

**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 FORMING A)	
240-ACRE TRENTON/BLACK RIVER FORMATION)	
DRILLING UNIT, STATUTORILY POOLING ALL)	ORDER NO. 02-2022
INTERESTS INTO THE DRILLING UNIT, AND)	
AUTHORIZING A UNIT ALLOWABLE AS AN)	
EXCEPTION TO S.O. 18- 2007 IN CLIMAX)	
TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN.)	

ORDER OF DETERMINATION

This case involves the Petition of Wolverine Gas and Oil Company of Michigan, LLC (Petitioner) to drill and complete the proposed Metty 8-1 HD1 and Metty 8-2 HD1 wells within the stratigraphic interval known as the Trenton/Black River Formation. The Petitioner requested a 240-acre drilling unit for the Metty 8-1 HD1 and Metty 8-2 HD1 wells as an exception to the 40-acre drilling unit size established by Order No. 18-2007, as amended. The proposed unit consists of the SW ¼ of Section 8 and the E ½ of the SE ¼ of Section 7, T3S, R9W, Climax Township, Kalamazoo County, Michigan. Further, due to the larger unit size and two proposed wells, Petitioner requests a unit allowable of 400 barrels of oil per day (BOPD) and/or 400 thousand cubic feet of gas per day (MCFGPD) for the 240-acre drilling unit. As of May 3, 2022, Petitioner was able to secure a lease from the only unleased owner following the filing of the Petition. Thus, Petitioner’s request for unit formation and statutory pooling is withdrawn, and a voluntary pooled 240-acre unit application pursuant to 2015 MR 5, R 324.303 has been submitted. Petitioner seeks an Order of the Supervisor of Wells (Supervisor) authorizing the wells on the 240-acre drilling unit to produce up to 400 BOPD and 400 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 AACS, R 324.611. The evidentiary hearing in this matter was set for May 4, 2022.

FINDINGS OF FACT

The Petitioner seeks a change in the standard oil and gas well allowable set by Order 18-2007 for the 240-acre proposed unit. This unit will consist of two wells: the Metty 8-1 HD1 and Metty 8-2 HD1 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 Hearing 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 two anticipated wells will be drilled from the same well pad, thereby decreasing surface disturbance. The bottom hole locations are anticipated to be at least 640 feet from each other at the horizontal landing point and 2,600 feet from each other at bottom hole locations. Wolverine proposes a well spacing pattern on a single 240-acre unit, with the wells located anywhere within the proposed Drilling Unit, but no closer than 330 feet from the unit boundary, and no closer than 1,200 feet from another well's bottom hole location. Wolverine proposes completing the wells to test and produce the Trenton/Black River Formation, which is the geologic formations subject to Order No. 18-2007. The surface and bottom hole locations of the wells, and distances from quarter-

quarter section lines, are shown on Exhibit 1. According to Mr. Reuter, the proposed wells will adequately and efficiently develop and drain the 240-acre Drilling Unit.

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 the unit 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 that the two proposed wells on the 240-acre drilling unit should efficiently drain the targeted reservoir and prevent waste of drilling a well on each 40-acre building block of the Proposed Unit.

Based on the foregoing, I find, as a Matter of Fact, that the standard well allowable under Order No. 18-2007 for the two Metty wells in the Proposed Unit may permit waste to occur. I find that a change of the oil and gas allowable for the Metty 8-1 HD1 and Metty 8-2 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 allowable established in Order No. 18-2007. 1996 AACCS, 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 hearing was given as required by law and all interested persons were afforded an opportunity to be heard. 1996 AACCS, 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 240-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 future wells on the 240-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 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 240-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: 06-02-2022

Adam W. Wygant
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