



Romney Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## ESTABLISH HYDROCARBON DEVELOPMENT PLANS

**House Bill 5939**

**Sponsor: Rep. David Anthony**  
**Committee: Conservation, Environment  
and Recreation**

**Complete to 9-21-98**

### **A SUMMARY OF HOUSE BILL 5939 AS INTRODUCED 6-16-98:**

The bill would amend Subchapter 2 of the Natural Resources and Environmental Protection Act (NREPA), which regulates oil and gas wells, to establish a new part, Part 620, concerning hydrocarbon development plans. The bill would specify that, notwithstanding any other provision of Part 615 of the NREPA, or rules promulgated under Part 615, neither the supervisor of wells nor the Department of Environmental Quality could issue a drilling permit for an oil or gas well that extended under the Great Lakes or their connecting waterways unless all drilling operations complied with an applicable hydrocarbon development plan prepared under the provisions of Part 620 of the act.

Citizens Committee. The bill would require that the Commission of Natural Resources appoint a citizens committee to carry out the responsibilities provided under Part 620. The committee would consist of one person representing a public interest group, one person representing township government, and one person representing county government. Within 12 months after the effective date of the bill, certain state agencies -- the Departments of Environmental Quality and Natural Resources, and the Public Service Commission in the Department of Consumer and Industry Services -- would be required to conduct an evaluation of the existing procedures for leasing state-owned minerals and the permitting of wells, pipelines, and processing facilities. The evaluation would have to include all of the following: assessments of the environmental standards currently in place and of the existing opportunities for public input, and recommendations for improvement in each; and an evaluation of planning mechanisms that could be used to increase the coordination between state leasing and well permitting and local planning efforts. At least two public hearings would be required to allow for public comment, after which a final report would have to be submitted to the legislature and to the Commission of Natural Resources for review. The recommendations would have to be incorporated into the appropriate state oil and gas policies upon adoption by the commission.

Hydrocarbon Development Plans. The Departments of Environmental Quality and Natural Resources, and the Public Service Commission in the Department of Consumer and Industry Services would be required, under the bill, to develop hydrocarbon development plans for each of the watersheds and Great Lakes coastal regions. The initial plan would be for the section of the Lake Michigan coastal zone that the departments determined had a reasonable likelihood of hydrocarbon development in the next 50 years. The coastal zone plan would have to be completed within 18 months after the effective date of the bill. Upon completion, the departments would then have to develop a plan for the Jordan River Watershed. Following completion of this, the

departments would be required to identify and prioritize additional watersheds and regions for preparation of other plans.

Citizens Advisory Council. Under the bill, the departments would be required to assign staff members from their departments or subcontractors to assist in developing the hydrocarbon development plans, and, for each watershed or region, a twelve-member citizens advisory council to assist in their preparation. The bill would require that the departments work with the councils in developing draft plans for each area. Among other requirements, these plans would have to identify areas of special environmental value and appropriate areas for surface facilities, establish specific criteria to guide development in sensitive environmental areas and in areas of special community concern, and in sensitive areas, require the use of directional drilling when possible to avoid surface disruption.

The bill would also require that draft plans be submitted to each county within the geographic area covered by the plan for review and comment. In addition, the draft hydrocarbon development plan would have to include an analysis of the compatibility between the draft plan and land use in counties that had adopted the latter. Following review by the counties, the public hearings would be organized by the departments in the geographic areas covered by the draft plans. All comments received at the hearings would be considered for inclusion into a final plan, and a summary of the public hearings would have to be prepared by the departments.

Other. Following the public hearings, the departments and the council would be required to prepare a final plan for the Commission of Natural Resources' approval. All oil and gas exploration and development within a geographic area would have to comply with the final plan for that area once it was completed. In addition, each council would have to meet at least annually to review compliance, to receive public comment, and to revise its plan, if necessary. Also, any proposed variances to the plan would have to be submitted in writing by the person to the departments and to the council for review and approval. The bill would also require that the departments make recommendations to the Commission of Natural Resources for a determination on proposed variances.

Analyst: R. Young

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.