

APPLICATION FOR PERMIT TO: DRILL DEEPEN REWORK OR OPERATE A WELL

GEOLOGICAL SURVEY

BY AUTHORITY OF:

0A

MAIL TO:
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY DIVISION
BOX 30028, LANSING, MICHIGAN 48909

JAN 04 1990

1a. <input type="checkbox"/> Act 61, P.A. 1939, as amended <input checked="" type="checkbox"/> Oil & Gas <input type="checkbox"/> Brine Disposal <input type="checkbox"/> Hydrocarbon Storage <input type="checkbox"/> Secondary Recovery	1b. <input type="checkbox"/> Act 315, P.A. 1969, as amended <input type="checkbox"/> Disposal <input type="checkbox"/> Storage <input type="checkbox"/> Brine <input type="checkbox"/> <input type="checkbox"/> Test Well Type <input type="checkbox"/> Single <input type="checkbox"/> Blanket
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NON-SUBMISSION AND/OR FALSIFICATION OF THIS INFORMATION
MAY RESULT IN FINES AND/OR IMPRISONMENT

Permits & Bonding Unit

2. Application to: (no fee required if permit is valid)
 Deepen Revise Application Cancel and Transfer Convert to

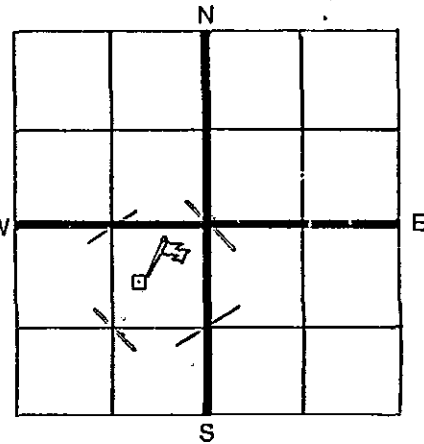
3. Fee enclosed: No Yes

4. Do prior permits exist? No Yes Drilled Abandoned/Terminated

5. List each permit number

6. Fed. Employer Ident. No. or Soc. Security No.
38-2762933

LOCATE WELL AND OUTLINE UNIT
ON SECTION PLAT - 640 ACRES



7. Surety Bond: Blanket Single Well

8. Attached On File

9. Bond No. Certificate of Deposit

10. Bond Amount: \$100,000.00 CD

11. Applicant: (name each "owner" as they are bonded)
SRW, INC.

12. Address: (operator only if more than one "owner")
702 E. Michigan, P. O. Box 292
Mt. Pleasant, MI 48804-0292

Phone: (517) 773-2849

13. Lease or well name: (be as brief as possible)
BABAS

Well number: 23-16

14. Surface owner:
Helen I. Babas

15. Address: 20316 McCormick, Detroit, MI 48224

Phone: 1-313-881-0823

16. Surface location (See instructions)
SW 1/4 NE 1/4 of SW 1/4 of Sec. 16 T.29N R. 1W Township S. Charlton County Otsego

17. Bottom hole location if directional drill (See instructions)
1/4 1/4 of 1/4 of Sec. T. R. Township County

18. LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT. (See instructions)

a. Surface Location: 688 ft. from (N/S) North Line of quarter section. AND 988 ft. from (E/W) East Line of quarter section.

b. Bot. Hole Location: 688 ft. from (N/S) North Line of quarter section. AND 988 ft. from (E/W) East Line of quarter section.

c. Drilling Unit: 636 ft. from (N/S) South Line of drilling unit. AND 334 ft. from (E/W) West Line of drilling unit.

19. Drilling contractor: To Be Determined

20. Kind of tools (Rotary, cable, combination): Rotary

21. Is sour oil or gas expected? No Yes

22. Blowout control diagram enclosed? No Yes

23. Blowout control (Detail equipment type, size, trim, rating, testing, choke manifold, etc. See instructions)

See Attached

24. Intended Total Depth: 1750'

25. Formation at Total Depth: Traverse

26. Producing Formation: Antrim Shale

27. Objective Pool or Field:

28. PROPOSED DRILLING, CASING, CEMENTING AND SEALING PROGRAM

HOLE			CASING			CEMENT		MUD		
Depth	Geol. Form	Bit Dia.	O.D. Size	Wt./Ft. -- Grade -- Condition	Depth	Sacks	W.O.C.(hrs.)	Wt.	Vis.	W.L.
+40'	Drift		13 3/8"	54# Conductor		driven				
+750'	100' below drift	12 1/2"	8 5/8" or 7"	24# J-55 Good 23# J-55 Good	+750'	C to S	12	8.8	60	40
+1750'	traverse	7 7/8"	5 1/2" or 4 1/2"	14# J-55 Good 10.5# J-55 Good Open Hole	+1550' +1750'	50	24	Fresh	H ₂ O	

29. Send correspondence and permit to: Address SRW, INC. P.O. Box 292, Mt. Pleasant, MI 48804-0292

FOR DNR USE ONLY

Permit	Date Issued	Number
Act 61	1-17-90	43008
Act 315		

30. Application Prepared By: (Print) Ronald N. Kline Phone: 616-263-5463

31. Signature: Ronald N. Kline Date: 12-20-89

5699

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY DIVISION
BOX 30028
LANSING, MICHIGAN 48909

PERMIT TO

DRILL DEEPEN REWORK OPERATE

GRANTED UNDER PROVISIONS OF

Act 61, P.A. 1939, as amended Act 315, P.A. 1969, as amended
(M.C.L. 319.1 to 319.27) (M.C.L. 319.211 to 319.236)

Violation of and/or non-compliance with the provisions of the acts and conditions of permit may result in penalties. This permit includes as requirements all the operations and methods proposed by the applicant, unless rejected or altered by the DNR, and along with the attached stipulations are incorporated in its entirety by reference.

PERMIT 43008	ISSUED 1-17-90	TYPE OF WELL Oil & Gas
CANCEL AND TRANSFER	ISSUED	FORMATION Traverse
DEEPENING PERMIT		DEPTH 1750'
PERMIT EXPIRES 1-17-91		KIND OF TOOLS Rotary
ISSUED TO SRW, Inc. 702 E. Michigan - P.O. Box 292 Mt. Pleasant, MI 48804-0292		

WELL NAME Babas #23-16 WELL NO.

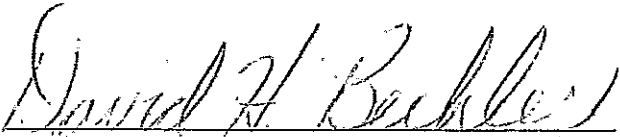
LOCATION AND FOOTAGES:
SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 16, T29N, R1W, Charlton Township, Otsego County.
688 feet from North and 988 feet from East Line of quarter section.
636 feet from South and 334 feet from West Line of drilling unit.

O.D. SIZE	WT./FT.	CASING AND SEALING REQUIREMENTS			SACKS	CEMENT	W.O.C. (HRS.)
		CASING GRADE	CONDITION	DEPTH			
13 3/8"	54#	Conductor			Driven		
8 5/8" or	24#	J-55	Good	750'±	C to S		XØ 12
7"	23#	J-55	Good				
5 1/2" or	14#	J-55	Good	1550'±	50		24
4 1/2"	10.5#	J-55	Good				
	OPEN HOLE			1750'			

- District Geologist shall be notified prior to pit encapsulation.
- Although Paragraph (4)c of Order No. 10-12-87 allows the drilling of lateral drain wells without requiring an additional drilling permit, any operation (including drilling lateral drain wells) that changes the status of a well requires approval to rework a well from the appropriate Geological Survey Division District Office pursuant to Rule 314 (R 299.1314) REWORK OPERATIONS. Upon completion of a lateral drain well the records are due in thirty (30) days at the District Office per Rule 311 (R 299.1311) WELL LOG TO BE FILED, Rule 314 (R 299.1314) REWORK OPERATIONS and Rule 316 (R299.1316) SURVEY OF DIRECTIONALLY DRILLED WELLS.

OFFICE TO BE NOTIFIED BEFORE DRILLING/DEEPENING STARTS

Gaylord 517-732-3541

BY 
PERMIT COORDINATOR

David H. Bechler 517-334-6974
FOR THE SUPERVISOR OF WELLS/MINERAL WELLS

PAGE 1 of PAGE(S)

THIS PERMIT IS SUBJECT TO THESE GENERAL CONDITIONS

1. Drilling operations shall not start until the drill site preparation requirements are completed.
2. Initiation of any work on the permitted project confirms the permittee's acceptance and agreement to comply with all the terms and conditions of this permit and the rules, orders and requirements of the Supervisor of Wells/Mineral Wells.
3. The permittee is required to give notice to public utilities in accordance with Act 53, PA 1974 (M.C.L. 460.701 to 460.718).
4. Any changes from what is stated in the permit application and permit shall be approved by the Supervisor of Wells/Mineral Wells.
5. This permit is valid only for the permittee of issue and any change of ownership shall be accompanied by a request to the Supervisor of Wells/Mineral Wells to transfer the permit from the current owner to the new owner.
6. "NOTICE AND REQUIREMENTS FOR SOURCES OF WATER AND WATER WELLS USED IN CONJUNCTION WITH OIL AND GAS OR MINERAL WELL DRILLING, AND OPERATIONS", December 1, 1984 is made part of and a condition of this permit.
7. During well completion and testing procedures all fluids shall be contained in tanks and transported to off site disposal facilities.
8. The Michigan Air Pollution Control Commission rules require that a person shall not install nor alter sour gas or oil well production equipment and flare unless a permit to install has been approved by the Commission. An operator is allowed to drill and test a sour well prior to obtaining the necessary permit to install from the Commission, but is not allowed full production of such wells before issuance of the necessary air use permits.
9. This permit does not convey property rights in either real estate or material or does it authorize any injury to private property or invasion of private or public rights or does it waive the necessity of seeking federal and local permits or complying with other state statutes.
10. If a Hydrogen Sulphide contingency plan is required, a copy of PART II of the plan shall be posted in the primary briefing area.
11. All trash and garbage shall be removed from the drill site at the completion of drilling.
12. Blowout preventers, accumulators, and pumps shall be certified as operable under the product manufacturer's minimum operational specifications. This certification shall include proper operation of the closing unit valving, pressure gauges, and manufacturer's recommended accumulatory fluids. Certification may be obtained through those companies presently used to test the blowout preventers stack and casing. Certification shall be required annually and shall be posted on the rig floor.
13. In addition to the primary closing system, including an accumulator system, the blowout preventers shall have a secondary system. A combination of any two of the following secondary closing systems will be acceptable: Electric-operated pump; Air-operated pump; Hand-operated pump or nitrogen. Extensions with hand wheels are not mandatory.
14. Blowout preventer rams shall be of proper size for the drill pipe being used or production casing being run in the well. Variable type rams of the proper size range will be acceptable.
15. The gas buster and flare system shall be in place and operable prior to drilling into a reservoir known or believed to contain Hydrogen Sulphide in excess of 500 ppm with the intention to complete in and/or test that reservoir.
16. A trip tank, or any accurate fluid monitoring system, as well as a gas buster and flare system where justified, shall be in place when penetrating the A2 Carbonate formation. Changes may be granted by the Department of Natural Resources District Geologist.

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY DIVISION

TRANSMITTAL AND FIELD REVIEW
FOR PROPOSED WELL SITE

- Act 61 PA 1939 as amended.
 Act 315 PA 1969 as amended.

Fax'd 1/16/90 # 43008

1a. App. No. 041	1b. Revision <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c. Coordinator Bechler	1d. District Sent To Gaylord	1e. Date 1/9/90
2. Applicant SRW Inc				
3a. Well Name & No. Babas 23-16			3b. For Redrills: Original Permit No.	
4a. Surface Location SW 1/4 NE 1/4 SW 1/4 Sec. 16 T 29N R 11W Charlton Twp. County				
4b. Footages 688 ft. from N 1/2 line of 1/4 sec. 988 ft. from E 1/2 line of 1/4 sec. Otsego				
5a. Mineral Ownership <input checked="" type="checkbox"/> Private <input type="checkbox"/> State <input type="checkbox"/> Federal		5b. Surface Ownership <input checked="" type="checkbox"/> Private <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> DJ <input type="checkbox"/> PR		5c. State Lease: Lease Restrictions: No.
6. Information and requests: (Spacing, problem areas, etc.)			5d. Wellsite Area Local Zoning: <input type="checkbox"/> Residential - Date <input checked="" type="checkbox"/> Other: Forest Rec.	

FIELD REVIEW AND RECOMMENDATIONS: Date Received

7. Field Inspected By: Name and Date A. Sullivan 1-16-90	8a. Land use: <input type="checkbox"/> Crops <input checked="" type="checkbox"/> Forests <input type="checkbox"/> Recreation <input type="checkbox"/> Vacant <input type="checkbox"/> Other	8b. Cover Type/Density: med cover jackpine
9. Topography nearly level	10. Acreage Involved: Drill Pad: 1.0 Acres Access Road: 1.27 Acres	
11. Soil type and drainage, field tiles, etc.	well drained sand	
12. Are soil erosion and sedimentation control measures adequate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	GAYLORD DISTRICT OFFICE JAN 10 1990	
13. Type, direction & distance to surface waters and waterways including wet lands within 1/4 mile.	none	
14. Nearby scenic, historical or recreational areas:	none	
15. Structures, pipelines, other utility lines within 300 feet of proposed well site.	none	
16. Is proposed method of disposal of produced and drilling brine acceptable? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	GEOLOGICAL SURVEY JAN 19 1990	
17. Is casing and sealing adequate? Conductor <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Surface <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Intermediate <input type="checkbox"/> Yes <input type="checkbox"/> No Production <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Permits & Bonding Unit	
18. Is Special Order #2-73 exception recommended? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
19a. H ₂ S Contingency Plan: <input checked="" type="checkbox"/> "Sweet". Plan not required. <input type="checkbox"/> "Sour". Plan required. Complete and accurate? <input type="checkbox"/> Yes <input type="checkbox"/> No		
19b. H ₂ S production Facilities & Flare, Stack S.I. No. 2-87 apply? Other? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No		
20. Pumping Jack Prime Mover: Require electric? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Discuss RECOMMENDATIONS with applicant before forwarding to Lansing

21. Source of freshwater: (Describe if other)

- Surface Water
- Exclusive Use
- Potable Well
- Municipal
- Other

22. Drilling pit requirements:

a. Forbidden! Use mud tanks only?

- Yes
- No

b. Specific placement required?

- Yes
- No

c. Relocate pit for burial?

- Yes
- No

d. Pit liner exception?

- Yes
- No

e. Salt cuttings to be: (Give Details)

- Dissolved
- Removed for disposal
- None

f. District Geologist to be notified prior to:

- Excavation Yes No
- Liner installation Yes No
- Encapsulation Yes No

23. Wildlife/Fisheries/Forest Management's comments:

24. Items continued and/or not covered above (attach additional sheets if needed): (B.O.P.'s etc.)

25a. Permits Needed:

- Wetlands
- inland lakes and streams
- County drain crossing
- Other _____

25b. Company Agent contacted regarding recommendations/deficiencies/non Act 61 requirements:

Date

Telephone No.

26. Revisions En Route?

- Yes
- No

27. District: Recommend a permit: Yes No See Memo:

Andrea F. Silva *Leadworker* *1-16-90*
 Signature Title Date

28. Land Manager: Recommend a permit: Yes No See Memo:

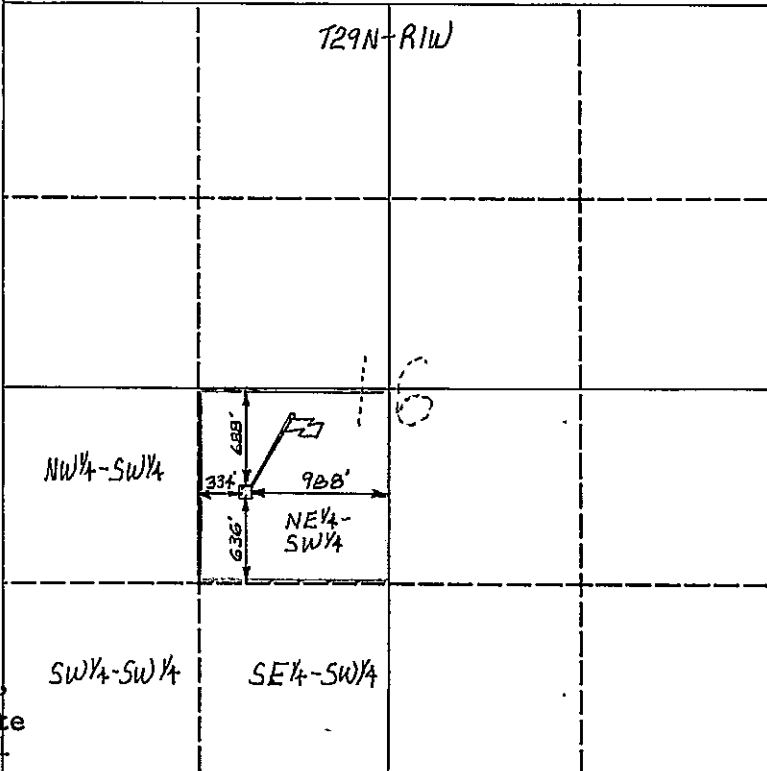
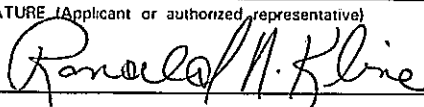
 Signature Title Date

29. Region: Recommend a permit: Yes No See Memo:

John MacGregor *Dep. Dir.* *1-16-90*
 Signature Title Date

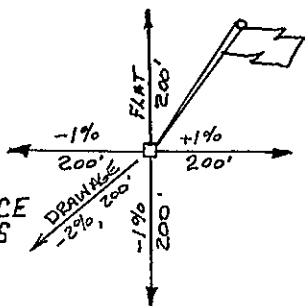
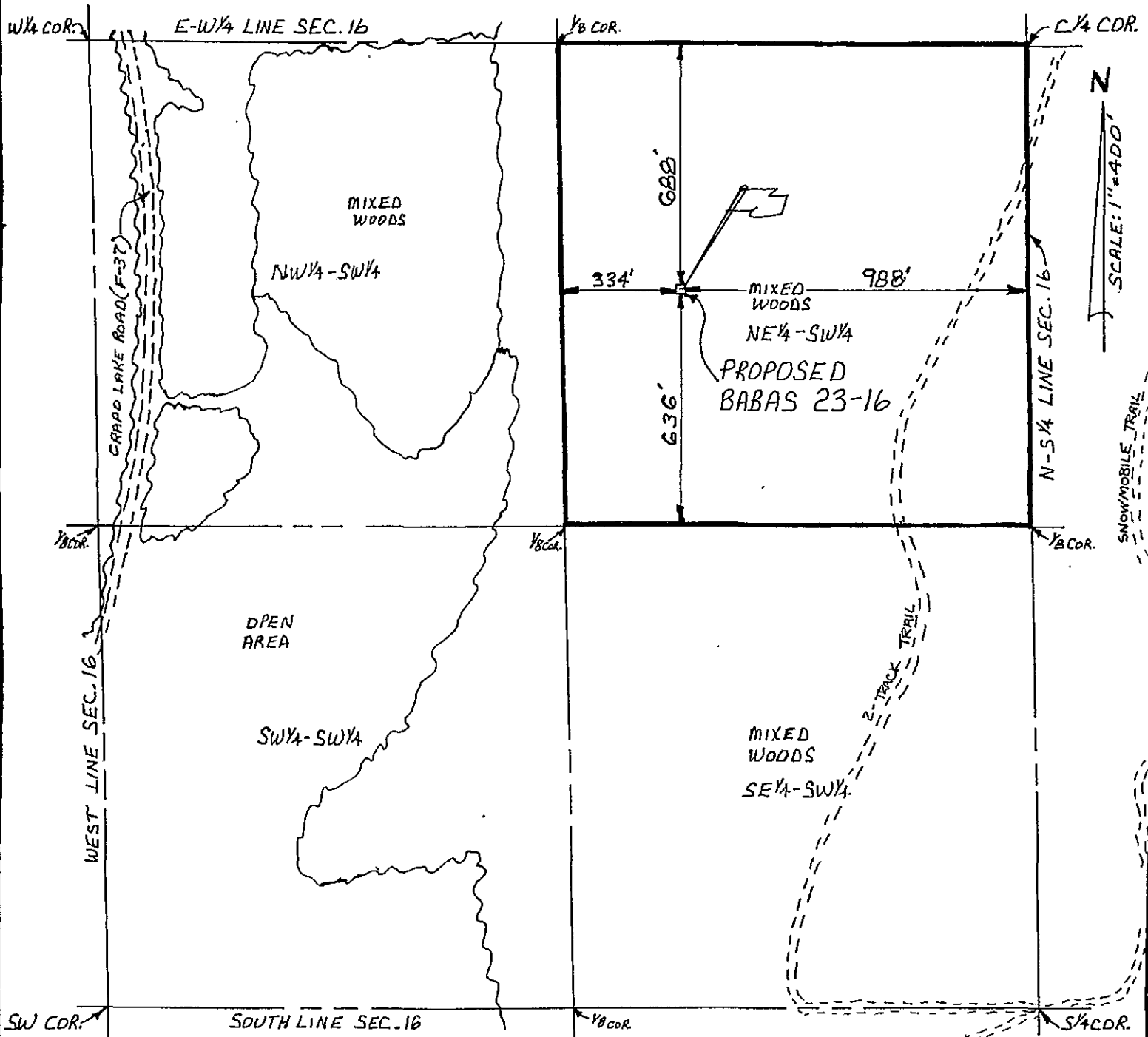
SURVEY RECORD OF WELL LOCATION

Act 61, P.A. 1939, as amended. Act 315, P.A. 1969, as amended.
 Filing of Survey Record, Plat or Plot Plan and Environmental Impact Assessment with Application
 for Permit to Drill are REQUIRED by the above listed Acts, in order to obtain a Permit.

APPLICANT SRW, Inc.	WELL NAME AND NUMBER BABAS NO. 23-16
SURFACE LOCATION SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 16 T 29N R 1W S. Charlton Otsego	TOWNSHIP COUNTY
BOTTOM HOLE LOCATION SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 16 T 29N R 1W S. Charlton Otsego	COUNTY
Instructions: Outline drilling unit and spot well location on Plat shown below (1.). Where drilling unit crosses section lines, divide the Plat into an East half and a West half OR a North half and a South half (whichever applies). Outline the Unit and locate the well in two directions from NEAREST quarter section and unit lines (For Act 61, P.A. 1939, as amended).	
2. Location of well in two directions from NEAREST quarter section and unit lines is (For Act 61, P.A. 1939, as amended): Surface Location: 688 ft. from <u>North</u> line of Quarter Section <small>(north-south)</small> 988 ft. from <u>East</u> line of Quarter Section <small>(east-west)</small> Bottom Hole Location: 688 ft. from <u>North</u> line of Quarter Section <small>(north-south)</small> 988 ft. from <u>East</u> line of Quarter Section <small>(east-west)</small> Bottom Hole Will Be: 636 ft. from <u>South</u> line of unit/property (Act 315) lease <small>(north-south)</small> 334 ft. from <u>West</u> line of unit/property (Act 315) lease <small>(east-west)</small>	1. PLAT BELOW REPRESENTS ONE FULL SECTION (1 MILE SQUARE) N ↑ 
3a. Describe wellsite marker. Show or describe access route if it is not readily accessible. Wellsite is marked with a wooden stake with orange survey ribbon in a light cover of Jack Pines and a scattering of oak. Access can be made SW'ly off Round Lake Trail along an existing 2-track then W'ly to proposed site	
3b. Zoning. <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Other: Forest Recreational	
3c. Effective date: Sept. 1975	
(Scale of Plat — 1 inch equals 1320 ft.)	
4. ON SEPARATE PLAT OR PLOT PLAN, LOCATE, IDENTIFY AND SHOW DISTANCES TO: A. All roads, power lines, residences, farm buildings, and other structures within 300 feet of the stake. B. All lakes, streams, swamps, drainage-ways or any other surface water features within 1320 feet of the stake.	
5. In an ENVIRONMENTAL IMPACT ASSESSMENT describe all structures and surface features shown detailing plans for hazards prevention and erosion control (See instructions and guidelines for preparation of an environmental impact assessment).	
NAME OF INDIVIDUAL WHO SURVEYED SITE Robert F. Mitchell	DATE TITLE December 19, 1989 President
ADDRESS Mitchell & Associates, P.C., 106 W. Main, P.O. Box 306, Kingsley, MI 49649	
I CERTIFY THE ABOVE INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
SIGNATURE (Applicant or authorized representative) 	ADDRESS (if different than Lessee) MITCHELL & ASSOCIATES, P.C. 106 W. Main, P. O. Box 306 Kingsley, MI 49649
DATE (Month, Day, Year) 12-20-89	

SUPPLEMENTAL

PLAT



ROBERT F. MITCHELL
L.L.S. NO. 28417.

MITCHELL & ASSOCIATES, P.C.
106 W. MAIN ST. - P.O. BOX 306
KINGSLEY, MICH. 49649
(616) 263 - 5463

Client: SRW, INC.
PROPOSED "BABAS 23-16" WELL LOCATION
SW 1/4 SEC. 16, T 29N-R1W,
S. CHARLTON TWP, OTSEGO CO., MICH.

File No. 89930	
Field No. 77	pg. 30
Dwn. R.K.	Date 12-18-89
Ch. P.C.	Sheet 1 of 1

OIL AND GAS OPERATIONS
STATE OF MICHIGAN
ENVIRONMENTAL IMPACT ASSESSMENT

Well Identification

Name of Applicant:	SRW, INC.
Address:	702 E. Michigan P. O. Box 292 Mt. Pleasant, MI 48804-0292
Well Name and Number:	BABAS NO. 23-16
Location:	SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ Section 16, T 29 N, R 1 W, S. Charlton Twp., Otsego Co., Michigan

I. DESCRIPTION OF PROJECT

SRW, INC. proposes an exploratory test well on private land, to be drilled from a surface location of 688 feet from the North line and 988 feet from the East line of the Southwest $\frac{1}{4}$ of Section 16, T 29 N, R 1 W, to an anticipated depth of 1750 feet into the Traverse Formation for the testing and possible production of natural gas from the Antrim Shale Formation. The well will be completed on a nominal 40 acre production unit consisting of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 16, T 29 N, R 1 W, S. Charlton Township, Otsego County, Michigan. Surface and mineral rights for the proposed drilling unit are in private ownership, and all concerned parties have been informed by letter of the proposed well location and advised of our intentions to complete an application for a drilling permit.

The proposed wellsite has been staked on Forest Recreational zoned land in a light cover of Jack Pine (50% dead) with a small scattering of oak trees with diameters ranging in size up to twelve (12) inches and averaging eight (8) inches. The natural grades to the North of the proposed location are level for the first 200 feet. The natural grades to the East of the proposed location rise at 1% for the first 200 feet. The natural grades to the South of the proposed location decline at 1% for the first 200 feet. The natural grades to the West decline at 1% for the first 200 feet. The natural grades to the Southwest decline at 2% for the first 200 feet. Drainage will be Southwesterly from the proposed location.

The wellsite is well isolated from human habitation and regional surface water features.

Access can be reached from the Southwest off of Round Lake Trail utilizing existing trail roads, then Westerly to the proposed wellsite. Approximately 800 feet of new, single lane access road will need to be constructed and the existing trail roads will need to be upgraded to support rig traffic for this project. Round Lake Trail is a gravel road in the Otsego County Road System. (See Supplemental Plat)

II. ENVIRONMENTAL IMPACT ASSESSMENT

The drilling and operation of a producing well at this location should have only a minimal effect on the ecological system of the vicinity. There are no special or endangered species known to exist in the vicinity of the wellsite. Drilling operations will be conducted in a workman-like manner, with all environmental aspects being considered and respected. Operation of a producing well at this location should have little or no effect on future population patterns.

An area of approximately 200 feet by 200 feet will be required for the drilling pad, however, no additional area will be needed if the well is productive. Since the proposed wellsite falls in a light cover of Jack Pine (50% dead) with a small scattering of oak trees with diameters ranging in size up to twelve (12) inches and averaging eight (8) inches, a moderate amount of clearing will be required to prepare the drill pad. Grades at the proposed pad area have slopes of up to 2%, therefore, a minimal amount of earthwork will be required to prepare a level well pad.

Appropriate drill site drainage and sedimentation control measures will be incorporated in the operational plan. Topsoil will be stockpiled in the form of an earthen dike along the perimeter of the location. We do not anticipate any unusual erosion problems at this location.

III. PROCEDURES FOR THE HANDLING OF DRILLING FLUIDS AND DRILLING CUTTINGS

A one pit drilling mud system will be utilized during the drilling of this well. A lined earthen pit and sealed cellar and rat hole (as per Supervisor of Wells letter of instructions 1-84) will be utilized for drilling muds from the ground surface to the setting point of production casing in the Antrim Formation. Fresh water will be utilized in all drilling operations. Upon completion of the drilling operations, the remaining liquids and drill cuttings will be buried on site.

Fresh water utilized for drilling purposes will either be trucked onto the site or a temporary water well will be drilled for use while drilling is in progress. This well will be drilled in accordance with State rules and regulations. This well is intended for drilling water for this and other wells drilled in the area. Immediately following drilling and completion operations, the well will be plugged and abandoned in accordance with Mr. R. Thomas Segall's memorandum effective December 1, 1984. If fresh water is trucked onto the site, it will be stored in on site storage facilities for use during drilling operations.

Production equipment, if needed, will require an area less than that used for drilling operations, and requiring no additional earthwork of the proposed site. We anticipate that hydrocarbon liquids would be removed by truck and gas by pipeline.

IV. METHOD OF BRINE WATER DISPOSAL

Any brines produced by this well would be disposed of in a prudent manner in accordance with Supervisor of Wells Special Order Number 1-81 (amended) and letter of Instruction Number 3-81. Produced brines would be stored at the site of production facilities in an approved tank and the location would be diked to prevent contamination by any possible spill. Produced brines would be removed from the site as necessary by a licensed industrial waste hauler and taken for disposal down an approved disposal well or by other means approved by the Supervisor of Wells. If the well is non-productive, or upon abandonment following production, it will be plugged in accordance with Department of Natural Resources instructions.

If the well is productive, there will be a minimal effect on the immediate environment.

V. POSSIBLE ALTERNATIVE TO THE PROPOSED WELL LOCATION

The proposed wellsite has been selected on the basis of a surface evaluation while staying within the parameters of a legal drilling location within this unit. The proposed wellsite is located in a light cover of Jack Pine (50% dead) with a scattering of oak trees with diameters ranging in size up to twelve (12) inches and averaging eight (8) inches and has grades of up to 2%. We believe that the site is suitable for the construction of a drilling pad and that adequate protection of the environment can be maintained at this location. For these reasons, we consider the proposed wellsite to be an acceptable location and that no alternative location is necessary.

VI. ANY IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES

The current shortage of oil and gas in the State of Michigan requires the efficient use of all natural resources. Production of oil and gas is an irreversible and irretrievable commitment of resources. However, this procedure is a necessary characteristic in the production of hydrocarbons and natural gas. The surface resources of the drill site will not be irreversibly committed. Drilling of the well will not curtail the use of the surrounding environment.

VII. SUMMARY

The proposed project is aimed at increasing the hydrocarbon and natural gas reserves within the State of Michigan. The proposed wellsite has been staked on Forest Recreational zoned land in a light cover of Jack Pine (50% dead) with a small scattering of oak trees with diameters ranging in size up to twelve (12) inches and averaging eight (8) inches. The natural grades to the North of the proposed location are level for the first 200 feet. The natural grades to the East of the proposed location rise at 1% for the first 200 feet. The natural grades to the South of the proposed location decline at 1% for the first 200 feet. The natural grades to the West decline at 1% for the first 200 feet. The natural grades to the Southwest decline at 2% for the first 200 feet. Drainage will be Southwesterly from the proposed location. The wellsite is well isolated from human habitation and regional surface water features. Access can be reached from the Southwest off of Round Lake Trail utilizing existing trail roads, then Westerly to the proposed wellsite. Approximately 800 feet of new, single lane access road will need to be constructed and the existing trail roads will need to be upgraded to support rig traffic for this project. Round Lake Trail is a gravel road in the Otsego County Road System. (See Supplemental Plat) We consider the environmental impact of this project to be minimal, and will make every effort to insure protection and preservation of the environment during the course of our drilling and production operations.

Respectfully submitted,

Ronald N. Kline

Date

12-20-89

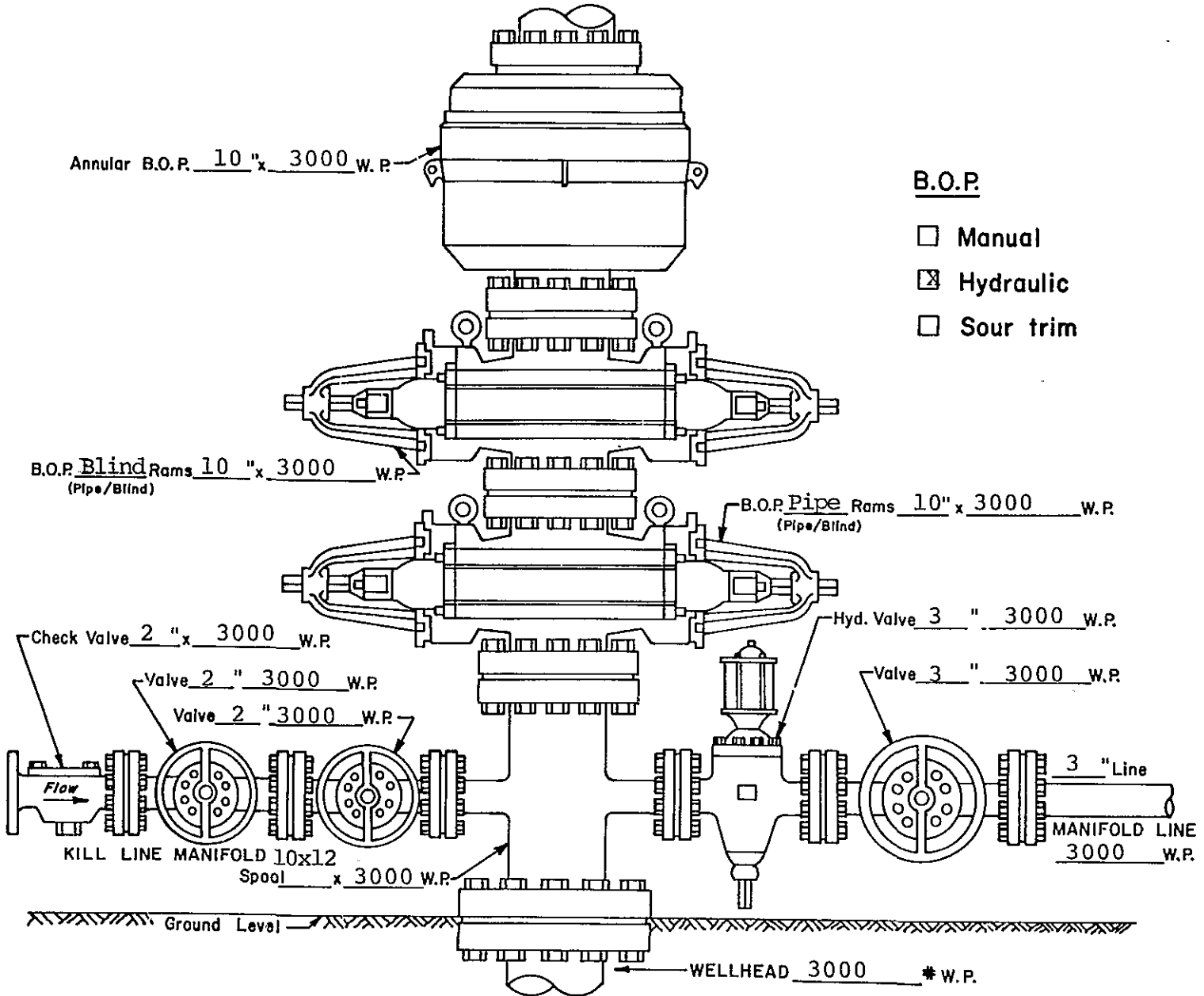
Ronald N. Kline, Authorized Representative

WELLHEAD BLOWOUT CONTROL SYSTEM

Optional worksheet supplement for "Application For Permit to Drill, Deepen, Rework, or Operate a Well." By Authority of Act 61, P.A. 1939, as amended or Act 315, P.A. 1969, as amended.

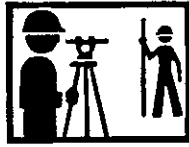
STATE OF MICHIGAN
 DEPARTMENT OF NATURAL RESOURCES
 GEOLOGICAL SURVEY DIVISION
 Box 30028
 Lansing, Michigan 48909

COMPANY SRW, Inc.	WELL NAME AND NUMBER BABAS NO. 23-16
LOCATION SW 1/4 of NE 1/4 of SW 1/4 of Section 16, T29N, R1W, S. Charlton Twp., Otsego Cnty., MI	



Fill blanks with applicable information. If not applicable, enter "N.A." or cross-out item shown. Enter other pertinent information below.

ROBERT F. MITCHELL, L.L.S.
PRESIDENT



MITCHELL &
ASSOCIATES
P.c.

PHILLIP D. CASE, L.L.S.
VICE-PRESIDENT

LAND SURVEYORS
106 WEST MAIN P.O. BOX 306
KINGSLEY, MI 49649
(616) 263-5463
FAX (616) 263-7921

December 19, 1989

Helen I. Babas
20316 McCormick
Detroit, Michigan 48224

Re: BABAS 23-16
NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 16, T29N-R1W
S. Charlton Twp., Otsego Cnty., MI

Dear Mrs. Babas:

MITCHELL & ASSOCIATES, P.C., on the behalf of SRW, INC., in conjunction with TERRA ENERGY LTD., has staked the above proposed well location on your property.

We are corresponding to inform you that SRW, Inc. is applying for a permit to drill an exploratory Antrim gas well on the above captioned property. I have enclosed a survey plat displaying the exact location.

If you have any questions, please contact Wesley W. Merrill in Mt. Pleasant, Michigan at (517) 773-2849.

Very truly yours,
MITCHELL & ASSOCIATES, P.C.

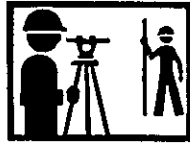
A handwritten signature in cursive script that reads "Ronald N. Kline".

Ronald N. Kline
Oil & Gas Relations

Enclosure

RNK/jac

ROBERT F. MITCHELL, L.L.S.
PRESIDENT



**MITCHELL &
ASSOCIATES
P.C.**

PHILLIP D. CASE, L.L.S.
VICE-PRESIDENT

LAND SURVEYORS
106 WEST MAIN P.O. BOX 306
KINGSLEY, MI 49649
(616) 263-5463
FAX (616) 263-7921

December 20, 1989

Mr. David Bechler
Permits and Bonding
Geological Survey Division
Department of Natural Resources
P. O. Box 30028
Lansing, MI 48909

Re: Applications for Permit to Drill SRW, Inc., Babas 23-16, NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 16 and Babas 24-16, SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 16, both in T29N-R1W, South Charlton Twp., Otsego County, Michigan

Dear Mr. Bechler:

Enclosed please find "Applications for Permit to Drill" the SRW, Inc., Babas 23-16 and 24-16, Antrim gas wells. Both wells are additions to the SRW, Inc., Charlton 16 Project 1-89, previously submitted in Section 16, T29N-R1W, South Charlton Township, Otsego County, Michigan. Enclosed also please find a check from Mitchell & Associates, P.C. on behalf of SRW Inc., 702 E. Michigan, P.O. Box 292, Mt. Pleasant, Michigan, for \$200 for permit fees. Four (4) copies of the revised Project Map with the new proposed wells are also submitted to you in this package.

Well elevations will be submitted to your office within fourteen (14) days after drilling commences.

Thank you for your help in this matter.

Very truly yours,
MITCHELL & ASSOCIATES, P.C.

A handwritten signature in cursive script that reads "Ronald N. Kline". The signature is written in black ink and is positioned above the typed name of the signatory.

Ronald N. Kline
Oil & Gas Relations

Enclosures

RNK/jac

c.c. Wesley Merrill, SRW, Inc.

DRILLING PERMIT APPLICATION FLOW SHEET

APPLICANT SRW, Inc. NUMBER 041

WELL NAME & # Babax 23-16 DATE RCV'D 1-3

FEE Ck cashier (Ck#/Bank/City) #200,000 ✓ for 2 wells
2990 old first bank TA. MI

C & T - tag enclosed
 Deepening

Ready to Issue

BOND Single well bond attached CD LC Cash
 Blanket on file CD LC Cash

DRILLING Special Order 1-73 S.O. 1-86 10-12-87

UNIT General Rules
 Field spacing order
 Voluntary pooling agreement

LOCATION Survey Gr Elv Ft in Computer Certification
 Directional plans
 Posted on map Zoning Forest Rec

CASING Rotary Cable Combin

SEAL Intermediate csg (S.O. 2-73) Exception requested
 Thru gas storage
 BOP

SURFACE/ Private surface; landowner notified

MINERAL State surface

OWNER State minerals; Lease # _____; Restrictions _____
Lands Division approval _____
 Federal; copy to MMS [] ; copy to USFS [] ; USFS approval []

H₂S REVIEW Copy to H₂S Unit Sweet Sour
 Contingency Plan
 3 copies to H₂S Committee

EIA REVIEW Special Order 1-81 Supvsr Letr 1-84
 Pit liner exception request
 EIA deficiencies
 Water source Temp well Perm well Surface water Trucked

DISTRIB. Confidential request Yes
 Copy to Petroleum Geology
 Transmittal to District (Name) Gayford
 Transmittal to Region (Name) II

MISC. Public hearing pending Yes
 Compliance problem No
 Other problems

REVIEWER: DB 1/9/90

DATE SENT TO FIELD: 1/9/90

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY DIVISION
P.O. BOX 30028, LANSING, MICHIGAN 48909

RECORD OF WELL DRILLING OR DEEPENING

USE APPROPRIATE BLOCKS. FOR ITEMS NOT LISTED SUBMIT ATTACHMENTS
REQUIRED BY AUTHORITY OF

ACT 61, P.A. 1939, AS AMENDED. (Submit 2 copies within 30 days of completion)
 ACT 315, P.A. 1989, AS AMENDED. (Submit 2 copies within 60 days of completion)

NON-SUBMISSION AND/OR FALSIFICATION OF THIS INFORMATION MAY RESULT IN FINES AND/OR IMPRISONMENT.

PERMIT NO/DEEPENING PERMIT NO. 43008		TYPE OF WELL (after completion) Gas	
FIELD/FACILITY NAME Charlton 16			
WELL NAME & NUMBER Babas #23-16			
SURFACE LOCATION SW ¼ of NE ¼ of SW ¼ Section 16 T 29N R 1W			
NAME AND ADDRESS OF OWNER SRW, Inc. P. O. Box 292 Mt. Pleasant, MI 48804-0292		TOWNSHIP Charlton	COUNTY Otsego
NAME AND ADDRESS OF DRILLING CONTRACTOR Triune Drilling P. O. Box 1237 Gaylord, MI 49735		FOOTAGES: NORTH/SOUTH 688 Ft. from N Line and 988 Ft. from E Line of ¼ Sec.	
DATE DRILLING BEGAN 02/08/90		DATE DRILL. COMPLETED 02/12/90	
DATE OF FIRST INJECTION		INJECTED FORMATION	
TOTAL DEPTH OF WELL Driller Log 1575 1575		FORMATION AT TD. Antrim	
DATE OF FIRST INJECTION		SOLUTION FORMATION	
DATE WELL COMPLETED		PROD. FORMATION(S) Antrim	
DATE WELL COMPLETED		SOLUTION FORMATION	
FOOTAGES: NORTH/SOUTH Ft. from Line and Ft. from Line of ¼ Sec.		EAST/WEST Line of ¼ Sec.	
FEET DRILLED -- CABLE TOOLS From To		FEET DRILLED -- ROTARY TOOLS From 0 To 1575	
ELEVATIONS			
K.B. 1253.4 ft.		R.F. ft. R.T. ft. Grd. 1243.7 ft.	

CASING, CASING LINERS AND CEMENTING, OPERATING STRINGS

PERFORATIONS

SIZE	WHERE SET	CEMENT	FT. PULLED	DATE	NUMBER HOLES	INTERVAL PERFORATED	OPEN	
							YES	NO
8 5/8	984	350 sx HLC				Open hole		
		100 sx ClA						
5 1/2	1521	150 sx HLC						
		85 sx ClA						

GROSS PAY INTERVALS

ALL OTHER OIL AND GAS SHOWS OBSERVED OR LOGGED

FORMATION	OIL OR GAS	FROM	TO	FORMATION	OIL OR GAS	DEPTH	WHERE OBSERVED (X)						
							Sam- ples	Odor	Pits	Mud Line	Gas Log.	Fill Up	
Antrim	Gas	1516	1575										

STIMULATION BY ACID OR FRACTURING

WATER FILL UP (F.U.) OR LOST CIRCULATION (L.C.) (X)

DATE	INTERVAL TREATED	MATERIALS AND AMOUNT USED	FORMATION	F.U./L.C.		DEPTH	AMOUNT
				F.U.	L.C.		

MECHANICAL LOGS, LIST EACH TYPE RUN

DEPTH CORRECTION DEVIATION SURVEY PLUGGED BACK

BRAND	(X)	LOG TYPES	LOGGED INTERVALS	DEPTH	CORRECTION	RUN AT	DEGREES	YES	NO	DEPTH
Schlumberger	X	GR	0-1571							
Birdwell										
O U R										

PRODUCTION TEST DATA

OIL --- Bbls/day	GRAVITY --- °API	COND. Bbls/day	GAS -- MCF/day	WATER -- Bbls/day	H ₂ S -- Grains/100 cu. ft.	B.H.P. AND DEPTH
------------------	------------------	----------------	----------------	-------------------	--	------------------

I AM RESPONSIBLE FOR THIS REPORT. THE INFORMATION IS COMPLETE AND CORRECT.

DATE 7/3/90	NAME AND TITLE (PRINT) Barbara H. Bolio, Sec/Treas	SIGNATURE <i>Barbara H. Bolio</i>
----------------	---	--------------------------------------

FORMATION RECORD
(ATTACH ADDITIONAL SHEETS IF NECESSARY)

ELEVATION USED 1253.4 KB	GEOLOGIST NAME: Bob Butka	TOPS TAKEN FROM: <input type="checkbox"/> DRILLERS LOG <input checked="" type="checkbox"/> SAMPLE LOG <input checked="" type="checkbox"/> ELECTRIC LOG
-----------------------------	------------------------------	---

FROM	TO	FORMATION (TYPE, COLOR, HARDNESS)	FROM	TO	FORMATION (TYPE, COLOR, HARDNESS)
NOTE: IF WELL DIRECTIONALLY DRILLED, ADD TRUE VERTICAL DEPTH FORMATION TOPS WHERE APPROPRIATE.					
0	868	Drift, uncons sand, clay and gravel			
868	1131	BOD, COLDWATER SH, SH, gy, mod cpct			
1131	1286	SUNBURY SH SH, blk, frm, fiss			
1286	1516	ELLSWORTH, SH, gy, mod cpct			
1516	1575 TD	ANTRIM, SH, SH, v dk gy, gy blk, w cpct fiss, frm, brit, mica, tr diss marc, slty ip, v sl tr, occ bldg gas			

IF WELL WAS CORED, ATTACH CORE DESCRIPTION

DRILL STEM TEST DATA

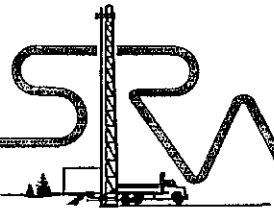
LIST ATTACHMENTS:

GEOLOGICAL SURVEY USE ONLY

REVIEWED BY: *R C Elowski*

DATE OF REVIEW: *7-18-90*

43008



SRW, INC.

JUL 06 1990

702 EAST MICHIGAN • P.O. BOX 292 • MT. PLEASANT, MI 48804-0292
517-773-2849

July 3, 1990

Geological Survey Division
Subsurface and Petroleum Geology Unit
Department of Natural Resources
Box 30028
Lansing, MI 48909

RE: Babas #23-16

Dear Sir or Madam:

Enclosed is a preliminary Record of Well Drilling for the above referenced well.

We will be submitting a final Record when we have Production Test Data. We expect to have the information within 30-45 days.

If you have any questions, please contact Wes Merrill or me.

Sincerely,

Barbara H. Bolio

Barbara H. Bolio
Secretary/Treasurer

Enclosure

RECEIVED
GEOLOGICAL SURVEY DIV.

JUL 06 1990

AM PM
7|8|9|10|11|12|1|2|3|4|5|6





GEOLOGICAL SURVEY

FEB 06 1990

MITCHELL & ASSOCIATES P.C. Permits & Bonding Unit

LAND SURVEYORS
106 WEST MAIN P.O. BOX 306
KINGSLEY, MI 49649
(616) 263-5463

Date: February 1, 1990

File No.: 89930

Well Name & Number: BABAS 23-16

Sec. 16, T. 29 N., R. 1 W.,

Township of Charlton,

County of Otsego, Michigan.

Elevation of ground at rig: 1243.70

Elevation of rig floor: 1252.40

Elevation of KB: 1253.40

(USGS datum)

Permit Number: 43008

To:

State of Michigan

Department of Natural Resources / Geological Survey Division

Regulatory Control / Permits and Bonding Unit

ATTN: Mr. Sam Alguire, Supervisor

P.O. Box 30028 Lansing, MI 48909

Per a request of Tom Gooseman

of SRW, INC.

the above named well location was given an elevation.

Elevation posted on permit in "Dog House" _____

Elevation given to foreman _____

Elevation given to person requesting elevation X

Robert F. Mitchell, L.L.S. No. 28417

President

16-29N-01W
CHARLTON TWP. (OTSEGO CO.)

SRW INC.

TD 1575 FT. IN

BABAS #23-16

PERMIT NO. 43008

SURFACE LOCATION: QT QT QT SEC T R FT FROM QT SEC LINES
 SW NE SW 16 29N 01W 688 N 988 E

THIS WELL RECORD ASSEMBLY IS A COMPILATION OF WELL DATA FILED BY OR ON BEHALF OF THE OPERATOR, AS REQUIRED BY ACT 61, P.A. 1939, AS AMENDED; FORMATION TOPS AND STRATIGRAPHIC INTERVALS DETERMINED OR CONFIRMED WHERE POSSIBLE BY GEOLOGICAL SURVEY DIVISION PERSONNEL FROM MECHANICAL LOGS AND PRELIMINARY INFORMATION COLLECTED WHILE DRILLING WAS IN PROGRESS. RECORDS COMPILED BY R C ELOWSKI, GEOLOGIST.

ELEVATIONS: 1253 KELLY BUSHING (DATUM), 1252 RIG FLOOR, 1244 GROUND

FORMATION TOPS AND STRATIGRAPHIC INTERVALS DETERMINED OR CONFIRMED BY GEOLOGICAL SURVEY PERSONNEL FROM SCHLUMBERGER GAMMA RAY LOGS AND RECORDS FILED BY OPERATOR.

	MD	TVD		MD	TVD
PLEISTOCENE:			SUNBURY	1130	
GLACIAL DRIFT	869		BEREA-BEDFORD	1143	
MISSISSIPPIAN:			ANTRIM	1198	
COLDWATER	869		ANTRIM DARK	1515	
COLDWATER RED ROCK	1124				

THE FOLLOWING DOCUMENTS ARE REPRODUCTIONS OF OFFICIAL RECORDS SUBMITTED BY:
BARBARA H BOLIO, ON BEHALF OF SRW INC.

08/06/90

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
GEOLOGICAL SURVEY DIVISION
P.O. BOX 30028, LANSING, MICHIGAN 48909

RECORD OF WELL DRILLING OR DEEPENING

USE APPROPRIATE BLOCKS, FOR ITEMS NOT LISTED SUBMIT ATTACHMENTS

REQUIRED BY AUTHORITY OF
 ACT 61, P.A. 1939, AS AMENDED.
(Submit 2 copies within 30 days of completion.)

ACT 315, P.A. 1989, AS AMENDED.
(Submit 2 copies within 60 days of completion.)

NON-SUBMISSION AND/OR FALSIFICATION OF THIS INFORMATION MAY RESULT IN FINES AND/OR IMPRISONMENT.

PERMIT NO./DEEPENING PERMIT NO. 43008		TYPE OF WELL (after completion) Gas	
FIELD/FACILITY NAME Charlton 16			
WELL NAME & NUMBER Babas #23-16			
SURFACE LOCATION SW 1/4 of NE 1/4 of SW 1/4 Section 16 T 29N R 1W			
NAME AND ADDRESS OF OWNER SRW, Inc. P. O. Box 292 Mt. Pleasant, MI 48804-0292		TOWNSHIP Charlton	COUNTY Otsego
NAME AND ADDRESS OF DRILLING CONTRACTOR Triune Drilling P. O. Box 1237 Gaylord, MI 49735		FOOTAGES: NORTH/SOUTH EAST/WEST 688 Ft. from N Line and 988 Ft. from E Line of 1/4 Sec.	
DATE DRILLING BEGAN 02/08/90	DATE DRILL. COMPLETED 02/12/90	DATE WELL COMPLETED 7/23/90	FOOTAGES: NORTH/SOUTH EAST/WEST Ft. from Line and Ft. from Line of 1/4 Sec.
TOTAL DEPTH OF WELL Driller Log 1575 1575	FORMATION AT T.D. Antrim	PROD. FORMATION(S) Antrim	FEEET DRILLED - CABLE TOOLS From To
DATE OF FIRST INJECTION	INJECTED FORMATION	SOLUTION FORMATION	FEEET DRILLED - ROTARY TOOLS From 0 To 1575
ELEVATIONS K.B. 1253.4 ft. R.F. ft. R.T. ft. Grd. 1243.7 ft.			

CASING, CASING LINERS AND CEMENTING, OPERATING STRINGS

PERFORATIONS

SIZE	WHERE SET	CEMENT	FT. PULLED	DATE	NUMBER HOLES	INTERVAL PERFORATED	OPEN	
							YES	NO
8 5/8	984	350 sx HLC				Open hole		
		100 sx ClA						
5 1/2	1521	150 sx HLC						
		85 sx ClA						

GROSS PAY INTERVALS

ALL OTHER OIL AND GAS SHOWS OBSERVED OR LOGGED

FORMATION	OIL OR GAS	FROM	TO	FORMATION	OIL OR GAS	DEPTH	WHERE OBSERVED (X)							
							Sam- ples	Odor	Pits	Mud Line	Gas Log.	Fill Up		
Antrim	Gas	1516	1575											

STIMULATION BY ACID OR FRACTURING

WATER FILL UP (F.U.) OR LOST CIRCULATION (L.C.) (X)

DATE	INTERVAL TREATED	MATERIALS AND AMOUNT USED	FORMATION	F.U.	L.C.	DEPTH	AMOUNT
7/23/90	1521-1575						

MECHANICAL LOGS, LIST EACH TYPE RUN

DEPTH CORRECTION

DEVIATION SURVEY

PLUGGED BACK

BRAND	(X)	LOG TYPES	LOGGED INTERVALS	DEPTH	CORRECTION	RUN AT	DEGREES	YES	NO	DEPTH
Schlumberger	X	GR	0-1571							
Birdwell										

PRODUCTION TEST DATA

OIL -- Bbls/day	GRAVITY -- °API	COND. Bbls/day	GAS -- MCF/day	WATER -- Bbls/day	H ₂ S -- Grains/100 cu. ft.	B.H.P. AND DEPTH
			96	1		

I AM RESPONSIBLE FOR THIS REPORT. THE INFORMATION IS COMPLETE AND CORRECT.

DATE 12/21/90	NAME AND TITLE (PRINT) Barbara H. Bolio, Sec/Treas	SIGNATURE <i>Barbara H. Bolio</i>
------------------	---	--------------------------------------

FORMATION RECORD
(ATTACH ADDITIONAL SHEETS IF NECESSARY)

#43008

ELEVATION USED 1253.4 KB	GEOLOGIST NAME: Bob Butka	TOPS TAKEN FROM: <input type="checkbox"/> DRILLERS LOG <input checked="" type="checkbox"/> SAMPLE LOG <input checked="" type="checkbox"/> ELECTRIC LOG
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FROM	TO	FORMATION (TYPE, COLOR, HARDNESS)	FROM	TO	FORMATION (TYPE,COLOR, HARDNESS)
NOTE: IF WELL DIRECTIONALLY DRILLED, ADD TRUE VERTICAL DEPTH FORMATION TOPS WHERE APPROPRIATE.					
0	868	Drift, uncons sand, clay and gravel			
868	1131	BOD, COLDWATER SH, SH, gy, mod cpct			
1131	1286	SUNBURY SH SH, blk, frm, fiss			
1286	1516	ELLSWORTH, SH, gy, mod cpct			
1516	1575 TD	ANTRIM, SH, SH, v dk gy, gy blk, w cpct fiss, frm, brit, mica, tr diss marc, slty ip, v sl tr, occ bldg gas			
IF WELL WAS CORED, ATTACH CORE DESCRIPTION					
DRILL STEM TEST DATA					
LIST ATTACHMENTS:					
GEOLOGICAL SURVEY USE ONLY					
REVIEWED BY:					
DATE OF REVIEW:					

STATE OF MICHIGAN



NATURAL RESOURCES COMMISSION

THOMAS J. ANDERSON
MARLENE J. FLUHARTY
GORDON E. GUYER
KERRY KAMMER
ELLWOOD A. MATTSON
O. STEWART MYERS
RAYMOND POUPORE

JAMES J. BLANCHARD, Governor

DEPARTMENT OF NATURAL RESOURCES

STEVENS T. MASON BUILDING
P.O. BOX 30028
LANSING, MI 48909

DAVID F. HALES, Director

July 26, 1990

Mr. John T. King
Petroleum Engineering Section
Public Service Commission
Department of Commerce
6545 Mercantile Way
Lansing, Michigan 48909

Dear Mr. King:

SRW, Inc.
Charlton Township, Otsego County

State Charlton 22-16, SE SE NW Section 16, T29N R1W, P.N. 42795
State Charlton 21-16, NW NE NW Section 16, T29N R1W, P.N. 42794
Babas 24-16, SW SE SW Section 16, T29N R1W, P.N. 43009
State Charlton 33-16, NE NW SE Section 16, T29N R1W, P.N. 42798
State Charlton 41-16, NE NE NE Section 16, T29N R1W, P.N. 42800
State Charlton 32-16, SE SW NE Section 16, T29N R1W, P.N. 42797
State Charlton 42-16, SE SE NE Section 16, T29N R1W, P.N. 42801
Babas 23-16, SW NE SW Section 16, T29N R1W, P.N. 43008
State Charlton 11-16, NE NW NW Section 16, T29N R1W, P.N. 42793
State Charlton 34-16, NE SW SE Section 16, T29N R1W, P.N. 42799

Based on information in our files, these wells appear to be gas wells and are hereby transferred to the Public Service Commission for proration.

No PRU Numbers assigned as of July 12, 1990.

Sincerely,

Raymond Vugrinovich
Senior Geologist
Proration and Technical Evaluation
Geological Survey Division
517-334-6945

RV:bb

GEOLOGICAL SURVEY

cc: F. Layton, DNR
H. Fitch, DNR
Permits and Bonding, DNR
Subsurface and Petroleum Geology, DNR

JUL 26 1990

Permits & Bonding Unit