions by requesting them in writing from Mr. Tad Stuart, Highmount Midwest Energy, LLC, 226 East Sixteenth Street, Suite A, Traverse City, Michigan 49684, telephone number 231-922-7302.

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 mail or otherwise deliver to the Petitioner and Supervisor, not less than 5 days before the hearing date, an answer to the petitions 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 petitions. 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 petitions is not filed, the Supervisor may elect to consider the petitions and enter an order without oral hearing. Mail the answer to the petition to Mr. Tad Stuart at the above address, and to the Supervisor in care of the Assistant Supervisor of Wells, Mr. Harold R. Fitch, Office of Geological Survey (OGS), P.O. Box 30256, Lansing, Michigan 48909-7756

Take further notice 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 Petitions 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 Notice of Hearing should be directed to Ms. Susan Maul, OGS, Michigan Department of Environmental Quality, P.O. Box 30256, Lansing, Michigan 48909-7756, phone 517-241-1552. 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: *Nov. 30, 2009*



HAROLD R. FITCH
ASSISTANT SUPERVISOR OF WELLS
Office of Geological Survey
P.O. Box 30256
Lansing, MI 48909-7756