

HOUSE BILL No. 4399

March 9, 2011, Introduced by Rep. Geiss and referred to the Committee on Energy and Technology.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 62501, 62502, 62508, 62509, 62509a, and 62516 (MCL 324.62501, 324.62502, 324.62508, 324.62509, 324.62509a, and 324.62516), section 62501 as amended and section 62509a as added by 1998 PA 467, sections 62502, 62508, and 62516 as added by 1995 PA 57, and section 62509 as amended by 2004 PA 325, and by adding part 627 to subchapter 3 of chapter 3 of article III.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE III: NATURAL RESOURCES MANAGEMENT

CHAPTER 3: MANAGEMENT OF NONRENEWABLE RESOURCES

SUBCHAPTER 3: MINERAL WELLS

Sec. 62501. As used in this part:

(a) "Artificial brine" means mineralized water formed by

1 dissolving rock salt or other readily soluble rocks or minerals.

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

4 (C) **"CARBON DIOXIDE" MEANS THAT TERM AS DEFINED IN SECTION**
5 **62701.**

6 (D) ~~(e)~~—"Department" means the department of environmental
7 quality.

8 (E) ~~(d)~~—"Disposal well" means a well drilled or converted
9 for subsurface disposal of waste products or processed brine and
10 its related surface facilities.

11 (F) ~~(e)~~—"Exploratory purposes" means test well drilling for
12 the specific purpose of discovering or outlining an orebody or
13 mineable mineral resource.

14 (G) ~~(f)~~—"Fund" means the mineral well regulatory fund
15 created in section 62509b.

16 (H) **"GEOLOGIC SEQUESTRATION" MEANS THAT TERM AS DEFINED IN**
17 **SECTION 62701.**

18 (I) ~~(g)~~—"Mineral well" means any well ~~subject to this part.~~

19 **OF THE FOLLOWING:**

20 (i) **A BRINE WELL.**

21 (ii) **A DISPOSAL WELL.**

22 (iii) **A SEQUESTRATION WELL.**

23 (iv) **A STORAGE WELL.**

24 (v) **A TEST WELL.**

25 (J) ~~(h)~~—"Natural brine" means naturally occurring
26 mineralized water other than potable or fresh water.

27 (K) ~~(i)~~—"Operator" means the person, whether owner or not,

1 supervising or responsible for the drilling, operating,
 2 repairing, abandoning, or plugging of ~~wells subject to this part~~
 3 **A MINERAL WELL.**

4 (I) ~~(j)~~ "Owner" means the person who has the right to drill,
 5 convert, or operate any **MINERAL** well. ~~subject to this part.~~

6 (M) ~~(k)~~ "Pollution" means damage or injury from the loss,
 7 escape, or unapproved disposal of any substance at any **MINERAL**
 8 well. ~~subject to this part.~~

9 (N) **"SEQUESTRATION WELL" MEANS THAT TERM AS DEFINED IN**
 10 **SECTION 62705.**

11 (O) ~~(l)~~ "Storage well" means a well drilled into a subsurface
 12 formation to develop an underground storage cavity for subsequent
 13 use in storage operations. Storage well does not include a
 14 storage well drilled pursuant to part 615.

15 (P) ~~(m)~~ "Supervisor of mineral wells" means the state
 16 geologist.

17 (Q) ~~(n)~~ "Surface waste" means damage to, injury to, or
 18 destruction of surface waters, soils, animal, fish, and aquatic
 19 life, or surface property from unnecessary seepage or loss
 20 incidental to or resulting from drilling, equipping, ~~or~~
 21 operating, ~~a well or wells subject to this part~~ **OR PLUGGING A**
 22 **MINERAL WELL.**

23 (R) ~~(o)~~ "Test well" means a well, core hole, core test,
 24 observation well, or other well drilled from the surface to
 25 determine the presence of a mineral, mineral resource, ore, or
 26 rock unit, or to obtain geological or geophysical information or
 27 other subsurface data related to mineral exploration and

1 extraction. Test well does not include holes drilled in the
 2 operation of a quarry, open pit, or underground mine, or any
 3 wells not related to mineral exploration or extraction.

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

8 (T) ~~(q)~~—"Underground waste" means damage or injury to
 9 potable water, mineralized water, or other subsurface resources.

10 (U) ~~(r)~~—"Waste product" means waste or by-product ~~resulting~~
 11 ~~from municipal or industrial operations or waste from any trade,~~
 12 ~~manufacture, business, or private pursuit~~ that could cause
 13 pollution and for which underground disposal may be feasible or
 14 practical. **WASTE PRODUCT DOES NOT INCLUDE CARBON DIOXIDE.**

15 Sec. 62502. A person shall not cause surface or underground
 16 waste in the drilling, development, production, operation, or
 17 plugging of ~~wells subject to this part~~ **A MINERAL WELL.**

18 Sec. 62508. The supervisor of mineral wells, acting directly
 19 or through his or her deputy or authorized representative, may do
 20 any of the following:

21 (a) Make inspections and provide for the keeping of records
 22 and checking on the accuracy thereof.

23 (b) Require the locating, drilling, deepening, reworking,
 24 reopening, casing, sealing, injecting, mechanical and chemical
 25 treating, and plugging of **MINERAL** wells ~~subject to this part~~ to
 26 be accomplished in a manner that is designed to prevent surface
 27 ~~and~~ **OR** underground waste.

1 (c) Designate after public hearing those areas of the state
2 in which there is no known or potential danger of surface or
3 underground waste from test well drilling and in which permits to
4 drill test wells are not required.

5 (d) Require on all **MINERAL** wells the keeping and filing of
6 logs containing data that are appropriate to the purposes of this
7 part. Logs on brine and test wells shall be held confidential for
8 10 years after completion and shall not be open to public
9 inspection during that time except by written consent of the
10 owner or operator. Logs for test wells drilled for exploratory
11 purposes shall be held confidential until released by the owner
12 or operator. The logs on all brine and test wells for exploratory
13 purposes shall be opened to public inspection when the owner is
14 no longer an active mineral producer, mineral lease holder, or
15 owner of mineral lands in this state.

16 (e) Require on storage and ~~waste disposal wells , when~~
17 ~~specified by the supervisor of mineral wells,~~ the keeping and
18 filing of drillers' logs and sample logs, the running and filing
19 of electrical and radioactivity logs, and the keeping and filing
20 of drill cuttings, cores, water samples, pilot injection test
21 records, operating records, and other reports.

22 (f) Release to the department, ~~or the commission,~~ for
23 meetings and hearings, only data described in this section that
24 are necessary to the administration of this part in the
25 prevention or correction of surface or underground waste.

26 (g) Order through written notice the immediate suspension or
27 prompt correction of any operation, condition, or practice found

1 to exist that is causing, resulting in, or threatening to cause
2 or result in surface or underground waste.

3 (h) Require the filing of an adequate surety or security
4 bond and provide for the release of that surety or security bond.

5 (i) Qualify persons for blanket permits.

6 Sec. 62509. (1) A person shall not drill or ~~begin the~~
7 ~~drilling of any brine, storage, or waste disposal~~ **OPERATE A BRINE**
8 **WELL, DISPOSAL WELL, SEQUESTRATION WELL, OR STORAGE** well, or
9 convert any well for these uses, ~~and~~ except as authorized by a
10 permit issued by the supervisor of mineral wells pursuant to part
11 13 and rules promulgated by the supervisor of mineral wells, ~~and~~
12 unless the person files with the supervisor of mineral wells an
13 approved surety or security bond. The application **FOR A PERMIT**
14 shall be accompanied by a survey of the well site. The department
15 shall conduct an investigation and inspection before the
16 supervisor of mineral wells issues a permit. A permit shall not
17 be issued to any owner or his or her authorized representative
18 who does not comply with the rules of the supervisor of mineral
19 wells or who is in violation of this part or any rule of the
20 supervisor of mineral wells.

21 (2) Upon completion of the drilling or converting of a well
22 for ~~storage or waste disposal, and after~~ **GEOLOGIC SEQUESTRATION,**
23 **OR STORAGE, A PERSON SHALL NOT OPERATE THE WELL FOR INJECTION OR**
24 **WITHDRAWAL OF FLUIDS UNTIL THE OWNER OR OPERATOR CONDUCTS**
25 necessary testing ~~by the owner~~ to determine that the well can be
26 used for these purposes and in a manner that will not cause
27 surface or underground waste, **AND RECEIVES APPROVAL FROM** the

1 supervisor of mineral wells, ~~upon receipt of appropriate~~
2 ~~evidence, shall approve and regulate the use of the well for~~
3 ~~storage or waste disposal~~ **TO USE THE WELL FOR DISPOSAL, GEOLOGIC**
4 **SEQUESTRATION, OR STORAGE**. These operations shall be pursuant to
5 part 31. The supervisor of mineral wells may schedule a public
6 hearing to consider the need or advisability of permitting the
7 drilling or operating of a ~~storage or waste disposal~~ well,
8 **SEQUESTRATION WELL, OR STORAGE WELL** or converting a well for
9 these uses, if the public safety or other interests are involved.

10 (3) ~~(2)~~—A person shall not drill a test well 50 feet or
11 greater in depth into the bedrock or below the deepest freshwater
12 ~~strata~~ **STRATUM**, except as provided in section 62508(c), except as
13 authorized by a permit issued by the supervisor of mineral wells
14 pursuant to part 13 and rules promulgated by the supervisor of
15 mineral wells, ~~—~~and unless the person files with the supervisor
16 of mineral wells an approved surety or security bond. The
17 application shall be accompanied by the fee provided in
18 subsection ~~(6)~~ **(7)**. The department shall conduct an investigation
19 and inspection before the supervisor of mineral wells issues a
20 permit. A permit shall not be issued to any owner or his or her
21 authorized representative who does not comply with the rules of
22 the supervisor of mineral wells or who is in violation of this
23 part or any rule of the supervisor of mineral wells. A test well
24 that penetrates below the deepest freshwater stratum or is
25 greater than 250 feet in depth is subject to an individual test
26 well permit. A test well that does not penetrate below the
27 deepest freshwater stratum and is 250 feet or less in depth is

1 subject to a blanket test well permit. This subsection does not
2 apply to a test well regulated under part 111 or part 115, or a
3 water well regulated under part 127 of the public health code,
4 1978 PA 368, MCL 333.12701 to 333.12771.

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

16 (5) ~~(4)~~—Upon request, the supervisor of mineral wells may
17 issue to qualified persons a blanket permit to drill within a
18 county test wells which will not penetrate below the deepest
19 freshwater stratum and are 250 feet or less in depth.

20 (6) ~~(5)~~—All information and records pertaining to the
21 application for and issuance of permits for **TEST** wells subject to
22 this part shall be held confidential in the same manner as
23 provided for logs and reports on these wells.

24 (7) ~~(6)~~—A permit application submitted under this section
25 shall be accompanied by the following permit application fee:

26 (a) ~~Disposal~~ **FOR A DISPOSAL** well for disposal of waste

1		products other than processed brine.....	\$ 2,500.00.
2	(b)	Disposal FOR A DISPOSAL well for disposal of	
3		processed brine.....	\$ 500.00.
4	(c)	Storage FOR A STORAGE well.....	\$ 500.00.
5	(d)	Natural FOR A NATURAL brine production	
6		well.....	\$ 500.00.
7	(e)	Artificial FOR AN ARTIFICIAL brine production	
8		well.....	\$ 500.00.
9	(F)	FOR A SEQUESTRATION WELL.....	\$ 500.00.
10	(G) (f)	Individual FOR AN INDIVIDUAL test well under	
11		subsection (2) (3)	\$ 500.00.
12	(H) (g)	Blanket FOR A BLANKET permit for test wells	
13		drilled pursuant to subsection (4) (5) :	
14	(i)	1 to 24 wells.....	\$ 75.00.
15	(ii)	25 to 49 wells.....	\$ 150.00.
16	(iii)	50 to 75 wells.....	\$ 300.00.
17	(iv)	75 to 200 wells.....	\$ 600.00.

18 **(8)** ~~(7)~~—The supervisor of mineral wells shall deposit all
 19 permit application fees collected under this section into the
 20 fund.

21 Sec. 62509a. (1) The owner or operator of a **MINERAL** well
 22 ~~regulated under this part~~ is subject to the ~~following~~ annual
 23 ~~mineral well regulatory~~ **OPERATING** fee **SPECIFIED IN SUBSECTION**
 24 **(2)**. The fee shall apply to any mineral well that is usable for
 25 its permitted purpose, or has not been properly plugged in
 26 accordance with the requirements of this part and rules
 27 promulgated under this part, at the time the fee is due. +

28 **(2) THE ANNUAL MINERAL WELL OPERATING FEE IS AS FOLLOWS:**

- 1 (a) For a disposal well for disposal of
- 2 waste products other than processed
- 3 brine..... \$2,500.00
- 4 (b) For a disposal well for disposal ~~or~~ **OF**
- 5 processed brine..... \$ 500.00
- 6 (c) For a storage well..... \$ 500.00
- 7 (d) For a natural brine production well..... \$ 500.00
- 8 (e) For an artificial brine production well.. \$ 500.00
- 9 **(F) FOR A SEQUESTRATION WELL..... \$ 500.00**
- 10 **(G) ~~(f)~~ For an individual ~~A~~ test well **SUBJECT****
- 11 **TO AN INDIVIDUAL PERMIT..... \$ 500.00**
- 12 **(H) ~~(g)~~ For **TEST WELLS SUBJECT TO** a blanket**
- 13 **permit: ~~for test wells:~~**
- 14 (i) **FOR** 1 to 24 wells..... \$ 75.00
- 15 (ii) **FOR** 25 to 49 wells..... \$ 150.00
- 16 (iii) **FOR** 50 to 75 wells..... \$ 300.00
- 17 (iv) **FOR** 75 to 200 wells..... \$ 600.00

18 (3) ~~(2)~~ Mineral well regulatory fees shall be submitted to
 19 the department in the manner required by the department along
 20 with any documentation required by the department.

21 (4) ~~(3)~~ The department shall forward all mineral well
 22 regulatory fees collected under this section to the state
 23 ~~treasury~~ **TREASURER** for deposit in the fund.

24 Sec. 62516. A person shall not do any of the following:

25 (a) Willfully violate any provision of this part or any rule
 26 or order of the supervisor of mineral wells.

27 (b) Drill or convert ~~any well subject to this part~~ **A MINERAL**
 28 **WELL** without first obtaining a permit or operate a ~~storage or~~
 29 ~~waste disposal well~~, **SEQUESTRATION WELL, OR STORAGE WELL** without

1 approval as provided in this part.

2 (c) Do any of the following for the purpose of evading or
3 violating this part or any rule promulgated or order issued under
4 this part:

5 (i) Make **A** false entry or statement in any required report or
6 record.

7 (ii) Omit or cause to be omitted from any required report or
8 record full, true, and correct entries as required by this part.

9 (iii) Remove from this state or destroy, mutilate, alter, or
10 falsify any report or record required by this part.

11 **PART 627 CARBON DIOXIDE SEQUESTRATION**

12 **SEC. 62701. AS USED IN THIS PART:**

13 (A) "ADMINISTRATIVELY COMPLETE" REFERS TO A PETITION FOR A
14 SEQUESTRATION ORDER THAT IS DETERMINED BY THE DEPARTMENT TO
15 CONTAIN ALL OF THE DOCUMENTS AND INFORMATION REQUIRED UNDER THIS
16 PART AND ANY RULES PROMULGATED UNDER THIS PART.

17 (B) "BUFFER ZONE" MEANS AN AREA THAT EXTENDS HORIZONTALLY 1
18 MILE IN EVERY DIRECTION BEYOND THE PERIMETER OF THE LARGEST
19 CALCULATED HORIZONTAL EXTENT OF THE EXPECTED OR, IF DETERMINED,
20 ACTUAL CARBON DIOXIDE PLUME DURING THE PERIOD OF ACTIVE INJECTION
21 SUBJECT TO A SEQUESTRATION ORDER, UNLESS THE DEPARTMENT
22 ESTABLISHES IN THE SEQUESTRATION ORDER THAT A SMALLER AREA WOULD
23 BE APPROPRIATE, BASED ON THE AMOUNT OF CARBON DIOXIDE TO BE
24 INJECTED.

25 (C) "CARBON DIOXIDE" MEANS CO₂ AND ASSOCIATED CHEMICAL
26 CONSTITUENTS FROM COMBUSTION OR CAPTURE PROCESSES, INCLUDING ANY
27 SUBSTANCES ADDED TO ENABLE OR IMPROVE SEQUESTRATION.

1 (D) "CARBON DIOXIDE PLUME" MEANS THE UNDERGROUND EXTENT, IN
2 3 DIMENSIONS, OF AN INJECTED CARBON DIOXIDE STREAM.

3 (E) "CONFINING ZONE" MEANS A GEOLOGICAL FORMATION, GROUP OF
4 FORMATIONS, OR PART OF A FORMATION STRATIGRAPHICALLY OVERLYING
5 THE SEQUESTRATION ZONE THAT ACTS AS A BARRIER TO CARBON DIOXIDE
6 MOVEMENT.

7 (F) "DEPARTMENT" MEANS THE DIRECTOR OF THE DEPARTMENT OF
8 ENVIRONMENTAL QUALITY OR HIS OR HER DESIGNEE TO WHOM THE DIRECTOR
9 DELEGATES A POWER OR DUTY BY WRITTEN INSTRUMENT.

10 (G) "GAS" MEANS A MIXTURE OF HYDROCARBONS AND
11 NONHYDROCARBONS IN A GASEOUS STATE WHICH MAY OR MAY NOT BE
12 ASSOCIATED WITH OIL, AND INCLUDES LIQUIDS RESULTING FROM
13 CONDENSATION OF THOSE HYDROCARBONS AND NONHYDROCARBONS AFTER THE
14 MIXTURE LEAVES THE UNDERGROUND RESERVOIR.

15 (H) "GEOLOGIC SEQUESTRATION" MEANS SUBSURFACE INJECTION AND
16 STORAGE OF CARBON DIOXIDE FOR THE PURPOSE OF ISOLATING IT FROM
17 THE SURFACE ENVIRONMENT AND THE ATMOSPHERE.

18 (I) "GROSS NEGLIGENCE" MEANS CONDUCT SO RECKLESS AS TO
19 DEMONSTRATE A SUBSTANTIAL LACK OF CONCERN FOR WHETHER AN INJURY
20 RESULTS.

21 SEC. 62703. AS USED IN THIS PART:

22 (A) "MINERAL" MEANS A SUBSTANCE THAT CAN BE EXTRACTED FROM
23 THE EARTH FOR COMMERCIAL, INDUSTRIAL, OR CONSTRUCTION PURPOSES,
24 EXCEPT FOR OIL OR GAS, AND INCLUDES ROCK, METAL ORES, AND MINERAL
25 WATER.

26 (B) "MONITORING WELL" MEANS A WELL USED FOR MONITORING OF A
27 SEQUESTRATION ZONE IN A SEQUESTRATION PROJECT.

1 (C) "OIL" MEANS NATURAL CRUDE OIL OR PETROLEUM AND OTHER
2 HYDROCARBONS THAT ARE PRODUCED AT A WELL IN LIQUID FORM.

3 (D) "ORGANIZATION REPORT" MEANS A LISTING OF ALL CORPORATE
4 OFFICERS, DIRECTORS, PARTNERS, AGENTS, OR EMPLOYEES WHO HAVE THE
5 AUTHORITY TO MAKE, OR ARE RESPONSIBLE FOR MAKING, DECISIONS
6 REGARDING A SEQUESTRATION OPERATION.

7 (E) "PORE SPACE" MEANS THE VOID SPACE WITHIN A GEOLOGICAL
8 STRATUM, WHETHER NATURAL OR ARTIFICIALLY CREATED, NORMALLY FILLED
9 WITH WATER, BRINE, OIL, OR GAS OR ANY MIXTURE OF THOSE SUBSTANCES.

10 (F) "POSTCLOSURE MONITORING PERIOD" MEANS A PERIOD FOLLOWING
11 PERMANENT CESSATION OF SUBSURFACE INJECTION OF CARBON DIOXIDE FOR A
12 SEQUESTRATION OPERATION DURING WHICH THE SEQUESTRATION PROJECT OWNER
13 IS REQUIRED TO CONDUCT MONITORING OF THE SEQUESTRATION PROJECT.

14 SEC. 62705. AS USED IN THIS PART:

15 (A) "SEQUESTERED SUBSTANCE" MEANS CARBON DIOXIDE THAT HAS BEEN
16 INJECTED INTO THE SEQUESTRATION ZONE OF A SEQUESTRATION PROJECT.

17 (B) "SEQUESTRATION OPERATION" MEANS THE DRILLING, CONSTRUCTION,
18 COMPLETION, TESTING, AND PLUGGING OF SEQUESTRATION WELLS AND
19 MONITORING WELLS; CONSTRUCTION AND INSTALLATION OF ACCESS ROADS,
20 PIPING, AND ASSOCIATED FACILITIES AT THE SITE OF THE SEQUESTRATION
21 PROJECT; TRANSPORTING, COMPRESSING, AND TREATING CARBON DIOXIDE;
22 INJECTING CARBON DIOXIDE INTO THE SEQUESTRATION ZONE; MONITORING
23 DURING INJECTION AND DURING THE POSTCLOSURE MONITORING PERIOD; AND
24 SITE RESTORATION.

25 (C) "SEQUESTRATION ORDER" MEANS AN ORDER, ISSUED BY THE
26 DEPARTMENT THAT ESTABLISHES A SEQUESTRATION PROJECT, APPROVES A
27 SEQUESTRATION OPERATION, AND DESIGNATES THE INITIAL SEQUESTRATION

1 PROJECT OWNER.

2 (D) "SEQUESTRATION PROJECT" MEANS THE SEQUESTRATION ZONE,
3 SEQUESTRATION WELLS, MONITORING WELLS, UNDERGROUND EQUIPMENT, AND
4 SURFACE BUILDINGS AND EQUIPMENT UTILIZED OR PROPOSED TO BE UTILIZED
5 IN GEOLOGIC SEQUESTRATION. SEQUESTRATION PROJECT INCLUDES PIPELINES
6 USED TO TRANSPORT CARBON DIOXIDE FROM 1 OR MORE CARBON DIOXIDE
7 COLLECTION POINTS INSIDE OR OUTSIDE THE SEQUESTRATION PROJECT TO A
8 SEQUESTRATION WELL OR TO A SECONDARY OIL OR GAS RECOVERY PROJECT
9 APPROVED BY THE DEPARTMENT UNDER PART 615 OR PART 617, OR BOTH, OR
10 TO TRANSPORT CARBON DIOXIDE FROM SURFACE BUILDINGS AND EQUIPMENT TO
11 A WELL. THE UNDERGROUND COMPONENT OF THE SEQUESTRATION PROJECT
12 INCLUDES THE BUFFER ZONE AND ANY SUBSURFACE MONITORING FACILITIES AS
13 DETERMINED TO BE NECESSARY BY THE DEPARTMENT IN A SEQUESTRATION
14 ORDER. A CARBON DIOXIDE PIPELINE TRANSPORTATION COMPONENT MAY BE
15 SEPARATELY APPROVED AS A SEQUESTRATION PROJECT TO TRANSPORT CARBON
16 DIOXIDE FROM 1 OR MORE CARBON DIOXIDE COLLECTION POINTS TO A
17 SECONDARY OIL OR GAS RECOVERY PROJECT. HOWEVER, THE SECONDARY OIL OR
18 GAS RECOVERY OPERATION APPROVED UNDER PART 615 OR 617, OR BOTH, IS
19 NOT A SEQUESTRATION PROJECT UNTIL CONVERSION HAS OCCURRED PURSUANT
20 TO SECTION 62737(2).

21 (E) "SEQUESTRATION PROJECT OWNER" OR "PROJECT OWNER" MEANS THE
22 PERSON TO WHOM A SEQUESTRATION ORDER IS ISSUED OR TRANSFERRED, AND
23 WHO HAS THE RIGHT TO ESTABLISH AND OPERATE A SEQUESTRATION PROJECT.

24 (F) "SEQUESTRATION WELL" MEANS A WELL USED FOR GEOLOGIC
25 SEQUESTRATION.

26 (G) "SEQUESTRATION ZONE" MEANS ANY SUBSURFACE STRATUM,
27 FORMATION, AQUIFER, OR CAVITY, WHETHER NATURAL OR ARTIFICIALLY

1 CREATED, SUITABLE FOR OR CAPABLE OF BEING MADE SUITABLE FOR GEOLOGIC
2 SEQUESTRATION INTO WHICH CARBON DIOXIDE IS TO BE INJECTED OR HAS
3 BEEN INJECTED PURSUANT TO A SEQUESTRATION ORDER OR A SECONDARY
4 RECOVERY PROJECT THAT HAS BEEN CONVERTED OR EXPANDED INTO A
5 SEQUESTRATION PROJECT PURSUANT TO RULES PROMULGATED UNDER SECTION
6 62737.

7 SEC. 62707. (1) A PERSON SHALL NOT BEGIN A SEQUESTRATION
8 OPERATION UNLESS THE PERSON HAS RECEIVED A SEQUESTRATION ORDER
9 FROM THE DEPARTMENT AND ACQUIRED ALL OTHER NECESSARY STATE AND
10 FEDERAL PERMITS.

11 (2) A PERSON SHALL NOT BEGIN THE DRILLING OF A SEQUESTRATION
12 WELL OR A MONITORING WELL OR CONVERT AN EXISTING WELL TO A
13 SEQUESTRATION WELL OR A MONITORING WELL, UNLESS THE PERSON HAS
14 RECEIVED A PERMIT OR PERMITS FROM THE SUPERVISOR OF MINERAL WELLS
15 UNDER PART 625.

16 (3) TO OBTAIN A SEQUESTRATION ORDER, A PERSON SHALL FILE A
17 PETITION WITH THE DEPARTMENT REQUESTING A SEQUESTRATION ORDER.
18 THE PETITION SHALL BE VERIFIED IN THE SAME MANNER AS A PLEADING
19 IN A CIVIL ACTION. THE PETITION SHALL CONTAIN ALL OF THE
20 FOLLOWING:

21 (A) AN ORGANIZATION REPORT.

22 (B) THE ANTICIPATED SOURCE OR SOURCES OF THE CARBON DIOXIDE.

23 (C) A DESCRIPTION OF THE PROPOSED SEQUESTRATION ZONE.

24 (D) A DESCRIPTION OF THE CONFINING ZONE.

25 (E) A LIST OF THE TAX IDENTIFICATION NUMBERS OF THE TRACTS
26 OF LAND COMPRISING THE HORIZONTAL EXTENT OF THE PREDICTED CARBON
27 DIOXIDE PLUME AND THE BUFFER ZONE OVER TIME.

1 (F) A DESCRIPTION OF THE ATTENUATION MECHANISMS THAT WILL
2 LIMIT AND STABILIZE THE CARBON DIOXIDE PLUME.

3 (G) THE LOCATIONS AND DESCRIPTIONS OF ALL KNOWN OR
4 REASONABLY DISCOVERABLE WELLS, UNDERGROUND MINES, OR OTHER
5 ARTIFICIAL OPENINGS THAT PENETRATE, OR MAY PENETRATE, INTO THE
6 PROPOSED SEQUESTRATION ZONE OR INTO THE CONFINING ZONE WITHIN THE
7 LARGEST PREDICTED EXTENT OF THE CARBON DIOXIDE PLUME AND THE
8 BUFFER ZONE.

9 (H) DATA ON THE HISTORICAL AND CURRENT AMOUNTS OF OIL, GAS,
10 AND MINERALS EXTRACTED FROM THE SEQUESTRATION ZONE WITHIN THE
11 PREDICTED CARBON DIOXIDE PLUME AND THE BUFFER ZONE.

12 (I) A CONTINGENCY PLAN THAT INCLUDES AN ASSESSMENT OF THE
13 RISK TO NATURAL RESOURCES, THE ENVIRONMENT, AND PUBLIC HEALTH AND
14 SAFETY ASSOCIATED WITH POTENTIAL SIGNIFICANT INCIDENTS OR
15 FAILURES AND A DESCRIPTION OF THE SEQUESTRATION PROJECT OWNER'S
16 NOTIFICATION AND RESPONSE PLANS.

17 (J) AN OPERATIONS PLAN THAT INCLUDES ALL OF THE FOLLOWING:

18 (i) MAXIMUM ANTICIPATED RATES AND DURATION OF INJECTION OF
19 CARBON DIOXIDE.

20 (ii) THE PROJECTED DATE OF CLOSURE OF THE PROPOSED
21 SEQUESTRATION PROJECT.

22 (iii) LOCATIONS AND DEPTHS OF SEQUESTRATION WELLS AND
23 MONITORING WELLS.

24 (iv) INJECTION PRESSURES, INCLUDING RECOMMENDED MAXIMUM
25 PRESSURE.

26 (v) A DESCRIPTION OF OTHER SUBSTANCES THAT ARE EXPECTED TO
27 BE INJECTED WITH THE CO₂ AND THAT ARE NECESSARY FOR THE EFFICIENCY

1 OF THE SEQUESTRATION OPERATION, AND A SHOWING THAT THE CO₂ AND
2 ASSOCIATED CHEMICAL CONSTITUENTS TO BE INJECTED WILL NOT
3 COMPROMISE THE SAFETY AND EFFICIENCY OF THE PROPOSED
4 SEQUESTRATION ZONE.

5 (K) THE EXPECTED DIMENSIONS AND LOCATION OF THE CARBON
6 DIOXIDE PLUME OVER TIME, AND THE METHODS USED IN MODELING AND
7 PREDICTION OF THE LOCATION OF THE CARBON DIOXIDE PLUME.

8 (L) THE EXPECTED DIMENSIONS AND LOCATION OF THE BUFFER ZONE,
9 AND THE METHODS USED TO ESTABLISH THE EXPECTED BUFFER ZONE.

10 (M) A MONITORING PLAN CAPABLE OF DETERMINING BOTH OF THE
11 FOLLOWING:

12 (i) WHETHER THE SEQUESTRATION OPERATIONS ARE CONSISTENT WITH
13 THE OPERATIONS PLAN UNDER SUBDIVISION (J) AND THE EXPECTED
14 DIMENSIONS AND LOCATIONS OF THE CARBON DIOXIDE PLUME AND BUFFER
15 ZONE UNDER SUBDIVISIONS (K) AND (L).

16 (ii) WHETHER THERE IS ANY SIGNIFICANT RISK OF THE
17 SEQUESTRATION PROJECT OR SEQUESTRATION OPERATIONS ENDANGERING
18 NATURAL RESOURCES, THE ENVIRONMENT, OR PUBLIC HEALTH AND SAFETY.

19 (N) A POSTCLOSURE MONITORING PLAN.

20 (O) SUCH OTHER TECHNICAL, GEOLOGICAL, AND ENGINEERING
21 INFORMATION THAT THE APPLICANT CONSIDERS APPROPRIATE.

22 (4) IN ADDITION TO THE ITEMS REQUIRED IN SUBSECTION (3), A
23 PETITION FOR A SEQUESTRATION ORDER SHALL INCLUDE ALL OF THE
24 FOLLOWING:

25 (A) IDENTIFICATION OF TRACTS OF LAND WHERE THE PETITIONER
26 OWNS OR CONTROLS THE RIGHTS TO PORE SPACE OR TO OIL, GAS, OR
27 MINERALS IN THE SEQUESTRATION ZONE.

1 (B) IDENTIFICATION OF TRACTS WHERE THE PORE SPACE OF THE
2 SEQUESTRATION ZONE WITHIN THE PROPOSED SEQUESTRATION PROJECT OR
3 ANY APPROVED SEQUESTRATION PROJECT IS CURRENTLY BEING USED OR IS
4 AUTHORIZED TO BE USED UNDER A PERMIT ISSUED UNDER THIS ACT.

5 (C) IDENTIFICATION OF TRACTS WHERE OPERATIONS FOR THE
6 EXTRACTION OF OIL, GAS, OR MINERALS FROM THE PORE SPACE OR
7 INJECTION PROJECTS IN THE SEQUESTRATION ZONE WITHIN THE PROPOSED
8 SEQUESTRATION PROJECT CURRENTLY EXIST OR ARE AUTHORIZED UNDER A
9 PERMIT ISSUED UNDER THIS ACT.

10 (D) FOR TRACTS IDENTIFIED IN SUBDIVISION (B) OR (C) WHERE
11 THE RIGHTS TO PORE SPACE OR TO OIL, GAS, OR MINERALS WITHIN THE
12 PORE SPACE, RESPECTIVELY, ARE NOT OWNED OR CONTROLLED BY THE
13 PETITIONER, THE NAMES OF ALL PERSONS OWNING OR HAVING AN
14 OWNERSHIP INTEREST IN THE PORE SPACE OR THE OIL, GAS, OR MINERALS
15 WITHIN THE PORE SPACE, RESPECTIVELY, AS DISCLOSED BY THE RECORDS
16 IN THE OFFICE OF THE REGISTER OF DEEDS FOR THE COUNTY OR COUNTIES
17 IN WHICH THE PROPOSED SEQUESTRATION PROJECT IS LOCATED, AND THEIR
18 ADDRESSES, IF KNOWN. A PETITIONER SHALL SUBMIT A STATEMENT
19 DESCRIBING ATTEMPTS TO OBTAIN BY NEGOTIATION THE RIGHTS TO THE
20 PORE SPACE OR TO OIL, GAS, OR MINERALS WITHIN THE PORE SPACE,
21 RESPECTIVELY, IN SUCH TRACTS.

22 (5) THE DEPARTMENT MAY REFUSE TO ACCEPT A PETITION FROM A
23 PERSON WHO THE DEPARTMENT HAS DETERMINED HAS NOT COMPLIED WITH OR
24 IS IN VIOLATION OF THIS PART OR ANY RULE PROMULGATED OR ORDER
25 ISSUED UNDER THIS PART, UNLESS THE PERSON HAS CORRECTED THE
26 VIOLATION OR THE PERSON HAS AGREED IN WRITING TO CORRECT THE
27 VIOLATION PURSUANT TO A COMPLIANCE SCHEDULE APPROVED BY THE

1 DEPARTMENT.

2 (6) NOT MORE THAN 15 DAYS AFTER THE DEPARTMENT RECEIVES A
3 PETITION FOR A SEQUESTRATION ORDER, THE DEPARTMENT SHALL
4 DETERMINE WHETHER THE PETITION IS ADMINISTRATIVELY COMPLETE. IF
5 THE DEPARTMENT DETERMINES THAT THE PETITION IS NOT
6 ADMINISTRATIVELY COMPLETE, THE DEPARTMENT SHALL NOTIFY THE
7 PETITIONER, SPECIFYING THE INFORMATION NECESSARY TO MAKE THE
8 PETITION ADMINISTRATIVELY COMPLETE.

9 (7) A DETERMINATION THAT A PETITION IS ADMINISTRATIVELY
10 COMPLETE UNDER SUBSECTION (6) DOES NOT PROHIBIT THE DEPARTMENT
11 FROM REQUIRING ADDITIONAL INFORMATION FROM THE PETITIONER.

12 SEC. 62709. (1) NOT MORE THAN 90 DAYS AFTER THE DEPARTMENT
13 DETERMINES A PETITION FOR A SEQUESTRATION ORDER IS
14 ADMINISTRATIVELY COMPLETE, THE DEPARTMENT SHALL HOLD A PUBLIC
15 MEETING IN THE COUNTY, OR 1 OF THE COUNTIES, IN WHICH THE
16 SEQUESTRATION PROJECT IS PROPOSED TO BE LOCATED TO RECEIVE
17 COMMENTS AND RECOMMENDATIONS ON THE PROPOSED SEQUESTRATION
18 OPERATION.

19 (2) THE DEPARTMENT SHALL GIVE NOTICE OF THE PUBLIC MEETING
20 NOT LESS THAN 15 OR MORE THAN 30 DAYS BEFORE THE DATE OF THE
21 PUBLIC MEETING. THE NOTICE SHALL BE GIVEN IN WRITING TO THE
22 COUNTY AND TO THE CITY OR TOWNSHIP AND, IF APPLICABLE, VILLAGE
23 WHERE THE SEQUESTRATION PROJECT IS PROPOSED TO BE LOCATED. THE
24 NOTICE SHALL ALSO BE GIVEN BY PUBLICATION IN A NEWSPAPER OF
25 GENERAL CIRCULATION IN THE COUNTY OR COUNTIES WHERE THE
26 SEQUESTRATION PROJECT IS PROPOSED TO BE LOCATED.

27 (3) NOT MORE THAN 5 DAYS AFTER THE DATE OF PUBLICATION UNDER

1 SUBSECTION (2), THE DEPARTMENT SHALL ALSO ISSUE A GENERAL PRESS
2 RELEASE PROVIDING INFORMATION ABOUT THE PURPOSE, LOCATION, AND
3 TIME OF THE PUBLIC MEETING.

4 (4) TO THE EXTENT FEASIBLE, THE DEPARTMENT SHALL COORDINATE
5 AND CONSOLIDATE THE PUBLIC MEETING REQUIRED UNDER SUBSECTION (1)
6 WITH ANY PUBLIC MEETING OR HEARING TO BE CONDUCTED UNDER FEDERAL
7 LAW.

8 SEC. 62711. (1) NOT LESS THAN 120 DAYS OR MORE THAN 150 DAYS
9 AFTER THE DEPARTMENT DETERMINES THAT A PETITION FOR A
10 SEQUESTRATION ORDER IS ADMINISTRATIVELY COMPLETE, THE DEPARTMENT
11 SHALL HOLD AN EVIDENTIARY HEARING ON THE PETITION. THE DEPARTMENT
12 SHALL PREPARE AND FURNISH THE NOTICE OF THE HEARING TO THE
13 PETITIONER, TOGETHER WITH INSTRUCTIONS FOR PUBLICATION OF THE
14 NOTICE. THE HEARING SHALL BE HELD IN INGHAM COUNTY.

15 (2) THE PETITIONER SHALL PROVIDE FOR A NOTICE OF THE
16 EVIDENTIARY HEARING TO BE PUBLISHED IN A NEWSPAPER OF GENERAL
17 CIRCULATION IN THE COUNTY OR COUNTIES IN WHICH THE SEQUESTRATION
18 PROJECT IS TO BE LOCATED AND, IF SECTION 62707(4)(C) APPLIES AS
19 TO OIL AND GAS, IN AN OIL AND GAS INDUSTRY PUBLICATION THAT
20 FOCUSES ON ISSUES IN THIS STATE. PUBLICATION SHALL OCCUR NOT LESS
21 THAN 45 DAYS BEFORE THE DATE OF THE HEARING. THE PETITIONER SHALL
22 ALSO MAIL COPIES OF THE NOTICE BY FIRST-CLASS MAIL TO ALL OF THE
23 FOLLOWING:

24 (A) THE COUNTY CLERK AND THE CLERK OF THE CITY OR THE
25 TOWNSHIP AND, IF APPLICABLE, VILLAGE WHERE THE PROPOSED GEOLOGIC
26 SEQUESTRATION PROJECT IS TO BE LOCATED.

27 (B) OWNERS OF TRACTS IDENTIFIED IN SECTION 62707(4)(B) AND

1 (C), AS DISCLOSED BY THE RECORDS IN THE OFFICE OF THE REGISTER OF
2 DEEDS FOR THE COUNTY OR COUNTIES IN WHICH THE PROPOSED
3 SEQUESTRATION PROJECT IS LOCATED.

4 (3) THE NOTICE REQUIRED UNDER SUBSECTION (2) SHALL STATE ALL
5 OF THE FOLLOWING:

6 (A) THAT ONLY THE FOLLOWING MAY PARTICIPATE IN THE
7 EVIDENTIARY HEARING:

8 (i) A PERSON WHO OWNS OR HAS AN OWNERSHIP INTEREST IN THE
9 RIGHTS TO USE OF THE PORE SPACE OR TO OIL, GAS, OR MINERALS
10 WITHIN THE PORE SPACE IN THE PROPOSED SEQUESTRATION ZONE OR THE
11 PROPOSED BUFFER ZONE.

12 (ii) THE COUNTY AND THE CITY OR TOWNSHIP AND, IF APPLICABLE,
13 VILLAGE WHERE THE SEQUESTRATION PROJECT IS PROPOSED TO BE
14 LOCATED.

15 (B) THAT IN ORDER TO PARTICIPATE IN THE HEARING, A PERSON
16 MUST FILE, NOT MORE THAN 30 DAYS AFTER PUBLICATION OF THE NOTICE,
17 AN ANSWER AS DESCRIBED IN SUBSECTION (5).

18 (4) AN EVIDENTIARY HEARING PURSUANT TO A PETITION FOR A
19 SEQUESTRATION ORDER IS SUBJECT TO THE ADMINISTRATIVE PROCEDURES
20 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

21 (5) A PERSON OTHER THAN THE PETITIONER SHALL NOT BE
22 PERMITTED TO PARTICIPATE AS A PARTY IN AN EVIDENTIARY HEARING
23 CONDUCTED PURSUANT TO A PETITION UNLESS THE PERSON IS AN
24 INTERESTED PARTY AS DESCRIBED IN SUBSECTION (3) (A) AND THE PERSON
25 FILES AN ANSWER TO THE PETITION WITH THE DEPARTMENT AND SERVES
26 THE ANSWER UPON THE PETITIONER NOT MORE THAN 30 DAYS AFTER
27 PUBLICATION OF NOTICE OF THE HEARING. THE ANSWER BY A PERSON

1 DESCRIBED IN SUBSECTION (3) (A) (i) SHALL SET FORTH THE FACTS AND
2 LEGAL ARGUMENTS TO DEMONSTRATE THAT THE PROPOSED SEQUESTRATION
3 OPERATION WOULD INTERFERE WITH 1 OR MORE REASONABLY FORESEEABLE
4 ALTERNATE USES FOR THE PORE SPACE OR WITH THE ECONOMICAL
5 EXTRACTION OF OIL, GAS, OR MINERALS WITHIN THE PORE SPACE IN THE
6 PORTION OF THE PROPOSED SEQUESTRATION ZONE THAT THE PERSON OWNS
7 OR IN WHICH THE PERSON HAS AN OWNERSHIP INTEREST. THE ANSWER BY A
8 PERSON DESCRIBED IN SUBSECTION (3) (A) (ii) SHALL BE LIMITED TO
9 PUBLIC HEALTH AND SAFETY ISSUES RELATING TO ABOVEGROUND
10 SEQUESTRATION OPERATIONS AND SEQUESTRATION PROJECT FACILITIES AND
11 TO THE CONTINGENCY PLAN UNDER SECTION 62707(3). IF NO COMPETENT
12 ANSWERS ARE TIMELY FILED, THE DEPARTMENT MAY ADJOURN OR CANCEL
13 THE HEARING AND RECEIVE EVIDENCE BY AFFIDAVIT OR OTHER
14 APPROPRIATE MEANS.

15 (6) TO THE EXTENT FEASIBLE, THE DEPARTMENT SHALL COORDINATE
16 AND CONSOLIDATE THE EVIDENTIARY HEARING REQUIRED IN THIS SECTION
17 WITH ANY PUBLIC MEETING OR HEARING CONCERNING THE PROPOSED
18 SEQUESTRATION PROJECT TO BE CONDUCTED UNDER FEDERAL LAW.

19 SEC. 62713. (1) THE DEPARTMENT SHALL ISSUE A SEQUESTRATION
20 ORDER TO A PETITIONER IF THE DEPARTMENT DETERMINES, BASED ON THE
21 PETITION UNDER SECTION 62707 AND THE EVIDENTIARY RECORD UNDER
22 SECTION 62711, ALL OF THE FOLLOWING:

23 (A) THE PETITION MEETS THE REQUIREMENTS OF SECTION 62707(3).

24 (B) THE PROPOSED SEQUESTRATION PROJECT AND SEQUESTRATION
25 OPERATION WILL NOT ENDANGER NATURAL RESOURCES, THE ENVIRONMENT,
26 OR PUBLIC HEALTH AND SAFETY.

27 (C) GEOLOGIC SEQUESTRATION CONSTITUTES THE CURRENT AND

1 REASONABLY FORESEEABLE HIGHEST AND BEST USE OF THE PROPOSED
2 SEQUESTRATION ZONE.

3 (D) THE PROPOSED SEQUESTRATION PROJECT AND SEQUESTRATION
4 OPERATION WILL NOT UNREASONABLY AFFECT THE VALUE OF PRIVATE
5 PROPERTY NOT OWNED OR CONTROLLED BY THE SEQUESTRATION PROJECT
6 OWNER, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

7 (i) RIGHTS TO EXPLORE FOR, DRILL FOR, PRODUCE, DEVELOP, OR
8 CONDUCT SECONDARY RECOVERY OPERATIONS FOR THE RECOVERY OF OIL OR
9 GAS OR TO DRILL FOR, PRODUCE, OR DEVELOP VALUABLE BRINES OR OTHER
10 MINERALS, IF THE OIL, GAS, OR BRINES OR OTHER MINERALS ARE
11 LOCATED IN ANY SUBSURFACE STRATUM, FORMATION, AQUIFER, OR CAVITY
12 NOT WITHIN THE SEQUESTRATION ZONE. DRILLING RIGHTS UNDER THIS
13 SUBPARAGRAPH INCLUDE THE RIGHT TO DRILL THROUGH THE SEQUESTRATION
14 ZONE.

15 (ii) RIGHTS TO DRILL WELLS FOR THE DISPOSAL OF AND DISPOSE OF
16 SALT WATER, FRESH WATER, OR WASTE PRODUCTS IN ANY SUBSURFACE
17 STRATUM, FORMATION, AQUIFER, OR CAVITY NOT WITHIN THE
18 SEQUESTRATION ZONE. DRILLING RIGHTS UNDER THIS SUBDIVISION
19 INCLUDE THE RIGHT TO DRILL THROUGH THE SEQUESTRATION ZONE.

20 (E) FOR EACH TRACT WITHIN THE SEQUESTRATION PROJECT, 1 OF
21 THE FOLLOWING APPLIES:

22 (i) THERE ARE NO EXISTING OR REASONABLY FORESEEABLE ALTERNATE
23 USES FOR THE PORE SPACE OR ANY OIL, GAS, AND MINERALS IN THE
24 PROPOSED SEQUESTRATION ZONE.

25 (ii) EXISTING OR REASONABLY FORESEEABLE ALTERNATIVE USES HAVE
26 BEEN ESTABLISHED BY THE EVIDENCE, AND THE PETITIONER HAS ACQUIRED
27 THE NECESSARY RIGHTS TO USE OF THE PORE SPACE OR TO OIL, GAS, AND

1 MINERALS IN THE PROPOSED SEQUESTRATION ZONE FROM THE OWNERS OF
2 SUCH RIGHTS.

3 (iii) THE PETITIONER HAS MADE A GOOD FAITH EFFORT TO ACQUIRE
4 THE RIGHTS DESCRIBED IN SUBPARAGRAPH (ii) AND INTENDS TO ACQUIRE
5 ANY SUCH REMAINING RIGHTS BY TITLE CONVEYANCE OR OTHER
6 CONTRACTUAL ARRANGEMENT, BY EMINENT DOMAIN AS PROVIDED UNDER
7 SECTION 62723, OR AS OTHERWISE ALLOWED BY STATUTE. IF, WHEN THE
8 SEQUESTRATION ORDER IS ISSUED, THE PETITIONER HAS NOT YET
9 ACQUIRED SUCH REMAINING RIGHTS, THE SEQUESTRATION ORDER SHALL NOT
10 BE EFFECTIVE UNTIL THE DEPARTMENT MAKES A FINDING IN A
11 SUPPLEMENTAL ORDER AS PROVIDED IN SUBSECTION (4) THAT THE
12 PETITIONER HAS ACQUIRED ALL OF THE NECESSARY RIGHTS IN SUCH
13 SPECIFIC TRACT OR TRACTS.

14 (2) A SEQUESTRATION ORDER SHALL CONTAIN FINDINGS SUPPORTING
15 THE DEPARTMENT'S DETERMINATIONS UNDER SUBSECTION (1) (B) TO (E).

16 (3) THE DEPARTMENT SHALL DENY A PETITION FOR A SEQUESTRATION
17 ORDER IF IT DETERMINES THAT THE REQUIREMENTS OF SUBSECTION (1)
18 HAVE NOT BEEN MET. IF THE DEPARTMENT DENIES A PETITION FOR A
19 SEQUESTRATION ORDER, THE DEPARTMENT SHALL PROVIDE THE PETITIONER
20 IN WRITING THE SPECIFIC REASONS FOR THE DENIAL.

21 (4) IF SUBSECTION (1) (E) (iii) APPLIES TO ANY TRACT WITHIN THE
22 SEQUESTRATION PROJECT AT THE TIME THE SEQUESTRATION ORDER IS
23 ISSUED, THE DEPARTMENT ON THE DEPARTMENT'S OWN MOTION OR THE
24 MOTION OF ANY INTERESTED PERSON AFTER NOTICE TO THE PARTIES SHALL
25 HOLD A SUPPLEMENTAL EVIDENTIARY HEARING TO DETERMINE IF THE
26 PETITIONER HAS ACQUIRED ALL OF THE NECESSARY RIGHTS IN THE TRACT
27 IDENTIFIED AS HAVING AN EXISTING OR REASONABLY FORESEEABLE

1 ALTERNATE USE. IF THE DEPARTMENT DETERMINES THAT THE PETITIONER
2 HAS ACQUIRED ALL OF THOSE NECESSARY RIGHTS, THEN, SUBJECT TO
3 SUBSECTION (5), THE DEPARTMENT SHALL ISSUE A SUPPLEMENTAL ORDER
4 DECLARING THE SEQUESTRATION ORDER TO BE EFFECTIVE. UNLESS A
5 MOTION FOR SUPPLEMENTAL HEARING IS PRESENTED NOT MORE THAN 1 YEAR
6 AFTER ISSUANCE OF THE SEQUESTRATION ORDER, THEN THE SEQUESTRATION
7 ORDER SHALL BE INEFFECTIVE AND SHALL BE REVOKED BY THE DEPARTMENT
8 UNLESS CONDEMNATION PROCEEDINGS HAVE BEEN COMMENCED BY THE
9 PETITIONER TO ACQUIRE THE NECESSARY RIGHTS IN THE TRACT AND ARE
10 PENDING. THE DEPARTMENT MAY EXTEND THE 1-YEAR PERIOD FOR GOOD
11 CAUSE.

12 (5) A SEQUESTRATION ORDER IS NOT EFFECTIVE UNTIL THE
13 PETITIONER PAYS TO THE DEPARTMENT A FILING FEE IN AN AMOUNT THAT
14 COVERS ALL REASONABLE COSTS INCURRED BY THE DEPARTMENT FOR ALL OF
15 THE FOLLOWING:

16 (A) REVIEW OF THE PETITION AS DESCRIBED IN SECTION 62707(6).

17 (B) CONDUCT OF THE PUBLIC MEETING REQUIRED UNDER SECTION
18 62709.

19 (C) CONDUCT OF THE EVIDENTIARY HEARING REQUIRED UNDER
20 SECTION 62711.

21 (6) THE ISSUANCE OF A SEQUESTRATION ORDER DOES NOT PROHIBIT
22 THE OWNER OF PORE SPACE WITHIN THE SEQUESTRATION PROJECT FROM
23 FILING A PETITION PROPOSING THE USE OF ITS PORE SPACE AS PART OF
24 ANOTHER SEQUESTRATION PROJECT SUBJECT TO THE PROVISIONS OF THE
25 SEQUESTRATION ORDER THE DEPARTMENT MAY ISSUE IN RESPONSE TO SUCH
26 PETITION.

27 (7) A SEQUESTRATION ORDER REMAINS IN EFFECT UNTIL TERMINATED

1 UNDER THE TERMS OF THE ORDER, OR UNTIL THE DEPARTMENT ISSUES A
2 CERTIFICATE OF COMPLETION OF THE SEQUESTRATION OPERATION UNDER
3 SECTION 62729.

4 (8) A SEQUESTRATION ORDER DOES NOT CONVEY PROPERTY RIGHTS IN
5 EITHER REAL ESTATE OR MATERIAL OR AUTHORIZE ANY INJURY TO ANY
6 PUBLIC OR PERSONAL PROPERTY.

7 (9) A SEQUESTRATION ORDER DOES NOT PROHIBIT AN OWNER OF OIL,
8 GAS, OR MINERALS OR PORE SPACE LOCATED ABOVE OR BENEATH THE
9 SEQUESTRATION ZONE FROM DRILLING A WELL INTO STRATA ABOVE OR
10 BELOW THE SEQUESTRATION ZONE IF THAT PERSON COMPLIES WITH ALL OF
11 THE APPLICABLE RULES OF THE DEPARTMENT.

12 Enacting section 1. This amendatory act does not take effect
13 unless Senate Bill No. ____ or House Bill No. 4401(request no.
14 01872'11) of the 96th Legislature is enacted into law.