

HOUSE BILL No. 5573

March 7, 1990, Introduced by Rep. Pitoniak and referred to the Committee on Conservation, Recreation and Environment.

A bill to amend the title and sections 2, 16, 17, 23, and 24 of Act No. 315 of the Public Acts of 1969, entitled "Mineral well act," being sections 319.212, 319.226, 319.227, 319.233, and 319.234 of the Michigan Compiled Laws; and to add sections 17a, 17b, and 17c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 2, 16, 17, 23, and 24 of
2 Act No. 315 of the Public Acts of 1969, being sections 319.212,
3 319.226, 319.227, 319.233, and 319.234 of the Michigan Compiled
4 Laws, are amended and sections 17a, 17b, and 17c are added to
5 read as follows:

TITLE

1
2 An act to ~~provide control of the drilling, operating and~~
3 ~~abandoning of mineral wells to prevent surface and underground~~
4 ~~waste~~ REGULATE CERTAIN ACTIVITIES PERTAINING TO CERTAIN WELLS;
5 to provide for a supervisor of mineral wells and prescribe his OR
6 HER powers and duties; to provide for an advisory board and pre-
7 scribe its duties; to provide for ~~inspecting, repairing and~~
8 ~~plugging of mineral wells and for~~ entering ~~on~~ private property
9 for ~~that purpose~~ CERTAIN PURPOSES; to provide for the assessing
10 of certain fees AND THE EXPENDITURE OF THOSE FEES; to provide for
11 the promulgation of rules and orders to enforce this act; and to
12 PROVIDE REMEDIES AND prescribe penalties.

13 Sec. 2. As used in this act:

14 (a) "Person" means any individual, corporation, company,
15 association, joint venture, partnership, receiver, trustee,
16 guardian, executor, administrator, personal representative, or
17 private organization of any kind.

18 (b) "Owner" means the person who has the right to drill,
19 convert, or operate any well subject to this act.

20 (c) "Operator" means the person, whether owner or not,
21 supervising or responsible for drilling, operating, repairing,
22 abandoning, or plugging of wells subject to this act.

23 (d) "Supervisor" means the supervisor of mineral wells.

24 (e) "Board" means the advisory board appointed by the super-
25 visor and approved by the director and THE commission.

26 (f) "Director" means the director of THE DEPARTMENT OF
27 natural resources.

1 (g) "Commission" means the commission of natural resources.

2 (h) "Natural brine" means naturally occurring mineralized
3 water other than potable or fresh water.

4 (i) "Artificial brine" means mineralized water formed by
5 dissolving rock salt or other readily soluble rocks or minerals.

6 (j) "Underground storage cavity" means a cavity formed by
7 dissolving rock salt or other readily soluble rock or mineral, by
8 nuclear explosion, or by any other method for the purpose of
9 storage or disposal.

10 (k) "Pollution" means damage or injury from the loss,
11 escape, or unapproved disposal of any substance at any well
12 subject to this act.

13 (l) "Waste product" means waste or ~~byproduct~~ BY-PRODUCT
14 resulting from municipal or industrial operations or waste from
15 any trade, manufacture, business, or private pursuit which could
16 cause pollution and for which underground disposal may be feasi-
17 ble or practical.

18 (m) "Mineral well" means any well subject to the provisions
19 of this act.

20 (n) "Brine well" means a well drilled or converted for the
21 purpose of producing natural or artificial brine.

22 (o) "Test well" means a well, core hole, core test, observa-
23 tion well, or other well drilled from the surface to determine
24 the presence of a mineral, mineral resource, ore, or rock unit,
25 or to obtain geological or geophysical information or other sub-
26 surface data, but shall not include holes drilled in the
27 operation of a quarry, open pit, or underground mine.

1 (p) "Storage well" means a well drilled into a subsurface
2 formation to develop an underground storage cavity for subsequent
3 use in storage operations.

4 (q) "Disposal well" means a well drilled or converted for
5 subsurface disposal of waste products or processed brine and its
6 related surface facilities.

7 (r) "Exploratory ~~purposes~~ TEST WELL" means A test well
8 ~~drilling for the specific purpose of discovering or outlining an~~
9 ~~orebody or mineable mineral resource~~ THAT PENETRATES BEDROCK AND
10 IS 100 FEET OR MORE IN DEPTH.

11 (s) "Underground waste" means damage or injury to potable
12 water, mineralized water, or other subsurface resources.

13 (t) "Surface waste" means damage to, injury to, or destruc-
14 tion of surface waters, soils, animal, fish and aquatic life, or
15 surface property from unnecessary seepage or loss incidental to
16 or resulting from drilling, equipping, or operating a well ~~or~~
17 ~~wells~~ subject to this act.

18 (U) "HAZARDOUS WASTE" HAS THE MEANING ASCRIBED IN THE HAZ-
19 ARDOUS WASTE MANAGEMENT ACT, ACT NO. 64 OF THE PUBLIC ACTS OF
20 1979, BEING SECTIONS 299.501 TO 299.551 OF THE MICHIGAN COMPILED
21 LAWS.

22 (V) "RULE" MEANS A RULE PROMULGATED UNDER THE ADMINISTRATIVE
23 PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF 1969,
24 BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED LAWS.

25 Sec. 16. The supervisor, acting directly or through his OR
26 HER deputy or authorized representative, ~~is specifically~~
27 ~~empowered to~~ MAY DO ALL OF THE FOLLOWING:

1 (a) Make inspections and provide for the keeping of records
2 and checking on the accuracy ~~thereof~~ OF THOSE RECORDS.

3 (b) Require the locating, drilling, deepening, reworking,
4 reopening, casing, sealing, injecting, mechanical and chemical
5 treating, and plugging of wells subject to this act to be accom-
6 plished in a manner ~~which~~ THAT is designed to prevent surface
7 and underground waste.

8 (c) Designate after public hearing, and with the advice and
9 recommendations of the board, those areas of the state in which
10 there is no known or potential danger of surface or underground
11 waste from test well drilling and in which permits to drill test
12 wells will not be required.

13 (d) Require on all wells the keeping and filing of logs con-
14 taining data which are appropriate to the purposes of this act.
15 Logs on brine and test wells shall be ~~held~~ confidential for
16 10 years after completion and shall not be open to public inspec-
17 tion during that time except by written consent of the owner or
18 operator. Logs for test wells drilled for exploratory purposes
19 shall be ~~held~~ confidential until released by the owner or
20 operator. The logs on all brine and test wells for exploratory
21 purposes shall be opened to public inspection when the owner is
22 no longer an active mineral producer, mineral lease holder, or
23 owner of mineral lands in ~~the~~ THIS state. ~~of Michigan.~~

24 (e) Require on storage and waste disposal wells, when speci-
25 fied by the supervisor, the keeping and filing of drillers' logs
26 and sample logs, the running and filing of electrical and
27 radioactivity logs, AND the keeping and filing of drill cuttings,

1 cores, water samples, pilot injection test records, operating
2 records, and other reports.

3 (f) Release to the board or commission, for meetings and
4 hearings, only data described in this section which are necessary
5 to the administration of this act in the prevention or correction
6 of surface or underground waste.

7 (g) Order through written notice the immediate suspension or
8 prompt correction of any operation, condition, or practice found
9 to exist ~~which~~ THAT is causing or resulting, or threatening to
10 cause or result, in surface or underground waste.

11 (h) Require the filing of an adequate surety or security
12 bond and provide for the release ~~thereof~~ OF THE SURETY OR
13 SECURITY BOND.

14 (i) ~~Qualify persons for blanket permits.~~ ISSUE LICENSES
15 AND PERMITS AS PROVIDED IN THIS ACT.

16 (J) PROMULGATE RULES NECESSARY TO IMPLEMENT AND ADMINISTER
17 THIS ACT.

18 Sec. 17. (1) A person shall not drill, ~~or~~ CONVERT, begin
19 the drilling, ~~of any~~ OPERATE, OR MAINTAIN AN EXPLORATORY TEST
20 WELL, brine WELL, storage WELL, or waste disposal well, or con-
21 vert any well for these uses, until the owner directly or through
22 his OR HER authorized representative files a COMPLETE written
23 application for a permit to drill or convert a well, ~~files~~ a
24 survey of the well site, ~~files~~ AND an approved surety or secur-
25 ity bond, and receives a permit in accordance with the rules of
26 the supervisor. A NONREFUNDABLE APPLICATION fee of ~~\$50.00~~
27 \$2,500.00 shall be ~~charged~~ FILED WITH THE APPLICATION for a

1 brine WELL, storage WELL, or waste disposal well permit, AND A
2 FEE OF \$100.00 FOR AN EXPLORATORY TEST WELL. Within 10 days
3 after receiving the prescribed application and fee, and following
4 investigation, inspection, and approval, the supervisor shall
5 DETERMINE WHETHER TO issue the ~~well~~ permit. ~~No~~ A permit
6 shall NOT be issued to ~~any owner or his authorized representa-~~
7 ~~tive who does not comply with the rules of the supervisor or who~~
8 ~~is in violation of this act or any rule of the supervisor~~ A
9 PERSON WHO THE SUPERVISOR DETERMINES IS IN VIOLATION OF THIS ACT
10 OR A RULE PROMULGATED UNDER THIS ACT, OR AN ORDER OF THE SUPERVI-
11 SOR OR THE DIRECTOR ISSUED UNDER THIS ACT.

12 (2) Upon completion of the drilling or converting of a well
13 for storage or waste disposal and after necessary testing by the
14 owner to determine that the well can be used for these purposes
15 and in a manner that will not cause surface or underground waste,
16 the supervisor, upon receipt of appropriate evidence, shall
17 approve and regulate the use of the well for storage or waste
18 disposal. ~~These operations shall be in accordance with the pro-~~
19 ~~visions of Act No. 245 of the Public Acts of 1929, as amended,~~
20 ~~being sections 323.1 to 323.12a of the Compiled Laws of 1948.~~
21 ~~The supervisor may schedule a public hearing to consider the need~~
22 ~~or advisability of permitting the drilling or operating of a~~
23 ~~storage or waste disposal well, or converting a well for these~~
24 ~~uses, if the public safety or other interests are involved.~~

25 ~~(2) A person shall not drill a test well, except as provided~~
26 ~~in subdivision (c) of section 16, until the owner directly or~~
27 ~~through his authorized representative files a written application~~

~~1 for a permit to drill, files an approved surety or security bond,~~
~~2 and receives a permit in accordance with the rules of the~~
~~3 supervisor. A fee of \$1.00 shall be charged for a permit to~~
~~4 drill a test well. Within 10 days after receiving the prescribed~~
~~5 application and fee, and following necessary investigation,~~
~~6 inspection and approval, the supervisor shall issue the permit.~~
~~7 No permit shall be issued to any owner or his authorized repre-~~
~~8 sentative who does not comply with the rules of the supervisor or~~
~~9 who is in violation of this act or any rule of the supervisor.~~

~~10 (3) No permit shall be required to drill a test well in~~
~~11 those areas of the state where rocks of Precambrian age directly~~
~~12 underlie unconsolidated surface deposits or in those areas which~~
~~13 have been designated in accordance with the provisions of subdivi-~~
~~14 sion (c) of section 16. However, within 2 years after comple-~~
~~15 tion of the drilling of the well, the owner shall advise the~~
~~16 supervisor of the location of the well and file with the supervi-~~
~~17 sor the log required under subdivision (d) of section 16. The~~
~~18 provisions of this act pertaining to the prevention and correc-~~
~~19 tion of surface and underground waste shall have the same appli-~~
~~20 cation to these test wells as to other wells defined herein.~~

~~21 (4) Upon request, the supervisor may issue a blanket permit~~
~~22 to drill test wells within a limited or local area where a geo-~~
~~23 logical test program is intended, and issue a blanket permit to~~
~~24 drill test wells to qualified persons.~~

~~25 (5) All information and records pertaining to the applica-~~
~~26 tion for and issuance of permits for wells subject to this act~~

~~1 shall be held confidential in the same manner as provided for
2 logs and reports on these wells.~~

~~3 (6) The supervisor shall deposit all fees in the state trea-
4 sury to be credited to the general fund.~~

5 (3) A PERSON WHO ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
6 THAT ADDED SECTION 17A HOLDS A CLASS I, II, OR III UNDERGROUND
7 INJECTION WELL PERMIT ISSUED PURSUANT TO TITLE XIV OF THE PUBLIC
8 HEALTH SERVICE ACT, CHAPTER 373, 88 STAT. 1660, 42 U.S.C. 300f TO
9 300j-3, 300j-4 TO 300j-9, 300j-11, AND 300j-21 TO 300j-25 SHALL
10 NOT BE REQUIRED TO PAY A NONREFUNDABLE APPLICATION FEE UNDER THIS
11 SECTION.

12 SEC. 17A. (1) A PERSON SHALL NOT DRILL A GROUNDWATER TEST
13 WELL OR OTHER TEST WELL, OTHER THAN AN EXPLORATORY TEST WELL PER-
14 MITTED UNDER SECTION 17, WITHOUT OBTAINING A LICENSE FROM THE
15 SUPERVISOR. AN APPLICATION FOR A LICENSE TO DRILL SUCH A WELL
16 SHALL BE SUBMITTED TO THE SUPERVISOR WITH A WRITTEN APPLICATION,
17 A NONREFUNDABLE APPLICATION FEE OF \$500.00, AND A SURETY OR
18 SECURITY BOND APPROVED BY THE SUPERVISOR.

19 (2) A LICENSE ISSUED UNDER THIS SECTION SHALL BE VALID FOR
20 NOT MORE THAN 2 YEARS AND SHALL EXPIRE ON DECEMBER 31 OF THE
21 SECOND YEAR FOLLOWING LICENSURE. A PERSON WHO SEEKS TO RENEW A
22 LICENSE ISSUED UNDER THIS SECTION IS NOT REQUIRED TO PAY THE
23 \$500.00 NONREFUNDABLE APPLICATION FEE REQUIRED UNDER SUBSECTION
24 (1).

25 (3) THE SUPERVISOR SHALL NOT ISSUE A LICENSE UNDER SUBSEC-
26 TION (1) TO A PERSON WHO THE SUPERVISOR DETERMINES IS IN

1 VIOLATION OF THIS ACT, A RULE PROMULGATED UNDER THIS ACT, OR AN
2 ORDER OF THE SUPERVISOR OR THE DIRECTOR.

3 (4) THE SUPERVISOR MAY ISSUE A PROJECT AREA LICENSE UNDER
4 THIS SECTION THAT ENABLES THE HOLDER TO DRILL TEST WELLS WITHIN
5 AN AREA SPECIFIED IN THE LICENSE FOR THE PURPOSE OF CONDUCTING A
6 GEOLOGICAL TEST PROGRAM OR INVESTIGATION WITHIN THAT AREA. THE
7 REQUIREMENTS OF SUBSECTIONS (1), (2), AND (3) APPLY TO A PROJECT
8 AREA LICENSE.

9 SEC. 17B. A PERSON ISSUED A LICENSE UNDER SECTION 17A SHALL
10 FILE AN ANNUAL REPORT WITH THE SUPERVISOR PERTAINING TO THE OPER-
11 ATION OF LICENSED TEST WELLS FOR THE PRECEDING YEAR. THE REPORT
12 SHALL INCLUDE ALL OF THE FOLLOWING:

13 (A) THE TOTAL NUMBER OF WELLS DRILLED.

14 (B) THE SPECIFIC LOCATION OF THE WELLS DRILLED.

15 (C) THE STATUS OF EACH WELL DRILLED.

16 (D) THE NUMBER OF WELLS PLUGGED, THE LOCATION OF THOSE
17 WELLS, AND A CERTIFIED STATEMENT OF THE LICENSE HOLDER THAT THE
18 WELLS WERE PLUGGED IN ACCORD WITH RULES PROMULGATED UNDER THIS
19 ACT AND ANY ORDERS OR REQUIREMENTS OF THE SUPERVISOR.

20 SEC. 17C. (1) FOR THE PURPOSE OF MONITORING, SURVEILLANCE,
21 ADMINISTRATION, AND ENFORCEMENT OF THIS ACT, A PERSON WHO HAS
22 BEEN ISSUED A PERMIT OR LICENSE UNDER THIS ACT SHALL PAY AN
23 ANNUAL FEE FOR EACH PERMIT OR LICENSE ISSUED UNDER THIS ACT IN AN
24 AMOUNT REQUIRED UNDER THIS SECTION.

25 (2) A PERSON WHO HAS BEEN ISSUED A PERMIT PURSUANT TO
26 SECTION 17 SHALL PAY AN ANNUAL FEE FOR EACH PERMIT AS FOLLOWS:

1 (A) WELLS FOR THE DISPOSAL OR STORAGE OF HAZARDOUS WASTES,
 2 \$2,500.00 EACH PLUS A GALLONAGE FEE NOT LESS THAN 3 CENTS PER
 3 1,000 GALLONS AND NOT EXCEEDING 10 CENTS PER 1,000 GALLONS FOR
 4 TOTAL GALLONAGE INJECTED OR PLACED INTO STORAGE DURING THE
 5 CHARGEABLE YEAR.

6 (B) WASTE DISPOSAL WELLS FOR THE DISPOSAL OR STORAGE OF
 7 WASTE PRODUCTS, OTHER THAN HAZARDOUS WASTE, \$2,500.00 EACH PLUS A
 8 GALLONAGE FEE NOT LESS THAN 3 CENTS PER 1,000 GALLONS AND NOT
 9 EXCEEDING 10 CENTS PER 1,000 GALLONS FOR TOTAL GALLONAGE INJECTED
 10 OR PLACED INTO STORAGE DURING THE CHARGEABLE CALENDAR YEAR.

11 (C) SOLUTION MINING WELLS FOR THE RECOVERY OF SALTS OR OTHER
 12 MINERALS INCLUDING THE REINJECTION OF SEPARATED SALT SLUDGES OR
 13 BRINE, \$250.00 EACH PLUS A GALLONAGE FEE NOT LESS THAN 3 CENTS
 14 PER 1,000 GALLONS AND NOT EXCEEDING 10 CENTS PER 1,000 GALLONS
 15 FOR TOTAL GALLONAGE INJECTED DURING THE CHARGEABLE CALENDAR
 16 YEAR.

17 (D) NATURAL BRINE PRODUCTION OR SPENT BRINE REINJECTION
 18 WELLS, \$500.00 EACH PLUS A GALLONAGE FEE NOT LESS THAN 3 CENTS
 19 PER 1,000 GALLONS AND NOT EXCEEDING 10 CENTS PER 1,000 GALLONS
 20 FOR TOTAL GALLONAGE PRODUCED DURING THE CHARGEABLE CALENDAR
 21 YEAR.

22 (E) EXPLORATORY TEST WELLS, \$100.00 EACH.

23 (3) A PERSON WHO HAS BEEN ISSUED A LICENSE PURSUANT TO
 24 SECTION 17A SHALL PAY AN ANNUAL FEE FOR EACH LICENSE AS FOLLOWS:

25 (A) LICENSE TO DRILL GROUNDWATER TEST WELLS..... \$250.00

26 (B) LICENSE TO DRILL TEST WELLS, OTHER THAN

27 EXPLORATORY TEST WELLS..... \$500.00

1 (4) THE FEES REQUIRED UNDER THIS SECTION SHALL BE SUBMITTED
2 TO THE SUPERVISOR BY APRIL 15 OF EACH YEAR.

3 (5) THE FAILURE TO PAY A FEE REQUIRED UNDER THIS SECTION
4 SHALL RESULT IN THE IMPOSITION OF A PENALTY EQUAL TO 1-1/2% PER
5 MONTH OF THE AMOUNT DUE. A PENALTY OR FEE IMPOSED UNDER THIS
6 SECTION MAY BE COLLECTED BY ANY MEANS AUTHORIZED UNDER THE
7 REVISED JUDICATURE ACT OF 1961, ACT NO. 236 OF THE PUBLIC ACTS OF
8 1961, BEING SECTIONS 600.101 TO 600.9947 OF THE MICHIGAN COMPILED
9 LAWS.

10 (6) FEES AND PENALTIES COLLECTED UNDER THIS ACT SHALL BE
11 FORWARDED BY THE SUPERVISOR TO THE STATE TREASURER TO THE CREDIT
12 OF THE GENERAL FUND AND SHALL BE APPROPRIATED BY THE LEGISLATURE
13 TOWARD THE COST OF MONITORING, SURVEILLANCE, ENFORCEMENT, AND THE
14 ADMINISTRATION OF THIS ACT. ANY UNEXPENDED REVENUE RESULTING
15 FROM THESE FEES AND PENALTIES DURING A PREVIOUS FISCAL YEAR SHALL
16 BE CARRIED FORWARD AND SHALL BE AVAILABLE FOR EXPENDITURE FOR THE
17 CURRENT FISCAL YEAR.

18 Sec. 23. ~~Whenever~~ IF the supervisor ~~or~~ OR his OR HER
19 deputy or ~~his~~ authorized representative ~~has determined that an~~
20 ~~owner or operator~~ DETERMINES THAT A PERSON has failed or
21 neglected to case, seal, operate, repair, or plug a well in
22 accordance with ~~the provisions of~~ this act or the rules
23 PROMULGATED or orders ~~adopted hereunder~~ ISSUED UNDER THIS ACT,
24 notice of the determination shall be given to the ~~owner or~~
25 ~~operator~~ PERSON and to the surety executing the bond filed by
26 ~~such owner or operator~~ THAT PERSON. If the ~~owner or operator~~
27 PERSON, or surety, fails to correct the specified conditions in

1 accordance with the rule or order of the supervisor within 60
 2 days after service of notice, the supervisor may enter into or
 3 upon any private or public property on which the well is located,
 4 and across any private or public property to reach the well, and
 5 repair or correct the specified condition, and the ~~owner,~~
 6 ~~operator~~ PERSON and surety shall be jointly and severally liable
 7 for TRIPLE all expenses incurred. The supervisor shall certify
 8 to ~~the owner, operator~~ THE PERSON and THE surety the claim of
 9 the state, listing ~~therein~~ the ~~items of~~ expense INCURRED in
 10 making the repair or correction. The claims shall be paid by the
 11 ~~owner or operator~~ PERSON, or surety, within 30 days, and if not
 12 paid within that time the supervisor may ~~bring~~ FILE suit in the
 13 circuit court of Ingham county against the ~~owner, operator~~
 14 PERSON and HIS OR HER surety, jointly and severally, for ~~the~~
 15 ~~collection~~ ALL EXPENSES INCURRED.

16 Sec. 24. ~~It is unlawful for any~~ A person SHALL NOT:

17 (a) ~~To wilfully~~ WILLFULLY violate ~~any provision of~~ this
 18 act or any rule, LICENSE, PERMIT, or order of the supervisor.

19 (b) ~~To drill~~ DRILL or convert any well subject to this act
 20 without first obtaining a permit or ~~to~~ operate a storage WELL,
 21 EXPLORATORY TEST WELL, or waste disposal well without approval as
 22 provided ~~herein~~ IN THIS ACT.

23 (c) ~~To do~~ DO any of the following for the purpose of evad-
 24 ing or violating this act or any rule or order adopted
 25 hereunder:

26 (i) Make OR CAUSE TO BE MADE false entry or statement in any
 27 required report or record.

1 (ii) Omit or cause to be omitted from any required report or
2 record full, true, and correct entries as required by this act.

3 (iii) Remove from this state or destroy, mutilate, alter, or
4 falsify any required report or record.

5 (D) DRILL, CONSTRUCT, MAINTAIN, OR PLUG A WELL WITHOUT FIRST
6 OBTAINING A LICENSE OR PERMIT AS REQUIRED BY THIS ACT.