

INJECTION WELL FEES

House Bill 5294

Sponsor: Rep. Raymond Basham

**Committee: Conservation, Environment
and Recreation**

Complete to 11-25-97

A SUMMARY OF HOUSE BILL 5294 AS INTRODUCED 10-16-97

Part 625 (MCL 324.62501 et. al) of the Natural Resources and Environmental Protection Act (NREPA), which regulates mineral wells, specifies that a \$50 permit application fee must be paid by well owners or operators to drill or convert a brine, storage, or waste disposal well. Also, a \$1 application fee is imposed for a permit to drill a test well. House Bill 5294 would delete these provisions and would, instead, require that application and annual regulatory fees be established according to a fee schedule. The bill would also create a Mineral Well Regulatory Fund.

Permit Application Fee. Currently, Part 625 specifies that the supervisor of mineral wells may issue a blanket permit to drill test wells within a limited or local area where a geological test program was intended. House Bill 5294 would amend this provision to 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 pit; test wells to obtain geological or geophysical information; test wells to determine soil or rock characteristics for construction purposes; and test wells to determine physical or chemical characteristics of groundwater or potential contamination or other impacts on groundwater. The bill would also establish a permit application fee of \$2,500 for a well used to dispose of waste products other than processed brine, and \$500 for all other wells (storage wells, natural and artificial brine production wells, individual test wells, and wells used to dispose of processed brine). For test wells that were subject to a blanket permit, as indicated above, the fees would be \$150 for one to 24 wells; \$250 for 25 to 49 wells; \$500 for 50 to 75 wells; and \$750 for 75 to 200 wells. (Note: In order to be consistent with the rest of the schedule, the bill should specify that the fee would be \$500 for 50 to 74 wells.) Further, the bill would specify that the proposed permit application fees would be imposed on test wells of more than 25 feet deep.

Annual Mineral Well Regulatory Fees. The bill would impose an annual mineral well regulatory fee on any mineral well that was usable for its permitted purpose or that had not been properly plugged, as specified under Part 625, at the time the fee was due. The fee would have to be submitted to the DEQ, together with any documentation required by the department. The fee would be \$2,500 for a well used to dispose of waste products other than processed brine, and \$500 for other wells. For test wells that were subject to a blanket permit, the fees would be \$75 for one to 24 wells; \$150 for 25 to 49 wells; \$300 for 50 to 75 wells; and \$600 for 75 to 200 wells. (Note: In order to be consistent with the rest of the schedule, the bill should specify that the fee would be \$500 for 50 to 74 wells.)

Mineral Well Regulatory Fund. Under the provisions of the bill, permit application fees and mineral well regulatory fees received by the Department of Environmental Quality (DEQ) would be deposited into a new Mineral Well Regulatory Fund, and expended, upon appropriation, to implement and enforce the provisions of Part 625 of the act.

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.