



Sen. Erica Harriss

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1 AMENDMENT TO SENATE BILL 2463

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2463 by replacing  
3 everything after the enacting clause with the following:

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

1 by a surety, authorized to transact business in this State, in  
2 the amount of \$2500 for each permit or a blanket bond of  
3 \$25,000 for all permits. In lieu of the surety bond, the  
4 applicant may provide ~~cash,~~ certificates of deposit, or  
5 irrevocable letters of credit as security for the plugging  
6 obligation under the terms and conditions as the Department  
7 may provide by rule.

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

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

14 (225 ILCS 725/6) (from Ch. 96 1/2, par. 5409)

15 Sec. 6. The Department shall have the authority to conduct  
16 hearings and to make such reasonable rules as may be necessary  
17 from time to time in the proper administration and enforcement  
18 of this Act, including the adoption of rules and the holding of  
19 hearings for the following purposes:

20 (1) To require the drilling, casing and plugging of  
21 wells to be done in such a manner as to prevent the  
22 migration of oil or gas from one stratum to another; to  
23 prevent the intrusion of water into oil, gas or coal  
24 strata; to prevent the pollution of fresh water supplies  
25 by oil, gas or salt water.

1           (2) To require the person desiring or proposing to  
2           drill, deepen or convert any well for the exploration or  
3           production of oil or gas, for injection or water supply in  
4           connection with enhanced recovery projects, for the  
5           disposal of salt water, brine, or other oil or gas field  
6           wastes, or for input, withdrawal, or observation in  
7           connection with the storage of natural gas or other liquid  
8           or gaseous hydrocarbons before commencing the drilling,  
9           deepening or conversion of any such well, to make  
10          application to the Department upon such form as the  
11          Department may prescribe and to comply with the provisions  
12          of this Section. The drilling, deepening or conversion of  
13          any well is hereby prohibited until such application is  
14          made and the applicant is issued a permit therefor as  
15          provided by this Act. Each application for a well permit  
16          shall include the following: (A) The exact location of the  
17          well, (B) the name and address of the manager, operator,  
18          contractor, driller, or any other person responsible for  
19          the conduct of drilling operations, (C) the proposed depth  
20          of the well, (D) lease ownership information, and (E) such  
21          other relevant information as the Department may deem  
22          necessary or convenient to effectuate the purposes of this  
23          Act.

24          (2.5) Additionally, for each applicant who has not  
25          been issued a permit that is (i) not of record with the  
26          Department on the effective date of this amendatory Act of

1 ~~the 104th General Assembly on the effective date of this~~  
2 ~~amendatory Act of 1991, or (ii) a permittee on record with~~  
3 ~~the Department but who has failed to make not thereafter~~  
4 ~~made~~ payments of the assessments as required under Section  
5 19.7 of this Act at any time in the preceding 5 ~~for at~~  
6 ~~least 2 consecutive~~ years of the application, the  
7 permittee or applicant preceding the application, shall  
8 execute, as principal, and file with the Department a  
9 bond, executed by a surety authorized to transact business  
10 in this State, in an amount estimated to cover the cost of  
11 plugging the well and restoring the well site and shall  
12 set at the following rates: ~~but not to exceed~~

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

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

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

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

20 A blanket bond covering more than 100 wells shall be  
21 increased to include the bond amount, as provided in this  
22 paragraph (2.5), for the total number of wells more than  
23 100 that are covered by the blanket bond. Such bond shall  
24 be submitted to the Department \$5000, as determined by the  
25 Department for each well, or a blanket bond in an amount  
26 not to exceed \$100,000 for all wells, before drilling,

1 deepening, converting, or operating any well for which a  
2 new or transfer permit is required and that has not  
3 previously been plugged and abandoned in accordance with  
4 the Act. The Department shall release the bond if any of  
5 the following are met:

6 (i) all wells covered by the bond are plugged and  
7 all well sites are restored in accordance with this  
8 Act and administrative rules;

9 (ii) all wells covered by the bond are transferred  
10 in accordance with this Act and administrative rules;  
11 or

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

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

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

16           No permit shall be issued to a corporation  
17 incorporated outside of Illinois until the corporation has  
18 been authorized to do business in Illinois.

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

24           (3) To require the person assigning, transferring, or  
25 selling any well for which a permit is required under this  
26 Act to notify the Department of the change of ownership.

1 The notification shall be on a form prescribed by the  
2 Department, shall be executed by the current permittee and  
3 by the new permittee, or their authorized representatives,  
4 and shall be filed with the Department within 30 days  
5 after the effective date of the assignment, transfer or  
6 sale. Within the 30 day notification period and prior to  
7 operating the well, the new permittee shall pay the  
8 required well transfer fee and, where applicable, file  
9 with the Department the bond required under subsection  
10 (2.5) ~~subsection (2)~~ of this Section.

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

1 which the completion report pertains.

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

5 (6) To prevent fires.

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

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

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

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

15 (11) To regulate directional drilling of oil or gas  
16 wells.

17 (12) To regulate the plugging of wells.

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

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

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

1           (16) To require the keeping of such records, the  
2           furnishing of such relevant information and the  
3           performance of such tests as the Department may deem  
4           necessary to carry into effect the purposes of this Act.

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

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

24          (19) To deposit the amount of any forfeited surety  
25          bond or other security in the Plugging and Restoration  
26          Fund, a special fund in the State treasury which is hereby

1 created; to deposit into the Fund any amounts collected,  
2 reimbursed or recovered by the Department under Sections  
3 19.5, 19.6 and 19.7 of this Act; to accept, receive, and  
4 deposit into the Fund any grants, gifts or other funds  
5 which may be made available from public or private sources  
6 and all earnings received from investment of monies in the  
7 Fund; and to make expenditures from the Fund for the  
8 purposes of plugging, replugging or repairing any well,  
9 and restoring the site of any well, determined by the  
10 Department to be abandoned or ordered by the Department to  
11 be plugged, replugged, repaired or restored under Sections  
12 8a, 19 or 19.1 of this Act, including expenses in  
13 administering the Fund.

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

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

23 (225 ILCS 725/8b) (from Ch. 96 1/2, par. 5414)

24 Sec. 8b. No person shall drill, convert or deepen a well  
25 for the purpose of disposing of oil field brine or for using

1 any enhanced recovery method in any underground formation or  
2 strata without first securing a permit therefor. Such permit  
3 shall be obtained as provided in subsections ~~clause~~ (2) and  
4 (2.5) of Section 6 and is subject to the fee prescribed in  
5 Section 14, except that such fees for Class II UIC wells shall  
6 be deposited in the Underground Resources Conservation  
7 Enforcement Fund. All injection wells regulated by the  
8 Department's Class II UIC program approved pursuant to 40 CFR  
9 147.701, subpart 0, of record on January 1 of each year, except  
10 those which are properly plugged, are subject to an annual fee  
11 as follows: on January 1, 1988, \$50 per well; on January 1,  
12 1989, \$75 per well; and on January 1, 1990, \$100 per well.  
13 Extension of this fee into subsequent years shall be  
14 contingent upon authorization of such by the General Assembly.  
15 Such fee shall be paid no later than January 31 of each year.  
16 Proceeds of such payments shall be deposited in the  
17 Underground Resources Conservation Enforcement Fund. The  
18 Department may prescribe appropriate rules to implement this  
19 Section and to prevent waste, as defined in this Act, in  
20 connection with such wells.

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

22 (225 ILCS 725/8c) (from Ch. 96 1/2, par. 5414.1)

23 Sec. 8c. (a) No person shall operate a liquid oil field  
24 waste transportation system without a liquid oil field waste  
25 transportation permit. The liquid oil field waste transporter

1 assumes legal responsibility for the liquid oil field waste  
2 when it first enters the liquid oil field waste transportation  
3 system, until it is disposed of in a manner authorized and  
4 approved by the Department.

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

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

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

1 improper disposal of liquid oil field waste by the permittee.

2 In lieu of the surety bond, the applicant may provide  
3 ~~cash,~~ certificates of deposit, or irrevocable letters of  
4 credit under such terms and conditions as the Department may  
5 provide by rule.

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

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

19 (f) (1) All trucks or other vehicles used to transport or  
20 carry liquid oil field waste shall carry a permit issued by the  
21 Department for inspection by its representative or any law  
22 enforcement agent. The application for the vehicle permit  
23 shall state the make, model and year of the vehicle as well as  
24 the capacity of the tank used in transporting liquid oil field  
25 waste and such other information as the Department requires.  
26 Each application shall be accompanied by a biennial permit fee

1 of \$150 for each vehicle sought to be licensed, payable to the  
2 State, and if the Department, after such investigation as it  
3 deems necessary, finds the truck or vehicle and equipment is  
4 proper and adequate for the purpose, it shall issue a permit  
5 for the use of the vehicle. The permit is not transferable from  
6 one vehicle to another. The vehicle permit number shall be  
7 printed on a decal furnished by the Department which shall  
8 designate the years for which the permit was issued. This  
9 decal shall be affixed to the upper right hand corner of the  
10 inside of the windshield.

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

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

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

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

25 (h) Any person who violates or refuses to comply with any  
26 of the provisions of this Section shall be subject to the

1 provisions of Sections 8a and 19.1 of this Act. In addition,  
2 any person who gathers, handles, transports, or disposes of  
3 liquid oil field waste without a liquid oil field waste  
4 transportation permit or utilizes the services of an  
5 unpermitted person shall upon conviction thereof by a court of  
6 competent jurisdiction be fined not less than \$2,000 for a  
7 violation and costs of prosecution, and in default of payment  
8 of fine and costs, imprisoned for not less than 10 days nor  
9 more than 30 days. When the violation is of a continuing  
10 nature, each day upon which a violation occurs is a separate  
11 offense.

12 (i) For the purposes of this Section:

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

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

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

24 (225 ILCS 725/12) (from Ch. 96 1/2, par. 5418)

25 Sec. 12. Any well for which a permit is required under this

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

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