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## **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:

- 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 so operated.  $\tau$  termed the unit area.
- (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

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- 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

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- 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.