

HOUSE BILL No. 5111

June 17, 2009, Introduced by Reps. Slavens, Geiss, Liss, Robert Jones, Bledsoe, Angerer, Kennedy, Womack, Slezak, Constan, Switalski, Durhal and Barnett and referred to the Committee on Great Lakes and Environment.

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~~ **MAY** 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

1 implement this part, whether or not indicated, specified, or
2 enumerated in this or any other section of this part.

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

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

27 (d) To require reports and maps showing locations of all wells

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

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

14 (f) To prevent fires or explosions.

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

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

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

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

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

27 (l) To require by written notice or citation immediate

1 suspension of any operation or practice and the prompt correction
2 of any condition found to exist that causes or results or threatens
3 to cause or result in waste.

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

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

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

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

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

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

1 supervisor.

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

5 (t) To prevent regular or recurring nuisance noise or regular
6 or recurring nuisance odor in the exploration for or development,
7 production, or handling of oil and gas. **OIL AND GAS OPERATIONS IN
8 THE VICINITY OF RESIDENTIAL PROPERTY SHALL COMPLY WITH SECTION
9 61506D.**

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

14 **APPLIES:**

15 (a) The well is located within 450 feet of **THE BOUNDARY OF
16 PROPERTY CONTAINING** a residential building ~~.(b) The residential
17 building is located in a city or township with a population of
18 70,000 or more.~~

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

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

27 (a) ~~The owner or~~ **ALL OF THE** owners of **PROPERTY CONTAINING all**

1 residential buildings **WHOSE PROPERTY BOUNDARIES ARE** located within
2 450 feet of the proposed well give written consent.

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

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

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

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

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