

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)
Act 451 of 1994
Part 616
ORPHAN WELL FUND

324.61601 Definitions.

Sec. 61601.

As used in this part:

(a) "Abandoned oil or gas well" means an oil or gas well that has not been plugged promptly after having been drilled as a dry hole or has not been used for its intended purpose during 12 consecutive months, unless the supervisor has authorized it to remain idle.

(b) "Fund" means the orphan well fund created in section 61602.

(c) "Oil or gas well" means a well drilled pursuant to part 615, or its predecessor acts, or a well drilled prior to the effective dates of part 615 or its predecessor acts as determined by the supervisor, for oil or gas exploration or development or storage, or associated production or disposal activities.

(d) "Operator" means the person authorized by contract or agreement by the owner to drill, operate, maintain, or plug a well. Operator does not include the operator of a natural gas storage field within the boundary of the natural gas storage field unless the natural gas storage field operator has either drilled, plugged, or replugged the well in question or has utilized the well for the injection or withdrawal of natural gas into or from the natural gas storage field.

(e) "Owner" means the person who has the right to drill a well into a pool, to produce from a pool, and to receive and distribute the value of the production from the pool for himself or herself either individually or in combination with others.

(f) "Response activity" has the same meaning as in part 201.

(g) "Site restoration" means the filling and leveling of all cellars, pits, and excavations; the removal or elimination of all debris; the elimination of conditions that may create a fire or pollution hazard; the minimization of erosion; and the restoration of the well site as nearly as practicable to the original land contour or to a condition approved by the supervisor after consulting with the surface owner of the land and with the operator of a natural gas storage field if the well site is within the boundary of a natural gas storage field.

(h) "Supervisor" means the supervisor of wells as provided by part 615 or his or her designee.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA

324.61602 Orphan well fund; creation; disposition of assets.

Sec. 61602.

(1) The orphan well 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.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA

324.61603 Expenditures from fund; consultation with operator.

Sec. 61603.

(1) The supervisor shall expend money from the fund, upon appropriation, only for the following purposes:

(a) For plugging of abandoned or improperly closed oil or gas wells or response activity or site restoration at oil or gas wells for which no owner or operator is known, for which all owners or operators are insolvent, or at which the supervisor determines there exists an imminent threat to the public health and safety.

(b) For the reasonable cost of the supervisor for internal administration in connection with the activities included in subdivision (a).

(2) The supervisor shall consult with the operator of a natural gas storage field prior to plugging any abandoned or improperly closed oil or gas wells within the boundary of the storage field operator's natural gas storage field.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA

324.61604 List to be submitted to legislature; annual appropriation from fund for listed projects.

Sec. 61604.

(1) By January 1 of each year, the supervisor shall prepare and submit to the legislature a list of the oil or gas wells that should be plugged and those at which response activities or site restoration should be performed with money in the fund. The list shall be compiled in order of priority. The list shall be accompanied by estimates of total project costs for the proposed plugging, response activity, site restoration, internal administration, and potential emergency contingencies. Additionally, the supervisor shall include with the list a statement of the criteria used in listing and assigning the priority of these proposed actions.

(2) The legislature shall annually appropriate money from the fund for projects on the list prepared under subsection (1) and for sites where there exists an imminent threat to public health and safety. Except for sites where there exists an imminent threat to public health and safety, projects shall be funded in the order of their priority on the list.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA

324.61605 Action by attorney general against well owner or operator; recovery of money expended.

Sec. 61605.

Following the expenditure of money from the fund pursuant to section 61603(1)(a), the attorney general may bring an action against a person who was the owner or operator of the well at the time that the condition arose requiring expenditure of money from the fund, to recover from that owner or operator the amount of money expended from the fund for which the owner or operator is liable. Money recovered under this section shall be deposited into the fund.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA

324.61606 Sale of equipment.

Sec. 61606.

The supervisor may sell the well pipe and any other equipment related to an abandoned or improperly closed well as to which there is an expenditure of money from the fund. The proceeds of sale shall be credited to the fund.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA

324.61607 Report to legislature of expenditures.

Sec. 61607.

By December 31 of each year, the supervisor shall prepare and submit to the legislature a report that details expenditures from the fund for the preceding fiscal year.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995

Popular Name: Act 451

Popular Name: NREPA