SENATE BILL No. 585

May 17, 1973, Introduced by Senators DAVIS and ROCKWELL and referred to the Committee on Conservation, Environment and Tourism.

A bill to amend sections 2, 6, 12, 13, 15, 18, 18a, 18b, 19, 21, 22, 23 and 24 of Act No. 61 of the Public Acts of 1939, entitled as amended

"An act to provide for a supervisor of wells; to prescribe his powers and duties; to provide for an advisory board and an appeal board; to prescribe their powers and duties; to provide for the prevention of waste and for the control over certain matters, persons and things relating to the conservation of oil and gas, and for the making and promulgation of rules, regulations and orders relative thereto; to provide for the plugging of wells and for the entry on private property for that purpose; to provide for the enforcement of such rules, regulations and orders and of the provisions of this act, and to provide penalties for the violations thereof; and to provide for the assessment and collection of certain fees,"

being sections 319.2, 319.6, 319.12, 319.13, 319.15, 319.18, 319.18a, 319.18b, 319.19, 319.21, 319.22, 319.23 and 319.24 of the Compiled Laws of 1970; and to repeal certain acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 6, 12, 13, 15, 18, 18a, 18b, 19, 21, 22, 23 and

2 24 of Act No. 61 of the Public Acts of 1939, being sections 319.2, 319.6,

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319.12, 319.13, 319.15, 319.18, 319.18a, 319.18b, 319.19, 319.21, 319.22,
319.23 and 319.24 of the Compiled Laws of 1970, are amended to read as follows:

Sec. 2. Unless the context requires a different meaning, the words
defined in this section shall have the following meaning when found in this
act, to-wit:

(a) "Person" means any natural person, corporation, association, partnership, receiver, trustee, so-called common law or statutory trust, guardian, executor, administrator and a fiduciary of any kind.

(b) "Oil" means natural crude oil or petroleum and other hydro carbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir.

(c) "Gas" means casing-head gas, or gas produced incidental to the produc-
duction of oil. A MIXTURE OF HYDRO CARBONS AND VARYING QUANTITIES OF NONHYDRO CARBONS IN A GASEOUS STATE WHICH MAY OR MAY NOT BE ASSOCIATED WITH OIL, AND INCLUDING THOSE LIQUIDS RESULTING FROM CONDENSATION.

(d) "Pool" means an underground reservoir containing a common accumula-
tion of oil or gas or both. Each productive zone of a general structure which is completely separated from any other zone in the structure, or for the pur-
poses of this act may be so declared by the supervisor of wells, is covered by the word "pool" as used herein.

(e) "Field" means the general area which is underlain or appears to be underlain by at least 1 pool; and "field" also includes the underground reser-
voir or reservoirs containing such oil or gas, or both. The words "field"
and "pool" mean the same thing when only one underground reservoir is involved; however, "field," unlike "pool," may relate to 2 or more pools.

(f) "Product" means any commodity or thing made or manufactured from oil.
or gas, and all derivatives of oil or gas, including refined crude oil, crude
tops, topped crude, processed crude petroleum, residue from crude petroleum,
cracking stock, uncracked fuel oil, fuel oil, treated crude oil, residuum,
gas oil, naphtha, distillate, gasoline, casing-head gasoline, natural gas gaso-
line, kerosene, benzine, wash oil, waste oil, lubricating oil, and blends or
mixtures of oil or gas or any derivatives thereof whether enumerated or not.

(g) "Owner" means the person who has the right to drill into and produce
from any pool, and to appropriate the production either for himself or for him-
self and another or others.

(h) "Producer" means the operator, whether owner or not, of a well or
wells capable of producing oil or gas or both in paying quantities.

(i) "Commission" means the commission of conservation NATURAL RESOURCES
for the state of Michigan.

(j) "Supervisor" means the supervisor of wells as provided by this act.

(k) "Board" means the advisory board appointed, as provided in this act,
by the state geologist WHO IS THE CHIEF OF THE GEOLOGICAL SURVEY DIVISION.

(l) As used in this act, the term "waste" "WASTE" in addition to its
ordinary meaning shall include INCLUDES:

(1) "Underground waste" as those words are generally understood in the
oil business, and in any event to embrace (l) the inefficient, excessive, or
improper use or dissipation of the reservoir energy, including gas energy and
water drive, of any pool, and the locating, spacing, drilling, equipping, operat-
ing, or producing of any well or wells in a manner to reduce or tend to reduce
the total quantity of oil or casing-head gas ultimately recoverable from any
pool, and (2) unreasonable damage to underground fresh or mineral waters,
natural brines, or other mineral deposits from operations for the discovery,
development, and production and handling of oil or casing-head gas.
(2) "Surface waste," as those words are generally understood in the oil business, and in any event to embrace (1) the unnecessary or excessive surface loss or destruction without beneficial use, however caused, of casing-head gas, oil, or other product thereof, but including the loss or destruction, without beneficial use, resulting from evaporation, seepage, leakage or fire, especially such loss or destruction incident to or resulting from the manner of spacing, equipping, operating, or producing well or wells, or incident to or resulting from inefficient storage or handling of oil, (2) the unnecessary damage to or destruction of the surface, soils, animal, fish or aquatic life or property, AESTHETICS OR OTHER ENVIRONMENTAL VALUES from or by oil and gas operations; and (3) the drilling of unnecessary wells.

(3) "Market waste," which shall embrace the production of oil OR GAS in any field or pool in excess of the market demand as defined herein.

(m) The words "market demand" as used herein shall be construed to mean the actual demand for oil OR GAS from any particular pool or field for current requirements for current consumption and use within or outside the state, together with the demand for such amounts as are necessary for building up or maintaining reasonable storage reserves of oil OR GAS or the products thereof—or both such oil and products and shall not be less than the actual purchasing commitments for oil from such pool or field.

(n) "Illegal oil OR GAS" shall mean oil OR GAS which has been produced within the state from any well or wells in excess of the amount allowed by any valid rule, regulation or order of the supervisor as distinguished from oil produced in the state not in excess of the amount so allowed, which is illegal oil BY ANY OWNER OR PRODUCER IN VIOLATION OF THIS ACT, RULES PROMULGATED PURSUANT TO THIS ACT OR ORDERS OF THE SUPERVISOR.

(o) "Illegal product" shall mean any product of oil or gas or any
part of which was processed or derived in whole or part knowingly from illegal
oil OR GAS as distinguished from "illegal product" which is a product processed-
or derived to no extent from illegal oil.

(p) "Illegal conveyance" shall mean any conveyance by or through
which illegal oil OR GAS or illegal oil products are being transported.

(q) "Illegal container" shall mean any receptacle which contains
illegal oil OR GAS or illegal oil products.

(r) "Tender" shall mean a permit or certificate of clearance for
the transportation of oil OR GAS or products, approved and issued or registered
under the authority of the supervisor.

Sec. 6. The supervisor shall prevent the waste prohibited by this act.
To that end, acting directly or through his authorized representatives, the
supervisor, after consulting with the board, is specifically empowered:

(a) To make and enforce rules and regulations subject to the approval of
the commission, issue orders and instructions necessary to enforce such rules
and regulations, and to do whatever may be necessary with respect to the subject
matter stated herein to carry out the purposes of this act, whether or not
indicated, specified, or enumerated in this or any other section hereof.

(b) To collect data to make inspections, studies, and investigations, to
examine such properties, leases, papers, books and records as are necessary to
the purposes of this act; to examine, check, and test and gauge oil and gas
wells and tanks, plants, refineries, and all means and modes of transportation
and equipment, to hold hearings, to provide for the keeping of records and
making of reports, and for the checking of the accuracy thereof.

(c) To require the locating, drilling, deepening, redrilling or reopening,
casing, sealing, operating and plugging of wells drilled for oil and gas or for
geological information or as key wells in secondary recovery projects, or
wells for the disposal of salt water, brine or other oil field wastes, to be done in such manner and by such means as to prevent the escape of oil or gas out of 1 stratum into another, or of water or brines into oil or gas strata; to prevent pollution, damage to or destruction of fresh water supplies including inland lakes and streams and the Great Lakes and connecting waters, and valuable brines by oil, gas or other waters, to prevent the escape of oil, gas or water into workable coal or other mineral deposits; to require the disposal of salt water and brines and oily wastes produced incidental to oil and gas operations, in such manner and by such methods and means that no unnecessary damage or danger to or destruction of surface or underground resources, to neighboring properties or rights, or to life, shall result. Any such well may be plugged to a fresh water level and not to the surface in case such well is desired to be used as a water well.

(d) To require reports and maps showing locations of all oil and gas wells WELLS SUBJECT TO THIS ACT, AND the keeping and filing of logs, well samples, and drilling, TESTING, and operating records or reports. All well data and samples furnished the supervisor AS REQUIRED HEREBIN shall, upon WRITTEN request of owner of well, be held confidential for 90 days after the completion of a well DRILLING and SHALL not BE open to public inspection except by written consent of the owner. No producer shall be required to submit or file logs or reports of core or test wells drilled for geological purposes only, nor required to furnish well samples of such core or test wells.

(e) To prevent the drowning by water of any stratum or part thereof capable of producing oil or gas, or both oil and gas, in paying quantities, and to prevent the premature and irregular encroachment of water, or any other kind of water encroachment, which reduces or tends to reduce the total ultimate recovery of oil or gas, or both such oil or gas, from any pool.
(f) To prevent fires or explosions.

(g) To prevent "blow-outs", "seepage", and "caving" in the sense that the conditions indicated by such terms are generally understood in the oil business.

(h) To regulate the "shooting" MECHANICAL, PHYSICAL, and chemical treatment of wells.

(i) To regulate the secondary recovery methods of oil and gas, including the pulling or creating a vacuum, the introduction of gas, air, water and other substances into the producing formations.

(j) To fix the spacing of wells AND TO REGULATE THE PRODUCTION THEREFROM.

(k) To require the operation of wells with efficient gas-oil ratios and to fix such ratios.

(l) To require by written notice OR CITATION immediate suspension of any operation or practice and the prompt correction of any condition found to exist which is causing or resulting or threatening to cause or result in waste.

(m) To require either generally, or in, or from, particular areas, certificates of clearance or tenders in connection with the transportation of oil, gas or any product thereof.

(n) To identify REQUIRE IDENTIFICATION OF the ownership of oil and gas producing leases, properties, and wells.

(o) To make rules, regulations or orders for the classifications of wells as oil wells or dry natural gas wells; or wells drilled, or to be drilled, for geological information, or as key wells for secondary recovery projects, or wells for the disposal of salt water, brine or other oil OR GAS field wastes; or wells for the storage of dry natural gas or casinghead gas, or wells for the development of reservoirs for the storage of liquid petroleum gas or GASEOUS HYDRO CARBONS, OR FOR OTHER MEANS OF DEVELOPMENT, EXTRACTION OR 2876 '73
PRODUCTION OF HYDRO CARBONS.

(p) To require surety bonds THE FILING OF AN ADEQUATE SURETY, SECURITY OR CASH BONDS of owners, producers, operators, or their authorized representatives in such reasonable form, condition, term and amount as will insure compliance with this act and with the rules, regulations or orders issued thereunder AND TO PROVIDE FOR THE RELEASE THEREOF.

Sec. 12. Whenever WHEN, to prevent waste, as defined herein, the supervisor limits the amount of oil OR GAS to be produced from any WELL, pool or field in this state, he shall, after consulting with the board and considering its recommendations, allocate or distribute the allowable production in any such field or pool. Such determination or distribution in such field or pool shall be made on a reasonable basis, giving, if reasonable, under all circumstances, to each small well of settled production in such pool or field, an allowable production which will prevent a general or premature abandonment of the wells in such pool or field.

Sec. 13. Whenever WHEN, to prevent waste, the total allowable production for any OIL OR GAS field or pool in the state is fixed in an amount less than that which the field or pool could produce if no restriction were imposed, the supervisor, after consulting with the board and considering its recommendations, shall prorate or distribute on a reasonable basis the allowable production among the producing wells in the field or pool, so as to prevent or minimize reasonably avoidable drainage from each developed area which is not equalized by counter drainage. The rules, regulations, or orders of the supervisor shall, so far as it is practicable to do so, afford the owner of each property in a pool the opportunity to produce his just and equitable share of the oil and— OR gas in the pool, being an amount, so far as can be practically determined and obtained without waste, and without reducing the bottom hole pressure.
materially below the average for the pool, substantially in the proportion
that the quantity of the recoverable oil and OR gas under such property bears
to the total recoverable oil and OR gas in the pool, and for this purpose to
use his just and equitable share of the reservoir energy. + Provided, That a
A well in a pool producing from an average depth of 1,000 feet or less, shall,
on the basis of a full drilling unit as may be established under this section,
be given a base allowable production of at least 100 barrels of oil per
well per week; for a well in a pool producing from an average depth greater
than 1,000 feet, the base allowable production shall be increased 10 barrels
per well per week for each addition 100 feet of depth greater than 1,000 feet.
Provided further, That such such allowable production is or can be made
without surface or underground waste, as defined herein.

To prevent the drilling of unnecessary wells the supervisor, after con-
ference with and recommendation by the board, may fix a drilling unit for each
pool. A drilling unit, as contemplated herein, means the maximum area which
may be efficiently and economically drained by 1 well and such unit shall con-
stitute a developed area as long as a well is located thereon which is capable
of producing the economically recoverable oil OR GAS thereunder. Each well
permitted to be drilled upon any drilling unit shall be located in the approxi-
mate center thereof, or at such other location thereon as may be necessary to
conform to a uniform well spacing pattern as adopted and promulgated by the
supervisor after due notice and public hearing, as provided in this act.

The drilling of unnecessary wells is hereby declared waste as such wells
create fire and other hazards conducive to waste, and unnecessarily increase
the production cost of oil and gas to the operator, and thus also unnecessarily
increase the cost of the products to the ultimate consumer.

The pooling of properties or parts thereof shall be permitted, and, if not

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agreed upon, the supervisor after conference with and recommendations by the board, may require such pooling in any case when and to the extent that the smallness or shape of a separately owned tract or tracts would, under the enforcement of a uniform spacing plan or proration or drilling unit, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover or receive his just and equitable share of the oil and OR gas and gas energy in the pool. Provided, That the THE owner of any tract that is smaller than the drilling unit established for the field, shall not be deprived of the right to drill on and produce from such tract, if same can be done without waste, but in such case, the allowable production therefrom as compared with the allowable production if such tract were a full unit, shall be in the ratio of the area of such tract to the area of a full unit, except as a smaller ratio may be required to maintain average bottom hole pressures in the pool, to reduce the production of salt water, or to reduce an excessive gas-oil ratio. All orders requiring such pooling shall be upon terms and conditions that are just and reasonable, and will afford to the owner of each tract in the pooling plan the opportunity to recover or receive his just and equitable share of the oil and OR gas and gas energy in the pool as above provided, and without unnecessary expense, and will prevent or minimize reasonably avoidable drainage from each developed tract which is not equalized by counter drainage. The portion of the production allocated to the owner of each tract included in a drilling unit formed by voluntary agreement or by a pooling order shall, when produced, be considered as if it had been produced from such tract by a well drilled thereon.

Each well permitted to be drilled upon any drilling unit or tract shall be drilled at a location which conforms to the uniform well spacing pattern with such exception as may be reasonably necessary where it is shown, after notice 2876 '73
and upon hearing and the supervisor finds that the unit is partly outside the
pool, or for some other reason, a well at such location would be unproductive,
or that the owner or owners of a tract or tracts covering that part of the
drilling unit or tract on which said well would be located if it conformed to
the uniform well spacing pattern refuses to permit drilling at the regular
location, or where topographical or other conditions are such as to make
drilling at the regular location unduly burdensome or imminently threatening
to water or other natural resources, or property or life.

Whenever WHEN any exception is granted the supervisor shall take such
action as will offset any advantage which the person securing the exception
may have over other producers in the pool by reason of the drilling of the
well as an exception, and so that drainage from the developed areas to the
tract with respect to the exception granted will be prevented or minimized
and the producer of the well drilled as an exception will be allowed to produce
no more than his just and equitable share of the oil and or gas in the pool
as such share is set forth herein, and to that end the rules, regulations and
orders of the supervisor shall be such as will prevent or minimize reasonably
avoidable drainage from each developed area which is not equalized by counter
drainage and will give to each producer the opportunity to use his just and
equitable share of the reservoir energy.

Minimum allowable for some wells and pools may be advisable from time to
time, especially with respect to wells and pools already drilled when this
act takes effect, to the end that the production will repay reasonable lifting
costs and thus prevent premature abandonment of wells and resulting wastes.

After the effective date of any rule, regulation or order made by the
supervisor in accordance with and under the provisions of this act fixing the
allowable production, no person shall produce more than the allowable
production applicable to him, his wells, leases or properties, and the
allowable production shall be produced in accordance with such applicable
rules, regulations or orders.

Sec. 15. It shall be unlawful for any person to sell, purchase, acquire,
transport, refine, process or otherwise handle or dispose of any illegal oil
or gas in whole or in part, or any illegal product of oil or gas. Provided
that no penalty or forfeiture shall not be imposed on account of any
such act until certificates of clearance or tenders have been required by the
supervisor as provided in section 14 hereof.

Sec. 18. The supervisor shall have power to bring proceedings, may proceed
at law or in equity for the enforcement of the provisions of this act and all
rules and regulations promulgated thereunder or for the prevention of the viola-
tion thereof, and the attorney general shall represent the supervisor in all
actions brought under this act. The circuit court of Ingham county shall have
concurrent jurisdiction thereof. The supervisor or any assistant appointed by
him may make complaint and cause proceedings to be commenced against any
person for any violation of any provision of this act without the sanction of
the prosecuting attorney of the county in which such proceedings are commenced.
The supervisor or any of his assistants may appear for the people in any court
of competent jurisdiction in any case for a violation of this act or rules
promulgated pursuant to this act, and prosecute the same in the same manner
and with the same authority as the prosecuting attorney of any county in which
the proceedings are commenced, and may sign vouchers for the payment of fees
and do all other things required in such cases in the same manner and with the
same authority as the prosecuting attorney.

Sec. 18a. Whenever when the supervisor of wells shall determine
that the owner or operator of any oil well or test hole shall have
A WELL SUBJECT TO THIS ACT HAS failed or neglected to properly OBTAIN A PERMIT, CONSTRUCT, OPERATE, MAINTAIN, case, plug, or repair the same in accordance with the provisions of this act or the rules and regulations promulgated thereunder, the supervisor of wells shall give notice of such determination, in writing, to the said owner, or operator and to the surety executing the bond filed with the said supervisor of wells by such THE owner or operator in connection with the issuance of the permit authorizing the drilling of said: *A well or test-hole. This notice of determination may be served upon said THE owner or operator and surety in person or by registered mail. If the owner or operator cannot be found in the state of Michigan, the mailing of the notice of determination to such THE owner or operator at his last known post office address by registered mail shall constitute service of same. If the said owner or operator, or surety, shall fail or neglect FAILS OR NEGLECTS to properly case, plug, or repair the *A well or test-hole described in the notice of determination herein provided for within 30 days of the date of service or mailing of such THE notice, the supervisor of wells may enter into and upon any private or public property on which the *A well or test-hole is located and upon and across any private or public property necessary to reach same THE WELL, and case, plug, or repair said *A THE well or test-hole, and the owner or operator and surety shall be jointly and severally liable for all expenses incurred by the supervisor of wells in doing same. The supervisor of wells, acting for and in behalf of the state of Michigan, shall certify in writing to the said owner or operator and surety the claim of the state in the same manner herein provided for the service of the notice of determination, and shall list thereon the items of expense incurred in casing, plugging, or repairing the said *A well or test-hole. Such THE claim shall be paid by the owner or operator, or surety, within 30 days, and if not paid within that time
the supervisor of wells, acting for and in behalf of the state, may bring suit
against such THE owner or operator, or surety, jointly or severally, for the
collection of same in any court of competent jurisdiction in the county of
Ingham.

Sec. 18b. Any A person who shall abandon any oil ABANDONS A well or test
hole without properly plugging the same in accordance with this act or the
rules and regulations promulgated thereunder, OR ANY PERSON WHO VIOLATES ANY
OTHER PROVISIONS OF THIS ACT OR ANY RULE PROMULGATED THEREUNDER, whether as
principal, agent, servant, or employee, shall be IS guilty of a misdemeanor
and upon conviction thereof shall be punished by a fine of $100.00 and costs
of prosecution, or imprisonment in the county jail for a period not exceeding
FINED NOT MORE THAN $1,000.00 AND COSTS OF PROSECUTION, OR IMPRISONED FOR NOT
MORE THAN 90 days, or both. such fine and imprisonment in the discretion of
the court. Nothing herein contained shall be construed as imposing any
liability upon the owner of any land upon which any oil A well or test hole
is located, unless he be IS the owner or part owner of the said well or test
hole. The words "owner or operator" as used in section 18a of this act
shall refer to the MEANS A person or persons who, by the terms of this act
and the rules and regulations promulgated thereunder, are made IS responsible
for the plugging of any A well or test hole.

Sec. 19. Any person who, for the purpose of evading this act, or of
evading any rule, regulation or order made hereunder, shall intentionally make,
or cause to be made, false entry or statement of fact in any report required
by this act or by any rule, regulation or order made hereunder, or who, for
such purpose, shall make or cause to be made false entry in any account, record,
or memorandum kept by any person in connection with the provisions of this act,
or of any rule, regulation or order made thereunder; or who, for such purpose,

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shall omit to make, or cause to be omitted, full, true, and correct entries in
such accounts, records, or memoranda, of all facts and transactions pertaining
to the interest or activities in the petroleum industry of such person as may be
required by the supervisor under authority given in this act or by any rule,
regulation or order made hereunder; or, who, for such purpose, shall remove
out of the jurisdiction of the state, or who shall mutilate, alter, or by any
other means falsify any book, record, or other paper pertaining to the trans-
actions regulated by this act, or by any rule, regulation or order made here-
under; shall be deemed is guilty of a felony and shall be subject, upon convic-
tion in any court of competent jurisdiction, to a fine of FINED not more than
$1,000.00 $3,000.00, or imprisonment IMPRISONED for a term of not more than
3 years, or to both such fine and imprisonment.

Sec. 21. All illegal oil OR GAS and products derived from illegal oil
OR GAS and conveyances used in the transportation thereof and containers used
in the storage thereof except railroad tank cars and pipe lines shall be
subject to confiscation and the supervisor is hereby empowered and authorized
to seize such illegal oil OR GAS, illegal oil OR GAS products, conveyances
and containers. The supervisor shall immediately upon such seizure institute a
proceeding in rem to confiscate said ILLEGAL THE oil OR GAS, illegal oil OR
GAS products, conveyances and containers in the circuit court of the county in
which SUCH THE seizure was made or in the circuit court of Ingham county.

Upon commencement of such proceedings such THE notice shall be given to all
known interested persons in such THE manner as the court shall direct. The
court, upon finding that said THE oil or GAS or said oil THE products or said-
THE conveyances or containers so seized are illegal as herein defined, shall
order the same to be sold under such terms and conditions as it may direct.

Any person claiming an interest in any oil OR GAS or any product or conveyance
or container so seized shall have the right to intervene in said THE proceedings and the rights of such person shall be determined by the court as justice may require.

Sec. 22. FOR THE PURPOSE OF ADMINISTRATION OF THIS ACT A privilege fee of $1/8 of 1 cent per barrel based on the gross cash market value, but not exceeding 2% of the gross cash market value, shall be paid upon oil and gas produced in Michigan and sold. This fee shall be levied and collected by the department of revenue TREASURY in the same manner and subject to the same provisions as the tax levied under the provisions of Act No. 48 of the Public Acts of 1929, as amended, being sections 205.301 to 205.317 of the MICHIGAN Compiled Laws of 1940. All moneys received from this source shall be credited to the general fund. THE SUPERVISOR, ON OR BEFORE MARCH 15 OF EACH YEAR, SHALL DETERMINE THE COST OF ADMINISTRATION OF THE ACT FOR THE ENSUING FISCAL YEAR AND SO CERTIFY TO THE DEPARTMENT OF TREASURY. ON OR BEFORE APRIL 15 OF EACH YEAR THE DEPARTMENT OF TREASURY SHALL DETERMINE A FEE PERCENTAGE, BASED ON THE PREVIOUS CALENDAR YEAR'S GROSS CASH MARKET VALUE FROM PRODUCTION OF OIL AND GAS, THAT WILL PRODUCE AN AMOUNT EQUAL TO THE PROJECTED COST OF ADMINISTRATION OF THE ACT. THE FEE SHALL BE IMPOSED ON JULY 1 OF EACH YEAR. THE PROCEEDS OF THE FEE SHALL BE CREDITED TO THE GENERAL FUND AND APPROPRIATED ANNUALLY FOR THE ADMINISTRATION OF THE ACT.

Sec. 23. No person shall NOT drill or begin the drilling of any well for oil and OR gas, geological information, key well for secondary recovery, or a well for the disposal of salt water, OR brine PRODUCED IN ASSOCIATION WITH OIL OR GAS OPERATIONS or other oil field wastes, or wells for the storage of dry natural gas or casinghead gas, or wells for the development of reservoirs for the storage of liquid petroleum gas OR GASEOUS HYDRO CARBONS, until the owner directly or through his authorized representatives shall have first made
a written application to drill any such well and filed with the supervisor a
satisfactory security bond as provided in section 6 of this act, and received
and posted in a conspicuous place at the location of the well a permit in
accordance with the rules, regulations and requirements or orders made and
promulgated by the supervisor. A fee of $25.00 $100.00 shall be charged for
a permit to drill wells for oil and gas, wells for the storage of dry natural-
gas or casinghead gas, or wells for the development of reservoirs for the
storage of liquid petroleum gas, and a fee of $1.00 shall be charged for a
permit to drill a well for geological information, a key well for secondary
recovery, and wells for the disposal of salt water, brine or other oil field
wastes. A WELL SUBJECT TO THIS ACT. Upon receiving such AND ACCEPTING A
written application and payment of the fee required, the supervisor shall
within 10 days thereafter issue to any owner or his authorized representa-
tive, a permit to drill. Such well. Provided, however, That no A permit
to drill a well shall NOT be issued to any owner or his authorized representa-
tive who does not comply with the rules, regulations and requirements or orders
made and promulgated by the supervisor. And provided further, That no A
permit shall NOT be issued to any owner or his authorized representative who has
has not complied with or is in violation of this act, or any of the rules,
regulations, requirements or orders issued by the supervisor, or the department
of conservation NATURAL RESOURCES.

The supervisor shall thereupon pay such permit fee into the state treasury
and it shall there be credited to the general fund of the state.

All information and records with reference to the issuance of permits for
the drilling of any core or test well or for geological information including
the permit, shall be held confidential for 6 months after completion of such well, and shall not be open for public inspection during that time.
Sec. 24. This act shall be cumulative of all existing laws on the subject matter, but, in case of conflict, this act shall control and shall repeal such conflicting provisions, Act No. 15 of the Public Acts of 1929, as amended, being sections 5696 to 5712, inclusive, of the Compiled Laws of 1929, is hereby repealed except for the authority given the Public Service Commission in sections 7 and 8 of Act No. 9 of the Public Acts of 1929, as amended, being sections 483.107 and 483.108 of the Michigan Compiled Laws.