

# HOUSE BILL No. 4008

January 11, 2017, Introduced by Rep. Lucido and referred to the Committee on Energy Policy.

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
(MCL 324.101 to 324.90106) by adding section 61506d; and to provide  
an appropriation for purposes incidental thereto.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 61506D. (1) NOT LATER THAN JULY 31, 2017, THE DEPARTMENT  
2        OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL ENTER INTO A CONTRACT  
3        FOR THE PERFORMANCE OF A STUDY ON BEST PRACTICES ASSOCIATED WITH  
4        OIL AND GAS EXPLORATION, DRILLING, AND PRODUCTION OPERATIONS IN  
5        RESIDENTIAL AREAS. THE STUDY MUST BE CONDUCTED BY A UNIVERSITY OR  
6        OTHER PERSON WITH A HIGH DEGREE OF KNOWLEDGE AND EXPERTISE IN OIL  
7        AND GAS EXPLORATION, DRILLING, AND PRODUCTION OPERATIONS IN  
8        RESIDENTIAL AREAS. THE STUDY MUST INCLUDE ALL OF THE FOLLOWING:

9        (A) AN IDENTIFICATION OF NUISANCE ISSUES CAUSED BY THE  
10       EXPLORATION, DRILLING, AND PRODUCTION OF OIL AND GAS IN RESIDENTIAL

1 AREAS AND RECOMMENDED BEST PRACTICES TO MINIMIZE THE ADVERSE  
2 EFFECTS OF THE OIL AND GAS OPERATIONS ON RESIDENTS LIVING IN THE  
3 VICINITY OF THE OIL AND GAS OPERATIONS.

4 (B) AN IDENTIFICATION OF CURRENT INSURANCE REQUIREMENTS, AN  
5 EVALUATION OF THE ADEQUACY OF THOSE REQUIREMENTS, AND  
6 RECOMMENDATIONS ON THE TYPES AND AMOUNTS OF INSURANCE THAT SHOULD  
7 BE REQUIRED OF COMPANIES ENGAGED IN EXPLORATION, DRILLING, AND  
8 PRODUCTION OF OIL AND GAS IN RESIDENTIAL AREAS.

9 (C) AN IDENTIFICATION OF CURRENT SETBACK REQUIREMENTS FOR THE  
10 EXPLORATION, DRILLING, AND PRODUCTION OF OIL AND GAS IN RESIDENTIAL  
11 AREAS, AN EVALUATION OF THE ADEQUACY OF THOSE REQUIREMENTS, AND  
12 RECOMMENDATIONS ON BEST PRACTICES FOR SETBACKS FOR OIL AND GAS  
13 OPERATIONS IN RESIDENTIAL AREAS THAT WILL BE PROTECTIVE OF  
14 RESIDENTS LIVING IN THOSE AREAS.

15 (D) AN EVALUATION OF POTENTIAL ENVIRONMENTAL HEALTH RISKS AND  
16 SAFETY HAZARDS POSED BY OIL AND GAS EXPLORATION, DRILLING, AND  
17 PRODUCTION IN RESIDENTIAL AREAS AND RECOMMENDED BEST PRACTICES THAT  
18 ARE PROTECTIVE OF AIR, WATER, AND OTHER NATURAL RESOURCES AND  
19 PUBLIC HEALTH IN THE VICINITY OF OIL AND GAS OPERATIONS.

20 (2) THE CONTRACT ENTERED INTO UNDER SUBSECTION (1) MUST  
21 REQUIRE THAT THE STUDY BE COMPLETED AND A MANUAL OF RECOMMENDED  
22 BEST PRACTICES FOR THE EXPLORATION, DRILLING, AND PRODUCTION OF OIL  
23 AND GAS IN RESIDENTIAL AREAS BE PREPARED NOT LATER THAN DECEMBER  
24 31, 2017. THE CONTRACT MUST ALSO SPECIFY THAT THE PERSON PREPARING  
25 THE MANUAL SHALL PROVIDE A COPY OF THE MANUAL TO THE DEPARTMENT OF  
26 TECHNOLOGY, MANAGEMENT, AND BUDGET, THE DEPARTMENT OF ENVIRONMENTAL  
27 QUALITY, AND TO EACH MEMBER OF THE LEGISLATURE.

1           Enacting section 1. For the state fiscal year ending September  
2 30, 2017, \$50,000.00 is appropriated from the general fund to the  
3 department of technology, management, and budget to contract for  
4 the performance of a study and an accompanying manual on best  
5 practices associated with the exploration, drilling, and production  
6 of oil and gas in residential areas as provided in section 61506d  
7 of the natural resources and environmental protection act, 1994 PA  
8 451, MCL 324.61506d. The appropriation made and the expenditures  
9 authorized to be made by the department of technology, management,  
10 and budget under this enacting section are subject to the  
11 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.