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2021 SENATE BILL 1083

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

AN ACT to amend chapter 295 (title) and subchapter I (title) of chapter 295 [precedes 295.11]; and to create 295.22 of the statutes; relating to: county 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.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1	SECTION 1. Chapter 295 (title) of the statutes is amended to read:
2	CHAPTER 295
3	NONMETALLIC MINING RECLAMATION;
4	OIL AND GAS;
5	FERROUS METALLIC MINING
6	Section 2. Subchapter I (title) of chapter 295 [precedes 295.11] of the statutes
7	is amended to read:
8	CHAPTER 295
9	SUBCHAPTER I
10	NONMETALLIC MINING RECLAMATION
11	Section 3. 295.22 of the statutes is created to read:
12	295.22 Exploration for frac sand. (1) Definitions. In this section:
13	(a) "Abandon" means to fill or seal a drillhole.
14	(b) "Driller" means a person who performs core, rotary, percussion, or other
15	drilling involved in exploration for frac sand.
16	(c) "Exploration" means the on-site geologic examination from the surface of
17	an area by core, rotary, percussion, or other drilling of holes that do not exceed 18
18	inches in diameter for the purpose of searching for frac sand or establishing the
19	nature and extent of a known frac sand deposit and associated activities such as
20	clearing and preparing sites and constructing roads for drilling.

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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.

(c) A county may not release any part of a bond under this subsection until the

licensee satisfactorily completes termination at the parcels covered by the bond.

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- (4) INSURANCE. A person seeking an exploration license shall submit with the application a certificate of insurance showing that the person has in force a liability insurance policy issued by an insurance company licensed to do business in this state covering all exploration conducted or contracted for by the person in the county and affording personal injury and property damage protection in a total amount determined to be adequate by the county, but not less than \$50,000.
- (5) NOTICE PROCEDURE. (a) A licensee shall notify the county of the licensee's intent to drill on a parcel at least 10 days before the beginning of drilling.
- (b) A licensee shall notify the county, or ally or in writing, before the beginning of drilling of each drillhole.
- (c) A licensee shall notify the county, orally or in writing, at least 24 hours before filling a drillhole.
- (6) ABANDONMENT. A licensee shall abandon each drillhole in a manner approved by the county.
- (7) Drilling fees. A licensee shall pay to the county a drilling fee in the amount specified by the county for each hole drilled in the county.
- (8) LICENSE REVOCATION OR SUSPENSION. A county may revoke or suspend an exploration license if it determines that any of the following apply:
- (a) The licensee has not complied with state law or with a requirement imposed by the county.
- (b) The licensee has failed to increase bond amounts to adequate levels as provided under sub. (3) (b).
- (9) Public information. A county that issues exploration licenses shall make all of the following available to the public:
 - (a) Information concerning licensees.

1	(b) Information concerning parcels on which exploration is being conducted
2	including maps and descriptions of the parcels.
3	(10) TECHNICAL ASSISTANCE. The department shall provide technical assistance
4	relating to exploration at the request of a county.
5	(END)