DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF GEOLOGICAL SURVEY

MINERAL WELLS

Filed with the Secretary of State on December 5, 2008

These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the director of the department of environmental quality by section 62506 of 1994 PA 451, MCL 324.62506, Section 9 of 1965 PA 380, MCL 16 109, and Executive Reorganization Order No. 1995-16, MCL 324.99903)

R 299.2328, R 299.2332, R 299.2341, R 299.2391, R 299.2437, and R 299.2531 of the Michigan Administrative Code are amended as follows:

R 299.2328 Temporary abandonment status.

Rule 2328. (1) A permittee of a well that has not been used for its permitted purpose during 24 consecutive months or has been tested and found to be unuseable for the purpose for which it was permitted shall plug the well, unless the well is granted temporary abandonment status. Temporary abandonment status shall be allowed only upon written application to, and approval of, the supervisor of mineral wells or authorized representative of the supervisor of mineral wells.

(2) The term of the initial temporary abandonment status shall not be more than 24 months.

(3) Extensions for temporary abandonment status beyond the initial term provided in subrule (2) of this rule may be granted by the supervisor of mineral wells if, after application by the permittee, the supervisor of mineral wells determines that waste shall be prevented. When approving the extensions, the supervisor of mineral wells may require special actions and monitoring by the permittee to ensure the prevention of waste and may require conformance bonding in addition to that required by R. 299.2332.

R 299.2332 Conformance bond amounts.

Rule 2332. A person who drills or operates a well shall file a conformance bond with the supervisor of mineral wells for the following amounts, as applicable:

(a) Single well conformance bonds shall be filed in the following amounts, as applicable:

(i) $33,000.00 for a disposal, storage, or brine well.

(ii) For an individual test well:

(A) $5,500.00 for a depth of 0 to 1,000 feet.

(B) $11,000.00 for a depth greater than 1,000 feet to 2,000 feet.

(C) $22,000.00 for a depth greater than 2,000 feet to 4,000 feet.

(D) $33,000.00 for a depth greater than 4,000 feet.

(iii) For a blanket test well permit, the following:
(A) $5,500.00 for 1 to 24 wells.
(B) $11,000.00 for 25 to 49 wells.
(C) $16,500.00 for 50 to 75 wells.
(D) $22,000.00 for 76 to 200 wells.
(b) Blanket conformance bonds may be filed as an alternative to single well conformance bonds. If a blanket conformance bond is used, then the permittee shall provide the supervisor of mineral wells with a list of wells covered by the blanket conformance bond. A maximum of 50 brine, storage, disposal, or individual test wells or any combination of these may be covered by a blanket conformance bond. If the permittee has more than 50 wells in a category, then the additional wells may be covered by single well conformance bonds or additional blanket conformance bonds. Blanket conformance bonds shall be filed in the amount of $440,000.00.
(c) Blanket test well permits shall not be eligible for blanket conformance bonds.
(d) The permittee is not required to file a blanket conformance bond or bonds in an aggregate amount of more than $440,000.00. If the aggregate amount of the conformance bonds is $440,000.00, then the permittee may file 1 blanket conformance bond of $440,000.00 to cover all of his or her wells.

R 299.2341 Well location; exception.
Rule 2341. (1) Except as provided in subrule 2, the prescribed well location shall comply with all of the following requirements, as applicable:
(a) The well location and associated surface facilities for wells drilled, or constructed, after the effective date of these rules, which is not a replacement or improvement for an existing well or surface facility, shall be located not less than 300 feet from existing recorded fresh water wells and reasonably identifiable fresh water wells utilized for human consumption and existing structures used for public or private occupancy.
(b) Except as provided by 1976 PA 399, MCL 325.1001 et seq., the well separators, storage tanks, and treatment equipment installed or constructed after the effective date of these rules shall be located not less than 2,000 feet from type I and IIa public water supply wells and not less than 800 feet from type IIb and III public water supply wells, as defined in 1976 PA 399, MCL 325.1001 et seq.
(2) The supervisor of mineral wells or authorized representative of the supervisor of mineral wells may issues a permit for a well where the surface location is closer than 300 feet from all existing recorded fresh water wells and reasonably identifiable fresh water wells utilized for human consumption and existing structures used for public or private occupancy under either of the following conditions:
(a) Upon presentation to the supervisor of mineral wells of written consent signed by the owner or owners of all existing fresh water wells and reasonably identifiable fresh water wells utilized for human consumption and existing structures used for public or private occupancy.
(b)~~(d)~~ The supervisor of mineral wells determines the well location or location of associated surface facilities will prevent waste, protect environmental values, and not compromise public safety after a hearing conducted under part 13 of these rules

(3)~~(2)~~ A well shall not be located or drilled to an objective formation which will result in operations incompatible with existing or permitted uses under this part or part 615. An applicant shall demonstrate its operations are not incompatible with those uses

R 299.2391 Testing before operation of wells.

Rule 2391. (1) Before injecting fluid into a well newly drilled for disposal, storage, natural or artificial brine production, or into a previously existing well newly converted for storage, disposal, or artificial brine production, a permittee shall provide for a demonstration of internal mechanical integrity of the wellhead, casing, tubing, and annular seal assembly if present, utilizing either a pressure test at a surface pressure of not less than 100 psig above the maximum expected operating surface pressure of the well or an equivalent test approved by the supervisor of mineral wells. The test shall be conducted by a qualified person. A satisfactory pressure test shall meet the following requirements:

(a) For a storage or disposal well, the test shall show a change of pressure of not more than 3% over a period of 60 minutes.

(b) For an artificial or natural brine production well, the test shall show a loss of pressure of not more than 5% over a period of 30 minutes.

(2) Before injecting fluid into a well newly drilled for disposal, storage, or artificial brine production or a previously existing well newly converted for storage, disposal, or artificial brine production, a permittee of a well shall provide for a test of the external mechanical integrity of the innermost casing string and the cement sheath and its external seal by a method approved by the supervisor of mineral wells. The test shall be conducted by a qualified person. If a pressure test is used to demonstrate mechanical integrity, the test shall show a change of pressure of not more than 5% over a period of 30 minutes.

R 299.2437 Commencement of plugging operations.

Rule 2437. (1) A permittee of a well other than a test well shall begin plugging operations as follows:

(a) Within 90 days after drilling completion if the well has been tested and found to be unuseable for the purpose for which it was permitted.

(b) When the well has not been utilized for its permitted use for more than 24 consecutive months and temporary abandonment status has not been approved. The supervisor of mineral wells may require a permittee to supply proof that a well is being utilized for the purpose for which it was permitted.

(2) A test well shall be plugged within 30 days of drilling completion and completion of all proposed well bore testing unless a different plugging schedule is approved by the supervisor of mineral wells at the time of issuance of a permit to drill and operate.

(3) After receiving a written request showing just cause why the well should not be plugged, the supervisor of mineral wells or authorized representative of the supervisor of mineral wells may grant temporary abandonment status as provided by R 299.2328 or require the well to be plugged.

R 299.2531 Filing of records; determination of fee; payment of fee; non-payment of fee

Rule 2531. (1) The supervisor of mineral wells shall require an owner to file a list, on a form prescribed by the supervisor of mineral wells, of all mineral wells owned by that

owner which were useable for their permitted purpose or which were not properly plugged as of January first of the current calendar year.

(2) The list required in subrule (1) of this rule shall be filed by January 28 of the current calendar year.

(3) The supervisor of mineral wells shall determine the amount of the mineral well regulatory fee owed by an owner and shall notify the owner by March 1 of the current calendar year. The fee charged for a well shall be as prescribed in the act.

(4) The mineral well regulatory fee shall be due and payable before May 1 of the current calendar year.

(5) For the purposes of this rule a well is considered properly plugged when it has reached final completion.

(6) The supervisor of mineral wells shall consider a well abandoned if the fee has not been paid for 2 consecutive calendar years.

NOTICE OF PUBLIC HEARING
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF GEOLOGICAL SURVEY

The Michigan Department of Environmental Quality (DEQ), Office of Geological Survey, will conduct a public hearing on proposed administrative rules promulgated pursuant to Part 625, Mineral Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); R 299.2328, R 299.2332, R 299.2341, R 299.2391, R 299.2437, R 299.2531. These rules clarify and correct existing rules and update conformance bond amounts to reflect current well plugging costs.

The public hearing will be held on May 29, 2008, at 10:00 a.m., in the H. Dale Brake Conference Room, Atrium South, Constitution Hall, at 525 West Allegan, Lansing, Michigan.

Copies of the proposed rules (SOAHR 2007-046 EQ) can be downloaded from the Internet at: http://www.michigan.gov/deqogs. These rules can also be downloaded from the Internet through the State Office of Administrative Hearings and Rules at http://www.michigan.gov/soahr. Copies of the rules may also be obtained by contacting the Lansing office at:

Office of Geological Survey
Michigan Department of Environmental Quality
P.O. Box 30256
Lansing, Michigan 48909-7756
Phone: 517-241-1552
Fax: 517-241-1595
E-Mail: mauls@michigan.gov

All interested persons are invited to attend and present their views. It is requested that all statements be submitted in writing for the hearing record. Anyone unable to attend may submit comments in writing to the address above. Written comments must be received by 5:00 p.m. on Monday, June 2, 2008.

Persons needing accommodations for effective participation in the meeting should contact the Office of Geological Survey at 517-241-1552 one week in advance to request mobility, visual, hearing, or other assistance.

This notice of public hearing is given in accordance with Sections 41 and 42 of Michigan's Administrative Procedures Act, 1969 PA 306, as amended, being Sections 24.241 and 24.242 of the Michigan Compiled Laws. Administration of the rules is by authority conferred on the Director of the DEQ by Section 62506 of Act 451 and Executive Reorganization Order 1995-16. These rules will become effective immediately after filing with the Secretary of State.

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Harold R. Fitch, Chief
Office of Geological Survey

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(2)~~(c)~~ The supervisor of mineral wells or authorized representative of the supervisor of mineral wells **may** issues a permit for a well where the surface location is closer than 300 feet from all existing recorded fresh water wells and reasonably identifiable fresh water wells utilized for human consumption and existing structures used for public or private occupancy **under either of the following conditions:**

(a) U~~u~~pon presentation to the supervisor of mineral wells of written consent signed by the owner or owners of all existing fresh water wells and reasonably identifiable fresh water wells utilized for human consumption and existing structures used for public or private occupancy.

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(2) A test well shall be plugged within 30 days of drilling completion and completion of all proposed well bore testing unless a different plugging schedule is approved by the supervisor of mineral wells at the time of issuance of a permit to drill and operate.
(3) After receiving a written request showing just cause why the well should not be plugged, the supervisor of mineral wells or authorized representative of the supervisor of mineral wells may grant temporary abandonment status as provided by **R 299.2328**~~R 299.2318~~ or require the well to be plugged.

R 299.2531 Filing of records; determination of fee; payment of fee**; non-payment of fee**
Rule 2531. (1) The supervisor of mineral wells shall require an owner to file a list, on a form prescribed by the supervisor of mineral wells, of all mineral wells owned by that owner which were useable for their permitted purpose or which were not properly plugged as of January first of the current calendar year.
(2) The list required in subrule (1) of this rule shall be filed by January 28 of the current calendar year.
(3) The supervisor of mineral wells shall determine the amount of the mineral well regulatory fee owed by an owner and shall notify the owner by March 1 of the current calendar year. The fee charged for a well shall be as prescribed in the act.
(4) The mineral well regulatory fee shall be due and payable before May 1 of the current calendar year.
(5) For the purposes of this rule a well is considered properly plugged when it has reached final completion.
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