

SENATE BILL No. 707

September 4, 2007, Introduced by Senators BASHAM, ANDERSON, SCHAUER, GLEASON and JACOBS and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 58.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 58

CARBON DIOXIDE INJECTION WELLS

SEC. 5801. AS USED IN THIS PART:

(A) "CARBON DIOXIDE INJECTION WELL" MEANS ANY HOLE OR PENETRATION OF THE SURFACE OF THE EARTH USED TO INJECT CARBON DIOXIDE FOR UNDERGROUND STORAGE OR FOR ENHANCED RECOVERY OF HYDROCARBONS AND ANY ASSOCIATED MACHINERY AND EQUIPMENT USED FOR THAT INJECTION OF CARBON DIOXIDE.

(B) "FUND" MEANS THE CARBON DIOXIDE INJECTION WELL AND UNDERGROUND STORAGE FUND CREATED IN SECTION 5805.

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1 (C) "UNDERGROUND STORAGE FACILITY" MEANS ANY UNDERGROUND
2 FORMATION WHERE CARBON DIOXIDE IS INJECTED FOR SEQUESTRATION.

3 SEC. 5803. (1) BEFORE JULY 1, 2008, THE DEPARTMENT SHALL
4 PROMULGATE RULES TO ESTABLISH THE REQUIREMENTS, PROCEDURES, AND
5 STANDARDS FOR THE SAFE AND SECURE INJECTION OF CARBON DIOXIDE AND
6 MAINTENANCE OF UNDERGROUND STORAGE OF CARBON DIOXIDE. THE RULES
7 SHALL INCLUDE, BUT NOT BE LIMITED TO, PERMITTING REQUIREMENTS, SITE
8 SELECTION CRITERIA, DESIGN AND DEVELOPMENT CRITERIA, OPERATION
9 CRITERIA, CASING REQUIREMENTS, MONITORING AND MEASUREMENT
10 REQUIREMENTS, SAFETY REQUIREMENTS, CLOSURE AND ABANDONMENT
11 REQUIREMENTS, AND LONG-TERM MONITORING.

12 (2) THE DEPARTMENT MAY ESTABLISH AND COLLECT A FEE FOR
13 PERMITTING, MONITORING, AND INSPECTING AN OPERATOR OF A CARBON
14 DIOXIDE INJECTION WELL OR AN UNDERGROUND STORAGE FACILITY. MONEY
15 COLLECTED UNDER THIS SUBSECTION SHALL BE TRANSMITTED TO THE STATE
16 TREASURER. THE STATE TREASURER SHALL DEPOSIT THE MONEY INTO THE
17 FUND.

18 (3) ON OR AFTER THE EFFECTIVE DATE OF THE RULES PROMULGATED
19 UNDER THIS SECTION, A PERSON SHALL NOT OPERATE A CARBON DIOXIDE
20 INJECTION WELL OR UNDERGROUND STORAGE FACILITY UNLESS THAT PERSON
21 HAS OBTAINED A PERMIT IN ACCORDANCE WITH THOSE RULES.

22 SEC. 5805. (1) THE CARBON DIOXIDE INJECTION WELL AND
23 UNDERGROUND STORAGE FUND IS CREATED WITHIN THE STATE TREASURY.

24 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
25 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL
26 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT
27 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS. THE

1 DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE FUND FOR AUDITING
2 PURPOSES.

3 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
4 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

5 (4) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
6 APPROPRIATION, ONLY FOR 1 OR MORE OF THE FOLLOWING PURPOSES
7 RELATING TO CARBON DIOXIDE INJECTION WELLS OR UNDERGROUND STORAGE
8 FACILITIES:

9 (A) ACTIVITIES RELATED TO PERMITTING UNDER THIS PART,
10 INCLUDING, BUT NOT LIMITED TO, DEVELOPMENT AND ISSUANCE OF PERMITS,
11 COMPLIANCE MONITORING, INSPECTIONS, CARBON DIOXIDE INJECTION WELL
12 CLOSURES, UNDERGROUND STORAGE FACILITY CLOSURE, LONG-TERM
13 MONITORING, AND ENFORCEMENT ACTIONS.

14 (B) INVESTIGATION OF VIOLATIONS, COMPLAINTS, POLLUTION, AND
15 EVENTS AFFECTING PUBLIC HEALTH.

16 (C) DESIGN AND REVIEW OF REMEDIAL ACTION PLANS.

17 (D) MITIGATION OF ADVERSE ENVIRONMENTAL IMPACTS.

18 (E) LEGAL COSTS, INCLUDING EXPERT WITNESS FEES, INCURRED IN
19 ADMINISTERING THIS PART.

20 (F) COSTS OF ADMINISTERING THIS PART.

21 SEC. 5807. THE DEPARTMENT MAY ENTER ON PRIVATE PROPERTY
22 SUBJECT TO THIS PART TO OBSERVE, MONITOR, COLLECT SAMPLES, AND
23 EXAMINE RECORDS AND FACILITIES TO DETERMINE COMPLIANCE WITH THIS
24 PART AND PREVENT THE ESCAPE OF CARBON DIOXIDE FROM ANY CARBON
25 DIOXIDE INJECTION WELL OR UNDERGROUND STORAGE FACILITY.

26 SEC. 5809. IF THE DEPARTMENT FINDS AFTER NOTICE AND HEARING
27 THAT A PERSON HAS VIOLATED THIS ACT, THE DEPARTMENT MAY ORDER FINES

1 OF \$10,000.00 PER DAY THAT THE PERSON IS IN VIOLATION OF THIS ACT.