

HOUSE BILL No. 4202

February 14, 2017, Introduced by Reps. Moss, Lasinski, LaGrand, Ellison, Chang, Lucido, Pagan, Faris, Neeley, Love, Santana, Hertel, Hoadley, Phelps, Elder, Sowerby, Hammoud, Gay-Dagnogo, Rabhi, Sneller, Wittenberg, Yanez, Durhal, Peterson and Robinson 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 61501, 61503, 61510, 61517, 61701, 61730, 61731, 61732, 61733, 62501, 62504, and 62514 (MCL 324.61501, 324.61503, 324.61510, 324.61517, 324.61701, 324.61730, 324.61731, 324.61732, 324.61733, 324.62501, 324.62504, and 324.62514), section 61501 as amended by 1998 PA 303, sections 61503, 61510, 61701, 61730, 61731, 61732, 61733, 62504, and 62514 as added by 1995 PA 57, section 61517 as amended by 1998 PA 115, and section 62501 as amended by 1998 PA 467, and by adding sections 61502b, 61502d, 61702b, and 62503b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61501. Unless the context requires a different meaning,
2 ~~the words defined in this section have the following meanings when~~

1 AS used in this part:

2 (A) "COMMISSION" MEANS THE OIL AND GAS COMMISSION CREATED IN
3 SECTION 61502B.

4 (B) ~~(a)~~—"Department" means the department of environmental
5 quality.

6 (C) ~~(b)~~—"Field" means an underground reservoir or reservoirs
7 containing oil or gas, or both. Field also includes the same
8 general surface area that is underlaid or appears to be underlaid
9 by at least 1 pool. Field and pool have the same meaning if only 1
10 underground reservoir is involved. However, field, unlike pool, may
11 relate to 2 or more pools.

12 (D) ~~(c)~~—"Fund" means the oil and gas regulatory fund created
13 in section 61525b.

14 (E) ~~(d)~~—"Gas" means a mixture of hydrocarbons and varying
15 quantities of nonhydrocarbons in a gaseous state which may or may
16 not be associated with oil, and includes those liquids resulting
17 from condensation.

18 (F) ~~(e)~~—"Illegal container" means a receptacle that contains
19 illegal oil or gas or illegal products.

20 (G) ~~(f)~~—"Illegal conveyance" means a conveyance by or through
21 which illegal oil or gas or illegal products are being transported.

22 (H) ~~(g)~~—"Illegal oil or gas" means oil or gas that has been
23 produced by an owner or producer in violation of this part, a rule
24 promulgated under this part, or an order of the supervisor issued
25 under this part.

26 (I) ~~(h)~~—"Illegal product" means a product of oil or gas or any
27 part of a product of oil or gas that was knowingly processed or

1 derived in whole or in part from illegal oil or gas.

2 **(J)** ~~(i)~~—"Market demand" means the actual demand for oil or gas
3 from any particular pool or field for current requirements for
4 current consumption and use within or outside ~~the~~**THIS** state,
5 together with the demand for such amounts as are necessary for
6 building up or maintaining reasonable storage reserves of oil or
7 gas or the products of oil or gas.

8 **(K)** ~~(j)~~—"Oil" means natural crude oil or petroleum and other
9 hydrocarbons, regardless of gravity, that are produced at the well
10 in liquid form by ordinary production methods and that are not the
11 result of condensation of gas after it leaves the underground
12 reservoir.

13 **(L)** ~~(k)~~—"Owner" means the person who has the right to drill a
14 well into a pool, to produce from a pool, and to receive and
15 distribute the value of the production from the pool for himself or
16 herself either individually or in combination with others.

17 **(M)** ~~(l)~~—"Pool" means an underground reservoir containing a
18 common accumulation of oil or gas, or both. Pool includes a
19 productive zone of a general structure that is completely separated
20 from any other zone in the structure, or is declared to be a pool
21 by the supervisor of wells.

22 **(N)** ~~(m)~~—"Producer" means the operator, whether owner or not,
23 of a well or wells capable of producing oil or gas or both in
24 paying quantities.

25 **(O)** ~~(n)~~—"Product" means any commodity or thing made or
26 manufactured from oil or gas, and all derivatives of oil or gas,
27 including refined crude oil, crude tops, topped crude, processed

1 crude petroleum, residue treated crude oil, residuum, gas oil,
2 naphtha, distillate, gasoline, casing-head gasoline, natural gas
3 gasoline, kerosene, benzine, wash oil, waste oil, lubricating oil,
4 and blends or mixtures of oil or gas or any derivatives of oil or
5 gas whether enumerated or not.

6 (P) ~~(e)~~—"Supervisor" or "supervisor of wells" means the
7 department.

8 (Q) ~~(p)~~—"Tender" means a permit or certificate of clearance,
9 approved and issued or registered under the authority of the
10 supervisor, for the transportation of oil or gas or products.

11 (R) ~~(q)~~—"Waste" in addition to its ordinary meaning includes
12 all of the following:

13 (i) "Underground waste", as those words are generally
14 understood in the oil business, and including all of the following:

15 (A) The inefficient, excessive, or improper use or dissipation
16 of the reservoir energy, including gas energy and water drive, of
17 any pool, and the locating, spacing, drilling, equipping,
18 operating, or producing of a well or wells in a manner to reduce or
19 tend to reduce the total quantity of oil or gas ultimately
20 recoverable from any pool.

21 (B) Unreasonable damage to underground fresh or mineral
22 waters, natural brines, or other mineral deposits from operations
23 for the discovery, development, and production and handling of oil
24 or gas.

25 (ii) "Surface waste", as those words are generally understood
26 in the oil business, and including all of the following:

27 (A) The unnecessary or excessive surface loss or destruction

1 without beneficial use, however caused, of gas, oil, or other
2 product, ~~but~~ including the loss or destruction, without beneficial
3 use, resulting from evaporation, seepage, leakage, or fire,
4 especially a loss or destruction incident to or resulting from the
5 manner of spacing, equipping, operating, or producing a well or
6 wells, or incident to or resulting from inefficient storage or
7 handling of oil.

8 (B) The unnecessary damage to or destruction of the surface;
9 soils; animal, fish, or aquatic life; property; or other
10 environmental values from or by oil and gas operations.

11 (C) The unnecessary endangerment of public health, safety, or
12 welfare from or by oil and gas operations.

13 (D) The drilling of unnecessary wells.

14 (iii) "Market waste", which includes the production of oil or
15 gas in any field or pool in excess of the market demand as defined
16 in this part.

17 **SEC. 61502B. (1) THE OIL AND GAS COMMISSION IS CREATED WITHIN**
18 **THE DEPARTMENT.**

19 **(2) THE COMMISSION CONSISTS OF THE FOLLOWING MEMBERS:**

20 **(A) THE DIRECTOR OF THE DEPARTMENT.**

21 **(B) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR BY AND**
22 **WITH THE ADVICE AND CONSENT OF THE SENATE, REPRESENTING DIVERSE**
23 **GEOGRAPHIC AREAS OF THIS STATE:**

24 **(i) TWO INDIVIDUALS REPRESENTING COMMERCE AND INDUSTRY IN THIS**
25 **STATE.**

26 **(ii) TWO INDIVIDUALS REPRESENTING LOCAL UNITS OF GOVERNMENT IN**
27 **THIS STATE.**

1 (iii) TWO HEALTH PROFESSIONALS WITH ACADEMIC AND TECHNICAL
2 EXPERTISE IN THE TOXICOLOGY OF AIR OR WATER CONTAMINANTS.

3 (iv) TWO INDIVIDUALS WITH ACADEMIC AND TECHNICAL EXPERTISE IN
4 WATER RESOURCES.

5 (v) TWO INDIVIDUALS WITH ACADEMIC AND TECHNICAL EXPERTISE IN
6 GEOLOGY OR HYDROLOGY.

7 (vi) TWO INDIVIDUALS REPRESENTING PRIVATE ENVIRONMENTAL
8 PROTECTION ORGANIZATIONS.

9 (vii) THREE INDIVIDUALS REPRESENTING THE GENERAL PUBLIC.

10 (3) THE GOVERNOR SHALL APPOINT THE FIRST MEMBERS TO THE
11 COMMISSION WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

12 (4) MEMBERS OF THE COMMISSION APPOINTED UNDER SUBSECTION
13 (2) (B) SERVE FOR TERMS OF 3 YEARS OR UNTIL A SUCCESSOR IS
14 APPOINTED, WHICHEVER IS LATER, EXCEPT THAT OF THE MEMBERS FIRST
15 APPOINTED 5 SHALL SERVE FOR 1 YEAR AND 5 SHALL SERVE FOR 2 YEARS.

16 (5) IF A VACANCY OCCURS IN AN APPOINTED SEAT ON THE
17 COMMISSION, THE GOVERNOR SHALL MAKE AN APPOINTMENT FOR THE
18 UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

19 (6) THE GOVERNOR MAY REMOVE A MEMBER OF THE COMMISSION FOR
20 INCOMPETENCE, DERELICTION OF DUTY, MALFEASANCE, MISFEASANCE, OR
21 NONFEASANCE IN OFFICE, OR ANY OTHER GOOD CAUSE.

22 (7) THE DIRECTOR OF THE DEPARTMENT SHALL CALL THE FIRST
23 MEETING OF THE COMMISSION NOT MORE THAN 60 DAYS AFTER THE EFFECTIVE
24 DATE OF THIS SECTION. AT THE FIRST MEETING, THE COMMISSION SHALL
25 ELECT FROM AMONG ITS MEMBERS A CHAIRPERSON AND OTHER OFFICERS AS IT
26 CONSIDERS NECESSARY OR APPROPRIATE. AFTER THE FIRST MEETING, THE
27 COMMISSION SHALL MEET AT LEAST QUARTERLY, OR MORE FREQUENTLY AT THE

1 CALL OF THE CHAIRPERSON OR IF REQUESTED BY 3 OR MORE MEMBERS.

2 (8) A MAJORITY OF THE MEMBERS OF THE COMMISSION CONSTITUTE A
3 QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF THE
4 COMMISSION. A MAJORITY OF THE MEMBERS PRESENT AND SERVING ARE
5 REQUIRED FOR OFFICIAL ACTION OF THE COMMISSION.

6 (9) THE COMMISSION SHALL CONDUCT ITS BUSINESS AT A PUBLIC
7 MEETING HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267,
8 MCL 15.261 TO 15.275.

9 (10) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
10 RETAINED BY THE COMMISSION IN THE PERFORMANCE OF AN OFFICIAL
11 FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442,
12 MCL 15.231 TO 15.246.

13 (11) THE APPOINTED MEMBERS OF THE COMMISSION SERVE WITHOUT
14 COMPENSATION, AND THE DIRECTOR OF THE DEPARTMENT SHALL SERVE
15 WITHOUT ADDITIONAL COMPENSATION. MEMBERS OF THE COMMISSION MAY BE
16 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE
17 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE COMMISSION.

18 SEC. 61502D. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
19 PART, THE COMMISSION SHALL EXERCISE SUPERVISORY AUTHORITY OVER ALL
20 OF THE FOLLOWING UNDER THIS PART:

21 (A) ISSUING, DENYING, REVOKING, SUSPENDING, OR MODIFYING
22 PERMITS.

23 (B) PROMULGATING RULES.

24 (C) DEVELOPING DEPARTMENT POLICIES.

25 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, THE
26 SUPERVISOR OF WELLS SHALL NOT EXERCISE THE POWERS LISTED IN
27 SUBSECTION (1) WITHOUT THE APPROVAL OF THE COMMISSION.

1 (3) THE COMMISSION SHALL RECEIVE COMPLAINTS OF ALLEGED
2 VIOLATIONS OF THIS PART, RULES PROMULGATED UNDER THIS PART, OR
3 DETERMINATIONS MADE OR PERMITS OR ORDERS ISSUED UNDER THIS PART.

4 (4) IN RESPONSE TO A COMPLAINT UNDER SUBSECTION (3), THE
5 COMMISSION MAY DO ANY OF THE FOLLOWING:

6 (A) REQUIRE THE SUPERVISOR OF WELLS TO TAKE INVESTIGATORY OR
7 ENFORCEMENT ACTION AS PROVIDED IN THIS PART.

8 (B) REQUEST THE ATTORNEY GENERAL TO COMMENCE AN ACTION IN
9 COURT AS PROVIDED IN THIS PART.

10 Sec. 61503. (1) The supervisor of wells shall designate
11 suitable assistants as are required to implement this part.

12 (2) The commission shall act as an appeal board regarding the
13 issuance, denial, suspension, revocation, annulment, withdrawal,
14 recall, cancellation, or amendment of a permit under this part.
15 ~~When~~ ~~IF~~ a producer or owner considers an order, action, inaction,
16 or procedure as proposed, initiated, or made by the supervisor to
17 be burdensome, inequitable, unreasonable, or unwarranted, the
18 producer or owner may appeal to the commission or the court for
19 relief from the order, action, inaction, or procedure as provided
20 in this act. The chairperson of the commission shall set a date and
21 place to hear the appeal, which may be at a regular meeting of the
22 commission or a special meeting of the commission called for that
23 purpose.

24 (3) The supervisor and employees, in addition to their
25 salaries, shall receive their reasonable expenses while away from
26 their homes traveling on business connected with their duties. ~~A~~
27 ~~member of the commission shall not receive compensation for~~

1 ~~discharging duties under this part; however, a member is entitled~~
2 ~~to reasonable expenses while traveling in the performance of a duty~~
3 ~~imposed by this part.~~ Salaries and expenses authorized in this part
4 shall be paid out of the state treasury in the same manner as the
5 salaries and expenses of other officers and employees of the
6 department are paid.

7 (4) The department of **TECHNOLOGY**, management, and budget shall
8 furnish suitable offices for the use of the supervisor ~~and his or~~
9 ~~her employees.~~ **IN IMPLEMENTING THIS PART.**

10 Sec. 61510. (1) If a person fails or refuses to comply with a
11 subpoena issued by the supervisor **UNDER SECTION 61509**, or if a
12 witness refuses to testify as to any matters regarding which he or
13 she may be lawfully interrogated, any circuit court in this state,
14 ~~or any circuit court judge,~~ on application of the **COMMISSION OR**
15 supervisor, **RESPECTIVELY**, may issue an attachment for the person
16 and compel that person to comply with the subpoena and to attend a
17 hearing before the **COMMISSION OR** supervisor and produce documents,
18 and testify upon matters, as may be lawfully required. ~~and the~~
19 **THE** court or judge ~~has the power to~~ **MAY** punish that person for
20 contempt in the same manner as if the person had disobeyed the
21 subpoena of the court or refused to testify in that court.

22 (2) A witness summoned by subpoena or by written request of
23 the **COMMISSION OR** supervisor and attending a hearing called by the
24 **COMMISSION OR** supervisor is entitled to the same fees and mileage
25 as ~~are or may be~~ provided by law for attending the circuit court in
26 a civil matter or proceeding. The fees and mileage of witnesses
27 subpoenaed at the instance of the **COMMISSION OR** supervisor shall be

1 paid out of the general funds of the state treasury upon proper
2 voucher approved by the **COMMISSION OR** supervisor, **RESPECTIVELY**. The
3 fees and mileage of witnesses subpoenaed at the instance of any
4 other interested party shall be paid by that party.

5 Sec. 61517. (1) Except as provided in subsection (2), the
6 circuit court of Ingham county has exclusive jurisdiction over all
7 suits brought against the ~~department~~, **COMMISSION**, the supervisor,
8 or any agent or employee of the ~~department~~ **COMMISSION** or
9 supervisor, by or on account of any matter or thing arising under
10 this part. A **COURT SHALL NOT GRANT A** temporary restraining order or
11 injunction ~~shall not be granted~~ in any suit described in this
12 section except after due notice and for good cause shown.

13 (2) A suit brought against the supervisor pertaining to an
14 order of the supervisor requiring the pooling of properties or
15 parts of properties under section 61513(4) may be brought in the
16 circuit court for the county in which the oil or gas rights are
17 located or in the circuit court of Ingham ~~county~~. **COUNTY**. A suit
18 brought in the circuit court of Ingham ~~county~~ **COUNTY** against the
19 supervisor pertaining to an order of the supervisor requiring the
20 pooling of properties or parts of properties under section 61513(4)
21 may be removed to the circuit court for the county in which the oil
22 or gas rights are located upon petition by a majority of the owners
23 of the oil and gas rights who are subject to the order.
24 Additionally, if all of the owners of the oil and gas interests
25 being pooled reside in a county in ~~Michigan~~ **THIS STATE** other than
26 the county in which the oil and gas rights are located, the suit
27 may be brought in, or removed to, the circuit court for the county

1 in which the owners reside. A petition for removal under this
2 subsection ~~shall~~ **MUST** be filed within 28 days after filing and
3 service of the complaint in circuit court.

4 Sec. 61701. As used in this part, unless the context otherwise
5 requires:

6 **(A) "COMMISSION" MEANS THE OIL AND GAS COMMISSION CREATED IN**
7 **SECTION 61502B.**

8 **(B)** ~~(a)~~ "Field" means an underground reservoir or reservoirs
9 containing oil or gas, or both. Field also includes the same
10 general surface area that is underlaid or appears to be underlaid
11 by at least 1 pool. Field and pool have the same meaning if only 1
12 underground reservoir is involved. However, field, unlike pool, may
13 relate to 2 or more pools.

14 **(C)** ~~(b)~~ "Lessee" means lessees under oil and gas leases and
15 also the owners of unleased lands or mineral rights having the
16 right to develop them for oil and gas.

17 **(D)** ~~(c)~~ "Oil and gas" means oil and gas as such in combination
18 one with the other and also means oil, gas, casinghead gas,
19 casinghead gasoline, gas distillate, or other hydrocarbons, or any
20 combination or combinations of these substances, which may be found
21 in or produced from a common source of supply of oil, gas, oil and
22 gas, or gas distillate.

23 **(E)** ~~(d)~~ "Pool" or "common source of supply" means a natural
24 underground reservoir containing or appearing to contain a common
25 accumulation of oil and gas. Each productive zone of a general
26 structure that is completely separate from any other zone in the
27 structure, or that may for the purposes of this part be declared by

1 the supervisor to be completely separate, is included in the term
2 pool or common source of supply. Any reference to a separately
3 owned tract, although in general terms broad enough to include the
4 surface and all underlying common sources of supply of oil and gas,
5 ~~shall have reference thereto~~ **REFERS** only ~~in relation to~~ the common
6 source of supply or portion thereof included within the unit area
7 of a particular unit.

8 **(F)** ~~(e)~~ "Supervisor" or "supervisor of wells" means the
9 department. ~~as provided in part 615.~~

10 **(G)** ~~(f)~~ "Unit area" means the formation or formations that are
11 unitized and surface acreage that is a part of the unitized lands,
12 as described in the plan for unit operations that is the subject of
13 the supervisor's order as provided in section 61706.

14 **(H)** ~~(g)~~ "Unit expense" means any and all cost, expense, or
15 indebtedness incurred by the unit in the establishment of its
16 organization or incurred in the conduct and management of its
17 affairs or the operations conducted by it.

18 **(I)** ~~(h)~~ "Unit production" means all indigenous oil and gas
19 produced and saved from a unit area after the effective date of the
20 order of the supervisor creating the unit, regardless of the well
21 or tract within the unit area from which that oil and gas is
22 produced.

23 **(J)** ~~(i)~~ "Waste", in addition to its ordinary meaning, means
24 physical waste as that term is generally understood in the oil and
25 gas industry. Waste includes all of the following:

26 (i) The inefficient, excessive, or improper use or dissipation
27 of reservoir energy and the locating, spacing, drilling, equipping,

1 operating, producing, or plugging of any oil and gas well or wells
2 in a manner that results or tends to result in reducing the
3 quantity of oil and gas ultimately recoverable from any pool in the
4 state under good oil and gas field practice.

5 (ii) The inefficient production of oil and gas in a manner
6 that causes or tends to cause unnecessary or excessive surface loss
7 or destruction of oil and gas.

8 (iii) The locating, spacing, drilling, equipping, operating,
9 producing, or plugging of a well or wells in a manner that causes
10 or tends to cause unnecessary or excessive loss or destruction of
11 oil and gas.

12 **SEC. 61702B. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS**
13 **PART, THE COMMISSION SHALL EXERCISE SUPERVISORY AUTHORITY OVER ALL**
14 **OF THE FOLLOWING UNDER THIS PART:**

15 (A) MAKING FINDINGS THAT PLANS FOR UNIT OPERATIONS HAVE BEEN
16 APPROVED.

17 (B) PROMULGATING RULES AND ISSUING REGULATIONS.

18 (C) DEVELOPING DEPARTMENT POLICIES.

19 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, THE
20 SUPERVISOR OF WELLS SHALL NOT EXERCISE THE POWERS LISTED IN
21 SUBSECTION (1) WITHOUT THE APPROVAL OF THE COMMISSION.

22 (3) THE COMMISSION SHALL RECEIVE COMPLAINTS OF ALLEGED
23 VIOLATIONS OF THIS PART, RULES PROMULGATED OR REGULATIONS ISSUED
24 UNDER THIS PART, OR DETERMINATIONS MADE OR ORDERS ISSUED UNDER THIS
25 PART.

26 (4) IN RESPONSE TO A COMPLAINT UNDER SUBSECTION (3), THE
27 COMMISSION MAY DO ANY OF THE FOLLOWING:

1 (A) REQUIRE THE SUPERVISOR OF WELLS TO TAKE INVESTIGATORY OR
2 ENFORCEMENT ACTION AS PROVIDED IN THIS PART.

3 (B) DIRECT THE SUPERVISOR OF WELLS TO COMMENCE AN ACTION IN
4 COURT AS PROVIDED IN THIS PART.

5 Sec. 61730. The action of the supervisor ~~shall be~~ **IS** final
6 with respect to jurisdiction for an appeal before any regulatory
7 agency of this state, but any person may seek relief before the
8 commission or in the courts as provided under the laws of ~~the~~ **THIS**
9 state, and ~~the taking of an appeal as provided in this part is not~~
10 a prerequisite to seeking relief in the courts. The ~~place of~~
11 ~~initiation of proceedings for review shall be limited to the~~
12 circuit court of the county of Ingham, ~~which shall have~~ **HAS**
13 exclusive jurisdiction of all suits brought against **THE COMMISSION,**
14 the supervisor, or any agent or employee of the **COMMISSION OR**
15 supervisor, on account of any matter arising under this part. A
16 **COURT SHALL NOT GRANT A** temporary restraining order or injunction
17 ~~shall not be granted~~ in any such suit except after due notice and
18 upon a showing of irreparable harm by the appealing party.

19 Sec. 61731. The **COMMISSION OR** supervisor may compel by
20 subpoena the attendance of witnesses or the production of books,
21 papers, records, or articles necessary in any proceeding before the
22 **COMMISSION OR** supervisor, **RESPECTIVELY**. A person ~~shall~~ **IS** not be
23 excused from obeying any subpoena ~~for the reason that~~ **BECAUSE** the
24 testimony or evidence, documentary or otherwise, may tend to
25 incriminate him or her or subject him or her to a penalty or
26 forfeiture. ~~Nothing in this part shall be construed as requiring~~
27 **THIS PART DOES NOT REQUIRE** any person to produce anything or to

1 testify in response to **AN** inquiry not pertinent to some question
2 lawfully before the **COMMISSION OR THE** supervisor or any court for
3 determination within the purposes of this part. Any incriminating
4 evidence, documentary or otherwise, shall not thereafter be used
5 against the witness in a prosecution or action for forfeiture. A
6 person testifying is not exempt from prosecution and punishment for
7 perjury in so testifying.

8 Sec. 61732. In case of failure or refusal on the part of any
9 person to comply with any subpoena issued by the **COMMISSION OR**
10 supervisor, or the refusal of any witness to testify or answer as
11 to any matters regarding which he or she may be lawfully
12 interrogated, any circuit court in this state, ~~or any circuit court~~
13 ~~judge~~ on application of the **COMMISSION OR** supervisor, **RESPECTIVELY,**
14 may issue an attachment for the person and compel him or her to
15 comply with ~~such~~**THE** subpoena and to attend before the **COMMISSION**
16 **OR** supervisor or any court and produce ~~such~~ documents and give his
17 or her testimony upon ~~such~~ matters as may be lawfully required. ~~7~~
18 ~~and the~~**THE** court ~~or judge~~ may punish **THAT PERSON** for contempt as
19 ~~in case of disobedience of a like subpoena issued by or from such~~
20 ~~court or a refusal~~ **FOR DISOBEYING THE SUBPOENA IN THE SAME MANNER**
21 **AS IF THE PERSON HAD REFUSED** to testify ~~before~~ **OR PRODUCE DOCUMENTS**
22 **IN** that court.

23 Sec. 61733. Any witness summoned by subpoena or by written
24 request of the **COMMISSION OR** supervisor and attending any hearing
25 called by the **COMMISSION OR** supervisor is entitled to the same fees
26 and travel expense as provided by law for attending the circuit
27 court in any civil matter or proceeding. The fees and travel

1 expense of witnesses subpoenaed at the instance of the **COMMISSION**
2 **OR** supervisor shall be paid by the persons filing the petition.

3 Sec. 62501. As used in this part:

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

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

8 **(C) "COMMISSION" MEANS THE OIL AND GAS COMMISSION CREATED**
9 **UNDER SECTION 61502B.**

10 **(D)** ~~(e)~~ "Department" means the department of environmental
11 quality.

12 **(E)** ~~(d)~~ "Disposal well" means a well drilled or converted for
13 subsurface disposal of waste products or processed brine and its
14 related surface facilities.

15 **(F)** ~~(e)~~ "Exploratory purposes" means ~~test well drilling for~~
16 the specific purpose of discovering or outlining an orebody or
17 mineable mineral resource.

18 **(G)** ~~(f)~~ "Fund" means the mineral well regulatory fund created
19 in section 62509b.

20 **(H)** ~~(g)~~ "Mineral well" means any well subject to this part.

21 **(I)** ~~(h)~~ "Natural brine" means naturally occurring mineralized
22 water other than potable or fresh water.

23 **(J)** ~~(i)~~ "Operator" means the person, whether owner or not,
24 supervising or responsible for the drilling, operating, repairing,
25 abandoning, or plugging of wells subject to this part.

26 **(K)** ~~(j)~~ "Owner" means the person who has the right to drill,
27 convert, or operate any well subject to this part.

1 (**I**) ~~(k)~~—"Pollution" means damage or injury from the loss,
2 escape, or unapproved disposal of any substance at any well subject
3 to this part.

4 (**M**) ~~(l)~~—"Storage well" means a well drilled into a subsurface
5 formation to develop an underground storage cavity for subsequent
6 use in storage operations. Storage well does not include a storage
7 well drilled pursuant to part 615.

8 (**N**) ~~(m)~~—"Supervisor of mineral wells" means the state
9 geologist, **AS DEFINED IN SECTION 60101.**

10 (**O**) ~~(n)~~—"Surface waste" means damage to, injury to, or
11 destruction of surface waters, soils, animal, fish, and aquatic
12 life, or surface property from unnecessary seepage or loss
13 incidental to or resulting from drilling, equipping, or operating a
14 well or wells subject to this part.

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

23 (**Q**) ~~(p)~~—"Underground storage cavity" means a cavity formed by
24 dissolving rock salt or other readily soluble rock or mineral, by
25 nuclear explosion, or by any other method for the purpose of
26 storage or disposal.

27 (**R**) ~~(q)~~—"Underground waste" means damage or injury to potable

1 water, mineralized water, or other subsurface resources.

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

7 SEC. 62503B. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
8 PART, THE COMMISSION SHALL EXERCISE SUPERVISORY AUTHORITY OVER ALL
9 OF THE FOLLOWING UNDER THIS PART:

10 (A) ISSUING, DENYING, REVOKING, SUSPENDING, OR MODIFYING
11 PERMITS.

12 (B) PROMULGATING RULES.

13 (C) DEVELOPING POLICIES BY THE SUPERVISOR OF MINERAL WELLS.

14 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, THE
15 DIRECTOR OF THE DEPARTMENT OR THE SUPERVISOR OF MINERAL WELLS SHALL
16 NOT EXERCISE THE POWERS LISTED IN SUBSECTION (1) WITHOUT THE
17 APPROVAL OF THE COMMISSION.

18 (3) THE COMMISSION SHALL RECEIVE COMPLAINTS OF ALLEGED
19 VIOLATIONS OF THIS PART, RULES PROMULGATED UNDER THIS PART, OR ANY
20 DETERMINATION, PERMIT, OR ORDER ISSUED UNDER THIS PART.

21 (4) IN RESPONSE TO A COMPLAINT UNDER SUBSECTION (3), THE
22 COMMISSION MAY DO ANY OF THE FOLLOWING:

23 (A) REQUIRE THE DEPARTMENT OR THE SUPERVISOR OF MINERAL WELLS
24 TO TAKE INVESTIGATORY OR ENFORCEMENT ACTION AS PROVIDED IN THIS
25 PART.

26 (B) REQUEST THE ATTORNEY GENERAL TO COMMENCE AN ACTION IN
27 COURT AS PROVIDED IN THIS PART.

1 Sec. 62504. The commission shall act as an appeal board
2 regarding the issuance, denial, suspension, revocation, annulment,
3 withdrawal, recall, cancellation, or amendment of a permit under
4 this part. If an owner or operator considers an order made by the
5 supervisor of mineral wells to be unduly burdensome, inequitable,
6 or unwarranted, the owner or operator may appeal to the commission
7 or the court for relief as provided in this act, ~~and shall give~~
8 **WITH** notice to the supervisor of mineral wells. The chairperson of
9 the commission shall set a date and place to hear the appeal, which
10 may be at any regular meeting or at any special meeting of the
11 commission duly called for that purpose. The supervisor of mineral
12 wells or any person interested in the matter has the right to be
13 heard at ~~such~~**THE** hearing.

14 Sec. 62514. (1) The **COMMISSION AND** supervisor of mineral wells
15 may summon witnesses, administer oaths, and, when necessary to
16 carry out ~~the provisions of~~ this part, require the production of
17 appropriate records, books, and documents.

18 (2) ~~Upon failure or refusal of any person~~**IF A PERSON FAILS OR**
19 **REFUSES** to comply with a subpoena issued by the **COMMISSION OR**
20 supervisor of mineral wells, or ~~upon the refusal of any~~**A** witness
21 **REFUSES** to testify as to any matter on which he or she ~~may be~~**IS**
22 interrogated ~~as being~~**THAT IS** pertinent to the hearing or
23 investigation, **ANY CIRCUIT COURT IN THIS STATE, ON APPLICATION OF**
24 **THE COMMISSION OR SUPERVISOR OF MINERAL WELLS, RESPECTIVELY, MAY**
25 **ISSUE AN ORDER COMPELLING** the person or witness ~~may be subject to a~~
26 ~~court order compelling him or her to~~ comply with ~~such~~**THE** subpoena,
27 and to appear before the **COMMISSION OR** supervisor of mineral wells

1 and produce the records, books, and documents for examination and
2 to testify. The court may punish **THE PERSON OR WITNESS** for contempt
3 or for refusal to testify. **COMPLY WITH THE SUBPOENA.**

4 Enacting section 1. This amendatory act takes effect 90 days
5 after the date it is enacted into law.