

27-4 - OIL AND GAS PERMITS

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE DEPARTMENT OF NATURAL RESOURCES RELATING TO OIL AND GAS PERMITS

AMENDED TRANSITION AGREEMENT #27, MOU #4

The Department of Environmental Quality (DEQ) and the Department of Natural Resources (DNR) jointly enter into this Memorandum of Understanding (MOU) relating to the exchange of information and recommendations associated with the processing of oil and gas permit applications pursuant to Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). The purpose of this MOU is to establish procedural protocols for 1) ensuring a smooth, efficient oil and gas permit application review process while resolving disagreements to the greatest extent possible; 2) the DEQ to assist the DNR in proprietary decision-making and management responsibilities for State-owned lands under DNR jurisdiction by providing oil and gas permit application information to the DNR; and 3) the DNR to assist the DEQ in oil and gas permit issuance decision-making by providing natural resource impact information to the DEQ.

Responsibilities of the DEQ

1. The Geological Survey Division (GSD) shall provide a copy of the "Weekly Permit List" to the DNR, Real Estate Division (RED) and shall provide ongoing access to the list electronically to others within the DNR.
2. Upon receipt and logging in of a permit application submitted pursuant to Part 615 of the NREPA, the GSD shall provide the DNR, Forest Management Division with a copy of all well drilling permit application documents when the proposed well site is to be located on any State-owned surface.
3. The GSD shall seek a resource evaluation from the appropriate DNR manager on public or private lands that are suspected or known to:
 - a. Contain threatened or endangered species.
 - b. Be in a special ecological area, such as an old growth, prairie, or quiet area.
 - c. Be in a special wildlife habitat area, such as a deer yard, heron rookery, or warbler nesting.
 - d. Be in a special DNR land or fisheries management area, such as the Jordan Valley Management Area, Hunt Creek Fisheries Research Area, Pigeon River Country Forest Area, or blue ribbon trout stream corridor.
4. Upon receipt and logging in of a permit application, GSD will provide the DNR thirty (30) calendar days to complete their review of the application, as provided in Item #4 under "Responsibilities of the DNR." The permit decision(s) will not be made until the thirty (30) calendar day time frame passes or until DNR provides comments, whichever comes first.
5. The GSD will provide the DNR twenty (20) calendar days from the receipt of a request to complete resource evaluation and provide recommendations per Item #5, "Responsibilities of the DNR."

6. During the DNR review periods, designated GSD District staff will work diligently with appropriate DNR managers to attempt mitigation of any natural resource impacts identified by the DNR.

Responsibilities of the DNR

1. The RED will provide on a frequent basis updated maps and access to digital data that delineates State-owned surface lands under the jurisdiction of the DNR and lands that are suspected or known to:
 - a. Contain threatened or endangered species.
 - b. Be in a special ecological area, such as an old growth, prairie, or quiet area.
 - c. Be in a special wildlife habitat area, such as a deer yard, heron rookery, or warbler nesting.
 - d. Be in a special DNR land or fisheries management area, such as the Jordan Valley Management Area, Hunt Creek Fisheries Research Area, Pigeon River Country Forest Area, or blue ribbon trout stream corridor.
2. Upon written request in memorandum format from GSD, the DNR, Wildlife Division's Michigan Natural Features Inventory will provide to the GSD permit coordinator information on the presence of threatened and endangered species, within fifteen (15) calendar days from the date of the written request.
3. The RED, after receipt of the Weekly Permit List as provided in Item #1 under "Responsibilities of the DEQ," will notify the GSD's Permits and Bonding Unit of any unleased State-owned minerals lying within the proposed drilling unit(s).
4. Within thirty (30) calendar days from the date the GSD receives and logs an oil and gas drilling permit application, as provided in Item #2 under "Responsibilities of the DEQ," the appropriate DNR manager may work with and/or provide comments/recommendations to appropriate GSD staff regarding the location of the proposed well site which is to be located on State-owned surface lands, except for those lands listed in Item #3 under "Responsibilities of the DEQ."
5. Within twenty (20) calendar days from the date the DNR receives a request from the DEQ for a resource evaluation, as provided in Item #3 under "Responsibilities of the DEQ," the appropriate DNR staff shall:
 - a. Evaluate the impact(s) of the application on surface, soils, animal, fish, or aquatic life, property, or other environmental values from the proposed oil and gas operation.
 - b. Work diligently with designated GSD District staff to suggest mitigation for serious natural resource impacts.
 - c. Provide to the designated GSD District staff, in writing, specific findings and recommendations as to the issuance of a permit.

Coordination and Resolution of Matters of Significant Disagreement

The DEQ-GSD Field Operations Supervisor and the DNR Field Operations Supervisor shall monitor the effectiveness of this MOU. If the DEQ and the DNR field staff have a significant disagreement that would adversely affect the permits, licenses, or approvals issued by the DEQ or the DNR, the issues shall be forwarded to the DEQ GSD Field Operations Supervisor and the DNR Field Operations Supervisor. If after ten (10) days there continues to be no resolution, the issues of significant disagreement and respective department positions will be brought to the attention of the designated decision-maker for resolution.

Review of the MOU

Upon written request by either party, representatives of both parties will meet within thirty (30) days of such request to review the effectiveness of this MOU and initiate any necessary alterations.

Signed by Russell J. Harding, Director, Department of Environmental Quality, on June 26, 1997

Signed by K. L. Cool, Director, Department of Natural Resources on June 30, 1997