

HOUSE BILL No. 5294

October 16, 1997, Introduced by Reps. Basham, Bobier, Alley, Anthony, Prusi, DeHart, Mans, Brown, Brater, Hale, Kilpatrick and Kelly and referred to the Committee on Conservation, Environment and Recreation.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 62501 and 62509 (MCL 324.62501 and 324.62509), as added by 1995 PA 57, and by adding sections 62509a and 62509b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 62501. As used in this part:

2 (a) "Artificial brine" means mineralized water formed by
3 dissolving rock salt or other readily soluble rocks or minerals.

4 (b) "Brine well" means a well drilled or converted for the
5 purpose of producing natural or artificial brine.

6 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF ENVIRONMENTAL
7 QUALITY.

1 (D) ~~(c)~~ "Disposal well" means a well drilled or converted
2 for subsurface disposal of waste products or processed brine and
3 its related surface facilities.

4 (E) ~~(d)~~ "Exploratory purposes" means test well drilling
5 for the specific purpose of discovering or outlining an orebody
6 or mineable mineral resource.

7 (F) "FUND" MEANS THE MINERAL WELL REGULATORY FUND CREATED IN
8 SECTION 62509B.

9 (G) ~~(e)~~ "Mineral well" means any well subject to this
10 part.

11 (H) ~~(f)~~ "Natural brine" means naturally occurring mineral-
12 ized water other than potable or fresh water.

13 (I) ~~(g)~~ "Operator" means the person, whether owner or not,
14 supervising or responsible for the drilling, operating, repair-
15 ing, abandoning, or plugging of wells subject to this part.

16 (J) ~~(h)~~ "Owner" means the person who has the right to
17 drill, convert, or operate any well subject to this part.

18 (K) ~~(i)~~ "Person" means any individual, corporation, com-
19 pany, association, joint venture, partnership, receiver, trustee,
20 guardian, executor, administrator, personal representative, or
21 private organization of any kind.

22 (L) ~~(j)~~ "Pollution" means damage or injury from the loss,
23 escape, or unapproved disposal of any substance at any well
24 subject to this part.

25 (M) ~~(k)~~ "Storage well" means a well drilled into a subsur-
26 face formation to develop an underground storage cavity for
27 subsequent use in storage operations.

1 (N) ~~(i)~~ "Supervisor of mineral wells" means the state
2 geologist.

3 (O) ~~(m)~~ "Surface waste" means damage to, injury to, or
4 destruction of surface waters, soils, animal, fish, and aquatic
5 life, or surface property from unnecessary seepage or loss inci-
6 dental to or resulting from drilling, equipping, or operating a
7 well or wells subject to this part.

8 (P) ~~(n)~~ "Test well" means a well, core hole, core test,
9 observation well, or other well drilled from the surface to
10 determine the presence of a mineral, mineral resource, ore, or
11 rock unit, or to obtain geological or geophysical information or
12 other subsurface data. Test well does not include holes drilled
13 in the operation of a quarry, open pit, or underground mine.

14 (Q) ~~(o)~~ "Underground storage cavity" means a cavity formed
15 by dissolving rock salt or other readily soluble rock or mineral,
16 by nuclear explosion, or by any other method for the purpose of
17 storage or disposal.

18 (R) ~~(p)~~ "Underground waste" means damage or injury to
19 potable water, mineralized water, or other subsurface resources.

20 (S) ~~(q)~~ "Waste product" means waste or byproduct resulting
21 from municipal or industrial operations or waste from any trade,
22 manufacture, business, or private pursuit that could cause pollu-
23 tion and for which underground disposal may be feasible or
24 practical.

25 Sec. 62509. (1) A person shall not drill or begin the
26 drilling of any brine, storage, or waste disposal well, or
27 convert any well for these uses, until the owner directly or

1 through his or her authorized representative files a written
2 application for a permit to drill or convert a well, PAYS THE
3 APPLICATION FEE PROVIDED IN SUBSECTION (6), files a survey of the
4 well site, files an approved surety or security bond, and
5 receives a permit pursuant to the rules of the supervisor of min-
6 eral wells. ~~A fee of \$50.00 shall be charged for a brine, stor-~~
7 ~~age, or waste disposal well permit.~~ Within 10 days after receiv-
8 ing the prescribed application and fee, and following investiga-
9 tion, inspection, and approval, the supervisor of mineral wells
10 shall issue the well permit. A permit shall not be issued to any
11 owner or his or her authorized representative who does not comply
12 with the rules of the supervisor of mineral wells or who is in
13 violation of this part or any rule of the supervisor of mineral
14 wells. Upon completion of the drilling or converting of a well
15 for storage or waste disposal and after necessary testing by the
16 owner to determine that the well can be used for these purposes
17 and in a manner that will not cause surface or underground waste,
18 the supervisor of mineral wells, upon receipt of appropriate evi-
19 dence, shall approve and regulate the use of the well for storage
20 or waste disposal. These operations shall be pursuant to
21 part 31. The supervisor of mineral wells may schedule a public
22 hearing to consider the need or advisability of permitting the
23 drilling or operating of a storage or waste disposal well, or
24 converting a well for these uses, if the public safety or other
25 interests are involved.

26 (2) A person shall not drill a test well MORE THAN 25 FEET
27 DEEP, except as provided in section 62508(c), until the owner

1 directly or through his or her authorized representative files a
2 written application for a permit to drill, PAYS THE PERMIT APPLI-
3 CATION FEE PROVIDED IN SUBSECTION (6), files an approved surety
4 or security bond, and receives a permit pursuant to the rules of
5 the supervisor of mineral wells. ~~A fee of \$1.00 shall be~~
6 ~~charged for a permit to drill a test well.~~ Within 10 days after
7 receiving the prescribed application and fee, and following nec-
8 essary investigation, inspection, and approval, the supervisor of
9 mineral wells shall issue the permit. A permit shall not be
10 issued to any owner or his or her authorized representative who
11 does not comply with the rules of the supervisor of mineral wells
12 or who is in violation of this part or any rule of the supervisor
13 of mineral wells.

14 (3) A permit is not required to drill a test well in those
15 areas of the state where rocks of Precambrian age directly under-
16 lie unconsolidated surface deposits or in those areas that have
17 been designated pursuant to section 62508(c). However, within 2
18 years after completion of the drilling of the well, the owner
19 shall advise the supervisor of mineral wells of the location of
20 the well and file with the supervisor of mineral wells the log
21 required under section 62508(d). The provisions of this part
22 pertaining to the prevention and correction of surface and under-
23 ground waste have the same application to these test wells as to
24 other wells defined in this part.

25 (4) Upon request, the supervisor of mineral wells may issue
26 a blanket permit to drill THE FOLLOWING TYPES OF test wells
27 within a ~~limited or local area where a geological test program~~

1 ~~is intended, and issue a blanket permit to drill test wells~~

2 COUNTY to qualified persons: ~~—~~

3 (A) TEST WELLS TO DETERMINE THE PRESENCE OF A MINERAL, MIN-
4 ERAL RESOURCE, ORE, OR ROCK UNIT.

5 (B) TEST WELLS TO OBTAIN GEOLOGICAL OR GEOPHYSICAL
6 INFORMATION.

7 (C) TEST WELLS TO DETERMINE SOIL OR ROCK CHARACTERISTICS FOR
8 CONSTRUCTION PURPOSES.

9 (D) TEST WELLS TO DETERMINE PHYSICAL OR CHEMICAL CHARACTER-
10 ISTICS OF GROUNDWATER OR POTENTIAL CONTAMINATION OR OTHER IMPACTS
11 TO GROUNDWATER.

12 (5) All information and records pertaining to the applica-
13 tion for and issuance of permits for wells subject to this part
14 shall be held confidential in the same manner as provided for
15 logs and reports on these wells.

16 (6) A PERMIT APPLICATION SUBMITTED UNDER THIS SECTION SHALL
17 BE ACCOMPANIED BY THE FOLLOWING PERMIT APPLICATION FEE:

| | |
|---|-------------|
| 18 (A) DISPOSAL WELL FOR DISPOSAL OF WASTE PRO- | |
| 19 DUCTS OTHER THAN PROCESSED BRINE..... | \$2,500.00. |
| 20 (B) DISPOSAL WELL FOR DISPOSAL OF PROCESSED | |
| 21 BRINE..... | \$500.00. |
| 22 (C) STORAGE WELL..... | \$500.00. |
| 23 (D) NATURAL BRINE PRODUCTION WELL..... | \$500.00. |
| 24 (E) ARTIFICIAL BRINE PRODUCTION WELL..... | \$500.00. |
| 25 (F) INDIVIDUAL TEST WELL..... | \$500.00. |

26 (G) TEST WELLS SUBJECT TO A BLANKET PERMIT PURSUANT TO
27 SUBSECTION (4):

| | | |
|----|--|-------------|
| 1 | (i) ONE TO 24 WELLS..... | \$150.00. |
| 2 | (ii) 25 TO 49 WELLS..... | \$250.00. |
| 3 | (iii) 50 TO 75 WELLS..... | \$500.00. |
| 4 | (iv) 75 TO 200 WELLS..... | \$750.00. |
| 5 | (7) (6) The supervisor of mineral wells shall deposit all | |
| 6 | fees in the state treasury to be credited to the general fund | |
| 7 | PERMIT APPLICATION FEES COLLECTED UNDER THIS SECTION INTO THE | |
| 8 | FUND. | |
| 9 | SEC. 62509A. (1) THE OWNER OR OPERATOR OF A WELL REGULATED | |
| 10 | UNDER THIS PART IS SUBJECT TO THE FOLLOWING ANNUAL MINERAL WELL | |
| 11 | REGULATORY FEE. THE FEE SHALL APPLY TO ANY MINERAL WELL THAT IS | |
| 12 | USABLE FOR ITS PERMITTED PURPOSE, OR HAS NOT BEEN PROPERLY | |
| 13 | PLUGGED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART AND | |
| 14 | RULES PROMULGATED UNDER THIS PART, AT THE TIME THE FEE IS DUE: | |
| 15 | (A) FOR A DISPOSAL WELL FOR DISPOSAL OF WASTE | |
| 16 | PRODUCTS OTHER THAN PROCESSED BRINE..... | \$2,500.00. |
| 17 | (B) FOR A DISPOSAL WELL FOR DISPOSAL OR PRO- | |
| 18 | CESSED BRINE..... | \$500.00. |
| 19 | (C) FOR A STORAGE WELL..... | \$500.00. |
| 20 | (D) FOR A NATURAL BRINE PRODUCTION WELL..... | \$500.00. |
| 21 | (E) FOR AN ARTIFICIAL BRINE PRODUCTION WELL | \$500.00. |
| 22 | (F) FOR AN INDIVIDUAL TEST WELL..... | \$500.00. |
| 23 | (G) FOR TEST WELLS SUBJECT TO A BLANKET PERMIT PURSUANT TO | |
| 24 | SECTION 62509 (4): | |
| 25 | (i) ONE TO 24 WELLS..... | \$75.00. |
| 26 | (ii) 25 TO 49 WELLS..... | \$150.00. |

1 (iii) 50 TO 75 WELLS..... \$300.00.

2 (iv) 75 TO 200 WELLS..... \$600.00.

3 (2) MINERAL WELL REGULATORY FEES SHALL BE SUBMITTED TO THE
4 DEPARTMENT IN THE MANNER REQUIRED BY THE DEPARTMENT ALONG WITH
5 ANY DOCUMENTATION REQUIRED BY THE DEPARTMENT.

6 (3) THE DEPARTMENT SHALL FORWARD ALL MINERAL WELL REGULATORY
7 FEES COLLECTED UNDER THIS SECTION TO THE STATE TREASURY FOR
8 DEPOSIT IN THE FUND.

9 SEC. 62509B. (1) THE MINERAL WELL REGULATORY FUND IS CRE-
10 ATED WITHIN THE STATE TREASURY.

11 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
12 FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER
13 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER
14 SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND
15 INVESTMENTS.

16 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
17 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

18 (4) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
19 APPROPRIATION, ONLY TO IMPLEMENT AND ENFORCE THIS PART.