



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2463

Introduced 2/7/2025, by Sen. Erica Harriss

SYNOPSIS AS INTRODUCED:

225 ILCS 725/2	from Ch. 96 1/2, par. 5404
225 ILCS 725/6	from Ch. 96 1/2, par. 5409
225 ILCS 725/8b	from Ch. 96 1/2, par. 5414
225 ILCS 725/8c	from Ch. 96 1/2, par. 5414.1
225 ILCS 725/12	from Ch. 96 1/2, par. 5418

Amends the Illinois Oil and Gas Act. Removes cash as an item that an applicant for a permit may provide in lieu of a surety bond required for plugging obligations and the removal of liquid oil field waste from an on-site collection point. Makes changes in provisions concerning the Department of Natural Resources's ability to make rules and conduct hearings for certain purposes. Makes conforming changes.

LRB104 09212 AAS 19269 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Oil and Gas Act is amended by
5 changing Sections 2, 6, 8b, 8c, and 12 as follows:

6 (225 ILCS 725/2) (from Ch. 96 1/2, par. 5404)

7 Sec. 2. The provisions of this Act do not apply to quarry
8 drill or blast holes, nor to seismograph test holes.

9 The provisions of this Act do not apply to geological,
10 structure, coal or other mineral test holes, or monitoring
11 wells in connection with any activity regulated by the
12 Department, except that notification of intent to drill
13 accompanied by the required fee as established by the
14 Department and a bond shall be filed with the Department, a
15 permit shall be obtained, and all holes shall be plugged under
16 the supervision of the Department. The bond shall be executed
17 by a surety, authorized to transact business in this State, in
18 the amount of \$2500 for each permit or a blanket bond of
19 \$25,000 for all permits. In lieu of the surety bond, the
20 applicant may provide ~~cash,~~ certificates of deposit, or
21 irrevocable letters of credit as security for the plugging
22 obligation under the terms and conditions as the Department
23 may provide by rule.

1 Information and records of the Department in connection
2 with the drilling of any geological, structure, coal, or other
3 mineral test hole shall be kept confidential, if requested in
4 writing by the permittee, for a period of 2 years following the
5 date the permit was issued.

6 (Source: P.A. 89-243, eff. 8-4-95.)

7 (225 ILCS 725/6) (from Ch. 96 1/2, par. 5409)

8 Sec. 6. The Department shall have the authority to conduct
9 hearings and to make such reasonable rules as may be necessary
10 from time to time in the proper administration and enforcement
11 of this Act, including the adoption of rules and the holding of
12 hearings for the following purposes:

13 (1) To require the drilling, casing and plugging of
14 wells to be done in such a manner as to prevent the
15 migration of oil or gas from one stratum to another; to
16 prevent the intrusion of water into oil, gas or coal
17 strata; to prevent the pollution of fresh water supplies
18 by oil, gas or salt water.

19 (2) To require the person desiring or proposing to
20 drill, deepen or convert any well for the exploration or
21 production of oil or gas, for injection or water supply in
22 connection with enhanced recovery projects, for the
23 disposal of salt water, brine, or other oil or gas field
24 wastes, or for input, withdrawal, or observation in
25 connection with the storage of natural gas or other liquid

1 or gaseous hydrocarbons before commencing the drilling,
2 deepening or conversion of any such well, to make
3 application to the Department upon such form as the
4 Department may prescribe and to comply with the provisions
5 of this Section. The drilling, deepening or conversion of
6 any well is hereby prohibited until such application is
7 made and the applicant is issued a permit therefor as
8 provided by this Act. Each application for a well permit
9 shall include the following: (A) The exact location of the
10 well, (B) the name and address of the manager, operator,
11 contractor, driller, or any other person responsible for
12 the conduct of drilling operations, (C) the proposed depth
13 of the well, (D) lease ownership information, and (E) such
14 other relevant information as the Department may deem
15 necessary or convenient to effectuate the purposes of this
16 Act.

17 (2.5) Additionally, for each applicant who has not
18 been issued a permit that is (i) not of record with the
19 Department on the effective date of this amendatory Act of
20 the 104th General Assembly 1991, or (ii) on record with
21 the Department and for which the permittee has failed to
22 make the who has not thereafter made payments of
23 assessments as required under Section 19.7 of this Act for
24 at least 2 consecutive years, the permittee or applicant
25 preceding the application, shall execute, as principal,
26 and file with the Department a bond, executed by a surety

1 authorized to transact business in this State, in an
2 amount estimated to cover the cost of plugging the well
3 and restoring the well site, but not to exceed \$25,000
4 ~~\$5000~~, as determined by the Department by rule, for each
5 well, or a blanket bond in an amount not to exceed
6 \$100,000, as determined by the Department by rule, for
7 each group of up to 100 wells for which a permit
8 application is submitted to the Department. Such bond
9 shall be submitted to the Department ~~for all wells~~, before
10 drilling, deepening, converting, or operating any well for
11 which a new or transfer permit is required and that has not
12 previously been plugged and abandoned in accordance with
13 the Act. The Department shall release the bond if the
14 well, or all wells in the case of a blanket bond, ~~is not~~
15 ~~completed but~~ is plugged and all the well sites of the
16 issued permit for which a bond is filed are ~~site~~ restored
17 in accordance with the Department's rules ~~or is completed~~
18 ~~in accordance with the Department's rules and the~~
19 ~~permittee pays assessments to the Department in accordance~~
20 ~~with Section 19.7 of this Act for 2 consecutive years.~~

21 In lieu of a surety bond, the applicant may provide
22 ~~cash~~, certificates of deposit, or irrevocable letters of
23 credit under such terms and conditions as the Department
24 may provide by rule.

25 The sureties on all bonds in effect on the effective
26 date of this amendatory Act of the 104th General Assembly

1 ~~1991~~ shall remain liable as sureties in accordance with
2 their undertakings until released by the Department from
3 further liability under the Act. The principal on each
4 bond in effect on the effective date of this amendatory
5 Act of the 104th General Assembly ~~1991~~ shall be released
6 from the obligation of maintaining the bond if ~~either~~ the
7 well covered by a surety bond has been plugged and the well
8 site restored in accordance with the Department's rules ~~or~~
9 ~~the principal of the surety has paid the initial~~
10 ~~assessment in accordance with Section 19.7 and no well or~~
11 ~~well site covered by the surety bond is in violation of the~~
12 ~~Act.~~

13 No permit shall be issued to a corporation
14 incorporated outside of Illinois until the corporation has
15 been authorized to do business in Illinois.

16 No permit shall be issued to an individual,
17 partnership, or other unincorporated entity that is not a
18 resident of Illinois until that individual, partnership,
19 or other unincorporated entity has irrevocably consented
20 to be sued in Illinois.

21 (3) To require the person assigning, transferring, or
22 selling any well for which a permit is required under this
23 Act to notify the Department of the change of ownership.
24 The notification shall be on a form prescribed by the
25 Department, shall be executed by the current permittee and
26 by the new permittee, or their authorized representatives,

1 and shall be filed with the Department within 30 days
2 after the effective date of the assignment, transfer or
3 sale. Within the 30 day notification period and prior to
4 operating the well, the new permittee shall pay the
5 required well transfer fee and, where applicable, file
6 with the Department the bond required under subsection
7 (2.5) ~~subsection (2)~~ of this Section.

8 (4) To require the filing with the State Geological
9 Survey of all geophysical logs, a well drilling report and
10 drill cuttings or cores, if cores are required, within 90
11 days after drilling ceases; and to file a completion
12 report with the Department within 30 days after the date
13 of first production following initial drilling or any
14 reworking, or after the plugging of the well, if a dry
15 hole. A copy of each completion report submitted to the
16 Department shall be delivered to the State Geological
17 Survey. The Department and the State Geological Survey
18 shall keep the reports confidential, if requested in
19 writing by the permittee, for 2 years after the date the
20 permit is issued by the Department. This confidentiality
21 requirement shall not prohibit the use of the report for
22 research purposes, provided the State Geological Survey
23 does not publish specific data or identify the well to
24 which the completion report pertains.

25 (5) To prevent "blowouts", "caving" and "seepage" in
26 the same sense that conditions indicated by such terms are

1 generally understood in the oil and gas business.

2 (6) To prevent fires.

3 (7) To ascertain and identify the ownership of all oil
4 and gas wells, producing leases, refineries, tanks,
5 plants, structures, and all storage and transportation
6 equipment and facilities.

7 (8) To regulate the use of any enhanced recovery
8 method in oil pools and oil fields.

9 (9) To regulate or prohibit the use of vacuum.

10 (10) To regulate the spacing of wells, the issuance of
11 permits, and the establishment of drilling units.

12 (11) To regulate directional drilling of oil or gas
13 wells.

14 (12) To regulate the plugging of wells.

15 (13) To require that wells for which no logs or
16 unsatisfactory logs are supplied shall be completely
17 plugged with cement from bottom to top.

18 (14) To require a description in such form as is
19 determined by the Department of the method of well
20 plugging for each well, indicating the character of
21 material used and the positions and dimensions of each
22 plug.

23 (15) To prohibit waste, as defined in this Act.

24 (16) To require the keeping of such records, the
25 furnishing of such relevant information and the
26 performance of such tests as the Department may deem

1 necessary to carry into effect the purposes of this Act.

2 (17) To regulate the disposal of salt or
3 sulphur-bearing water and any oil field waste produced in
4 the operation of any oil or gas well.

5 (18) To prescribe rules, conduct inspections and
6 require compliance with health and safety standards for
7 the protection of persons working underground in
8 connection with any oil and gas operations. For the
9 purposes of this paragraph, oil and gas operations include
10 drilling or excavation, production operations, plugging or
11 filling in and sealing, or any other work requiring the
12 presence of workers in shafts or excavations beneath the
13 surface of the earth. Rules promulgated by the Department
14 may include minimum qualifications of persons performing
15 tasks affecting the health and safety of workers
16 underground, minimum standards for the operation and
17 maintenance of equipment, and safety procedures and
18 precautions, and shall conform, as nearly as practicable,
19 to corresponding qualifications, standards and procedures
20 prescribed under the Coal Mining Act.

21 (19) To deposit the amount of any forfeited surety
22 bond or other security in the Plugging and Restoration
23 Fund, a special fund in the State treasury which is hereby
24 created; to deposit into the Fund any amounts collected,
25 reimbursed or recovered by the Department under Sections
26 19.5, 19.6 and 19.7 of this Act; to accept, receive, and

1 deposit into the Fund any grants, gifts or other funds
2 which may be made available from public or private sources
3 and all earnings received from investment of monies in the
4 Fund; and to make expenditures from the Fund for the
5 purposes of plugging, replugging or repairing any well,
6 and restoring the site of any well, determined by the
7 Department to be abandoned or ordered by the Department to
8 be plugged, replugged, repaired or restored under Sections
9 8a, 19 or 19.1 of this Act, including expenses in
10 administering the Fund.

11 For the purposes of this Act, the State Geological Survey
12 shall co-operate with the Department in making available its
13 scientific and technical information on the oil and gas
14 resources of the State, and the Department shall in turn
15 furnish a copy to the State Geological Survey of all drilling
16 permits as issued, and such other drilling and operating data
17 received or secured by the Department which are pertinent to
18 scientific research on the State's mineral resources.

19 (Source: P.A. 86-205; 86-364; 86-1177; 87-744.)

20 (225 ILCS 725/8b) (from Ch. 96 1/2, par. 5414)

21 Sec. 8b. No person shall drill, convert or deepen a well
22 for the purpose of disposing of oil field brine or for using
23 any enhanced recovery method in any underground formation or
24 strata without first securing a permit therefor. Such permit
25 shall be obtained as provided in subsections ~~clause~~ (2) and

1 (2.5) of Section 6 and is subject to the fee prescribed in
2 Section 14, except that such fees for Class II UIC wells shall
3 be deposited in the Underground Resources Conservation
4 Enforcement Fund. All injection wells regulated by the
5 Department's Class II UIC program approved pursuant to 40 CFR
6 147.701, subpart 0, of record on January 1 of each year, except
7 those which are properly plugged, are subject to an annual fee
8 as follows: on January 1, 1988, \$50 per well; on January 1,
9 1989, \$75 per well; and on January 1, 1990, \$100 per well.
10 Extension of this fee into subsequent years shall be
11 contingent upon authorization of such by the General Assembly.
12 Such fee shall be paid no later than January 31 of each year.
13 Proceeds of such payments shall be deposited in the
14 Underground Resources Conservation Enforcement Fund. The
15 Department may prescribe appropriate rules to implement this
16 Section and to prevent waste, as defined in this Act, in
17 connection with such wells.

18 (Source: P.A. 85-1334.)

19 (225 ILCS 725/8c) (from Ch. 96 1/2, par. 5414.1)

20 Sec. 8c. (a) No person shall operate a liquid oil field
21 waste transportation system without a liquid oil field waste
22 transportation permit. The liquid oil field waste transporter
23 assumes legal responsibility for the liquid oil field waste
24 when it first enters the liquid oil field waste transportation
25 system, until it is disposed of in a manner authorized and

1 approved by the Department.

2 (b) No person shall engage, employ or contract with any
3 other person except a permittee under this Section, to remove
4 liquid oil field waste from his premises.

5 (c) Every person who engages, employs or contracts with
6 any other person to remove liquid oil field waste from his
7 premises shall maintain detailed records of all such liquid
8 oil field waste removal effectuated on forms provided by the
9 Department and shall submit such information in such detail
10 and with such frequency, as the Department may require.

11 (d) Before engaging in the business of removing liquid oil
12 field waste from the on-site collection point, a person shall
13 apply for and obtain a permit from the Department. The
14 application shall be accompanied by a permit fee of \$150 and by
15 a surety bond covering the period and any renewal thereof for
16 which the permit is issued by a surety company registered in
17 the State, to indemnify the Department for the abatement of
18 pollution of waters which result from any improper disposal of
19 liquid oil field waste by the permittee. The bonds shall be
20 \$10,000. The Department shall be the obligee and the bond
21 shall be for the benefit and purpose to indemnify the State for
22 the elimination of harmful or nuisance conditions and for the
23 abatement of any pollution of waters which result from the
24 improper disposal of liquid oil field waste by the permittee.

25 In lieu of the surety bond, the applicant may provide
26 ~~cash,~~ certificates of deposit,~~7~~ or irrevocable letters of

1 credit under such terms and conditions as the Department may
2 provide by rule.

3 The surety of any bond posted for the issuance of a liquid
4 oil field waste transportation permit, upon 30 days notice in
5 writing to the Department and to the permittee, may cancel any
6 such bond, but such cancellation shall not affect any rights
7 which shall have accrued on the bond before the effective date
8 of the cancellation.

9 (e) If the Department, after such investigation as it
10 deems necessary, is satisfied that the applicant has the
11 qualifications, experience, reputation, and equipment to
12 perform the services in a manner not detrimental to the public
13 interest, in a way that will not cause unlawful pollution of
14 the waters of the State and meets the bonding requirements of
15 subsection (d), it shall issue a permit to the applicant.

16 (f) (1) All trucks or other vehicles used to transport or
17 carry liquid oil field waste shall carry a permit issued by the
18 Department for inspection by its representative or any law
19 enforcement agent. The application for the vehicle permit
20 shall state the make, model and year of the vehicle as well as
21 the capacity of the tank used in transporting liquid oil field
22 waste and such other information as the Department requires.
23 Each application shall be accompanied by a biennial permit fee
24 of \$150 for each vehicle sought to be licensed, payable to the
25 State, and if the Department, after such investigation as it
26 deems necessary, finds the truck or vehicle and equipment is

1 proper and adequate for the purpose, it shall issue a permit
2 for the use of the vehicle. The permit is not transferable from
3 one vehicle to another. The vehicle permit number shall be
4 printed on a decal furnished by the Department which shall
5 designate the years for which the permit was issued. This
6 decal shall be affixed to the upper right hand corner of the
7 inside of the windshield.

8 (2) All vehicle permits shall be valid for 2 years.
9 Application for renewal of a permit must be made 30 days prior
10 to the expiration date of the permit. The fee for renewal shall
11 be the same as for the original permit.

12 (g) (1) The tank shall be kept tightly closed in transit,
13 to prevent the escape of contents.

14 (2) The permittee shall dispose of all liquid oil field
15 waste in conformance with the provisions of this Section.

16 (3) The permittee shall not dispose of liquid oil field
17 waste onto or into the ground except at locations specifically
18 approved and permitted by the Department. No liquid oil field
19 waste shall be placed in a location where it could enter any
20 public or private drain, pond, stream or other body of surface
21 or ground water.

22 (h) Any person who violates or refuses to comply with any
23 of the provisions of this Section shall be subject to the
24 provisions of Sections 8a and 19.1 of this Act. In addition,
25 any person who gathers, handles, transports, or disposes of
26 liquid oil field waste without a liquid oil field waste

1 transportation permit or utilizes the services of an
2 unpermitted person shall upon conviction thereof by a court of
3 competent jurisdiction be fined not less than \$2,000 for a
4 violation and costs of prosecution, and in default of payment
5 of fine and costs, imprisoned for not less than 10 days nor
6 more than 30 days. When the violation is of a continuing
7 nature, each day upon which a violation occurs is a separate
8 offense.

9 (i) For the purposes of this Section:

10 (1) "Liquid oil field waste" means oil field brines,
11 tank and pit bottom sediments, and drilling and completion
12 fluids, to the extent those wastes are now or hereafter
13 exempt from the provisions of Subtitle C of the federal
14 Resource Conservation and Recovery Act of 1976.

15 (2) "Liquid oil field waste transportation system"
16 means all trucks and other motor vehicles used to gather,
17 handle or transport liquid oil field waste from the point
18 of any surface on-site collection to any subsequent
19 off-site storage, utilization or disposal.

20 (Source: P.A. 102-1017, eff. 1-1-23.)

21 (225 ILCS 725/12) (from Ch. 96 1/2, par. 5418)

22 Sec. 12. Any well for which a permit is required under this
23 Act, other than a plugged well, which was drilled prior to the
24 effective date of this Act and for which no permit has
25 previously been issued, is required to be permitted.

1 Application and bond shall be made as required in subsections
2 ~~subsection~~ (2) and (2.5) of Section 6, except that the spacing
3 requirements of Section 21.1 of this Act shall not apply, and
4 no permit fee will be assessed for any such well if application
5 for a permit is made within one year of the effective date of
6 this amendatory Act of 1990. Except for Class II UIC wells,
7 provisions of this Act and Department rules pertaining to well
8 construction shall not apply. After this one year period, any
9 unpermitted well to which this Section applies will be deemed
10 to be operating without a permit and subject to the penalties
11 set forth in this Act.

12 (Source: P.A. 85-1334; 86-1177.)