

HOUSE BILL No. 4122

January 29, 2013, Introduced by Rep. Slavens 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 61506 and 61506b (MCL 324.61506 and 324.61506b), section 61506 as amended and section 61506b as added by 1998 PA 303, and by adding section 61506d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61506. The supervisor shall prevent the waste prohibited
2 by this part. To that end, acting directly or through his or her
3 authorized representatives, the supervisor is specifically
4 empowered to do all of the following:

5 (a) To promulgate and enforce rules, issue orders and
6 instructions necessary to enforce the rules, and do whatever may be
7 necessary with respect to the subject matter stated in this part to
8 implement this part, whether or not indicated, specified, or

1 enumerated in this or any other section of this part.

2 (b) To collect data to make inspections, studies, and
3 investigations; to examine properties, leases, papers, books, and
4 records as necessary to the purposes of this part; to examine,
5 check, and test and gauge oil and gas wells and tanks, plants,
6 refineries, and all means and modes of transportation and
7 equipment; to hold hearings; and to provide for the keeping of
8 records and making of reports, and for the checking of the accuracy
9 of the records and reports.

10 (c) To require the locating, drilling, deepening, redrilling
11 or reopening, casing, sealing, operating, and plugging of wells
12 drilled for oil and gas or for secondary recovery projects, or
13 wells for the disposal of salt water, brine, or other oil field
14 wastes, to be done in such manner and by such means as to prevent
15 the escape of oil or gas out of 1 stratum into another, or of water
16 or brines into oil or gas strata; to prevent pollution of, damage
17 to, or destruction of fresh water supplies, including inland lakes
18 and streams and the Great Lakes and connecting waters, and valuable
19 brines by oil, gas, or other waters, to prevent the escape of oil,
20 gas, or water into workable coal or other mineral deposits; to
21 require the disposal of salt water and brines and oily wastes
22 produced incidental to oil and gas operations in a manner and by
23 methods and means so that unnecessary damage or danger to or
24 destruction of surface or underground resources, to neighboring
25 properties or rights, or to life does not result.

26 (d) To require reports and maps showing locations of all wells
27 subject to this part, and the keeping and filing of logs, well

1 samples, and drilling, testing, and operating records or reports.
2 All well data and samples furnished to the supervisor as required
3 in this part, upon written request of the owner of the well, shall
4 be held confidential for 90 days after the completion of drilling
5 and shall not be open to public inspection except by written
6 consent of the owner.

7 (e) To prevent the drowning by water of any stratum or part of
8 the stratum capable of producing oil or gas, or both oil and gas,
9 and to prevent the premature and irregular encroachment of water,
10 or any other kind of water encroachment, that reduces or tends to
11 reduce the total ultimate recovery of oil or gas, or both oil or
12 gas, from any pool.

13 (f) To prevent fires or explosions.

14 (g) To prevent blow-outs, seepage, and caving in the sense
15 that the conditions indicated by such terms are generally
16 understood in the oil business.

17 (h) To regulate the mechanical, physical, and chemical
18 treatment of wells.

19 (i) To regulate the secondary recovery methods of oil and gas,
20 including pulling or creating a vacuum and the introduction of gas,
21 air, water, and other substances into the producing formations.

22 (j) To fix the spacing of wells and to regulate the production
23 from the wells.

24 (k) To require the operation of wells with efficient gas-oil
25 ratios and to establish the ratios.

26 (l) To require by written notice or citation immediate
27 suspension of any operation or practice and the prompt correction

1 of any condition found to exist that causes or results or threatens
2 to cause or result in waste.

3 (m) To require, either generally or in or from particular
4 areas, certificates of clearance or tenders in connection with the
5 transportation of oil, gas, or any product of oil or gas.

6 (n) To require identification of the ownership of oil and gas
7 producing leases, properties, and wells.

8 (o) To promulgate rules or issue orders for the
9 classifications of wells as oil wells or gas wells; or wells
10 drilled, or to be drilled, for secondary recovery projects, or for
11 the disposal of salt water, brine, or other oil or gas field
12 wastes; or for the development of reservoirs for the storage of
13 liquid or gaseous hydrocarbons, or for other means of development,
14 extraction, or production of hydrocarbons.

15 (p) To require the filing of an adequate surety, security, or
16 cash bonds of owners, producers, operators, or their authorized
17 representatives in such reasonable form, condition, term, and
18 amount as will ensure compliance with this part and with the rules
19 promulgated or orders issued under this part and to provide for the
20 release of the surety, security, or cash bonds.

21 (q) To require the immediate suspension of drilling or other
22 well operations if there exists a threat to public health or
23 safety.

24 (r) To require a person applying for a permit to drill and
25 operate any well regulated by this part to file a complete and
26 accurate written application on a form prescribed by the
27 supervisor.

1 (s) To require the posting of safety signs and the
 2 installation of fences, gates, or other safety measures if there
 3 exists a threat to public health, safety, or property.

4 (t) To prevent regular or recurring nuisance noise or regular
 5 or recurring nuisance odor in the exploration for or development,
 6 production, or handling of oil and gas. **OIL AND GAS OPERATIONS IN**
 7 **THE VICINITY OF RESIDENTIAL PROPERTY SHALL COMPLY WITH SECTION**
 8 **61506D.**

9 Sec. 61506b. (1) Except as provided in subsections (2) and
 10 (3), ~~beginning on the effective date of this section, the~~
 11 supervisor shall not issue a permit for or authorize the drilling
 12 of an oil or gas well if ~~both~~ **EITHER** of the following ~~apply~~

13 **APPLIES:**

14 (a) The well is located within 450 feet of **THE BOUNDARY OF**
 15 **PROPERTY CONTAINING** a residential building, ~~-(b) The residential~~
 16 ~~building is located~~ **WHICH IS** in a city or township with a
 17 population of 70,000 or more.

18 **(B) THE GOVERNING BODY OF THE CITY, VILLAGE, OR TOWNSHIP WHERE**
 19 **THE WELL IS LOCATED HAS DETERMINED THAT THE WELL POSES A THREAT TO**
 20 **PUBLIC HEALTH OR SAFETY.**

21 (2) The supervisor may grant a waiver from the requirement of
 22 subsection (1)(a) if the clerk of the city, village, or township in
 23 which the proposed well is located has been notified of the
 24 application for a permit for the proposed well and if either of the
 25 following conditions is met:

26 (a) ~~The owner or~~ **ALL OF THE** owners of **PROPERTY CONTAINING** ~~all~~
 27 residential buildings **WHOSE PROPERTY BOUNDARIES ARE** located within

1 450 feet of the proposed well give written consent.

2 (b) The supervisor determines, pursuant to a public hearing
3 held before the waiver is granted, that the proposed well location
4 will not cause waste and there is no reasonable alternative for the
5 location of the well that will allow the oil and gas rights holder
6 to develop the oil and gas.

7 (3) Subsection (1) does not apply to a well utilized for the
8 injection, withdrawal, and observation of the storage of natural
9 gas pursuant to this part.

10 **SEC. 61506D. NOISE FROM THE EXPLORATION FOR OR DEVELOPMENT,**
11 **PRODUCTION, OR HANDLING OF OIL OR GAS IN THE VICINITY OF**
12 **RESIDENTIAL PROPERTY SHALL COMPLY WITH ALL OF THE FOLLOWING:**

13 (A) BETWEEN THE HOURS OF 7 A.M. AND 7 P.M., NOISE LEVELS SHALL
14 NOT EXCEED 55 DECIBELS AS MEASURED FROM THE BOUNDARY OF THAT
15 RESIDENTIAL PROPERTY.

16 (B) BETWEEN THE HOURS OF 7 P.M. AND 7 A.M., NOISE LEVELS SHALL
17 NOT EXCEED 50 DECIBELS AS MEASURED FROM THE BOUNDARY OF THAT
18 RESIDENTIAL PROPERTY.