

SENATE BILL No. 903

April 20, 2016, Introduced by Senators CASPERSON, SCHMIDT and BOOHER and referred to the Committee on Natural Resources.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," 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:

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

5 (a) A description of the **PROPOSED UNIT AREA CONTAINING THE**
6 pool, pools, or parts of 1 or more pools to be ~~se~~operated. ~~7~~
7 ~~termed the unit area.~~

8 (b) The names of all persons owning or having an interest in
9 oil and gas in the proposed unit area and the names of all surface

1 owners in the proposed unit area, as disclosed by the records in
2 the office of the register of deeds for the county in which the
3 unit area is situated, and their addresses, if known. If the
4 address of any person is unknown, the petition shall ~~so~~
5 ~~indicate~~. **STATE THAT INFORMATION.**

6 (c) A statement of the type of the operations contemplated in
7 order to ~~effectuate the purposes of~~ **COMPLY WITH** this part.

8 (d) A recommended plan of unitization applicable to the
9 proposed unit area which the petitioner considers fair, reasonable,
10 and equitable.

11 (e) A verified statement indicating in detail what action the
12 petitioner has taken to contact and obtain the approval of all
13 persons of record owning or having an interest in oil and gas in
14 the proposed unit area who have not approved the proposed plan of
15 unitization. If the question of whether the plan for unit
16 operations has been approved as ~~set forth~~ **PROVIDED FOR** in section
17 61706 is to be considered at a supplemental hearing pursuant to
18 section 61707, this verified statement need not be part of the
19 petition and may be filed separately prior to the supplemental
20 hearing.

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

27 (a) By those persons who under the supervisor's order will be

1 required to pay at least ~~75%~~**51%** of the costs of unit operation,
2 and also by those persons who under the supervisor's order will be
3 entitled to at least ~~75%~~**51%** of the production from the unit area
4 or the proceeds of that production that will be credited to
5 interests that are free of cost, including, but not limited to,
6 royalties, overriding royalties, and production payments.

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

15 (c) By those persons who under the supervisor's order will be
16 entitled to at least ~~90%~~**65%** of all production from the unit area
17 or the proceeds of that production.