

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 ~~on the effective date of this~~
21 ~~amendatory Act of 1991,~~ or (ii) a permittee on record with
22 the Department but who has failed to make ~~not thereafter~~
23 ~~made~~ payments of the assessments as required under Section
24 19.7 of this Act at any time in the preceding 5 ~~for at~~
25 ~~least 2 consecutive~~ years of the application, the
26 permittee or applicant ~~preceding the application,~~ shall

1 execute, as principal, and file with the Department a
2 bond, executed by a surety authorized to transact business
3 in this State, in an amount estimated to cover the cost of
4 plugging the well and restoring the well site and shall
5 set at the following rates:~~, but not to exceed~~

6 (A) \$10,000 for one well;

7 (B) \$25,000 in total covering a blanket bond for
8 up to 10 wells;

9 (C) \$50,000 in total covering a blanket bond for
10 up to 50 wells; or

11 (D) \$100,000 in total covering a blanket bond for
12 up to 100 wells.

13 A blanket bond covering more than 100 wells shall be
14 increased to include the bond amount, as provided in this
15 paragraph (2.5), for the total number of wells more than
16 100 that are covered by the blanket bond. Such bond shall
17 be submitted to the Department ~~\$5000, as determined by the~~
18 ~~Department for each well, or a blanket bond in an amount~~
19 ~~not to exceed \$100,000 for all wells,~~ before drilling,
20 deepening, converting, or operating any well for which a
21 new or transfer permit is required and that has not
22 previously been plugged and abandoned in accordance with
23 the Act. The Department shall release the bond if any of
24 the following are met:

25 (i) all wells covered by the bond are plugged and
26 all well sites are restored in accordance with this

1 Act and administrative rules;

2 (ii) all wells covered by the bond are transferred
3 in accordance with this Act and administrative rules;

4 or

5 (iii) the well, or all wells in the case of a
6 blanket bond, is not completed but is plugged and the
7 well site restored in accordance with the Department's
8 rules or is completed in accordance with the
9 Department's rules and the permittee pays assessments
10 to the Department in accordance with Section 19.7 of
11 this Act for 5 2 consecutive years from the date of
12 issuance of a permit after the effective date of this
13 amendatory Act of the 104th General Assembly and the
14 permittee is not in violation of this Act or any
15 administrative rules.

16 In lieu of a surety bond, the applicant may provide
17 ~~cash,~~ certificates of deposit, or irrevocable letters of
18 credit under such terms and conditions as the Department
19 may provide by rule.

20 The sureties on all bonds in effect on this amendatory
21 Act of the 104th General Assembly ~~the effective date of~~
22 ~~this amendatory Act of 1991~~ shall remain liable as
23 sureties in accordance with their undertakings until
24 released by the Department from further liability under
25 the Act. The principal on each bond in effect on the
26 effective date of this amendatory Act of the 104th General

1 ~~Assembly the effective date of this amendatory Act of 1991~~
2 shall be released from the obligation of maintaining the
3 bond if ~~either~~ the well covered by a surety bond has been
4 plugged and the well site restored in accordance with the
5 Department's rules or the principal of the surety has paid
6 the initial assessment in accordance with Section 19.7 and
7 no well or well site covered by the surety bond is in
8 violation of the Act.

9 No permit shall be issued to a corporation
10 incorporated outside of Illinois until the corporation has
11 been authorized to do business in Illinois.

12 No permit shall be issued to an individual,
13 partnership, or other unincorporated entity that is not a
14 resident of Illinois until that individual, partnership,
15 or other unincorporated entity has irrevocably consented
16 to be sued in Illinois.

17 (3) To require the person assigning, transferring, or
18 selling any well for which a permit is required under this
19 Act to notify the Department of the change of ownership.
20 The notification shall be on a form prescribed by the
21 Department, shall be executed by the current permittee and
22 by the new permittee, or their authorized representatives,
23 and shall be filed with the Department within 30 days
24 after the effective date of the assignment, transfer or
25 sale. Within the 30 day notification period and prior to
26 operating the well, the new permittee shall pay the

1 required well transfer fee and, where applicable, file
2 with the Department the bond required under subsection
3 (2.5) ~~subsection (2)~~ of this Section.

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

21 (5) To prevent "blowouts", "caving" and "seepage" in
22 the same sense that conditions indicated by such terms are
23 generally understood in the oil and gas business.

24 (6) To prevent fires.

25 (7) To ascertain and identify the ownership of all oil
26 and gas wells, producing leases, refineries, tanks,

1 plants, structures, and all storage and transportation
2 equipment and facilities.

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

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

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

8 (11) To regulate directional drilling of oil or gas
9 wells.

10 (12) To regulate the plugging of wells.

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

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

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

20 (16) To require the keeping of such records, the
21 furnishing of such relevant information and the
22 performance of such tests as the Department may deem
23 necessary to carry into effect the purposes of this Act.

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

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

17 (19) To deposit the amount of any forfeited surety
18 bond or other security in the Plugging and Restoration
19 Fund, a special fund in the State treasury which is hereby
20 created; to deposit into the Fund any amounts collected,
21 reimbursed or recovered by the Department under Sections
22 19.5, 19.6 and 19.7 of this Act; to accept, receive, and
23 deposit into the Fund any grants, gifts or other funds
24 which may be made available from public or private sources
25 and all earnings received from investment of monies in the
26 Fund; and to make expenditures from the Fund for the

1 purposes of plugging, replugging or repairing any well,
2 and restoring the site of any well, determined by the
3 Department to be abandoned or ordered by the Department to
4 be plugged, replugged, repaired or restored under Sections
5 8a, 19 or 19.1 of this Act, including expenses in
6 administering the Fund.

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

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

16 (225 ILCS 725/8b) (from Ch. 96 1/2, par. 5414)

17 Sec. 8b. No person shall drill, convert or deepen a well
18 for the purpose of disposing of oil field brine or for using
19 any enhanced recovery method in any underground formation or
20 strata without first securing a permit therefor. Such permit
21 shall be obtained as provided in subsections ~~clause~~ (2) and
22 (2.5) of Section 6 and is subject to the fee prescribed in
23 Section 14, except that such fees for Class II UIC wells shall
24 be deposited in the Underground Resources Conservation
25 Enforcement Fund. All injection wells regulated by the

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

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

15 (225 ILCS 725/8c) (from Ch. 96 1/2, par. 5414.1)

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

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

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

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

21 In lieu of the 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 may
24 provide by rule.

25 The surety of any bond posted for the issuance of a liquid
26 oil field waste transportation permit, upon 30 days notice in

1 writing to the Department and to the permittee, may cancel any
2 such bond, but such cancellation shall not affect any rights
3 which shall have accrued on the bond before the effective date
4 of the cancellation.

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

12 (f) (1) All trucks or other vehicles used to transport or
13 carry liquid oil field waste shall carry a permit issued by the
14 Department for inspection by its representative or any law
15 enforcement agent. The application for the vehicle permit
16 shall state the make, model and year of the vehicle as well as
17 the capacity of the tank used in transporting liquid oil field
18 waste and such other information as the Department requires.
19 Each application shall be accompanied by a biennial permit fee
20 of \$150 for each vehicle sought to be licensed, payable to the
21 State, and if the Department, after such investigation as it
22 deems necessary, finds the truck or vehicle and equipment is
23 proper and adequate for the purpose, it shall issue a permit
24 for the use of the vehicle. The permit is not transferable from
25 one vehicle to another. The vehicle permit number shall be
26 printed on a decal furnished by the Department which shall

1 designate the years for which the permit was issued. This
2 decal shall be affixed to the upper right hand corner of the
3 inside of the windshield.

4 (2) All vehicle permits shall be valid for 2 years.
5 Application for renewal of a permit must be made 30 days prior
6 to the expiration date of the permit. The fee for renewal shall
7 be the same as for the original permit.

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

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

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

18 (h) Any person who violates or refuses to comply with any
19 of the provisions of this Section shall be subject to the
20 provisions of Sections 8a and 19.1 of this Act. In addition,
21 any person who gathers, handles, transports, or disposes of
22 liquid oil field waste without a liquid oil field waste
23 transportation permit or utilizes the services of an
24 unpermitted person shall upon conviction thereof by a court of
25 competent jurisdiction be fined not less than \$2,000 for a
26 violation and costs of prosecution, and in default of payment

1 of fine and costs, imprisoned for not less than 10 days nor
2 more than 30 days. When the violation is of a continuing
3 nature, each day upon which a violation occurs is a separate
4 offense.

5 (i) For the purposes of this Section:

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

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

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

17 (225 ILCS 725/12) (from Ch. 96 1/2, par. 5418)

18 Sec. 12. Any well for which a permit is required under this
19 Act, other than a plugged well, which was drilled prior to the
20 effective date of this Act and for which no permit has
21 previously been issued, is required to be permitted.
22 Application and bond shall be made as required in subsections
23 ~~subsection~~ (2) and (2.5) of Section 6, except that the spacing
24 requirements of Section 21.1 of this Act shall not apply, and
25 no permit fee will be assessed for any such well if application

1 for a permit is made within one year of the effective date of
2 this amendatory Act of 1990. Except for Class II UIC wells,
3 provisions of this Act and Department rules pertaining to well
4 construction shall not apply. After this one year period, any
5 unpermitted well to which this Section applies will be deemed
6 to be operating without a permit and subject to the penalties
7 set forth in this Act.

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