

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) ORDER NO. 12-2010
SPACING ORDERS AND RULES IN PARTS OF MICHIGAN)
NORTH OF TOWNLINE 12 NORTH)

ORDER OF DISMISSAL

On August 31, 2010, a prehearing 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 was still not enough data to schedule a hearing. A Third Order of Continuance was issued requiring another status report by June 29, 2012.

At the March 22, 2012 Oil and Gas Advisory Committee meeting a discussion was held on drilling to the Utica and Collingwood Shale Formations. Due to the potential for production of liquids in the Collingwood Formation and the lack of information available on producing wells, the Committee voted to recommend closing this matter until more information is available.

THEREFORE, IT IS ORDERED:

1. This matter is dismissed without prejudice.
2. At such time more information becomes available or an interested party files a petition, a hearing may be scheduled. Until then, requests for testing of wells and alternate drilling units shall be reviewed on a case-by-case basis.

DATED: June 11, 2012



HAROLD R. FITCH
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