SENATE BILL NO. 141

March 12, 2025, Introduced by Senators IRWIN, CHANG, MCMORROW, SHINK, GEISS and BAYER and referred to Committee on Natural Resources and Agriculture.

A bill to amend 1994 PA 451, entitled

"Natural resources and environmental protection act,"

(MCL 324.101 to 324.90106) by adding section 61506e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 61506e. (1) As used in this section:

(a) "VOC" means volatile organic compounds.

(b) "Well" means an oil or gas well but does not include an oil or gas well that consists only of a wellhead.

(2) The operator of a well shall reduce fugitive methane and

VOC emissions by at least 95% by using 1 or more of the following methods:

(a) Routing captured gas to a sales line.

(b) Using captured gas as an on-site fuel source.

(c) Using captured gas for another purpose.

(d) Reinjecting captured gas into a well.

(e) Flaring or another method approved by the department. This subdivision does not apply to a well that produces more than 40 tons per year of fugitive methane and VOC emissions unless 1 or both of the following apply:

(*i*) The operator demonstrates to the department that the methods in subdivisions (a) to (d) are technically infeasible for the well. The demonstration shall include an evaluation of each of those methods and an explanation of why it is technically infeasible. The demonstration shall be certified by a qualified professional engineer or other qualified individual.

(*ii*) A temporary situation beyond the operator's control makes the methods in subdivisions (a) to (d) unsafe or technically infeasible.

(3) Subsection (2) applies beginning on the date rules are promulgated under subsection (4). However, if a permit was issued for a well under section 61525 before the date rules are promulgated under subsection (4), subsection (2) applies to that well according to the schedule described in subsection (4)(b).

(4) Within 180 days after the effective date of this section, the supervisor shall promulgate rules to implement this section. At a minimum, the rules shall provide for all of the following:

(a) The specific types of fugitive methane and VOC capture and control systems that may be used to comply with this section.

(b) A schedule for the operator of a well to comply with this section and the rules if a permit was issued for the well before the date the rules are promulgated.

(c) Procedures and schedules for inspections by the supervisor to verify compliance with this section and the rules.

(d) Procedures for operators to report compliance with this section and the rules.

(e) Procedures and schedules for maintenance and performance testing of a fugitive methane and VOC control or capture system required under subsection (2).

(f) Requirements for the prompt repair of a malfunctioning fugitive methane and VOC control or capture system required under subsection (2).

(5) Subject to subsections (6) and (7), if an operator violates subsection (2), both of the following apply:

(a) The operator shall be ordered to pay a civil fine of $100,000.00.

(b) If the operator fails to first comply with subsection (2) by 180 days after the date when subsection (2) first applies to the well, as provided by subsection (3), the supervisor shall revoke the operator's permit for the well.

(6) Subject to subsection (7), if an operator uses flaring in violation of subsection (2), both of the following apply:

(a) The operator shall be ordered to pay a civil fine of $100,000.00.

(b) The supervisor shall revoke the operator's permit for the well.

(7) Subsections (5) and (6) do not apply if the fugitive methane and VOC control or capture system malfunctioned and the

operator promptly repaired the system.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.