

HOUSE BILL No. 5339

September 10, 2009, Introduced by Rep. Booher and referred to the Committee on Appropriations.

A bill to amend 1963 PA 42, entitled

"An act to provide for the termination of dormant oil and gas interests in land owned by persons other than the owners of the surface and for the vesting of title to same in the surface owners in the absence of the filing of a notice of claim of interest within a specified period of time,"

by amending section 1 (MCL 554.291), as amended by 2006 PA 519.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) Any interest in oil or gas in any land owned by
2 any person other than the owner of the surface, which has not been
3 sold, leased, mortgaged, or transferred by instrument recorded in
4 the register of deeds office for the county where that interest in
5 oil or gas is located for a period of 20 years shall, in the
6 absence of the issuance of a permit to drill an oil or gas well
7 issued by the department of ~~environmental quality~~ **NATURAL**

1 **RESOURCES**, or its predecessor or successor, as to that interest in
2 oil or gas or the actual production or withdrawal of oil or gas
3 from said lands, or from lands covered by a lease to which that
4 interest in oil or gas is subject, or from lands pooled, unitized,
5 or included in unit operations therewith, or the use of that
6 interest in underground gas storage operations, during such period
7 of 20 years, be deemed abandoned, unless the owner thereof shall,
8 within 3 years after September 6, 1963 or within 20 years after the
9 last sale, lease, mortgage, or transfer of record of that interest
10 in oil or gas or within 20 years after the last issuance of a
11 drilling permit as to that interest in oil or gas or actual
12 production or withdrawal of oil or gas, from said lands, or from
13 lands covered by a lease to which that interest in oil or gas is
14 subject, or from lands pooled, unitized, or included in unit
15 operations therewith, or the use of that interest in oil or gas in
16 underground gas storage operations, whichever is later, record a
17 claim of interest as provided in section 2.

18 (2) Any interest in oil or gas deemed abandoned as provided in
19 subsection (1) shall vest as of the date of such abandonment in the
20 owner or owners of the surface in keeping with the character of the
21 surface ownership.

22 (3) Notwithstanding any other provision of this act to the
23 contrary, if a judgment of foreclosure is entered under section 78k
24 of the general property tax act, 1893 PA 206, MCL 211.78k, for the
25 nonpayment of delinquent taxes levied on property, an oil or gas
26 interest in the property owned by a person other than the owner of
27 the surface shall not be preserved from foreclosure under section

1 78k of the general property tax act, 1893 PA 206, MCL 211.78k,
2 unless that interest is sold, leased, mortgaged, transferred,
3 reserved, or subject to a claim of interest under section 2 and an
4 instrument evidencing the sale, lease, mortgage, transfer,
5 reservation, or claim of interest is recorded in the office of the
6 register of deeds in the county in which the property is located
7 during the 20-year period immediately preceding the date of filing
8 a petition for foreclosure under section 78h of the general
9 property tax act, 1893 PA 206, MCL 211.78h.

10 Enacting section 1. This amendatory act does not take effect
11 unless Senate Bill No. 807 or House Bill No.____ (request no.
12 04046'09) of the 95th Legislature is enacted into law.