

Act No. 316
Public Acts of 2016
Approved by the Governor
November 2, 2016
Filed with the Secretary of State
November 3, 2016
EFFECTIVE DATE: November 3, 2016

**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2016**

Introduced by Senators Casperson, Schmidt and Booher

ENROLLED SENATE BILL No. 903

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 61703 and 61706 (MCL 324.61703 and 324.61706), as added by 1995 PA 57.

The People of the State of Michigan enact:

Sec. 61703. Any interested lessee may file a verified petition with the supervisor requesting an order for the unit operation of a pool, pools, or parts of 1 or more pools. The petition shall contain all of the following:

- (a) A description of the proposed unit area containing the pool, pools, or parts of 1 or more pools to be operated.
- (b) The names of all persons owning or having an interest in oil and gas in the proposed unit area and the names of all surface owners in the proposed unit area, as disclosed by the records in the office of the register of deeds for the county in which the unit area is situated, and their addresses, if known. If the address of any person is unknown, the petition shall state that information.
- (c) A statement of the type of the operations contemplated in order to comply with this part.
- (d) A recommended plan of unitization applicable to the proposed unit area which the petitioner considers fair, reasonable, and equitable.
- (e) A verified statement indicating in detail what action the petitioner has taken to contact and obtain the approval of all persons of record owning or having an interest in oil and gas in the proposed unit area who have not approved the proposed plan of unitization. If the question of whether the plan for unit operations has been approved as provided for in section 61706 is to be considered at a supplemental hearing pursuant to section 61707, this verified statement need not be part of the petition and may be filed separately prior to the supplemental hearing.

Sec. 61706. An order of the supervisor providing for unit operations shall not be declared or become effective until the supervisor makes a finding, either in the order providing for unit operations or in a supplemental order as provided in section 61707, that the plan for unit operations has been approved in writing in 1 of the following ways:

- (a) By those persons who under the supervisor's order will be required to pay at least 51% of the costs of unit operation, and also by those persons who under the supervisor's order will be entitled to at least 51% of the production from the unit area or the proceeds of that production that will be credited to interests that are free of cost, including, but not limited to, royalties, overriding royalties, and production payments.

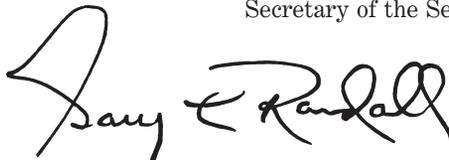
(b) By those persons who under the supervisor's order will be entitled to at least 75% of all production from the unit area or the proceeds of that production, provided that among those persons there must be persons who under the supervisor's order will be entitled to at least 50% of the production from the unit area or the proceeds of that production that will be credited to interests that are free of cost, including, but not limited to, royalties, overriding royalties, and production payments.

(c) By those persons who under the supervisor's order will be entitled to at least 65% of all production from the unit area or the proceeds of that production.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor