

Act No. 467  
Public Acts of 1998  
Approved by the Governor  
December 31, 1998  
Filed with the Secretary of State  
January 4, 1999  
EFFECTIVE DATE: January 4, 1999

STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1998

**Introduced by Reps. Basham, Bobier, Alley, Anthony, Prusi, DeHart, Mans, Brown, Brater, Hale, Kilpatrick and Kelly**

# **ENROLLED HOUSE BILL No. 5294**

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," 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:*

Sec. 62501. As used in this part:

- (a) "Artificial brine" means mineralized water formed by dissolving rock salt or other readily soluble rocks or minerals.
- (b) "Brine well" means a well drilled or converted for the purpose of producing natural or artificial brine.
- (c) "Department" means the department of environmental quality.
- (d) "Disposal well" means a well drilled or converted for subsurface disposal of waste products or processed brine and its related surface facilities.
- (e) "Exploratory purposes" means test well drilling for the specific purpose of discovering or outlining an orebody or mineable mineral resource.
- (f) "Fund" means the mineral well regulatory fund created in section 62509b.
- (g) "Mineral well" means any well subject to this part.
- (h) "Natural brine" means naturally occurring mineralized water other than potable or fresh water.
- (i) "Operator" means the person, whether owner or not, supervising or responsible for the drilling, operating, repairing, abandoning, or plugging of wells subject to this part.
- (j) "Owner" means the person who has the right to drill, convert, or operate any well subject to this part.
- (k) "Pollution" means damage or injury from the loss, escape, or unapproved disposal of any substance at any well subject to this part.
- (l) "Storage well" means a well drilled into a subsurface formation to develop an underground storage cavity for subsequent use in storage operations. Storage well does not include a storage well drilled pursuant to part 615.
- (m) "Supervisor of mineral wells" means the state geologist.
- (n) "Surface waste" means damage to, injury to, or destruction of surface waters, soils, animal, fish, and aquatic life, or surface property from unnecessary seepage or loss incidental to or resulting from drilling, equipping, or operating a well or wells subject to this part.

(o) "Test well" means a well, core hole, core test, observation well, or other well drilled from the surface to determine the presence of a mineral, mineral resource, ore, or rock unit, or to obtain geological or geophysical information or other subsurface data related to mineral exploration and extraction. Test well does not include holes drilled in the operation of a quarry, open pit, or underground mine, or any wells not related to mineral exploration or extraction.

(p) "Underground storage cavity" means a cavity formed by dissolving rock salt or other readily soluble rock or mineral, by nuclear explosion, or by any other method for the purpose of storage or disposal.

(q) "Underground waste" means damage or injury to potable water, mineralized water, or other subsurface resources.

(r) "Waste product" means waste or by-product resulting from municipal or industrial operations or waste from any trade, manufacture, business, or private pursuit that could cause pollution and for which underground disposal may be feasible or practical.

Sec. 62509. (1) A person shall not drill or begin the drilling of any brine, storage, or waste disposal well, or convert any well for these uses, until the owner directly or through his or her authorized representative files a written application for a permit to drill or convert a well, pays the application fee provided in subsection (6), files a survey of the well site, files an approved surety or security bond, and receives a permit pursuant to the rules of the supervisor of mineral wells. Within 10 days after receiving the prescribed application and fee, and following investigation, inspection, and approval, the supervisor of mineral wells shall issue the well permit. A permit shall not be issued to any owner or his or her authorized representative who does not comply with the rules of the supervisor of mineral wells or who is in violation of this part or any rule of the supervisor of mineral wells. Upon completion of the drilling or converting of a well for storage or waste disposal and after necessary testing by the owner to determine that the well can be used for these purposes and in a manner that will not cause surface or underground waste, the supervisor of mineral wells, upon receipt of appropriate evidence, shall approve and regulate the use of the well for storage or waste disposal. These operations shall be pursuant to part 31. The supervisor of mineral wells may schedule a public hearing to consider the need or advisability of permitting the drilling or operating of a storage or waste disposal well, or converting a well for these uses, if the public safety or other interests are involved.

(2) A person shall not drill a test well 50 feet or greater in depth into the bedrock or below the deepest freshwater strata, except as provided in section 62508(c), until the owner directly or through his or her authorized representative files a written application for a permit to drill, pays the permit application fee provided in subsection (6), files an approved surety or security bond, and receives a permit pursuant to the rules of the supervisor of mineral wells. Within 10 days after receiving the prescribed application and fee, and following necessary investigation, inspection, and approval, the supervisor of mineral wells shall issue the permit. A permit shall not be issued to any owner or his or her authorized representative who does not comply with the rules of the supervisor of mineral wells or who is in violation of this part or any rule of the supervisor of mineral wells. A test well that penetrates below the deepest freshwater stratum or is greater than 250 feet in depth is subject to an individual test well permit. A test well that does not penetrate below the deepest freshwater stratum and is 250 feet or less in depth is subject to a blanket test well permit. This subsection does not apply to a test well regulated under part 111 or part 115, or a water well regulated under part 127 of the public health code, 1978 PA 368, MCL 333.12701 to 333.12771.

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

(4) Upon request, the supervisor of mineral wells may issue to qualified persons a blanket permit to drill within a county test wells which will not penetrate below the deepest freshwater stratum and are 250 feet or less in depth.

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

(6) A permit application submitted under this section shall be accompanied by the following permit application fee:

(a) Disposal well for disposal of waste products other than processed brine .....	\$	2,500.00.
(b) Disposal well for disposal of processed brine.....	\$	500.00.
(c) Storage well.....	\$	500.00.
(d) Natural brine production well.....	\$	500.00.
(e) Artificial brine production well.....	\$	500.00.
(f) Individual test well under subsection (2).....	\$	500.00.
(g) Blanket permit for test wells drilled pursuant to subsection (4):		
(i) 1 to 24 wells.....	\$	75.00.
(ii) 25 to 49 wells .....	\$	150.00.

- (iii) 50 to 75 wells..... \$ 300.00.
- (iv) 75 to 200 wells..... \$ 600.00.
- (7) The supervisor of mineral wells shall deposit all permit application fees collected under this section into the fund.

Sec. 62509a. (1) The owner or operator of a well regulated under this part is subject to the following annual mineral well regulatory fee. The fee shall apply to any mineral well that is usable for its permitted purpose, or has not been properly plugged in accordance with the requirements of this part and rules promulgated under this part, at the time the fee is due:

- (a) For a disposal well for disposal of waste products other than processed brine..... \$ 2,500.00.
- (b) For a disposal well for disposal or processed brine..... \$ 500.00.
- (c) For a storage well..... \$ 500.00.
- (d) For a natural brine production well..... \$ 500.00.
- (e) For an artificial brine production well..... \$ 500.00.
- (f) For an individual test well..... \$ 500.00.
- (g) For a blanket permit for test wells:
  - (i) 1 to 24 wells..... \$ 75.00.
  - (ii) 25 to 49 wells..... \$ 150.00.
  - (iii) 50 to 75 wells..... \$ 300.00.
  - (iv) 75 to 200 wells..... \$ 600.00.

(2) Mineral well regulatory fees shall be submitted to the department in the manner required by the department along with any documentation required by the department.

(3) The department shall forward all mineral well regulatory fees collected under this section to the state treasury for deposit in the fund.

Sec. 62509b. (1) The mineral well regulatory fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

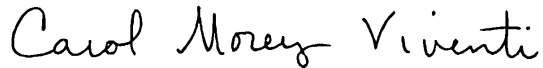
(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall expend money from the fund, upon appropriation, only to implement and enforce this part.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives.



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Secretary of the Senate.

Approved \_\_\_\_\_

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Governor.