

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
SUPERVISOR OF WELLS

SPECIAL SPACING AND PRORATION ORDER FOR WELLS DRILLED
INTO THE SALINA-NIAGARAN FORMATION WITHIN OAKLAND COUNTY

At a public hearing held in Lansing, Michigan, on January 21, 1981, after due notice and pursuant to Act No. 61 of the Public Acts of 1939, as amended, and the promulgated rules, evidence and testimony was presented to the Supervisor of Wells and the Advisory Board on the need and desirability of adopting a Special Order pertaining to the exploration, development, and production of wells drilled for oil and/or gas into the Salina-Niagaran Formation in Oakland County.

Pursuant to the recommendations of the Advisory Board following full consideration of the evidence and testimony submitted, the Supervisor of Wells finds that it is necessary to establish a special spacing and proration order to provide for the orderly development of the Salina-Niagaran reef-type reservoirs, prevent waste, protect correlative rights, and eliminate the drilling of unnecessary wells.

ORDER

Effective February 6, 1981, the requirements for the location, spacing, and production of wells drilled for oil and/or gas into the Salina-Niagaran Formation in Oakland County, except for wells where special spacing orders, rules, or determinations are in effect, are as follows:

(A) DRILLING UNIT

The drilling unit shall be forty (40) acres, more or less consisting of a governmental surveyed quarter-quarter section of land.

(B) SPACING OF WELLS

Permits may be granted for the drilling of exploratory and development wells for oil or gas without a proration penalty provided the location is not less than four hundred and sixty (460) feet from an adjoining drilling unit as prescribed in (A) above. Permits may also be granted at locations less than four hundred and sixty (460) feet, but not less than three hundred and thirty (330) feet, from an adjoining drilling unit subject to a fifty per cent (50%) proration penalty. Refer to exhibit attached.

(C) BASIC ALLOWABLE

Subsequent to the 30-day test program and the filing of final test data as provided in Special Order 2-71, "Testing and Reporting Procedure for Oil Wells" all oil wells, as provided for in this order, will be allowed to produce a standard or basic prorated allowable not to exceed 200 barrels of oil and/or 200,000 cubic feet of gas per day.

Signed and ordered published this sixth day of February, 1981.

Dated: February 6, 1981


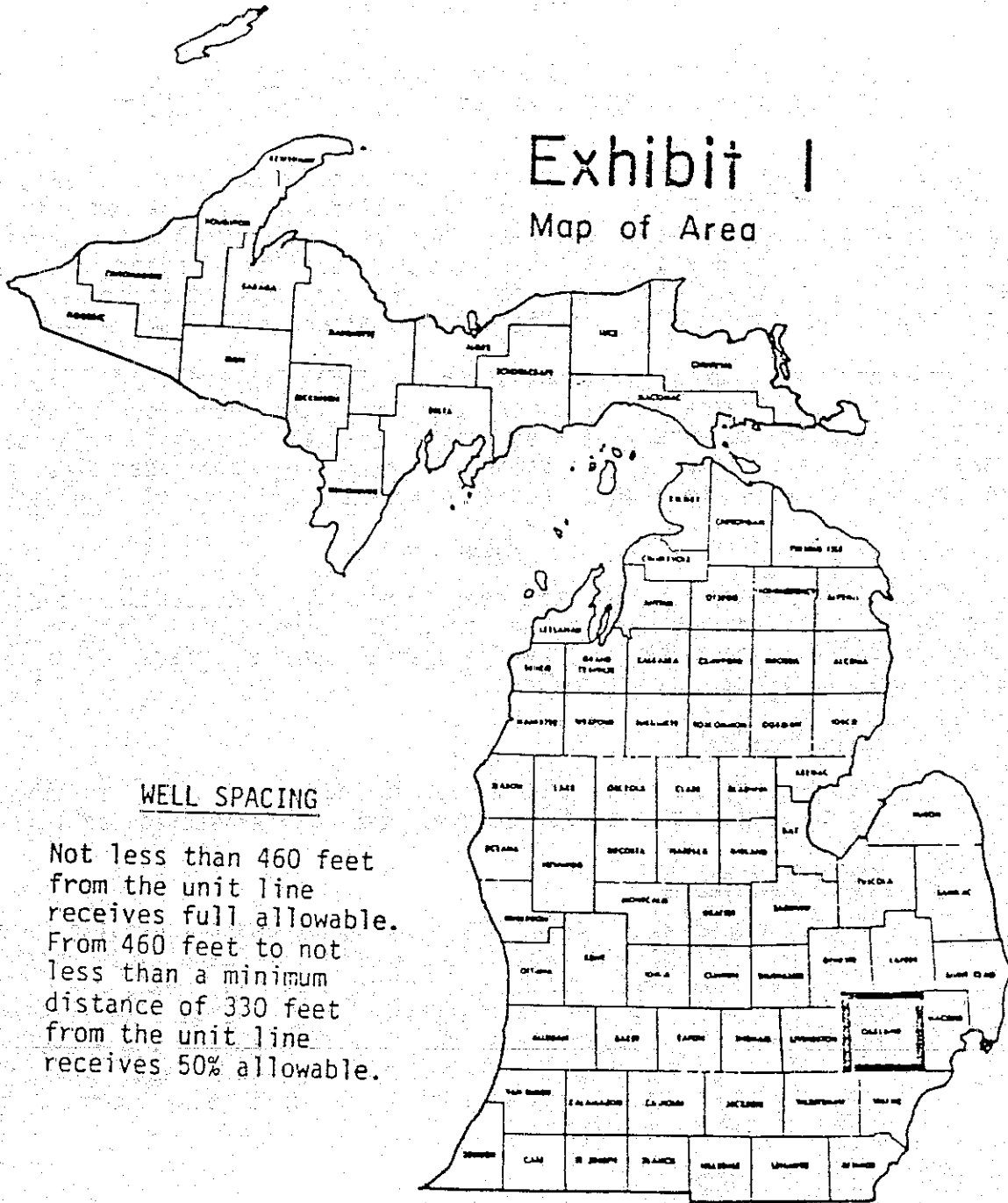

ARTHUR E. SLAUGHTER
ASSISTANT SUPERVISOR OF WELLS

Exhibit I

Map of Area



WELL SPACING

Not less than 460 feet
 from the unit line
 receives full allowable.
 From 460 feet to not
 less than a minimum
 distance of 330 feet
 from the unit line
 receives 50% allowable.

BASIC FULL ALLOWABLE

200 bbls. oil and/or
 200 Mcf/day

