



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-6105/1
MCP:cjs

2021 SENATE BILL 1083

March 9, 2022 - Introduced by Senator SMITH. Referred to Committee on Natural Resources and Energy.

1 AN ACT *to amend* chapter 295 (title) and subchapter I (title) of chapter 295
2 [precedes 295.11]; and *to create* 295.22 of the statutes; **relating to:** county
3 authority relating to exploration for a type of industrial sand.

Analysis by the Legislative Reference Bureau

This bill authorizes counties to issue licenses for the exploration of frac sand, which is a type of industrial sand that can be used in deep wells to prop open rock fissures and increase the flow of natural gas or oil. Exploration consists of drilling holes for the purpose of searching for frac sand or establishing the nature and extent of a frac sand deposit. Current law requires counties to regulate the reclamation of nonmetallic mining sites. Nonmetallic mining is the extraction of nonmetallic materials, including stone, gravel, clay, and sand.

Under the bill, a person who applies to a county for a frac sand exploration license must submit a bond to ensure that drillholes will be properly filled and proof that the person has liability insurance covering personal injury and property damage. The bill also requires a licensee to notify the county before beginning drilling and before filling a drillhole. The bill requires the Department of Natural Resources to provide technical assistance related to frac sand exploration to a county upon request.

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1 (d) "Frac sand" means a type of industrial sand that can be used in deep well
2 applications to prop open rock fissures and increase the flow rate of natural gas or
3 oil.

4 (e) "Licensee" means a person with an exploration license issued by a county.

5 (f) "Parcel" means an identified section, fractional section, or government lot.

6 (g) "Termination" means filling of drillholes and reclamation and revegetation
7 of drilling sites.

8 **(1m) COUNTY AUTHORITY.** A county may issue exploration licenses to persons
9 who engage in exploration, or who contract for the services of a driller for purposes
10 of exploration, in accordance with this section.

11 **(2) LICENSE.** In a county that issues exploration licenses, no person may engage
12 in exploration, or contract for the services of a driller for purposes of exploration,
13 unless the person has an exploration license from the county. A person applying for
14 an exploration license shall submit with the application a fee in the amount specified
15 by the county. Exploration licenses expire on June 30 each year.

16 **(3) BOND.** (a) A person seeking an exploration license shall submit with the
17 application a bond in the amount of \$5,000 conditioned on faithful performance of the
18 requirements of the county relating to termination.

19 (b) The county may require the amount of a bond submitted under par. (a) to
20 be increased if the county determines that a licensee's level of activity makes it likely
21 that the bond would be inadequate to fund the termination of all drillholes in the
22 county for which the licensee is responsible.

23 (c) A county may not release any part of a bond under this subsection until the
24 licensee satisfactorily completes termination at the parcels covered by the bond.

SENATE BILL 1083**SECTION 3**

1 **(4) INSURANCE.** A person seeking an exploration license shall submit with the
2 application a certificate of insurance showing that the person has in force a liability
3 insurance policy issued by an insurance company licensed to do business in this state
4 covering all exploration conducted or contracted for by the person in the county and
5 affording personal injury and property damage protection in a total amount
6 determined to be adequate by the county, but not less than \$50,000.

7 **(5) NOTICE PROCEDURE.** (a) A licensee shall notify the county of the licensee's
8 intent to drill on a parcel at least 10 days before the beginning of drilling.

9 (b) A licensee shall notify the county, orally or in writing, before the beginning
10 of drilling of each drillhole.

11 (c) A licensee shall notify the county, orally or in writing, at least 24 hours
12 before filling a drillhole.

13 **(6) ABANDONMENT.** A licensee shall abandon each drillhole in a manner
14 approved by the county.

15 **(7) DRILLING FEES.** A licensee shall pay to the county a drilling fee in the amount
16 specified by the county for each hole drilled in the county.

17 **(8) LICENSE REVOCATION OR SUSPENSION.** A county may revoke or suspend an
18 exploration license if it determines that any of the following apply:

19 (a) The licensee has not complied with state law or with a requirement imposed
20 by the county.

21 (b) The licensee has failed to increase bond amounts to adequate levels as
22 provided under sub. (3) (b).

23 **(9) PUBLIC INFORMATION.** A county that issues exploration licenses shall make
24 all of the following available to the public:

25 (a) Information concerning licensees.

