

# HOUSE BILL No. 4942

September 4, 2013, Introduced by Rep. Geiss and referred to the Committee on Energy and Technology.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 62501, 62502, 62508, 62509, 62509a, and 62516 (MCL 324.62501, 324.62502, 324.62508, 324.62509, 324.62509a, and 324.62516), section 62501 as amended and section 62509a as added by 1998 PA 467, sections 62502, 62508, and 62516 as added by 1995 PA 57, and section 62509 as amended by 2004 PA 325, and by adding part 627 to subchapter 3 of chapter 3 of article III.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE III: NATURAL RESOURCES MANAGEMENT

CHAPTER 3: MANAGEMENT OF NONRENEWABLE RESOURCES

SUBCHAPTER 3: MINERAL WELLS

Sec. 62501. As used in this part:

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

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

(C) **"CARBON DIOXIDE" MEANS THAT TERM AS DEFINED IN SECTION 62701.**

(D) ~~(e)~~—"Department" means the department of environmental quality.

(E) ~~(d)~~—"Disposal well" means a well drilled or converted for subsurface disposal of waste products or processed brine and its related surface facilities.

(F) ~~(e)~~—"Exploratory purposes" means test well drilling for the specific purpose of discovering or outlining an orebody or mineable mineral resource.

(G) ~~(f)~~—"Fund" means the mineral well regulatory fund created in section 62509b.

(H) **"GEOLOGIC SEQUESTRATION" MEANS THAT TERM AS DEFINED IN SECTION 62701.**

(I) ~~(g)~~—"Mineral well" means any well ~~subject to this part.~~ **OF THE FOLLOWING:**

(i) **A BRINE WELL.**

(ii) **A DISPOSAL WELL.**

(iii) **A SEQUESTRATION WELL.**

(iv) **A STORAGE WELL.**

(v) **A TEST WELL.**

(J) ~~(h)~~—"Natural brine" means naturally occurring mineralized water other than potable or fresh water.

(K) ~~(i)~~ "Operator" means the person, whether owner or not, supervising or responsible for the drilling, operating, repairing, abandoning, or plugging of wells ~~subject to this part.~~ **AT LEAST EVERY 5 YEARS.**

(I) ~~(j)~~ "Owner" means the person who has the right to drill, convert, or operate any **MINERAL** well. ~~subject to this part.~~

(M) ~~(k)~~ "Pollution" means damage or injury from the loss, escape, or unapproved disposal of any substance at any **MINERAL** well. ~~subject to this part.~~

(N) **"SEQUESTRATION WELL" MEANS THAT TERM AS DEFINED IN SECTION 62705.**

(O) ~~(l)~~ "Storage well" means a well drilled into a subsurface formation to develop an underground storage cavity for subsequent use in storage operations. Storage well does not include a storage well drilled pursuant to part 615.

(P) ~~(m)~~ "Supervisor of mineral wells" means the state geologist.

(Q) ~~(n)~~ "Surface waste" means damage to, injury to, or destruction of surface waters, soils, animal, fish, and aquatic life, or surface property from unnecessary seepage or loss incidental to or resulting from drilling, equipping, ~~or operating, a well or wells subject to this part.~~ **AT LEAST EVERY 5 YEARS.**

(R) ~~(o)~~ "Test well" means a well, core hole, core test, observation well, or other well drilled from the surface to determine the presence of a mineral, mineral resource, ore, or rock unit, or to obtain geological or geophysical information or

1 other subsurface data related to mineral exploration and  
 2 extraction. Test well does not include holes drilled in the  
 3 operation of a quarry, open pit, or underground mine, or any  
 4 wells not related to mineral exploration or extraction.

5 (S) ~~(p)~~ "Underground storage cavity" means a cavity formed  
 6 by dissolving rock salt or other readily soluble rock or mineral,  
 7 by nuclear explosion, or by any other method for the purpose of  
 8 storage or disposal.

9 (T) ~~(q)~~ "Underground waste" means damage or injury to  
 10 potable water, mineralized water, or other subsurface resources.

11 (U) ~~(r)~~ "Waste product" means waste or by-product ~~resulting~~  
 12 ~~from municipal or industrial operations or waste from any trade,~~  
 13 ~~manufacture, business, or private pursuit~~ that could cause  
 14 pollution and for which underground disposal may be feasible or  
 15 practical. **WASTE PRODUCT DOES NOT INCLUDE CARBON DIOXIDE.**

16 Sec. 62502. A person shall not cause surface or underground  
 17 waste in the drilling, development, production, operation, or  
 18 plugging of ~~wells subject to this part.~~ **AT LEAST EVERY 5 YEARS.**

19 Sec. 62508. The supervisor of mineral wells, acting directly  
 20 or through his or her deputy or authorized representative, may do  
 21 any of the following:

22 (a) Make inspections and provide for the keeping of records  
 23 and checking on the accuracy thereof.

24 (b) Require the locating, drilling, deepening, reworking,  
 25 reopening, casing, sealing, injecting, mechanical and chemical  
 26 treating, and plugging of **MINERAL** wells ~~subject to this part to~~  
 27 be accomplished in a manner that is designed to prevent surface

1 ~~and OR~~ underground waste.

2 (c) Designate after public hearing those areas of the state  
3 in which there is no known or potential danger of surface or  
4 underground waste from test well drilling and in which permits to  
5 drill test wells are not required.

6 (d) Require on all **MINERAL** wells the keeping and filing of  
7 logs containing data that are appropriate to the purposes of this  
8 part. Logs on brine and test wells shall be held confidential for  
9 10 years after completion and shall not be open to public  
10 inspection during that time except by written consent of the  
11 owner or operator. Logs for test wells drilled for exploratory  
12 purposes shall be held confidential until released by the owner  
13 or operator. The logs on all brine and test wells for exploratory  
14 purposes shall be opened to public inspection when the owner is  
15 no longer an active mineral producer, mineral lease holder, or  
16 owner of mineral lands in this state.

17 (e) Require on storage and ~~waste-disposal wells, when~~  
18 ~~specified by the supervisor of mineral wells,~~ the keeping and  
19 filing of drillers' logs and sample logs, the running and filing  
20 of electrical and radioactivity logs, and the keeping and filing  
21 of drill cuttings, cores, water samples, pilot injection test  
22 records, operating records, and other reports.

23 (f) Release to the department, ~~or the commission,~~ for  
24 meetings and hearings, only data described in this section that  
25 are necessary to the administration of this part in the  
26 prevention or correction of surface or underground waste.

27 (g) Order through written notice the immediate suspension or

1 prompt correction of any operation, condition, or practice found  
2 to exist that is causing, resulting in, or threatening to cause  
3 or result in surface or underground waste.

4 (h) Require the filing of an adequate surety or security  
5 bond and provide for the release of that surety or security bond.

6 (i) Qualify persons for blanket permits.

7 Sec. 62509. (1) A person shall not drill or ~~begin the~~  
8 ~~drilling of any brine, storage, or waste disposal~~ **OPERATE A BRINE**  
9 **WELL, DISPOSAL WELL, SEQUESTRATION WELL, OR STORAGE** well, or  
10 convert any well for these uses, ~~and~~ except as authorized by a  
11 permit issued by the supervisor of mineral wells pursuant to part  
12 13 and rules promulgated by the supervisor of mineral wells ~~, and~~  
13 unless the person files with the supervisor of mineral wells an  
14 approved surety or security bond. The application **FOR A PERMIT**  
15 shall be accompanied by a survey of the well site. The department  
16 shall conduct an investigation and inspection before the  
17 supervisor of mineral wells issues a permit. A permit shall not  
18 be issued to any owner or his or her authorized representative  
19 who does not comply with the rules of the supervisor of mineral  
20 wells or who is in violation of this part or any rule of the  
21 supervisor of mineral wells.

22 (2) Upon completion of the drilling or converting of a well  
23 for ~~storage or waste disposal, and after~~ **GEOLOGIC SEQUESTRATION,**  
24 **OR STORAGE, A PERSON SHALL NOT OPERATE THE WELL FOR INJECTION OR**  
25 **WITHDRAWAL OF FLUIDS UNTIL THE OWNER OR OPERATOR CONDUCTS**  
26 necessary testing ~~by the owner~~ to determine that the well can be  
27 used for these purposes and in a manner that will not cause

1 surface or underground waste, **AND RECEIVES APPROVAL FROM** the  
 2 supervisor of mineral wells, ~~upon receipt of appropriate~~  
 3 ~~evidence, shall approve and regulate the use of the well for~~  
 4 ~~storage or waste disposal.~~ **AT LEAST EVERY 5 YEARS.** These  
 5 operations shall be ~~pursuant to~~ **CONDUCTED IN COMPLIANCE WITH** part  
 6 31. The supervisor of mineral wells may schedule a public hearing  
 7 to consider the need or advisability of permitting the drilling  
 8 or operating of a ~~storage or waste disposal~~ well, **SEQUESTRATION**  
 9 **WELL, OR STORAGE WELL** or converting a well for these uses, if the  
 10 public safety or other interests are involved.

11 (3) ~~(2)~~ A person shall not drill a test well 50 feet or  
 12 greater in depth into the bedrock or below the deepest freshwater  
 13 ~~strata~~ **STRATUM**, except as provided in section 62508(c), ~~except as~~  
 14 **UNLESS** authorized by a permit issued by the supervisor of mineral  
 15 wells pursuant to part 13 and rules promulgated by the supervisor  
 16 of mineral wells, ~~and~~ unless the person files with the  
 17 supervisor of mineral wells an approved surety or security bond.  
 18 The application shall be accompanied by the fee provided in  
 19 subsection (6). The department shall conduct an investigation and  
 20 inspection before the supervisor of mineral wells issues a  
 21 permit. A permit shall not be issued to any owner or his or her  
 22 authorized representative who does not comply with the rules of  
 23 the supervisor of mineral wells or who is in violation of this  
 24 part or any rule of the supervisor of mineral wells. A test well  
 25 that penetrates below the deepest freshwater stratum or is  
 26 ~~greater~~ **DEEPER** than 250 feet ~~in depth~~ is subject to an individual  
 27 test well permit. ~~A test well~~ **TEST WELLS LOCATED IN THE SAME**

1 **COUNTY** that ~~does~~**DO** not penetrate below the deepest freshwater  
2 stratum and ~~is~~**ARE NOT DEEPER THAN** 250 feet ~~or less in depth is~~  
3 **ARE** subject to a blanket test well permit. This subsection does  
4 not apply to a test well regulated under part 111 or part 115, or  
5 a water well regulated under part 127 of the public health code,  
6 1978 PA 368, MCL 333.12701 to 333.12771.

7 (4) ~~(3)~~A permit is not required to drill a test well in  
8 those areas of the state where rocks of Precambrian age directly  
9 underlie unconsolidated surface deposits or in those areas that  
10 have been designated pursuant to section 62508(c). However,  
11 within 2 years after completion of the drilling of ~~the~~**A TEST**  
12 well **WITHOUT A PERMIT**, the owner shall advise the supervisor of  
13 mineral wells of the location of the **TEST** well and file with the  
14 supervisor of mineral wells the log required under section  
15 62508(d). The provisions of this part pertaining to the  
16 prevention and correction of surface and underground waste have  
17 the same application to these test wells as to other wells  
18 defined in this part.

19 ~~— (4) Upon request, the supervisor of mineral wells may issue~~  
20 ~~to qualified persons a blanket permit to drill within a county~~  
21 ~~test wells which will not penetrate below the deepest freshwater~~  
22 ~~stratum and are 250 feet or less in depth.~~

23 (5) All information and records pertaining to the  
24 application for and issuance of permits for **TEST** wells subject to  
25 this part shall be held confidential in the same manner as  
26 provided for logs and reports on these wells.

27 (6) A permit application submitted under this section shall



1 be accompanied by the following permit application fee:

2	(a)	<del>Disposal</del> <b>FOR A DISPOSAL</b> well for disposal of waste	
3		products other than processed brine.....	\$ 2,500.00.
4	(b)	<del>Disposal</del> <b>FOR A DISPOSAL</b> well for disposal of	
5		processed brine.....	\$ 500.00.
6	(c)	<del>Storage</del> <b>FOR A STORAGE</b> well.....	\$ 500.00.
7	(d)	<del>Natural</del> <b>FOR A NATURAL</b> brine production	
8		well.....	\$ 500.00.
9	(e)	<del>Artificial</del> <b>FOR AN ARTIFICIAL</b> brine production	
10		well.....	\$ 500.00.
11	(F)	<b>FOR A SEQUESTRATION WELL.....</b>	<b>\$ 500.00.</b>
12	(G) (f)	<del>Individual</del> <b>FOR AN INDIVIDUAL</b> test well under	
13		subsection <del>(2)</del> <b>(3)</b> .....	\$ 500.00.
14	(H) (g)	<del>Blanket</del> <b>FOR A BLANKET</b> permit for test wells	
15		drilled pursuant to subsection <del>(4)</del> <b>(3)</b> :	
16	(i)	1 to 24 wells.....	\$ 75.00.
17	(ii)	25 to 49 wells.....	\$ 150.00.
18	(iii)	50 to 75 wells.....	\$ 300.00.
19	(iv)	75 to 200 wells.....	\$ 600.00.

20 (7) The supervisor of mineral wells shall deposit all permit  
21 application fees collected under this section into the fund.

22 Sec. 62509a. (1) The owner or operator of a **MINERAL** well  
23 ~~regulated under this part~~ is subject to the ~~following~~ annual  
24 ~~mineral well regulatory~~**OPERATING** fee **SPECIFIED IN SUBSECTION**  
25 **(2)**. The fee ~~shall apply~~**APPLIES** to any mineral well that is  
26 usable for its permitted purpose, or has not been properly  
27 plugged in accordance with the requirements of this part and  
28 rules promulgated under this part, at the time the fee is due. +

(2) THE ANNUAL MINERAL WELL OPERATING FEE IS AS FOLLOWS:

- (a) For a disposal well for disposal of waste products other than processed brine..... \$2,500.00
- (b) For a disposal well for disposal ~~or~~ OF processed brine..... \$ 500.00
- (c) For a storage well..... \$ 500.00
- (d) For a natural brine production well..... \$ 500.00
- (e) For an artificial brine production well.. \$ 500.00
- (F) FOR A SEQUESTRATION WELL..... \$ 500.00
- (G) ~~(f)~~ For ~~an individual~~ A test well SUBJECT TO AN INDIVIDUAL PERMIT..... \$ 500.00
- (H) ~~(g)~~ For TEST WELLS SUBJECT TO a blanket permit: ~~for test wells.~~
- (i) FOR 1 to 24 wells..... \$ 75.00
- (ii) FOR 25 to 49 wells..... \$ 150.00
- (iii) FOR 50 to 75 wells..... \$ 300.00
- (iv) FOR 75 to 200 wells..... \$ 600.00

(3) ~~(2)~~ Mineral well regulatory fees shall be submitted to the department in the manner required by the department along with any documentation required by the department.

(4) ~~(3)~~ The department shall forward all mineral well regulatory fees collected under this section to the state ~~treasury~~ TREASURER for deposit in the fund.

Sec. 62516. A person shall not do any of the following:

(a) Willfully violate any provision of this part or any rule or order of the supervisor of mineral wells.

(b) Drill or convert ~~any well subject to this part~~ A MINERAL

1 WELL without first obtaining a permit or operate a ~~storage or~~  
2 ~~waste-disposal well~~, **SEQUESTRATION WELL, OR STORAGE WELL** without  
3 approval as provided in this part.

4 (c) Do any of the following for the purpose of evading or  
5 violating this part or any rule promulgated or order issued under  
6 this part:

7 (i) Make **A** false entry or statement in any required report or  
8 record.

9 (ii) Omit or cause to be omitted from any required report or  
10 record full, true, and correct entries as required by this part.

11 (iii) Remove from this state or destroy, mutilate, alter, or  
12 falsify any report or record required by this part.

13 **PART 627 CARBON DIOXIDE SEQUESTRATION**

14 **SEC. 62701. AS USED IN THIS PART:**

15 (A) "ADMINISTRATIVELY COMPLETE" REFERS TO A PETITION FOR A  
16 SEQUESTRATION ORDER THAT IS DETERMINED BY THE DEPARTMENT TO  
17 CONTAIN ALL OF THE DOCUMENTS AND INFORMATION REQUIRED UNDER THIS  
18 PART AND ANY RULES PROMULGATED UNDER THIS PART.

19 (B) "BUFFER ZONE" MEANS AN AREA THAT EXTENDS HORIZONTALLY 1  
20 MILE IN EVERY DIRECTION BEYOND THE PERIMETER OF THE LARGEST  
21 CALCULATED HORIZONTAL EXTENT OF THE EXPECTED OR, IF DETERMINED,  
22 ACTUAL CARBON DIOXIDE PLUME DURING THE PERIOD OF ACTIVE INJECTION  
23 SUBJECT TO A SEQUESTRATION ORDER, UNLESS THE DEPARTMENT  
24 ESTABLISHES IN THE SEQUESTRATION ORDER THAT A SMALLER AREA WOULD  
25 BE APPROPRIATE, BASED ON THE AMOUNT OF CARBON DIOXIDE TO BE  
26 INJECTED.

27 (C) "CARBON DIOXIDE" MEANS CO<sub>2</sub> AND ASSOCIATED CHEMICAL

1 CONSTITUENTS FROM COMBUSTION OR CAPTURE PROCESSES, INCLUDING ANY  
2 SUBSTANCES ADDED TO ENABLE OR IMPROVE SEQUESTRATION.

3 (D) "CARBON DIOXIDE PLUME" MEANS THE UNDERGROUND EXTENT, IN  
4 3 DIMENSIONS, OF AN INJECTED CARBON DIOXIDE STREAM.

5 (E) "CONFINING ZONE" MEANS A GEOLOGICAL FORMATION, GROUP OF  
6 FORMATIONS, OR PART OF A FORMATION STRATIGRAPHICALLY OVERLYING  
7 THE SEQUESTRATION ZONE THAT ACTS AS A BARRIER TO CARBON DIOXIDE  
8 MOVEMENT.

9 (F) "DEPARTMENT" MEANS THE DIRECTOR OF THE DEPARTMENT OF  
10 ENVIRONMENTAL QUALITY OR HIS OR HER DESIGNEE TO WHOM THE DIRECTOR  
11 DELEGATES A POWER OR DUTY BY WRITTEN INSTRUMENT.

12 (G) "GAS" MEANS A MIXTURE OF HYDROCARBONS AND  
13 NONHYDROCARBONS IN A GASEOUS STATE WHICH MAY OR MAY NOT BE  
14 ASSOCIATED WITH OIL, AND INCLUDES LIQUIDS RESULTING FROM  
15 CONDENSATION OF THOSE HYDROCARBONS AND NONHYDROCARBONS AFTER THE  
16 MIXTURE LEAVES THE UNDERGROUND RESERVOIR.

17 (H) "GEOLOGIC SEQUESTRATION" MEANS SUBSURFACE INJECTION AND  
18 STORAGE OF CARBON DIOXIDE FOR THE PURPOSE OF ISOLATING IT FROM  
19 THE SURFACE ENVIRONMENT AND THE ATMOSPHERE.

20 (I) "GROSS NEGLIGENCE" MEANS CONDUCT SO RECKLESS AS TO  
21 DEMONSTRATE A SUBSTANTIAL LACK OF CONCERN FOR WHETHER AN INJURY  
22 RESULTS.

23 SEC. 62703. AS USED IN THIS PART:

24 (A) "MINERAL" MEANS A SUBSTANCE THAT CAN BE EXTRACTED FROM  
25 THE EARTH FOR COMMERCIAL, INDUSTRIAL, OR CONSTRUCTION PURPOSES,  
26 EXCEPT FOR OIL OR GAS, AND INCLUDES ROCK, METAL ORES, AND MINERAL  
27 WATER.

1 (B) "MONITORING WELL" MEANS A WELL USED FOR MONITORING OF A  
2 SEQUESTRATION ZONE IN A SEQUESTRATION PROJECT.

3 (C) "OIL" MEANS NATURAL CRUDE OIL OR PETROLEUM AND OTHER  
4 HYDROCARBONS THAT ARE PRODUCED AT A WELL IN LIQUID FORM.

5 (D) "ORGANIZATION REPORT" MEANS A LISTING OF ALL CORPORATE  
6 OFFICERS, DIRECTORS, PARTNERS, AGENTS, OR EMPLOYEES WHO HAVE THE  
7 AUTHORITY TO MAKE, OR ARE RESPONSIBLE FOR MAKING, DECISIONS  
8 REGARDING A SEQUESTRATION OPERATION.

9 (E) "PORE SPACE" MEANS THE VOID SPACE WITHIN A GEOLOGICAL  
10 STRATUM, WHETHER NATURAL OR ARTIFICIALLY CREATED, NORMALLY FILLED  
11 WITH WATER, BRINE, OIL, OR GAS OR ANY MIXTURE OF THOSE  
12 SUBSTANCES.

13 (F) "POSTCLOSURE MONITORING PERIOD" MEANS A PERIOD FOLLOWING  
14 PERMANENT CESSATION OF SUBSURFACE INJECTION OF CARBON DIOXIDE FOR  
15 A SEQUESTRATION OPERATION DURING WHICH THE SEQUESTRATION PROJECT  
16 OWNER IS REQUIRED TO CONDUCT MONITORING OF THE SEQUESTRATION  
17 PROJECT.

18 SEC. 62705. AS USED IN THIS PART:

19 (A) "SEQUESTERED SUBSTANCE" MEANS CARBON DIOXIDE THAT HAS  
20 BEEN INJECTED INTO THE SEQUESTRATION ZONE.

21 (B) "SEQUESTRATION OPERATION" MEANS THE DRILLING,  
22 CONSTRUCTION, COMPLETION, TESTING, AND PLUGGING OF SEQUESTRATION  
23 WELLS AND MONITORING WELLS; CONSTRUCTION AND INSTALLATION OF  
24 ACCESS ROADS, PIPING, AND ASSOCIATED FACILITIES AT THE SITE OF  
25 THE SEQUESTRATION PROJECT; TRANSPORTING, COMPRESSING, AND  
26 TREATING CARBON DIOXIDE; INJECTING CARBON DIOXIDE INTO THE  
27 SEQUESTRATION ZONE; MONITORING DURING INJECTION AND DURING THE

1 POSTCLOSURE MONITORING PERIOD; AND SITE RESTORATION.

2 (C) "SEQUESTRATION ORDER" MEANS AN ORDER, ISSUED BY THE  
3 DEPARTMENT THAT ESTABLISHES A SEQUESTRATION PROJECT, APPROVES A  
4 SEQUESTRATION OPERATION, AND DESIGNATES THE INITIAL SEQUESTRATION  
5 PROJECT OWNER.

6 (D) "SEQUESTRATION PROJECT" MEANS THE SEQUESTRATION ZONE,  
7 SEQUESTRATION WELLS, MONITORING WELLS, UNDERGROUND EQUIPMENT, AND  
8 SURFACE BUILDINGS AND EQUIPMENT UTILIZED OR PROPOSED TO BE  
9 UTILIZED IN GEOLOGIC SEQUESTRATION. SEQUESTRATION PROJECT  
10 INCLUDES PIPELINES USED TO TRANSPORT CARBON DIOXIDE FROM 1 OR  
11 MORE CARBON DIOXIDE COLLECTION POINTS INSIDE OR OUTSIDE THE  
12 SEQUESTRATION PROJECT TO A SEQUESTRATION WELL OR TO A SECONDARY  
13 OIL OR GAS RECOVERY PROJECT APPROVED BY THE DEPARTMENT UNDER PART  
14 615 OR PART 617, OR BOTH, OR TO TRANSPORT CARBON DIOXIDE FROM  
15 SURFACE BUILDINGS AND EQUIPMENT TO A WELL. THE UNDERGROUND  
16 COMPONENT OF THE SEQUESTRATION PROJECT INCLUDES THE BUFFER ZONE  
17 AND ANY SUBSURFACE MONITORING FACILITIES AS DETERMINED TO BE  
18 NECESSARY BY THE DEPARTMENT IN A SEQUESTRATION ORDER. A CARBON  
19 DIOXIDE PIPELINE TRANSPORTATION COMPONENT MAY BE SEPARATELY  
20 APPROVED AS A SEQUESTRATION PROJECT TO TRANSPORT CARBON DIOXIDE  
21 FROM 1 OR MORE CARBON DIOXIDE COLLECTION POINTS TO A SECONDARY  
22 OIL OR GAS RECOVERY PROJECT. HOWEVER, THE SECONDARY OIL OR GAS  
23 RECOVERY OPERATION APPROVED UNDER PART 615 OR 617, OR BOTH, IS  
24 NOT A SEQUESTRATION PROJECT UNTIL CONVERSION OR EXPANSION HAS  
25 BEEN APPROVED PURSUANT TO RULES PROMULGATED UNDER SECTION 62737.

26 (E) "SEQUESTRATION PROJECT OWNER" OR "PROJECT OWNER" MEANS  
27 THE PERSON TO WHOM A SEQUESTRATION ORDER IS ISSUED OR

1 TRANSFERRED, AND WHO HAS THE RIGHT TO ESTABLISH AND OPERATE A  
2 SEQUESTRATION PROJECT.

3 (F) "SEQUESTRATION WELL" MEANS A WELL USED FOR GEOLOGIC  
4 SEQUESTRATION.

5 (G) "SEQUESTRATION ZONE" MEANS ANY SUBSURFACE STRATUM,  
6 FORMATION, AQUIFER, OR CAVITY, WHETHER NATURAL OR ARTIFICIALLY  
7 CREATED, SUITABLE FOR OR CAPABLE OF BEING MADE SUITABLE FOR  
8 GEOLOGIC SEQUESTRATION INTO WHICH CARBON DIOXIDE IS TO BE  
9 INJECTED OR HAS BEEN INJECTED PURSUANT TO A SEQUESTRATION ORDER  
10 OR PURSUANT TO A SECONDARY RECOVERY PROJECT THAT HAS BEEN  
11 CONVERTED OR EXPANDED INTO A SEQUESTRATION PROJECT PURSUANT TO  
12 RULES PROMULGATED UNDER SECTION 62737.

13 SEC. 62707. (1) A PERSON SHALL NOT BEGIN A SEQUESTRATION  
14 OPERATION UNLESS THE PERSON HAS RECEIVED A SEQUESTRATION ORDER  
15 FROM THE DEPARTMENT AND ACQUIRED ALL OTHER NECESSARY STATE AND  
16 FEDERAL PERMITS.

17 (2) A PERSON SHALL NOT BEGIN THE DRILLING OF A SEQUESTRATION  
18 WELL OR A MONITORING WELL OR CONVERT AN EXISTING WELL TO A  
19 SEQUESTRATION WELL OR A MONITORING WELL, UNLESS THE PERSON HAS  
20 RECEIVED A PERMIT OR PERMITS FROM THE SUPERVISOR OF MINERAL WELLS  
21 UNDER PART 625.

22 (3) TO OBTAIN A SEQUESTRATION ORDER, A PERSON SHALL FILE A  
23 PETITION WITH THE DEPARTMENT REQUESTING A SEQUESTRATION ORDER.  
24 THE PETITION SHALL BE VERIFIED IN THE SAME MANNER AS A PLEADING  
25 IN A CIVIL ACTION. THE PETITION SHALL CONTAIN ALL OF THE  
26 FOLLOWING:

27 (A) AN ORGANIZATION REPORT.

1 (B) THE ANTICIPATED SOURCE OR SOURCES OF THE CARBON DIOXIDE.

2 (C) A DESCRIPTION OF THE PROPOSED SEQUESTRATION ZONE.

3 (D) A DESCRIPTION OF THE CONFINING ZONE.

4 (E) A LIST OF THE TAX IDENTIFICATION NUMBERS OF THE TRACTS  
5 OF LAND COMPRISING THE HORIZONTAL EXTENT OF THE PREDICTED CARBON  
6 DIOXIDE PLUME AND THE BUFFER ZONE OVER TIME.

7 (F) A DESCRIPTION OF THE ATTENUATION MECHANISMS THAT WILL  
8 LIMIT AND STABILIZE THE CARBON DIOXIDE PLUME.

9 (G) THE LOCATIONS AND DESCRIPTIONS OF ALL KNOWN OR  
10 REASONABLY DISCOVERABLE WELLS, UNDERGROUND MINES, OR OTHER  
11 ARTIFICIAL OPENINGS THAT PENETRATE, OR MAY PENETRATE, INTO THE  
12 PROPOSED SEQUESTRATION ZONE OR INTO THE CONFINING ZONE WITHIN THE  
13 LARGEST PREDICTED EXTENT OF THE CARBON DIOXIDE PLUME AND THE  
14 BUFFER ZONE.

15 (H) DATA ON THE AMOUNTS OF OIL, GAS, AND MINERALS EXTRACTED  
16 HISTORICALLY AND CURRENTLY FROM THE SEQUESTRATION ZONE WITHIN THE  
17 PREDICTED CARBON DIOXIDE PLUME AND THE BUFFER ZONE.

18 (I) A CONTINGENCY PLAN THAT INCLUDES AN ASSESSMENT OF THE  
19 RISK TO NATURAL RESOURCES, THE ENVIRONMENT, AND PUBLIC HEALTH AND  
20 SAFETY ASSOCIATED WITH POTENTIAL SIGNIFICANT INCIDENTS OR  
21 FAILURES AND A DESCRIPTION OF THE SEQUESTRATION PROJECT OWNER'S  
22 NOTIFICATION AND RESPONSE PLANS.

23 (J) AN OPERATIONS PLAN THAT INCLUDES ALL OF THE FOLLOWING:

24 (i) MAXIMUM ANTICIPATED RATES AND DURATION OF INJECTION OF  
25 CARBON DIOXIDE.

26 (ii) THE PROJECTED DATE OF CLOSURE OF THE PROPOSED  
27 SEQUESTRATION PROJECT.



(iii) LOCATIONS AND DEPTHS OF SEQUESTRATION WELLS AND MONITORING WELLS.

(iv) INJECTION PRESSURES, INCLUDING RECOMMENDED MAXIMUM PRESSURE.

(v) A DESCRIPTION OF OTHER SUBSTANCES THAT ARE EXPECTED TO BE INJECTED WITH THE CO<sub>2</sub> AND THAT ARE NECESSARY FOR THE EFFICIENCY OF THE SEQUESTRATION OPERATION, AND A SHOWING THAT THE CO<sub>2</sub> AND ASSOCIATED CHEMICAL CONSTITUENTS TO BE INJECTED WILL NOT COMPROMISE THE SAFETY AND EFFICIENCY OF THE PROPOSED SEQUESTRATION ZONE.

(K) THE EXPECTED DIMENSIONS AND LOCATION OF THE CARBON DIOXIDE PLUME OVER TIME, AND THE METHODS USED IN MODELING AND PREDICTION OF THE LOCATION OF THE CARBON DIOXIDE PLUME.

(l) THE EXPECTED DIMENSIONS AND LOCATION OF THE BUFFER ZONE, AND THE METHODS USED TO ESTABLISH THE EXPECTED BUFFER ZONE.

(M) A MONITORING PLAN CAPABLE OF DETERMINING BOTH OF THE FOLLOWING:

(i) WHETHER THE SEQUESTRATION OPERATIONS ARE CONSISTENT WITH THE OPERATIONS PLAN UNDER SUBDIVISION (J) AND THE EXPECTED DIMENSIONS AND LOCATIONS OF THE CARBON DIOXIDE PLUME AND BUFFER ZONE UNDER SUBDIVISIONS (K) AND (l).

(ii) WHETHER THERE IS ANY SIGNIFICANT RISK OF THE SEQUESTRATION PROJECT OR SEQUESTRATION OPERATIONS ENDANGERING NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND SAFETY.

(N) A POSTCLOSURE MONITORING PLAN.

(O) SUCH OTHER TECHNICAL, GEOLOGICAL, AND ENGINEERING INFORMATION THAT THE APPLICANT CONSIDERS APPROPRIATE.

1 (4) IN ADDITION TO THE ITEMS REQUIRED IN SUBSECTION (3), A  
2 PETITION FOR A SEQUESTRATION ORDER SHALL INCLUDE ALL OF THE  
3 FOLLOWING:

4 (A) IDENTIFICATION OF TRACTS OF LAND WHERE THE PETITIONER  
5 OWNS OR CONTROLS THE RIGHTS TO PORE SPACE OR TO OIL, GAS, OR  
6 MINERALS IN THE SEQUESTRATION ZONE.

7 (B) IDENTIFICATION OF TRACTS WHERE THE PORE SPACE OF THE  
8 SEQUESTRATION ZONE WITHIN THE PROPOSED SEQUESTRATION PROJECT OR  
9 ANY APPROVED SEQUESTRATION PROJECT IS CURRENTLY BEING USED OR IS  
10 AUTHORIZED TO BE USED UNDER A PERMIT ISSUED UNDER THIS ACT.

11 (C) IDENTIFICATION OF TRACTS WHERE OPERATIONS FOR THE  
12 EXTRACTION OF OIL, GAS, OR MINERALS FROM THE PORE SPACE OR  
13 INJECTION PROJECTS IN THE SEQUESTRATION ZONE WITHIN THE PROPOSED  
14 SEQUESTRATION PROJECT CURRENTLY EXIST OR ARE AUTHORIZED UNDER A  
15 PERMIT ISSUED UNDER THIS ACT.

16 (D) FOR TRACTS IDENTIFIED IN SUBDIVISION (B) OR (C) WHERE  
17 THE RIGHTS TO PORE SPACE OR TO OIL, GAS, OR MINERALS WITHIN THE  
18 PORE SPACE, RESPECTIVELY, ARE NOT OWNED OR CONTROLLED BY THE  
19 PETITIONER, THE NAMES AND, IF KNOWN, ADDRESSES OF ALL PERSONS  
20 OWNING OR HAVING AN OWNERSHIP INTEREST IN THE PORE SPACE OR THE  
21 OIL, GAS, OR MINERALS WITHIN THE PORE SPACE, RESPECTIVELY, AS  
22 DISCLOSED BY THE RECORDS IN THE OFFICE OF THE REGISTER OF DEEDS  
23 FOR THE COUNTY OR COUNTIES IN WHICH THE PROPOSED SEQUESTRATION  
24 PROJECT IS LOCATED. A PETITIONER SHALL SUBMIT A STATEMENT  
25 DESCRIBING ATTEMPTS TO OBTAIN BY NEGOTIATION THE RIGHTS TO THE  
26 PORE SPACE OR TO OIL, GAS, OR MINERALS WITHIN THE PORE SPACE,  
27 RESPECTIVELY, IN SUCH TRACTS.

1           (5) THE DEPARTMENT MAY REFUSE TO ACCEPT A PETITION FROM A  
2 PERSON WHO THE DEPARTMENT HAS DETERMINED HAS NOT COMPLIED WITH OR  
3 IS IN VIOLATION OF THIS PART OR ANY RULE PROMULGATED OR ORDER  
4 ISSUED UNDER THIS PART, UNLESS THE PERSON HAS CORRECTED THE  
5 VIOLATION OR THE PERSON HAS AGREED IN WRITING TO CORRECT THE  
6 VIOLATION PURSUANT TO A COMPLIANCE SCHEDULE APPROVED BY THE  
7 DEPARTMENT.

8           (6) NOT MORE THAN 15 DAYS AFTER THE DEPARTMENT RECEIVES A  
9 PETITION FOR A SEQUESTRATION ORDER, THE DEPARTMENT SHALL  
10 DETERMINE WHETHER THE PETITION IS ADMINISTRATIVELY COMPLETE. IF  
11 THE DEPARTMENT DETERMINES THAT THE PETITION IS NOT  
12 ADMINISTRATIVELY COMPLETE, THE DEPARTMENT SHALL NOTIFY THE  
13 PETITIONER, SPECIFYING THE INFORMATION NECESSARY TO MAKE THE  
14 PETITION ADMINISTRATIVELY COMPLETE.

15           (7) A DETERMINATION THAT A PETITION IS ADMINISTRATIVELY  
16 COMPLETE UNDER SUBSECTION (6) DOES NOT PROHIBIT THE DEPARTMENT  
17 FROM REQUIRING ADDITIONAL INFORMATION FROM THE PETITIONER.

18           SEC. 62709. (1) NOT MORE THAN 90 DAYS AFTER THE DEPARTMENT  
19 DETERMINES A PETITION FOR A SEQUESTRATION ORDER IS  
20 ADMINISTRATIVELY COMPLETE, THE DEPARTMENT SHALL HOLD A PUBLIC  
21 MEETING IN THE COUNTY, OR 1 OF THE COUNTIES, IN WHICH THE  
22 SEQUESTRATION PROJECT IS PROPOSED TO BE LOCATED TO RECEIVE  
23 COMMENTS AND RECOMMENDATIONS ON THE PROPOSED SEQUESTRATION  
24 OPERATION.

25           (2) THE DEPARTMENT SHALL GIVE NOTICE OF THE PUBLIC MEETING  
26 NOT LESS THAN 15 OR MORE THAN 30 DAYS BEFORE THE DATE OF THE  
27 PUBLIC MEETING. THE NOTICE SHALL BE GIVEN IN WRITING TO EACH

1 COUNTY, CITY, TOWNSHIP, AND VILLAGE IN WHICH ANY PART OF THE  
2 SEQUESTRATION PROJECT IS PROPOSED TO BE LOCATED. THE NOTICE SHALL  
3 ALSO BE GIVEN BY PUBLICATION IN A NEWSPAPER OF GENERAL  
4 CIRCULATION IN THE COUNTY OR COUNTIES IN WHICH THE SEQUESTRATION  
5 PROJECT IS PROPOSED TO BE LOCATED.

6 (3) NOT MORE THAN 5 DAYS AFTER THE DATE OF PUBLICATION OF  
7 THE NOTICE UNDER SUBSECTION (2), THE DEPARTMENT SHALL ALSO ISSUE  
8 A GENERAL PRESS RELEASE PROVIDING INFORMATION ABOUT THE PURPOSE,  
9 LOCATION, AND TIME OF THE PUBLIC MEETING.

10 (4) TO THE EXTENT FEASIBLE, THE DEPARTMENT SHALL COORDINATE  
11 AND CONSOLIDATE THE PUBLIC MEETING REQUIRED UNDER SUBSECTION (1)  
12 WITH ANY PUBLIC MEETING OR HEARING TO BE CONDUCTED UNDER FEDERAL  
13 LAW.

14 SEC. 62711. (1) NOT LESS THAN 120 DAYS OR MORE THAN 150 DAYS  
15 AFTER THE DEPARTMENT DETERMINES THAT A PETITION FOR A  
16 SEQUESTRATION ORDER IS ADMINISTRATIVELY COMPLETE, THE DEPARTMENT  
17 SHALL HOLD AN EVIDENTIARY HEARING ON THE PETITION. THE DEPARTMENT  
18 SHALL PREPARE AND FURNISH THE NOTICE OF THE HEARING TO THE  
19 PETITIONER, TOGETHER WITH INSTRUCTIONS FOR PUBLICATION OF THE  
20 NOTICE. THE HEARING SHALL BE HELD IN INGHAM COUNTY.

21 (2) THE PETITIONER SHALL PUBLISH NOTICE OF THE EVIDENTIARY  
22 HEARING IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY OR  
23 COUNTIES IN WHICH THE SEQUESTRATION PROJECT IS TO BE LOCATED AND,  
24 IF TRACTS ARE IDENTIFIED UNDER SECTION 62707(4)(C) AS TO OIL AND  
25 GAS OPERATIONS, IN AN OIL AND GAS INDUSTRY PUBLICATION THAT  
26 FOCUSES ON THIS STATE. PUBLICATION SHALL OCCUR NOT LESS THAN 45  
27 DAYS BEFORE THE DATE OF THE HEARING. THE PETITIONER SHALL ALSO

1 MAIL COPIES OF THE NOTICE BY FIRST-CLASS MAIL TO ALL OF THE  
2 FOLLOWING:

3 (A) THE CLERK OF EACH COUNTY, CITY, TOWNSHIP, AND VILLAGE IN  
4 WHICH ANY PART OF THE PROPOSED GEOLOGIC SEQUESTRATION PROJECT IS  
5 TO BE LOCATED.

6 (B) EACH OWNER OF A TRACT IDENTIFIED IN SECTION 62707(4)(B)  
7 AND (C), AS DISCLOSED BY THE RECORDS IN THE OFFICE OF THE  
8 REGISTER OF DEEDS FOR THE COUNTY OR COUNTIES IN WHICH THE  
9 PROPOSED SEQUESTRATION PROJECT IS LOCATED.

10 (3) THE NOTICE REQUIRED UNDER SUBSECTION (2) SHALL STATE ALL  
11 OF THE FOLLOWING:

12 (A) THAT ONLY THE FOLLOWING MAY PARTICIPATE IN THE  
13 EVIDENTIARY HEARING:

14 (i) A PERSON WHO OWNS OR HAS AN OWNERSHIP INTEREST IN THE  
15 RIGHTS TO USE OF THE PORE SPACE OR TO OIL, GAS, OR MINERALS  
16 WITHIN THE PORE SPACE IN THE PROPOSED SEQUESTRATION ZONE OR THE  
17 PROPOSED BUFFER ZONE.

18 (ii) EACH COUNTY, CITY, TOWNSHIP, AND VILLAGE IN WHICH ANY  
19 PART OF THE SEQUESTRATION PROJECT IS PROPOSED TO BE LOCATED.

20 (B) THAT IN ORDER TO PARTICIPATE IN THE HEARING, A PERSON  
21 MUST FILE, NOT MORE THAN 30 DAYS AFTER PUBLICATION OF THE NOTICE,  
22 AN ANSWER AS DESCRIBED IN SUBSECTION (5).

23 (4) AN EVIDENTIARY HEARING PURSUANT TO A PETITION FOR A  
24 SEQUESTRATION ORDER IS SUBJECT TO THE ADMINISTRATIVE PROCEDURES  
25 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

26 (5) A PERSON OTHER THAN THE PETITIONER SHALL NOT BE  
27 PERMITTED TO PARTICIPATE AS A PARTY IN AN EVIDENTIARY HEARING

1 CONDUCTED PURSUANT TO A PETITION UNLESS THE PERSON IS DESCRIBED  
2 IN SUBSECTION (3) (A) AND THE PERSON FILES AN ANSWER TO THE  
3 PETITION WITH THE DEPARTMENT AND SERVES THE ANSWER UPON THE  
4 PETITIONER NOT MORE THAN 30 DAYS AFTER PUBLICATION OF NOTICE OF  
5 THE HEARING. THE ANSWER BY A PERSON DESCRIBED IN SUBSECTION  
6 (3) (A) (i) SHALL SET FORTH THE FACTS AND LEGAL ARGUMENTS TO  
7 DEMONSTRATE THAT THE PROPOSED SEQUESTRATION OPERATION WOULD  
8 INTERFERE WITH 1 OR MORE REASONABLY FORESEEABLE ALTERNATE USES  
9 FOR THE PORE SPACE OR WITH THE ECONOMICAL EXTRACTION OF OIL, GAS,  
10 OR MINERALS WITHIN THE PORE SPACE IN THE PORTION OF THE PROPOSED  
11 SEQUESTRATION ZONE THAT THE PERSON OWNS OR IN WHICH THE PERSON  
12 HAS AN OWNERSHIP INTEREST. THE ANSWER BY A PERSON DESCRIBED IN  
13 SUBSECTION (3) (A) (ii) SHALL BE LIMITED TO PUBLIC HEALTH AND SAFETY  
14 ISSUES RELATING TO ABOVEGROUND SEQUESTRATION OPERATIONS AND  
15 SEQUESTRATION PROJECT FACILITIES AND TO THE CONTINGENCY PLAN  
16 UNDER SECTION 62707(3). IF NO ANSWER MEETING THE REQUIREMENTS OF  
17 THIS SUBSECTION IS TIMELY FILED, THE DEPARTMENT MAY ADJOURN OR  
18 CANCEL THE HEARING AND RECEIVE EVIDENCE BY AFFIDAVIT OR OTHER  
19 APPROPRIATE MEANS.

20 (6) TO THE EXTENT FEASIBLE, THE DEPARTMENT SHALL COORDINATE  
21 AND CONSOLIDATE THE EVIDENTIARY HEARING REQUIRED IN THIS SECTION  
22 WITH ANY PUBLIC MEETING OR HEARING CONCERNING THE PROPOSED  
23 SEQUESTRATION PROJECT TO BE CONDUCTED UNDER FEDERAL LAW.

24 SEC. 62713. (1) THE DEPARTMENT SHALL ISSUE A SEQUESTRATION  
25 ORDER TO A PETITIONER IF THE DEPARTMENT DETERMINES, BASED ON THE  
26 PETITION UNDER SECTION 62707 AND THE EVIDENTIARY RECORD UNDER  
27 SECTION 62711, ALL OF THE FOLLOWING:

1 (A) THE PETITION MEETS THE REQUIREMENTS OF SECTION 62707(3).

2 (B) THE PROPOSED SEQUESTRATION PROJECT AND SEQUESTRATION  
3 OPERATION WILL NOT ENDANGER NATURAL RESOURCES, THE ENVIRONMENT,  
4 OR PUBLIC HEALTH AND SAFETY.

5 (C) GEOLOGIC SEQUESTRATION CONSTITUTES THE CURRENT AND  
6 REASONABLY FORESEEABLE HIGHEST AND BEST USE OF THE PROPOSED  
7 SEQUESTRATION ZONE.

8 (D) THE PROPOSED SEQUESTRATION PROJECT AND SEQUESTRATION  
9 OPERATION WILL NOT UNREASONABLY AFFECT THE VALUE OF PRIVATE  
10 PROPERTY NOT OWNED OR CONTROLLED BY THE SEQUESTRATION PROJECT  
11 OWNER, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

12 (i) RIGHTS TO EXPLORE FOR, DRILL FOR, PRODUCE, DEVELOP, OR  
13 CONDUCT SECONDARY RECOVERY OPERATIONS FOR THE RECOVERY OF OIL OR  
14 GAS OR TO DRILL FOR, PRODUCE, OR DEVELOP VALUABLE BRINES OR OTHER  
15 MINERALS, IF THE OIL, GAS, BRINES, OR OTHER MINERALS ARE LOCATED  
16 IN A SUBSURFACE STRATUM, FORMATION, AQUIFER, OR CAVITY NOT WITHIN  
17 THE SEQUESTRATION ZONE. DRILLING RIGHTS UNDER THIS SUBPARAGRAPH  
18 INCLUDE THE RIGHT TO DRILL THROUGH THE SEQUESTRATION ZONE.

19 (ii) RIGHTS TO DRILL WELLS FOR THE DISPOSAL OF AND DISPOSE OF  
20 SALT WATER, FRESH WATER, OR WASTE PRODUCTS IN ANY SUBSURFACE  
21 STRATUM, FORMATION, AQUIFER, OR CAVITY NOT WITHIN THE  
22 SEQUESTRATION ZONE. DRILLING RIGHTS UNDER THIS SUBPARAGRAPH  
23 INCLUDE THE RIGHT TO DRILL THROUGH THE SEQUESTRATION ZONE.

24 (E) FOR EACH TRACT WITHIN THE SEQUESTRATION PROJECT, 1 OF  
25 THE FOLLOWING APPLIES:

26 (i) THERE ARE NO EXISTING OR REASONABLY FORESEEABLE ALTERNATE  
27 USES FOR THE PORE SPACE OR ANY OIL, GAS, AND MINERALS IN THE

1 PROPOSED SEQUESTRATION ZONE.

2 (ii) THERE ARE EXISTING OR REASONABLY FORESEEABLE ALTERNATIVE  
3 USES FOR THE PORE SPACE OR ANY OIL, GAS, AND MINERALS IN THE  
4 PROPOSED SEQUESTRATION ZONE, AND THE PETITIONER HAS ACQUIRED ALL  
5 THE NECESSARY RIGHTS TO THE USE OF THE PORE SPACE OR TO THE OIL,  
6 GAS, AND MINERALS IN THE PROPOSED SEQUESTRATION ZONE FROM THE  
7 OWNERS OF THE RIGHTS.

8 (iii) AFTER MAKING A GOOD-FAITH EFFORT TO ACQUIRE THE RIGHTS  
9 DESCRIBED IN SUBPARAGRAPH (ii), THE PETITIONER HAS NOT YET  
10 ACQUIRED ALL THOSE RIGHTS BUT INTENDS TO ACQUIRE THE REMAINING  
11 RIGHTS BY TITLE CONVEYANCE OR OTHER CONTRACTUAL ARRANGEMENT, BY  
12 EMINENT DOMAIN AS PROVIDED UNDER SECTION 62723, OR AS OTHERWISE  
13 ALLOWED BY STATUTE. IF, WHEN THE SEQUESTRATION ORDER IS ISSUED,  
14 THE PETITIONER HAS NOT YET ACQUIRED ALL THOSE RIGHTS, THE  
15 SEQUESTRATION ORDER IS NOT EFFECTIVE UNTIL THE DEPARTMENT MAKES A  
16 FINDING IN A SUPPLEMENTAL ORDER AS PROVIDED IN SUBSECTION (4)  
17 THAT THE PETITIONER HAS ACQUIRED ALL THOSE RIGHTS.

18 (2) A SEQUESTRATION ORDER SHALL CONTAIN FINDINGS SUPPORTING  
19 THE DEPARTMENT'S DETERMINATIONS UNDER SUBSECTION (1)(B) TO (E).

20 (3) THE DEPARTMENT SHALL DENY A PETITION FOR A SEQUESTRATION  
21 ORDER IF IT DETERMINES THAT THE REQUIREMENTS OF SUBSECTION (1)  
22 HAVE NOT BEEN MET. IF THE DEPARTMENT DENIES A PETITION FOR A  
23 SEQUESTRATION ORDER, THE DEPARTMENT SHALL PROVIDE THE PETITIONER  
24 IN WRITING THE SPECIFIC REASONS FOR THE DENIAL.

25 (4) IF SUBSECTION (1)(E)(iii) APPLIES TO ANY TRACT WITHIN THE  
26 SEQUESTRATION PROJECT WHEN THE SEQUESTRATION ORDER IS ISSUED, THE  
27 DEPARTMENT ON THE DEPARTMENT'S OWN MOTION OR THE MOTION OF ANY



1 INTERESTED PERSON AFTER NOTICE TO THE PARTIES SHALL HOLD A  
2 SUPPLEMENTAL EVIDENTIARY HEARING TO DETERMINE IF THE PETITIONER  
3 HAS ACQUIRED ALL OF THE RIGHTS DESCRIBED IN SUBSECTION (1) (E) (ii) .  
4 IF THE DEPARTMENT DETERMINES THAT THE PETITIONER HAS ACQUIRED ALL  
5 THOSE RIGHTS, THEN, SUBJECT TO SUBSECTION (5), THE DEPARTMENT  
6 SHALL ISSUE A SUPPLEMENTAL ORDER DECLARING THE SEQUESTRATION  
7 ORDER TO BE EFFECTIVE. UNLESS NOT MORE THAN 1 YEAR AFTER ISSUANCE  
8 OF THE SEQUESTRATION ORDER A MOTION FOR SUPPLEMENTAL HEARING IS  
9 PRESENTED OR CONDEMNATION PROCEEDINGS HAVE BEEN COMMENCED BY THE  
10 PETITIONER TO ACQUIRE THE REMAINING RIGHTS DESCRIBED IN  
11 SUBSECTION (1) (E) (ii) AND ARE PENDING, THE SEQUESTRATION ORDER IS  
12 INEFFECTIVE AND SHALL BE REVOKED BY THE DEPARTMENT. THE  
13 DEPARTMENT MAY EXTEND THE 1-YEAR PERIOD FOR GOOD CAUSE.

14 (5) A SEQUESTRATION ORDER IS NOT EFFECTIVE UNTIL THE  
15 PETITIONER PAYS TO THE DEPARTMENT A FILING FEE IN AN AMOUNT THAT  
16 COVERS ALL REASONABLE COSTS INCURRED BY THE DEPARTMENT FOR ALL OF  
17 THE FOLLOWING:

18 (A) REVIEW OF THE PETITION UNDER SECTION 62707(6) .

19 (B) CONDUCT OF THE PUBLIC MEETING UNDER SECTION 62709 .

20 (C) CONDUCT OF THE EVIDENTIARY HEARING UNDER SECTION 62711 .

21 (6) AN OWNER OF PORE SPACE WITHIN A SEQUESTRATION PROJECT  
22 FOR WHICH A SEQUESTRATION ORDER HAS BEEN ISSUED MAY FILE A  
23 PETITION PROPOSING THE USE OF THE PORE SPACE AS PART OF ANOTHER  
24 SEQUESTRATION PROJECT AND THE DEPARTMENT MAY GRANT THE PETITION,  
25 SUBJECT TO THE PROVISIONS OF ANY SEQUESTRATION ORDER THE  
26 DEPARTMENT MAY ISSUE IN RESPONSE TO THE PETITION.

27 (7) A SEQUESTRATION ORDER REMAINS IN EFFECT UNTIL TERMINATED

1 UNDER THE TERMS OF THE ORDER, OR UNTIL THE DEPARTMENT ISSUES A  
2 CERTIFICATE OF COMPLETION OF THE SEQUESTRATION OPERATION UNDER  
3 SECTION 62729.

4 (8) A SEQUESTRATION ORDER DOES NOT CONVEY PROPERTY RIGHTS IN  
5 EITHER REAL ESTATE OR MATERIAL OR AUTHORIZE ANY INJURY TO ANY  
6 PUBLIC OR PERSONAL PROPERTY.

7 (9) A SEQUESTRATION ORDER DOES NOT PROHIBIT AN OWNER OF OIL,  
8 GAS, OR MINERALS OR PORE SPACE LOCATED ABOVE OR BENEATH THE  
9 SEQUESTRATION ZONE FROM DRILLING A WELL INTO STRATA ABOVE OR  
10 BELOW THE SEQUESTRATION ZONE IF THAT PERSON COMPLIES WITH ALL OF  
11 THE APPLICABLE RULES OF THE DEPARTMENT.

12 Enacting section 1. This amendatory act does not take effect  
13 unless Senate Bill No.\_\_\_\_ or House Bill No. 4943 (request no.  
14 02745'13) of the 97th Legislature is enacted into law.