

POLICY GOVERNING OIL AND GAS OPERATIONS IN
PARK AND RECREATION AREAS IN MICHIGAN

The following is a policy statement adopted by the Michigan Conservation Commission in March, 1961. It allows park and recreation area lands to be leased by petroleum companies for protective purposes, but specifically prohibits "wildcatting" or exploratory drilling.

Reported favorably to Gerald E. Eddy, Director, State of Michigan Department of Conservation by Charles E. Millar, Chief, Lands Division, and Arthur C. Elmer, Chief, Parks and Recreation Division.

State-owned lands in Park and Recreation Areas are considered for oil and gas leasing by the Department of Conservation only upon application by interested parties and after careful review and screening by Staff personnel.

The State owns and controls only a portion of the total land ownership within such areas. For this reason, it has been the policy of the Conservation Commission to authorize issuance of so-called "protective" oil and gas leases involving state lands so administered.

Such "protective" oil and gas leases are offered at public auction under the same terms and conditions as are embodied in the usual state oil and gas lease, subject, however, to a further restriction which requires authorization by the Conservation Commission before any drilling or development work may be conducted.

Intensive public use of the developed park, game, fish and recreational facilities in these areas, plus the ever expanding need and demand for new and enlarged facilities makes it imperative that mineral development operations be highly restricted.

At the November, 1960, meeting the Conservation Commission had under consideration the issuance of a drilling permit on a description of land in the Waterloo Recreation Area which had been leased for oil and gas exploration subject to a special restriction specifically stating that no drilling was to be conducted without authorization of the Conservation Commission. Issuance of the drilling permit, subject to adequate safeguards against possible pollution of a proposed wildfowl flooding project, was recommended by the Department divisions involved and concurred in by the Director. The Commission, however, denied the specific application for drilling permit and this action, together with subsequent discussions by Commission and Staff members, have pointed in the direction of a restrictive policy on oil and gas leases in Park and Recreation Area lands.

It should be understood that most lands in southeast Michigan Recreation Areas fall largely in the already leased category, but that all such leases carry the restriction that specific authorization mentioned above must be obtained from the Commission. It is also important to realize that we can expect exploration to continue on the extensive acreage of private lands adjacent to the state lands within Park and Recreation Area boundaries.

From the Lessee's standpoint, orderly development of lease blocks,

including agreements between Lessees, requires an understanding of the part any particular acreage can play in such development.

After careful consideration by the Staff, it was their recommendation that state lands in Park and Recreation Areas be divided into two categories depending on whether they are undeveloped or in areas presently developed or planned for development as camp, picnic, beach, other areas of intensive use, and nature study areas. As a result of further detailed study by the Parks and Recreation and Lands divisions, it appears that such zoning would be impracticable and unworkable because of the pattern of state and private ownership as well as the continuing changes in ownership and planning.

It is now believed that this matter can be resolved by a formal declaration of policy by the Conservation Commission.

Such declaration is desirable from the standpoint of the divisions of the Department charged with administration of the lands and records pertaining thereto as well as being essential to oil and gas Lessees who have spent and will continue to expend considerable effort and money in obtaining geological data and lease blocks comprised in part by such state acreage.

In accordance with the position recently taken by the Commission in denying an application for a permit to drill an exploratory well, as aforesaid, the following is submitted for consideration:

The policy of the Commission of Conservation shall be to deny applications for authorization to drill wells for oil and gas on state lands located within the boundaries of Park and Recreation Areas. Consideration will be given to applications to drill wells for oil and gas on Park and Recreation Area lands when production on adjacent land creates the probability of drainage of oil or gas from state lands, and then only with the minimum number of wells necessary to prevent such drainage from state lands as determined by the Supervisor of Wells, and in accordance with such special requirements as are prescribed by the Director of Conservation.

It is understood that applications for permission to drill for oil or gas shall be considered under the above policy only when such applications will not be in conflict with or jeopardize presently developed areas or those scheduled for development as camp, picnic, beach, nature study or other conservation uses. Spacing of wells, the use of electric pumps and other devices to reduce noise, restricted seasonal operations of drilling wells, location of roads, tank batteries and other surface installations shall be considered when prescribing special requirements.