

MINERAL WELL FEES

House Bill 4821

Sponsor: Rep. William Bobier

**Committee: Conservation, Environment
and Recreation**

Complete to 9-19-97

A SUMMARY OF HOUSE BILL 4820 AS INTRODUCED 5-22-97

The bill would amend Part 625 of the Natural Resources and Environmental Protection Act (NREPA), which regulates mineral wells, to establish a permit application fee schedule and an annual well regulatory fee schedule for well owners and operators, and a Mineral Well Regulatory Fund. The bill would delete the current provisions that a fee of \$50 be charged for a brine, storage, or waste disposal well permit, and that a fee of \$10 be charged for a permit to drill a test well.

Test Wells. the bill would specify that a test well could not be drilled more than 25 deep, except -- as specified under the act -- after a public hearing, in designated areas where there is no known danger of surface or underground waste from test well drilling. The bill would also delete the current provision allowing a blanket permit to be issued within a limited or local area where it was intended that a geological test program be conducted. Instead, the bill would specify that a blanket permit could be issued to drill the following types of test wells within a county:

- Test wells to determine the presence of a mineral, mineral resource, ore, or rock unit.
- Test wells to obtain geological or geophysical information.
- Test wells to determine soil or rock characteristics for construction purposes.
- Test wells to determine physical or chemical characteristics of groundwater or potential contamination or other impacts to groundwater.

Permit Application Fee. An application fee of \$2,500 would be charged for a permit for a disposal well that disposed of waste products other than processed brine. All other wells -- that is, disposal wells for processed brine, storage wells, natural and artificial brine production wells, and individual test wells -- would be subject to a \$500 permit application fee. In addition, test wells subject to a blanket permit would be charged the following fees:

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| • One to 24 wells | \$150 |
| • 25 to 49 wells | \$250 |
| • 50 to 74 wells | \$500 |

- 75 to 200 wells \$750

Annual Well Regulatory Fee. Under the bill, the owner or operator of a well that was regulated under Part 625 of the NREPA, and that was usable for its permitted purpose, or that had not been properly plugged, as provided under the act, at the time the fee was due, would be subject to an annual fee, as follows:

- A disposal well for the disposal of waste products other than processed brine \$2,500
- A disposal well for disposal of processed brine \$ 500
- A storage well \$ 500
- A natural brine production well \$ 500
- An artificial brine production well \$ 500
- An individual test well \$ 500
- For test wells subject to a blanket permit:
 - One to 24 wells \$ 75
 - 25 to 49 wells \$ 150
 - 50 to 74 wells \$ 300
 - 75 to 200 wells \$ 600

Under the bill, well regulatory fees would be submitted to the Department of Environmental Quality (DEQ), along with any documentation required by the department, and forwarded to the state treasurer for deposit in the proposed Mineral Well Regulatory Fund.

Mineral Well Regulatory Fund. The bill would also establish an Mineral Well Regulatory Fund. Money or other assets from any source could be deposited into the fund, including interest and earnings from fund investments, and would be used by the DEQ to enforce the provisions of Part 625. Money would remain in the fund at the end of the fiscal year and would not lapse to the general fund.

MCL 324.61501 et al.

Analyst: R. Young

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.