

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5294**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 62501 and 62509 (MCL 324.62501 and
324.62509), as added by 1995 PA 57, and by adding sections 62509a
and 62509b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 62501. As used in this part:

2 (a) "Artificial brine" means mineralized water formed by
3 dissolving rock salt or other readily soluble rocks or minerals.

4 (b) "Brine well" means a well drilled or converted for the
5 purpose of producing natural or artificial brine.

6 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF ENVIRONMENTAL
7 QUALITY.

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1 (D) ~~(c)~~ "Disposal well" means a well drilled or converted
2 for subsurface disposal of waste products or processed brine and
3 its related surface facilities.

4 (E) ~~(d)~~ "Exploratory purposes" means test well drilling
5 for the specific purpose of discovering or outlining an orebody
6 or mineable mineral resource.

7 (F) "FUND" MEANS THE MINERAL WELL REGULATORY FUND CREATED IN
8 SECTION 62509B.

9 (G) ~~(e)~~ "Mineral well" means any well subject to this
10 part.

11 (H) ~~(f)~~ "Natural brine" means naturally occurring mineral-
12 ized water other than potable or fresh water.

13 (I) ~~(g)~~ "Operator" means the person, whether owner or not,
14 supervising or responsible for the drilling, operating, repair-
15 ing, abandoning, or plugging of wells subject to this part.

16 (J) ~~(h)~~ "Owner" means the person who has the right to
17 drill, convert, or operate any well subject to this part.

18 ~~(i) "Person" means any individual, corporation, company,
19 association, joint venture, partnership, receiver, trustee,
20 guardian, executor, administrator, personal representative, or
21 private organization of any kind.~~

22 (K) ~~(j)~~ "Pollution" means damage or injury from the loss,
23 escape, or unapproved disposal of any substance at any well
24 subject to this part.

25 (l) ~~(k)~~ "Storage well" means a well drilled into a subsur-
26 face formation to develop an underground storage cavity for

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1 subsequent use in storage operations. STORAGE WELL DOES NOT
2 INCLUDE A STORAGE WELL DRILLED PURSUANT TO PART 615.

3 (M) ~~(i)~~ "Supervisor of mineral wells" means the state
4 geologist.

5 (N) ~~(m)~~ "Surface waste" means damage to, injury to, or
6 destruction of surface waters, soils, animal, fish, and aquatic
7 life, or surface property from unnecessary seepage or loss inci-
8 dental to or resulting from drilling, equipping, or operating a
9 well or wells subject to this part.

10 (O) ~~(n)~~ "Test well" means a well, core hole, core test,
11 observation well, or other well drilled from the surface to
12 determine the presence of a mineral, mineral resource, ore, or
13 rock unit, or to obtain geological or geophysical information or
14 other subsurface data RELATED TO MINERAL EXPLORATION AND
15 EXTRACTION. Test well does not include holes drilled in the
16 operation of a quarry, open pit, or underground mine, OR ANY
17 WELLS NOT RELATED TO MINERAL EXPLORATION OR EXTRACTION.

18 (P) ~~(o)~~ "Underground storage cavity" means a cavity formed
19 by dissolving rock salt or other readily soluble rock or mineral,
20 by nuclear explosion, or by any other method for the purpose of
21 storage or disposal.

22 (Q) ~~(p)~~ "Underground waste" means damage or injury to
23 potable water, mineralized water, or other subsurface resources.

24 (R) ~~(q)~~ "Waste product" means waste or ~~byproduct~~
25 BY-PRODUCT resulting from municipal or industrial operations or
26 waste from any trade, manufacture, business, or private pursuit

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1 that could cause pollution and for which underground disposal may
2 be feasible or practical.

3 Sec. 62509. (1) A person shall not drill or begin the
4 drilling of any brine, storage, or waste disposal well, or con-
5 vert any well for these uses, until the owner directly or through
6 his or her authorized representative files a written application
7 for a permit to drill or convert a well, PAYS THE APPLICATION FEE
8 PROVIDED IN SUBSECTION (6), files a survey of the well site,
9 files an approved surety or security bond, and receives a permit
10 pursuant to the rules of the supervisor of mineral wells. ~~A fee~~
11 ~~of \$50.00 shall be charged for a brine, storage, or waste dis-~~
12 ~~posal well permit.~~ Within 10 days after receiving the prescribed
13 application and fee, and following investigation, inspection, and
14 approval, the supervisor of mineral wells shall issue the well
15 permit. A permit shall not be issued to any owner or his or her
16 authorized representative who does not comply with the rules of
17 the supervisor of mineral wells or who is in violation of this
18 part or any rule of the supervisor of mineral wells. Upon com-
19 pletion of the drilling or converting of a well for storage or
20 waste disposal and after necessary testing by the owner to deter-
21 mine that the well can be used for these purposes and in a manner
22 that will not cause surface or underground waste, the supervisor
23 of mineral wells, upon receipt of appropriate evidence, shall
24 approve and regulate the use of the well for storage or waste
25 disposal. These operations shall be pursuant to part 31. The
26 supervisor of mineral wells may schedule a public hearing to
27 consider the need or advisability of permitting the drilling or

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1 operating of a storage or waste disposal well, or converting a
2 well for these uses, if the public safety or other interests are
3 involved.

4 (2) A person shall not drill a test well 50 FEET OR GREATER
5 IN DEPTH INTO THE BEDROCK OR BELOW THE DEEPEST FRESHWATER STRATA,
6 except as provided in section 62508(c), until the owner directly
7 or through his or her authorized representative files a written
8 application for a permit to drill, PAYS THE PERMIT APPLICATION
9 FEE PROVIDED IN SUBSECTION (6), files an approved surety or
10 security bond, and receives a permit pursuant to the rules of the
11 supervisor of mineral wells. ~~A fee of \$1.00 shall be charged~~
12 ~~for a permit to drill a test well.~~ Within 10 days after receiv-
13 ing the prescribed application and fee, and following necessary
14 investigation, inspection, and approval, the supervisor of min-
15 eral wells shall issue the permit. A permit shall not be issued
16 to any owner or his or her authorized representative who does not
17 comply with the rules of the supervisor of mineral wells or who
18 is in violation of this part or any rule of the supervisor of
19 mineral wells. A TEST WELL THAT PENETRATES BELOW THE DEEPEST
20 FRESHWATER STRATUM OR IS GREATER THAN 250 FEET IN DEPTH IS
21 SUBJECT TO AN INDIVIDUAL TEST WELL PERMIT. A TEST WELL THAT DOES
22 NOT PENETRATE BELOW THE DEEPEST FRESHWATER STRATUM AND IS 250
23 FEET OR LESS IN DEPTH IS SUBJECT TO A BLANKET TEST WELL PERMIT.
24 THIS SUBSECTION DOES NOT APPLY TO A TEST WELL REGULATED UNDER
25 PART 111 OR PART 115, OR A WATER WELL REGULATED UNDER PART 127 OF
26 THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.12701 TO 333.12771.

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1 (3) A permit is not required to drill a test well in those
2 areas of the state where rocks of Precambrian age directly
3 underlie unconsolidated surface deposits or in those areas that
4 have been designated pursuant to section 62508(c). However,
5 within 2 years after completion of the drilling of the well, the
6 owner shall advise the supervisor of mineral wells of the loca-
7 tion of the well and file with the supervisor of mineral wells
8 the log required under section 62508(d). The provisions of this
9 part pertaining to the prevention and correction of surface and
10 underground waste have the same application to these test wells
11 as to other wells defined in this part.

12 (4) Upon request, the supervisor of mineral wells may issue
13 TO QUALIFIED PERSONS a blanket permit to drill WITHIN A COUNTY
14 test wells ~~within a limited or local area where a geological~~
15 ~~test program is intended, and issue a blanket permit to drill~~
16 ~~test wells to qualified persons~~ WHICH WILL NOT PENETRATE BELOW
17 THE DEEPEST FRESHWATER STRATUM AND ARE 250 FEET OR LESS IN DEPTH.

18 (5) All information and records pertaining to the applica-
19 tion for and issuance of permits for wells subject to this part
20 shall be held confidential in the same manner as provided for
21 logs and reports on these wells.

22 (6) A PERMIT APPLICATION SUBMITTED UNDER THIS SECTION SHALL
23 BE ACCOMPANIED BY THE FOLLOWING PERMIT APPLICATION FEE:

24 (A) DISPOSAL WELL FOR DISPOSAL OF WASTE PRO-
25 DUCTS OTHER THAN PROCESSED BRINE..... \$2,500.00.

26 (B) DISPOSAL WELL FOR DISPOSAL OF PROCESSED
27 BRINE..... \$500.00.

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1	(C) STORAGE WELL.....	\$500.00.
2	(D) NATURAL BRINE PRODUCTION WELL.....	\$500.00.
3	(E) ARTIFICIAL BRINE PRODUCTION WELL.....	\$500.00.
4	(F) INDIVIDUAL TEST WELL UNDER SUBSECTION (2)	\$500.00.
5	(G) BLANKET PERMIT FOR TEST WELLS DRILLED PURSUANT TO SUB-	
6	SECTION (4):	
7	(i) 1 TO 24 WELLS.....	\$75.00.
8	(ii) 25 TO 49 WELLS.....	\$150.00.
9	(iii) 50 TO 75 WELLS.....	\$300.00.
10	(iv) 75 TO 200 WELLS.....	\$600.00.
11	(7) (6) The supervisor of mineral wells shall deposit all	
12	fees in the state treasury to be credited to the general fund	
13	PERMIT APPLICATION FEES COLLECTED UNDER THIS SECTION INTO THE	
14	FUND.	
15	SEC. 62509A. (1) THE OWNER OR OPERATOR OF A WELL REGULATED	
16	UNDER THIS PART IS SUBJECT TO THE FOLLOWING ANNUAL MINERAL WELL	
17	REGULATORY FEE. THE FEE SHALL APPLY TO ANY MINERAL WELL THAT IS	
18	USABLE FOR ITS PERMITTED PURPOSE, OR HAS NOT BEEN PROPERLY	
19	PLUGGED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART AND	
20	RULES PROMULGATED UNDER THIS PART, AT THE TIME THE FEE IS DUE:	
21	(A) FOR A DISPOSAL WELL FOR DISPOSAL OF WASTE	
22	PRODUCTS OTHER THAN PROCESSED BRINE.....	\$2,500.00.
23	(B) FOR A DISPOSAL WELL FOR DISPOSAL OR PRO-	
24	CESSED BRINE.....	\$500.00.
25	(C) FOR A STORAGE WELL.....	\$500.00.
26	(D) FOR A NATURAL BRINE PRODUCTION WELL.....	\$500.00.

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- 1 (E) FOR AN ARTIFICIAL BRINE PRODUCTION WELL \$500.00.
2 (F) FOR AN INDIVIDUAL TEST WELL..... \$500.00.
3 (G) FOR A BLANKET PERMIT FOR TEST WELLS:
4 (i) 1 TO 24 WELLS..... \$75.00.
5 (ii) 25 TO 49 WELLS..... \$150.00.
6 (iii) 50 TO 75 WELLS..... \$300.00.
7 (iv) 75 TO 200 WELLS..... \$600.00.
8 (2) MINERAL WELL REGULATORY FEES SHALL BE SUBMITTED TO THE
9 DEPARTMENT IN THE MANNER REQUIRED BY THE DEPARTMENT ALONG WITH
10 ANY DOCUMENTATION REQUIRED BY THE DEPARTMENT.
11 (3) THE DEPARTMENT SHALL FORWARD ALL MINERAL WELL REGULATORY
12 FEES COLLECTED UNDER THIS SECTION TO THE STATE TREASURY FOR
13 DEPOSIT IN THE FUND.
14 SEC. 62509B. (1) THE MINERAL WELL REGULATORY FUND IS CRE-
15 ATED WITHIN THE STATE TREASURY.
16 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
17 FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER
18 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER
19 SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND
20 INVESTMENTS.
21 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
22 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.
23 (4) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
24 APPROPRIATION, ONLY TO IMPLEMENT AND ENFORCE THIS PART.