

**STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
ORDER OF THE SUPERVISOR OF WELLS**

IN THE MATTER OF

THE PETITION OF WOLVERINE GAS AND OIL)
COMPANY OF MICHIGAN, LLC, FOR AN ORDER)
FROM THE SUPERVISOR OF WELLS)
AUTHORIZING A UNIT ALLOWABLE AS AN) ORDER NO. 05-2022
EXCEPTION TO ORDER NO. 18-2007, FOR THE)
OROSZ 17-1 AND OROSZ 17-2 HD1 WELLS IN)
CLIMAX TOWNSHIP, KALAMAZOO COUNTY,)
MICHIGAN.)

ORDER OF DETERMINATION

This case involves the Petition of Wolverine Gas and Oil Company of Michigan, LLC (Petitioner) requesting a change in the unit proration allowable for the Orosz 17-1 and Orosz 17-2 HD1 wells within the stratigraphic interval known as the Trenton/Black River Formation. The unit for the Orosz 17-1 and Orosz 17-2 HD1 wells consists of a 160-acre Trenton-Black River unit, formed under Order No. 01-2020, being the NW ¼ of Section 17, T3S, R9W, Climax Township, Kalamazoo County, Michigan. Due to the larger unit size and the two wells that have already been drilled thereon, the Petitioner seeks an Order of the Supervisor of Wells (Supervisor) authorizing the wells on the 160-acre drilling unit to produce up to 400 barrels of oil per day (BOPD) and/or 400 thousand cubic feet of gas per day (MCFGPD) as a unit allowable.

Jurisdiction

The development of oil and gas in this state is regulated under Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, Michigan Compiled Laws 324.61501 *et seq.* The purpose of Part 615 is to ensure the orderly development and production of the oil and gas resources of this state. MCL 324.61502. To that end, the Supervisor may fix total allowable production for any oil or gas field or pool in the State and establish the allowable production for each well in the field or pool in order to prevent premature abandonment of the wells in the field or pool. MCL 324.61512. However, a permittee of a well who believes the existing proration

allowable will not aid in the prevention of waste may petition the Supervisor for a change in a unit or field allowable and the Supervisor shall schedule a meeting to consider the Petition. 1996 AACRS, R 324.611. The meeting in this matter was set for August 22, 2022.

FINDINGS OF FACT

The Petitioner seeks a change in the standard oil and gas well allowable set by Order 18-2007 for the 160-acre unit. This unit consists of two wells: the Orosz 17-1 (PN 61484) and Orosz 17-2 HD1 (PN 61588) wells. The Petitioner requests that the standard well allowable be changed to a unit allowable of 400 BOPD and/or 400 MCFGPD.

The Supervisor determined that the Notice of Meeting was properly served and published. No answers to the Petition were filed. The Supervisor determined an Order would be issued administratively following review and evaluation of the data presented. In support of its case, the Petitioner offered the verified statements of Richard Moritz, Vice President of Land for Petitioner, and Justin Reuter, Senior Geophysicist for Petitioner.

Mr. Reuter testified the Orosz 17-1 well was drilled in April 2021 as an exploratory well. The Orosz 17-2 HD1 was drilled as an infill well in February 2022. Mr. Reuter and Mr. Moritz sponsored Exhibit 1 showing the 160-acre unit and the two Orosz wells.

Pursuant to Order No. 18-2007, one well may be drilled on a 40-acre drilling unit. Order No. 18-2007 sets the proration allowable for wells at 200 BOPD and/or 200 MCFGPD for 40-acre drilling units. Order No. 18-2007 provides that the Supervisor may grant an additional allowable for a second well on a 40-acre drilling unit upon the filing of a Petition.

The Petitioner requests a total unit allowable of 400 BOPD and/or 400 MCFGPD. Mr. Reuter testified the two wells on the 160-acre drilling unit should efficiently drain the targeted reservoir and prevent waste by avoiding the drilling of unnecessary additional wells permitted under Order No. 18-2007.

Based on the foregoing, I find, as a Matter of Fact, that the standard unit allowable under Order No. 18-2007 for the two Orosz wells in the unit may permit waste to occur. I find that a change of the oil and gas allowable for the Orosz 17-1 and Orosz 17-2 HD1 wells to 400 BOPD and/or 400 MCFGPD as a unit allowable is reasonable.

CONCLUSIONS OF LAW

Based on the Findings of Fact, I conclude, as a matter of law:

1. The Supervisor may limit the amount of oil or gas produced to prevent waste and prevent the premature abandonment of the wells. MCL 324.61512 and Order No. 18-2007.
2. This Order is necessary to make a change in the field allowable established in Order No. 18-2007. 1996 AACRS, R 324.611 and Order No. 18-2007.
3. The Supervisor has jurisdiction over the subject matter and the persons interested therein.
4. Due notice of the time, place, and purpose of the meeting was given as required by law and all interested persons were afforded an opportunity to be heard. 1996 AACRS, R 324.611, and 2015 MR, R 324.1204.

DETERMINATION AND ORDER

Based on the Findings of Fact and the Conclusions of Law, the Supervisor determines that changing the oil and gas allowable for the 160-acre drilling unit as an exception to Order No. 18-2007, is reasonable and appropriate, will not result in waste, and will protect correlative rights.

NOW, THEREFORE, IT IS ORDERED:

1. The Petitioner is authorized to produce the existing wells on the 160-acre drilling unit at a rate of 400 BOPD as a unit allowable and as an exception to Order No. 18-2007. The gas allowable for the unit shall be 400 MCFGPD if gas is sold. If gas is to be flared, it is limited to 200 MCFGPD for the wells on this 160-acre drilling unit.
2. All other provisions of Order No. 18-2007 shall remain in effect.

3. The Supervisor retains jurisdiction in this matter.
4. This order shall be effective immediately.



Dated: 9/21/2022

Adam W. Wygant
ASSISTANT SUPERVISOR OF WELLS
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