

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT

ORDER OF THE SUPERVISOR OF WELLS

IN THE MATTER OF:

THE PETITION OF SCHMUDE OIL, INC., FOR AN)
ORDER FROM THE SUPERVISOR OF WELLS FORMING)
A FULL TRAVERSE LIMESTONE FORMATION DRILLING) ORDER NO. 10-2009
UNIT BY COMPULSORY POOLING ALL INTERESTS)
INTO THE DRILLING UNIT.)

AMENDED OPINION AND ORDER

at a session of the Department of Natural Resources and
Environment held at Lansing, Michigan, Harold R. Fitch,
Assistant Supervisor of Wells, Presiding

On March 22, 2010, Petitioner, Schmude Oil, Inc. filed a Motion For Amendment for Order No. 10-2009, effective February 1, 2010. Order No. 10-2009 (i) formed a 40-acre Traverse Limestone Formation drilling unit as described therein; (ii) appointed Schmude Oil, Inc., as the operator of the State Blair & Harlan 1-29 well and directed the well be drilled within 90 days from the effective date of that Order; and (iii) ordered the compulsory pooling of all properties, parts of properties and interests within the drilling unit for purposes of drilling the State Blair & Harlan 1-29 well only.

Petitioner, in its Motion for Amendment, states that it has not been able to commence drilling due to frost laws and it anticipates an increased demand for drilling rigs after frost laws are lifted. Petitioner requests that the 90-day deadline for the drilling of the State Blair & Harlan 1-29 well (which will expire on or about May 1, 2010) be extended an additional 90 days to provide Petitioner the opportunity to secure and produce its just and equitable share of the oil, gas, and gas energy producible from the drilling unit. Petitioner also asserts in its Motion for Amendment, that it has served the Motion on the parties compulsory pooled by the Order, including Mr. and Mrs. Evans, who filed an appearance in this matter.

DETERMINATION AND ORDER

I have reviewed the Motion For Amendment submitted by Petitioner and have determined that Order No. 10-2009 should be amended.

NOW, THEREFORE, IT IS ORDERED THAT:

Paragraph 3 of the Determination and Order section of the original Opinion and Order effective February 1, 2010, in Cause No. 10-2009 is hereby amended in its entirety to provide as follows:

3. The Petitioner is named Operator of the State Blair & Harlan 1-29 well. The Operator shall commence the drilling of the State Blair & Harlan 1-29 well within 180 days of the effective date of this Order, after which the compulsory pooling authorized in this Order shall be null and void as to all parties and interests. This pooling Order applies to the drilling of the State Blair & Harlan 1-29 well only.

All other provisions of the original Opinion and Order No. 10-2009, effective February 1, 2010, are reaffirmed.

DATED: Mar. 29, 2010


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