



Senate Fiscal Agency
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Senate Bill 1026 (as introduced 8-13-14)
Sponsor: Senator Jack Brandenburg
Committee: Natural Resources, Environment and Great Lakes

Date Completed: 12-3-14

CONTENT

The bill would amend Part 615 (Supervisor of Wells) of the Natural Resources and Environmental Protection Act to do the following:

- **Revise a provision that prohibits the Department of Environmental Quality from issuing a permit for or authorizing the drilling of an oil or gas well based on certain location conditions.**
- **Eliminate an exemption from the prohibition for a natural gas well.**
- **Revise the conditions for a waiver of well location requirements.**

The bill would be retroactive and would take effect on January 1, 2014.

Under Part 615, except as otherwise provided, the Department of Environmental Quality (DEQ) may not issue a permit for or authorize the drilling of an oil or gas well if *both* of the following conditions apply:

- The well is located within 450 feet of a residential building.
- The well is located in a city or township with a population of at least 70,000.

Under the bill, the DEQ could not issue a permit or authorize a well if *either* of those conditions applied.

Currently, the prohibition does not apply to a well used for the injection, withdrawal, and observation of the storage of natural gas. The bill would delete this exemption.

Part 615 authorizes the DEQ to grant a waiver from the requirement that a well be located at least 450 feet from a residential building if the clerk of the city, village, or township in which the proposed well is located has been notified of the application for a permit and if either of the following conditions have been met:

- The owner or owners of all residential buildings located within 450 feet of the proposed well give written consent.
- The DEQ determines, pursuant to a public hearing held before the waiver is granted, that the proposed well location will not cause waste and there is no reasonable alternative location that will allow the oil and gas rights holder to develop the oil and gas.

The bill would authorize the DEQ to grant a waiver from either of the location requirements. The bill would eliminate the requirement that the owners of all residential buildings within

450 feet give written consent. The bill would retain the second condition for a waiver but would require two public hearings.

MCL 324.61506b

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton