

OG-10: Permit Application to Drill, Deepen or Convert a Well

Guidance for Application Submission (revised 01/2024)

1. **IMPORTANT TO NOTE:** The Administrative Rules at 62 Ill. Adm. Code Part 240: Oil and Gas Act have been amended at 46 Ill. Reg. 20013, effective January 1, 2023.
Applicants and permittees should review the changes to the Administrative Rules, which are available at the Illinois Department of Natural Resources (IDNR) Office of Oil and Gas Resource Management (OOGRM) website: <https://dnr.illinois.gov/oilandgas.html>. As it relates to the OG-10 application, the following Sections of the above-referenced Administrative Rules were changed:
 - 240.210: Application for Permit to Drill, Deepen or Convert to a Production Well
2. Special Notes regarding items within the application:
 - a) **Item 3 of the Application:** As the Department will not have copies of the lease/assignment documentation to review, it is very important that the map in item 3 of the application includes all items requested on the application. An optional "OG-10 Supplemental Larger Map" form is available on the website for ease in accommodating the items below. Failure to include all map items on the front of the application or on a supplemental map may result in denial of your application. The map in item 3 must include:
 - i) Proposed **WELL LOCATION**. An Illinois Licensed Professional Engineer or an Illinois Licensed Professional Surveyor must execute the certification.
 - ii) Outline of the **DRILLING UNIT boundaries** (a separate map may be attached if necessary).
 - iii) Outline of the **LEASE or ENHANCED OIL RECOVERY UNIT boundaries** (note: lease boundaries are not always the same as assignment boundaries). If you are pooling leases to form a drilling unit, all such leases should be outlined. (a separate map may be attached if necessary).
 - iv) Location of all **PRODUCING WELLS PREVIOUSLY DRILLED ON THE PROPOSED DRILLING UNIT**. This would include any wells which have not been plugged. (a separate map may be attached if necessary).
 - v) Location of all **OFFSET WELLS ON ADJACENT DRILLING UNITS**. This would include any wells which have not been plugged located on any and all drilling units adjacent to that on which the proposed well is located. (a separate map may be attached if necessary).
 - b) **Item 11 of the Application:** Please indicate the proposed depth of the well to be tested for production. This should coincide with the lowest formation that the operator plans to test for production. This will be listed on the permit as the maximum authorized depth of the well.
 - c) **Item 12 of the Application:** In the blank requesting the lowest geological **formation** to be tested: Please indicate the proposed lowest geologic formation. The formation name must be listed in accordance with a **formation** from ILSTRAT: The Online Handbook of Illinois Stratigraphy (<http://ilstratwiki.web.illinois.edu/>) as maintained by the Illinois State Geological Survey and/or *Bulletin 95 of the Illinois State Geological Survey's Handbook of Illinois Stratigraphy* (for example, do not list a **member**, a **system**, or a **group**, etc.), whichever source has the most up to date, verifiable information. Also, do not list a "driller's term" for the formation if not consistent with ILSTRAT or *Bulletin 95*).

In the blank requesting the "reservoir, if different than formation": If the reservoir (as defined in 62 Ill. Adm. Code 240.10) is different than the formation name, list the reservoir (otherwise, leave this blank). In 62 Ill. Adm. Code 240.10, *reservoir* is defined as "for the purpose of this Part, is interchangeable with the term "pool"." *Pool* is defined in 62 Ill. Adm. Code 240.410 as "means a natural underground reservoir containing, in whole or in part, a natural accumulation of oil or gas, or both. Each productive zone or stratum of a general structure, which is completely separated from any other zone or stratum in the structure, is deemed a separate "pool". (Section 1 of the Act)" In this blank, you may use a **member** or other classification as listed in accordance with ILSTRAT: The Online Handbook of Illinois Stratigraphy (<http://ilstratwiki.web.illinois.edu/>) and/or *Bulletin 95 of the Illinois State Geological Survey's Handbook of Illinois Stratigraphy*, provided that the listing is more specific than the **formation**. You may also list a driller's term commonly recognized for the reservoir (for example, "McClosky").
 - d) **Item 37 of the Application:** Please note that amendments effective January 1, 2023, increased non-refundable application fees to \$400 **ONLY** for the following wells under the OG-10 application: Oil Production, Water Supply, Gas Production, Coal Bed Gas, and Coal Mine Gas wells. The non-refundable application fee remains \$300 for Gas Storage, Observation, and Service wells. Please ensure the proper fee is submitted with your application in the form of a check or money order.
3. The criteria for drilling units has changed. Please read 62 Ill. Adm. Code 240.410 carefully to ensure proper spacing of your proposed well.
4. Read the Administrative Rules and Statutes carefully to ensure you are answering the questions accurately. Copies of the Administrative Rules and Statute sections cited in the OG-10 application are included in Attachment A which may be helpful in completing the application. A complete copy of the Administrative Rules and Statutes can be found at the IDNR OOGRM website listed in item 1 above.
5. Answer all questions.
6. Include all attachments requested for each question per the Administrative Rule and Statute.
7. Carefully review the entire application and all the attached documents to ensure the application is complete, accurate, and complies with the requirements for the application, Administrative Rules and Statute before submitting it to:
Illinois Department of Natural Resources
Office of Oil and Gas Resource Management
One Natural Resources Way
Springfield, IL 62702-1271
8. If necessary, please consult an Illinois professional—geologist, engineer, surveyor, lawyer or consultant for additional assistance with this application. The Illinois Department of Natural Resources cannot make any recommendations for such a professional.
9. Forms, links to regulations and additional information for the Office of Oil and Gas Resource Management are available on the website and it is recommended that you consult the website frequently to ensure you are providing the most up to date forms available: <https://dnr.illinois.gov/oilandgas.html>.
10. If you have additional questions after visiting the website, please contact the Office of Oil and Gas Resource Management at 217/782-7756.

ATTACHMENT A

TITLE 62: MINING CHAPTER I: DEPARTMENT OF NATURAL RESOURCES PART 240 THE ILLINOIS OIL AND GAS ACT

Section 240.210 Application for Permit to Drill, Deepen or Convert to a Production Well

- a) No person shall drill, deepen or convert any well to a production well without a permit from the Department.
- b) Application for a permit to drill, deepen or convert to a production well shall be made on forms prescribed by the Department. The application shall be executed under penalties of perjury, and accompanied by the non-refundable fee of \$400 and the required bond under Subpart O.
- c) If the application does not contain all of the required information or documents, the Department shall notify the applicant in writing. The notification shall specify the additional information or documents necessary to an evaluation of the application, and shall advise the applicant that the application will be deemed denied unless the information or documents are submitted within 60 days following the date of notification.
- d) *Any well for which a permit is required under the Act, other than a plugged well, which was drilled prior to the effective date of the Act and for which no permit has previously been issued, is required to be permitted.* Application for a permit shall be made on forms prescribed by the Department. The application shall be executed under penalties of perjury, and accompanied by the required bond under Subpart O and existing well construction information reported on Department forms. If application is made on or before August 14, 1991, no permit fee is required. An application made after that date shall be accompanied by the non-refundable fee of \$400. *Spacing requirements and provisions of the Act and these rules pertaining to well construction shall not apply. After August 14, 1991, any unpermitted well to which this Subpart applies will be deemed to be operating without a permit and subject to the penalties set forth in the Act. (Section 12 of the Act)*

(Source: Amended at 46 Ill. Reg. 20013, effective January 1, 2023)

Section 240.220 Contents of Application

The application for a permit to drill, deepen or convert to a production well shall include:

- a) The name of the well.
- b) The well location surveyed by an Illinois licensed land surveyor or Illinois registered professional engineer, the GPS (Global Positioning System) latitude and longitude location, and ground elevation of the well. A survey or GPS location is not required for a converted or deepened well, for a drilled out plugged hole if the original well location was surveyed, or for a well permitted under Section 240.210(d). The GPS location shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement.
- c) A map showing:
 - 1) the boundaries of the leasehold or enhanced oil recovery unit;
 - 2) the exact location of the well proposed to be drilled, deepened or converted, and an outline of the proposed drilling unit;
 - 3) the location of all producing wells previously drilled on the drilling unit; and
 - 4) the location of all offset wells on adjacent drilling units.
- d) Certification, under penalty of perjury, that the applicant has the right pursuant to valid and subsisting oil and gas leases, documents or memoranda of public record and/or any statute or regulation to drill for and operate a well on the lands and formations required for the proposed well, as set forth in Subpart D.
- e) A statement as to whether the proposed well location is within the limits of any incorporated city, town, or village. If the consent of municipal authorities for the drilling of a well is required, a certified copy of the official consent must be submitted.
- f) The name and address of the drilling contractor and the type of drilling tools or equipment to be used.
- g) If the well is located over an active mine, over a temporarily abandoned mine or within the undeveloped limits of a mine, or if the coal rights are owned by someone other than the lessor under the oil and gas lease, the applicant shall submit documentation establishing compliance with Section 240.1305.
- h) If the application is for a newly drilled well located over an underground gas storage field as defined in Section 240.1805(c) or the gas storage rights are owned by someone other than the lessor under the oil and gas lease, the applicant shall submit documentation establishing compliance with Section 240.1820.
- i) The proposed depth of the well and the name of the lowest geologic formation to be tested.
- j) A statement whether the applicant has ever had a well bond forfeited by the Department, and if so when and for what well.

(Source: Amended at 40 Ill. Reg. 5811, effective March 14, 2018)

Section 240.230 Authority of Person Signing Application

- a) The application for a permit to drill, deepen, or convert to a production well shall identify whether the owner of the right to drill and to operate the well is an individual, partnership, corporation or other entity, and shall contain the address and signature of the owner or person authorized to sign for such owner.
- b) If the owner is an individual, the application shall be signed by the individual. If the owner is a partnership, the application shall be signed by a general partner. If the owner is a corporation, the application shall be signed by an officer of the corporation.
- c) In lieu of the signature of the owner or such authorized person, the application may be signed by a person having a power of attorney to sign for such owner or authorized person, provided a certified copy of the power of attorney is on file with the Department or accompanies the application.
- d) The entity or person to whom the permit is issued shall be called the Permittee and shall be responsible for all regulatory requirements relative to the well.

- e) If the applicant is a corporation, the charter must authorize the corporation to engage in the permitted activity, and the corporation must be incorporated or authorized to do business in the State of Illinois.
 - f) If the applicant is an individual, partnership, or other unincorporated entity that is not a resident of Illinois, provide an irrevocable consent to be sued in Illinois.
 - g) If the applicant has been issued a FEIN, that number must be reported on the application.
- (Source: Amended at 21 Ill. Reg. 7164, effective June 3, 1997)

Section 240.240 Additional Requirements for Directional Drilling

- a) If the applicant intends to deviate from the vertical in accordance with Section 240.450, the application shall include a map showing the proposed direction of deviation and proposed horizontal distance between the end of the well bore and the surface location of the well.
 - b) Within sixty (60) days after the completion of drilling, a certified directional survey of the well must be filed with the Department showing the surface location of the well, the location of the top and bottom of the producing interval and the location of the end of the well bore.
- (Source: Amended at 19 Ill. Reg. 10981, effective July 14, 1995)

Section 240.410 Drilling Units

a) Oil Wells

- 1) The Department shall not issue a permit for the drilling or deepening of a well for the production of oil within the State of Illinois unless the proposed well location and spacing are within 10 acres of surface area lying within the quarter-quarter-quarter section of land (as established by the official United States Public Land Survey). The location of the well shall not be less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line; or
- 2) A permittee shall not be obligated to drill any further wells pursuant to provisions in a lease existing prior to April 22, 2016. Any obligation shall be determined, to the extent relevant and applicable, by regulations in effect as of the date of the lease.

b) Gas Wells

The Department shall not issue a permit for the drilling or deepening of a well for the production of gas within the State of Illinois unless the proposed well location and spacing conform to the following drilling units:

- 1) 10 acres of surface area lying within the quarter-quarter-quarter section of land (as established by the official United States Public Land Survey) for wells drilled or deepened for the production of gas from a reservoir other than limestone/dolomite, the top of which lies less than 2,000 feet beneath the surface. The location of the well shall not be less than 330 feet from the nearest lease external boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line; or
- 2) 20 acres of surface area lying within the east-west or north-south one-half of a quarter-quarter section of land (as established by the official United States Public Land Survey) for wells drilled or deepened for the production of gas from a limestone/dolomite reservoir, the top of which lies less than 2,000 feet beneath the surface. The location of the well shall not be less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line; or
- 3) 40 acres of surface area lying within a quarter-quarter section of land (as established by the official United States Public Land Survey) for wells drilled or deepened for the production of gas from a reservoir, the top of which lies between 2,000 feet below the surface and 5,000 feet or the top of the Galena Group, whichever depth is greater. The location of the well shall not be less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well or well being drilled or for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line.
- 4) Establishment of Drilling Units for Deep Gas
 - A) In the case of wells drilled or deepened for the production of gas from a reservoir lying below 5,000 feet or the top of the Galena Group formation, whichever depth is greater, no permit shall be issued for an exploratory well unless the proposed spacing and well location provide for a minimum of 160 acres of surface area lying within a quarter section of land (as established by the official United States Public Land Survey). The well location shall not be less than 660 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 10 feet from the nearest drilling unit boundary line.
 - B) After completion of the exploratory well or wells, but prior to commencement of production activities, application shall be made to the Department for the adoption of rules establishing spacing and well location requirements for the reservoir or reservoirs completed. The application shall identify the lands underlying the reservoir or reservoirs for which spacing and well location rules are requested, and shall include any geological, engineering or economic data, studies or reports upon which the requested spacing and well location rules are based.

- C) Within 20 days after receipt of the application, the Department shall submit proposed spacing and well location rules for the reservoir or reservoirs in accordance with Section 5-40 of the Illinois Administrative Procedure Act, which shall include notice of a public hearing to be commenced no later than 20 days after publication of the notice of proposed rulemaking in the Illinois Register. In addition to the notice requirements of the Illinois Administrative Procedure Act, the applicant shall give notice of public hearing, at least 10 days prior to the date of the hearing, to all permittees of record and leaseholders whose wells or leases are within ¼ mile of the area described in the proposed rules by first class mail, postage pre-paid, and by publication in a newspaper of general circulation in each county in which any portion of the area described in proposed rules is located.
 - D) The public hearing shall be conducted in accordance with the provisions of Section 240.370(d)(4) and (d)(5). The Department shall fully consider the record from the public hearing and any other public comment received during the first notice period and, prior to commencement of the second notice period, shall make such changes to the proposed rules as may be necessary to prevent waste, protect correlative rights and prevent the unnecessary drilling of wells.
- c) Coalbed Gas Wells
The Department shall not issue a permit for the drilling or deepening of a well for the production of coalbed gas from unmined seams of coal unless the proposed well location and spacing conform to drilling unit requirements of 10 acres of surface area lying within a quarter-quarter-quarter section of land (as established by the official United States Public Land Survey). The location of the well shall be not less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well or well being drilled or for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line.
 - d) Coal Mine Gas Wells
A well drilled into a mine void or a pillar within the mined out area for the production of gas from an abandoned coal mine is exempt from the spacing requirements of this Subpart.
 - e) Other Wells
Class II UIC wells, coal, mineral and structure test holes, observation wells, water supply wells used in relation to oil or gas production, and gas storage wells are exempt from the requirements of this Section.
 - f) All new well locations shall not be less than 200 feet from the nearest occupied dwelling existing at the time the permit application is filed with the Department, unless the permittee obtains a written agreement with the surface owner upon which the dwelling is located specifically allowing for a closer well location.

(Source: Amended at 45 Ill. Reg 13907, effective October 25, 2021)

Section 240.420 Well Location Exceptions within Drilling Unit

- a) Whenever the conditions of a drilling unit render it impractical to drill an oil or gas well at a location conforming to the requirements of Section 240.410, an oil or gas well may be drilled at a nonconforming location as follows:
 - 1) If the proposed location is less than 330 feet (or other applicable setback) from the nearest lease boundary line, the application shall be accompanied by a written agreement or agreements between the applicant and any leaseholders or mineral rights owners (if no leaseholder exist) whose leases or mineral rights are adjacent to and less than 330 feet (or other applicable setback) from the proposed location. In lieu of the submission of a written agreement or agreements, the applicant shall give notice by certified mail, return receipt requested, to any leaseholders or mineral rights owners (if no leaseholders exist) whose leases or mineral rights are adjacent to and less than 330 feet (or other applicable setback) from the proposed location. The notice shall include the proposed location of the well and the reason the location is requested, and shall inform the leaseholders or mineral rights owners that they may file written objections with the Department within 15 days after service of the notice. If a written objection is received, the matter shall be set for hearing, which shall be conducted in accordance with the provisions of Section 240.370(d) of this Part.
 - 2) In determining whether to approve a proposed nonconforming location, the Department will consider the feasibility and expense of drilling on location, any hazard or damage to persons or property or to the environment, and whether the proposed location would adversely affect the correlative rights of any of the owners of the reservoir or result in waste or the drilling of unnecessary wells.
- b) If at the time of application, a lease immediately adjacent to a proposed drilling unit has producing wells located less than 330 feet from the common boundary line, then a well on the proposed drilling unit may be located at a distance closer than 330 feet but no closer than the distance to the common boundary line of the immediately offsetting well.
- c) If a drilling unit is located over an active mine, the mined-out or inaccessible portion of an active mine, an abandoned mine, or the undeveloped limits of a mine, the proposed well can be located so that it will be drilled into an existing or proposed mine pillar subject to the conditions and limitations set forth in subsections (a) and (b) above.

(Source: Amended at 43 Ill. Reg. 10459, effective September 6, 2019)

Section 240.425 Change of a Permitted Drilling Location

- a) If, after a permit is issued but prior to the commencement of drilling, the permittee determines that the permitted location is impractical to drill:
 - 1) The permittee is allowed, without prior approval from the Department, to move the location a maximum of 60 feet from the permitted location, provided the amended location meets the requirements of Section 240.410 or the location exceptions in Section 240.420. A surveyed, amended application, showing the amended location and the reason the location was moved, shall be submitted to the Department within 10 days after moving the location.
 - 2) If the proposed well location is more than 60 feet from the permitted location, provided the amended location meets the

requirements of Section 240.410 or the location exceptions in Section 240.410, a surveyed, amended application must be submitted showing the proposed location and the reason the location is requested. Approval for the location must be received from the Department prior to the commencement of drilling.

- b) If, during drilling, the well is lost (collapsed casing or hole, etc.), the permittee may terminate drilling and move the rig up to 30 feet from the permitted location and commence drilling operations, provided that:
- 1) the permittee notifies the District Office prior to the move and receives approval;
 - 2) a new application and fee is submitted within 10 days in accordance with Section 240.220; and
 - 3) the new location is in compliance with all other requirements of this Part.
- (Source: Added at 43 Ill. Reg. 10459, effective September 6, 2019)

Section 240.430 Drilling Unit Exceptions

- a) In the case of irregular sections containing more or less than 640 acres, in those areas where the United States Government has not made an official survey, in areas covered by the old French Surveys and Grants, in meandered lands, in government lots, and in subdivisions thereof where the acreage in quarter-quarter-quarter sections and quarter-quarter sections do not conform to the requirements of Section 240.410, the Department shall establish drilling units for wells such that drilling units will not cause a greater well density than would be encountered in regular official surveys relative to the distance between wells and the external drilling unit boundary lines specified in Section 240.410.
- b) If the proposed oil wells will be part of an enhanced oil recovery project, spacing requirements for oil or gas production wells are as follows:
- 1) Except as provided in subsection (b)(2), the drilling unit and well location requirements of Section 240.410 do not apply to an oil well that is part of an enhanced oil recovery project. For purposes of this Subpart, an enhanced oil recovery project is a lease, or a unit composed of a group of leases operating under an agreement that provides for the sharing of production by all of the owners within the unit, which has one or more enhanced oil recovery injection wells permitted and in operation at the time an application for a permit to drill and operate an oil well is filed. The enhanced oil recovery injection wells in operation must be injecting into the reservoir that will be produced in order for the project to be classified as an enhanced oil recovery project.
 - 2) Oil wells permitted and drilled in accordance with this Section must be located no less than 330 feet from the nearest lease boundary line or unit boundary, except that, if, at the time of application, a lease immediately adjacent to the proposed well has producing wells located less than 330 feet from the common boundary line, then the proposed well may be located at a distance closer than 330 feet, but no closer than the distance to the common boundary line of the immediately offsetting well.
- c) If the proposed well is to be a post-primary recovery well:
- 1) The spacing requirements shall comply with Section 240.410; or
 - 2) A new drilling unit may be designated consisting of two or more drilling units of the same size, shape and location as that required in Section 240.410 and located in the same reservoir. At least one-half of the drilling units used to make up the new drilling unit are required to contain at least one plugged or non-producing well. The new drilling unit shall not contain any drilling unit of a well actively producing from the same individual reservoir. The new drilling unit may cross section lines. In a reservoir in which the top lies less than 4,000 feet beneath the surface, the well shall be no less than 330 feet from the nearest external boundary lines of the new drilling unit nor less than 660 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued (but under which the well has not yet been drilled) using the same individual reservoir. In a reservoir in which the top lies at or below 4,000 feet beneath the surface, the well shall be no less than 330 feet from the nearest external boundary lines of the new drilling unit nor less than 900 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued (but under which the well has not yet been drilled) using the same individual reservoir.

(Source: Amended at 35 Ill. Reg. 13281, effective July 26, 2011)

Section 240.440 More Than One Well on a Drilling Unit

More than one well may be drilled on a drilling unit to different reservoirs, allocating the acreage in the drilling unit for each producing reservoir as specified in Section 240.410.

(Source: Added at 15 Ill. Reg. 15493, effective October 10, 1991)

Section 240.450 Directional Drilling

- a) A directional drilled well is a wellbore which is purposely deviated from the vertical and intersects the planned zone of production at a projected surface location other than the surface location of the well specified on the permit.
- b) For a directionally drilled well, the drilling unit shall be established and the well permitted with reference to the location of the well where it is proposed to be completed. All portions of the reservoir exposed in the wellbore shall meet the well location and spacing requirements specified in Section 240.410 or Section 240.460 for modified units. If a directionally drilled well is drilled with more than one (1) directional hole from a single vertical wellbore, each directional hole shall be considered a separate well and permitted in accordance with Subpart B.

(Source: Amended at 19 Ill. Reg. 10981, effective July 14, 1995)

Section 240.455 Horizontal Drilling

- a) For purposes of this Subpart, a horizontal well is a wellbore that has an overall length within the reservoir of twice the thickness of

the reservoir.

- b) An oil or gas production well may be developed with one or more horizontal drainholes drilled from a single vertical wellbore and may be considered a single well and permitted in accordance with the provisions of Subpart B.
 - c) If the proposed horizontal well will be part of an enhanced oil recovery project, the spacing requirements for all portions of the horizontal drainholes shall comply with Section 240.430(b).
 - d) For a horizontal well:
 - 1) the spacing requirements shall comply with Section 240.410; or
 - 2) a horizontal drilling unit may be designated consisting of two or more drilling units of the same size, shape and location as that required for a well of the same depth in accordance with Section 240.410. The horizontal drilling unit may cross section lines.
 - e) For the horizontal wells described in subsection (d), all portions of the horizontal drainhole:
 - 1) May travel in any direction or directions necessary for efficient production within the drilling unit;
 - 2) Shall be no less than 330 feet from the nearest lease boundary line except any boundary line located within a pooled unit; and
 - 3) shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued (but under which the well has not yet been drilled) using the same individual reservoir.
 - f) If a horizontal drilling unit configuration other than that allowed in subsection (d) is necessary because of geology or reservoir conditions, a modified or special drilling unit is required in compliance with Section 240.460 and/or Section 240.465.
- (Source: Amended at 42 Ill. Reg. 5811, effective March 14, 2018)

Section 240.460 Modified Drilling Unit

- a) The Department shall schedule a hearing to consider a petition for modification of the location of the standard drilling unit described in Section 240.410, based on geologic or engineering characteristics of the reservoir, relative to the land survey system specified in Section 240.410 and well density specified in Section 240.465.
- b) Upon petition of any person having an interest in oil or gas in a lease or drilling unit, when the proposed unit does not fit within divisions created by the official United States Public Land Survey described in Section 240.410, the Department shall initiate a review of the petition to determine whether the petition will be accepted. If the permit is accepted, a public hearing will be scheduled pursuant to subsection (e).
- c) Contents of petition shall include:
 - 1) the name and address of the petitioner;
 - 2) a legal land description of the drilling unit sought to be established;
 - 3) a description of the petitioner's interest in oil or gas in the drilling unit at issue; and
 - 4) the petitioner's geologic or engineering reason for requesting a modified drilling unit.
- d) Execution and Filing
 - 1) The petition to modify a drilling unit in accordance with this Section or establish a special drilling unit in accordance with Section 240.465 shall be sent to the Department offices located in Springfield, Illinois.
 - 2) Every petition shall be signed by the petitioner or his or her representative and the petitioner's address shall be stated on the petition. The signature of the petitioner or his or her representative constitutes a certificate by him or her that he or she has read the petition and that to the best of his or her knowledge, information and belief there is good ground to support the petition. The petition shall be accompanied by a non-refundable application fee in the amount of \$1,500. [225 ILCS 725/21.1(b-2)]
 - 3) A petition shall not be accepted if:
 - A) the petitioner has falsified or otherwise misstated any information on or relative to the petition
 - B) the petitioner has failed to abate a violation of the Act specified in a final administrative decision of the Department;
 - C) an officer, director, agency, power of attorney or partner in the petitioner, or a person with an interest in the petitioner exceeding 5% was or is an officer, director, partner, agent, power of attorney or person with an interest exceeding 5% in another entity that failed to abate a violation of the Act specified in a final administrative decision of the Department.
 - D) The petitioner was or is an officer, director, agent, power of attorney, partner, or person with an interest exceeding 5% in another entity that has failed to abate a violation of the Act specified in a final administrative decision of the Department [225 ILCS 725/8(a)];
 - E) Funds have been expended and remain outstanding from the PRF to plug wells, under Subpart P, for which the petitioner:
 - i) Was a previous permittee;
 - ii) Was or is an officer, director, agent, power of attorney, partner or person with an interest exceeding 5% in a permittee for which funds were expended; or
 - iii) An officer, director, agent, power of attorney or partner in the petitioner, or a person with an interest in the petitioner exceeding 5% was or is an officer, director, agent, power of attorney, partner or person with an interest exceeding 5% in a permittee for which funds were expended; or
 - F) The petitioner is delinquent in the payment of Annual Well Fees; or the petitioner was or is an officer, director, agent, power of attorney, partner or person with an interest exceeding 5% in another permittee who is delinquent in payment of Annual Well Fees; or an officer, director, agent, power of attorney or partner in the petitioner or person with an interest in the applicant exceeding 5%, in a permittee who is delinquent in payment of Annual Well Fees.
 - 4) If the Department finds the petition deficient relative to the requirements of subsection(c)(2) or (3), the petition shall not be accepted and the Department shall issue a written deficiency notice to the petitioner within 10 business days after its receipt. If the petitioner does not respond to the deficiencies within 60 days, the petition will be deemed denied.

- 5) If the Department finds the petition deficient relative to the requirements of subsections (a) or (b), the Department shall issue a written deficiency notice to the petitioner within 10 business days after the receipt date. If the petitioner does not respond to the deficiencies within 60 days, the petition will be deemed denied. Within 60 days after receipt of any deficiency notice under this subsection (d)(5), the petitioner may request in writing, that the petition be accepted and a public hearing be held, in lieu of responding to the deficiency.
- 6) If the Department does not timely respond to any petition or the submission of additional information of documentation after initial submission within 10 business days after receipt, then the petition shall be deemed to be in sufficient form for acceptance and filing and the Department shall proceed with the scheduling of a public hearing [225 ILCS 725/21.1(f)]
- e) A public hearing on the petition shall be scheduled not less than 30 days, but not more than 60 days, after the acceptance of the petition by the Department [225 ILCS 725/21.1(f)]. Notice of hearing shall be given by the petitioner to all mineral owners within the boundaries set forth in the petition, and to all permittees whose wells or leases are within ¼ mile of the boundaries of the lease or drilling unit, by U.S. Postal Service certified mail, return receipt requested, and by publication in a newspaper of general circulation in each county in which any portion of the proposed lease or drilling unit or units is located, at least 10 days prior to the hearing. The notice shall include:
 - 1) the name and address of the petitioner;
 - 2) the date of the hearing;
 - 3) the legal land description of the drilling unit sought to be established;
 - 4) the geologic name and depth of the proposed production formations;
 - 5) the address and telephone number for the Office of Oil and Gas Resource Management of the Department
 - 6) As to the notice to be mailed, a statement that the recipient has 14 days from the date of mailing the notice, as stated in the notice, to comment on the petition and that comments must be made in writing to the Office; and
 - 7) As to the newspaper publication notice, a statement that the public has 10 days from the date of the publication of the notice, as stated in the public notice, to comment on the petition and that comments must be made in writing to the Office.
- f) Pre-Hearing Conferences
 - 1) Upon his or her own motion or the motion of a party, the Hearing Officer shall direct the parties or their counsel to meet for a conference in order to:
 - A) Simplify the factual and legal issues presented by the hearing request;
 - B) Receive stipulations and admissions of fact and of the contents and authenticity of documents;
 - C) Exchange lists of witnesses the parties intend to have testify and copies of all documents the parties intend to introduce into evidence at the hearing; and
 - D) Discuss and resolve such other matters as may tend to expedite the disposition of the hearing request and to assure a just.
 - 2) Pre-hearing conferences may be held by telephone conference, video conference or other electronic means if that procedure is acceptable to all parties.
- g) Hearing
 - 1) Hearing Officer: Every hearing shall be conducted by a Hearing Officer designated by the Director. The Hearing Officer shall take all necessary action to avoid delay, to maintain order and to develop a clear and complete record, and shall have all powers necessary and appropriate to conduct a fair hearing and to render a decision on the petition, including the following:
 - A) To administer oaths and affirmations;
 - B) To receive relevant evidence;
 - C) To regulate the course of the hearing and the conduct of the parties and their counsel;
 - D) To consider and rule upon procedural requests;
 - E) To examine witnesses and direct witnesses to testify, limit the number of times any witness may testify, limit repetitive or cumulative testimony and set reasonable limits on the amount of time each witness may testify;
 - F) To require the production of documents or subpoena the appearance of witnesses, either on the Hearing Officer's own motion or for good cause shown on motion of any party of record.
 - 2) All hearings are open to the public and are held in compliance with the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.). The hearings will be held at locations ordered by the Hearing Officer. The Hearing Officer will select hearing locations that comply with any geographic requirements imposed by applicable law and, to the extent feasible, promote the convenience of the parties and the conservation of the Department's resources. All hearings are subject to cancellation without notice. Interested persons may contact the Department or the Hearing Officer for information about the hearing. Parties, Participants and members of the public must conduct themselves with decorum at the hearing.
 - 3) Upon the motion of any part, the Hearing Officer may order that a hearing be held by telephone conference, video conference or other electronic means. In deciding whether a hearing should be held by telephone conference, video conference or other electronic means, factors that the Hearing Officer shall consider include cost-effectiveness, efficiency, facility accommodations, witness availability, public interest, the parties, preferences, and the proceeding's complexity and contentiousness.
 - 4) Every interested person wishing to participate at the hearing shall enter an appearance in writing. The Hearing Officer shall determine if the interested person shall be allowed to enter as a party of record. The Hearing Officer shall base that determination on the same standards used to determine parties in Circuit Court.
 - 5) All participants in the hearing shall have the right to be represented by counsel.
 - 6) The Hearing Officer shall allow all parties to present statements, testimony, evidence and argument as may be relevant to the proceeding.

- 7) At least one representative of the Department shall appear at any hearing held under this Section and shall be given the opportunity to question parties or otherwise elicit information necessary to reach a decision on the petition.
 - 8) When applicable, the following shall be addressed prior to receiving evidence:
 - A) The petitioner may offer preliminary exhibits, including documents necessary to present the issues to be heard, notices, proof of publication and orders previously entered in the cause.
 - B) Ruling may be made on any pending motions.
 - C) Any other preliminary matters appropriate for disposition prior to presentation of evidence may be addressed.
- h) Evidence
- 1) Admissibility: A party shall be entitled to present his or her case by oral or documentary evidence, to submit rebuttal evidence, and to conduct cross-examination as may be required for a full and true disclosure of the facts. Any oral or documentary evidence received by the presiding Hearing Officer shall exclude evidence that is irrelevant, immaterial or unduly repetitious. The rules of evidence and privilege applied in civil cases in the courts of the State of Illinois shall be followed; however, evidence not admissible under those rules of evidence may be admitted, except when precluded by reasonable, prudent men in the conduct of their affairs. Subject to these requirements, when a hearing will be expedited and the interests of the parties will not be prejudiced, a Hearing Officer shall allow evidence to be received in written form.
 - 2) Official Notice: Official notice may be taken of any material fact not appearing in evidence in the record if the circuit courts of this State could take judicial notice of that fact. In addition, notice may be taken of generally recognized technical or scientific facts within the Department's specialized knowledge.
 - 3) Order of Proof: The petitioner shall open the proof. Other parties of record shall be heard immediately following the petitioner. The Hearing Officer or Department representatives may examine any witnesses. In all cases, the Hearing Officer shall designate the order of proof and may limit the scope of examination or cross-examination.
 - 4) Briefs: The Hearing Officer may require or allow parties to submit written briefs to the Hearing Officer within 10 days after the close of the hearing or within such other time as the Hearing Officer shall determine as being consistent with the Department's responsibility for an expeditious decision.
- i) Record of Proceedings; Testimony
- The Department shall provide at its expense a certified shorthand reporter to take down the testimony and preserve a record of all proceedings at the hearing. Any person testifying shall be required to do so under oath. However, relevant unsworn statements, comments and observations by any interested person may be heard and considered by the Department and included in the record.
- j) Postponement or Continuance of Hearing
- A hearing may be postponed or continued for due cause by the Hearing Officer upon his or her own motion or upon the motion of a party to the hearing. A motion filed by a party to the hearing shall set forth facts attesting that the request for continuance is not for the purpose of delay. Except in the case of an emergency, motions requesting postponement or continuance shall be made in writing and shall be received by all parties to the hearing.
- k) Default
- If a party, after proper service of notice, fails to appear at the pre-hearing conference or at a hearing, and if no continuance is granted, the Department may then proceed to make its decision in the absence of that party. If the failure to appear at such pre-hearing conference or hearing is due to an emergency situation beyond the parties' control, and the Department is notified of the situation on or before the scheduled pre-hearing conference or hearing date, the pre-hearing conference or hearing will be continued or postponed pursuant to Section 240.460(i). Emergency situations include sudden unavailability of counsel, sudden illness of a party or his or her representative, or similar situations beyond the parties' control.
- l) The Department, after public hearing, shall either grant or deny the petition within 20 working days after the conclusion of the hearing [225 ILCS 725/21/1(f)]
- m) If the Department finds, based on the reservoir's geological and engineering characteristics, that a modified drilling unit or units are necessary to prevent waste, to protect correlative rights, and to prevent the unnecessary drilling of wells, the Department shall enter an order establishing the modified drilling unit or units. Each order shall:
- 1) specify the location of each drilling unit relative to the land survey system; and
 - 2) specify the set back from the drilling unit boundaries for the location of the oil or gas well on each drilling unit; and
 - 3) terminate 1 year from the effective date of the order unless a well has been drilled on the drilling unit within that time. If a well has been drilled within that time, the order shall terminate when the well is plugged.
- n) Order – Final Administrative Decision
- The Director's order is a final administrative decision of the Department, pursuant to Section 10 of the Act.
(Source: Amended at 42 Ill. Reg. 5811, effective March 14, 2018)

Section 240.465 Special Drilling Unit

- a) The Department shall consider a petition to establish a special drilling unit based on whether:
 - 1) the well density specified in Section 240.430(a) is maintained; and
 - 2) a standard drilling unit cannot be formed utilizing the integration provisions of Section 240.132.
- b) Upon petition of any person having an interest in oil and gas in a lease or drilling unit, when the proposed drilling unit size and shape is other than that specified in Section 240.410, the Department shall initiate a review of the petition to determine whether the petition will be accepted. If the permit is accepted, a public hearing will be scheduled pursuant to Section 240.460(e).
- c) Contents of the petition shall include:
 - 1) the name and address of the petitioner;
 - 2) a legal land description of the drilling unit sought to be established;

- 3) a description of the petitioner's interest in oil or gas in the drilling unit at issue;
 - 4) the petitioner's reason for requesting a special drilling unit, including the submission of supporting geologic and engineering data;
- d) Applications to establish a special drilling unit shall be processed in accordance with the petition filing, execution, public notice and hearing provisions specified under Section 240.460(d) through (n).
- (Source: Amended at 42 Ill. Reg. 5811, effective March 14, 2018)

Section 240.470 Establishment of Pool-Wide Drilling Units Based Upon Reservoir Characteristics

- a) Upon application of any person having an interest in oil or gas in all or a portion of a reservoir, the Department shall consider the establishment of pool-wide drilling units other than specified in Section 240.410 of this Part for all or a portion of a reservoir for the production of oil or gas.
- b) Applications to establish pool-wide drilling units based upon reservoir characteristics shall be processed in accordance with Section 240.133 of this Part.
- c) The following pool-wide oil well spacing is established by the Department.
 - 1) Ten acre spacing is established for the Devonian and Silurian Limestone in Sections 16, 17, 20, 21 and 29 of Township 3 North, Range 3 West, Schuyler County, Illinois, known as the Brooklyn Pool.
 - 2) Ten acre spacing is established for the Devonian and Silurian Limestone in Sections 29, 30, 31 and 32 of Township 1 South, Range 3 West, Sections 24, 25, 26, 33, 34, 35 and 36 of Township 1 South, Range 4 West, Sections 5, 6 and 8 of Township 2 South, Range 3 West and Sections 1, 2, 3 and 4 of Township 2 South, Range 4 West, Brown County, Illinois, known as the Buckhorn Consolidated Pool.
 - 3) Ten acre spacing is established for the Devonian and Silurian Limestone in Sections 8, 9, 15, 16 and 17 of Township 2 South, Range 4 West, Brown County, Illinois, known as the Siloam Pool.
 - 4) Ten acre spacing is established for the Devonian and Silurian Limestone in Sections 6 and 7 of Township 1 North, 1 West, Sections 1, 2 and 12, of Township 1 North, Range 2 West and Sections 35 and 36 of Township 2 North, 2 West, Schuyler County, Illinois, known as the Rushville Central Pool.
 - 5) Ten acre spacing is established for the Devonian and Silurian Limestone in Sections 25 and 36 of Township 1 South, 5 West, Sections 1, 2, 10, 11 and 12 of Township 2 South, Range 5 West, Adams County, Illinois and in Section 7 of Township 2 South, Range 4 West, Brown County, Illinois, known as the Kellerville Pool.
 - 6) Ten acre spacing is established for the St. Louis Limestone (Mississippian) in Sections 6, 7, 18 and 19 of Township 11 North, Range 11 East and Sections 3, 4, 5, 6, 7, 8, 9, 10, 16, 17, 18, 19, 20, 21, 28, 29 and 30 of Township 11 North, Range 14 West, Clark County, Illinois, known as the Westfield Pool.
 - 7) Ten acre spacing is established for the St. Louis/Salem (Mississippian) Limestone in Sections 31, 32, 33 and 34 of Township 12 North, Range 14 West, Clark County, Illinois, known as the Westfield Pool.
 - 8) Ten acre spacing is established for the St. Louis/Salem (Mississippian) Limestone in Sections 2, 3, 10, 11, 12 and 13 of Township 9 North, Range 14 West and in Sections 14, 15, 22, 23, 24, 25, 26, 35 and 36 of Township 10 North, Range 14 West, Clark County, Illinois, known as the Martinsville Pool.
 - 9) Ten acre spacing is established for the St. Louis/Salem (Mississippian) Limestone in Sections 22, 23, 26, 27, 34 and 35 of Township 9 North, Range 14 West, Clark County, Illinois, known as the Johnson South Pool.
 - 10) Ten acre spacing is established for the Trenton Limestone in Sections 34 and 35 of Township 1 South, Range 10 West and in Sections 2, 3, 11 and 24, of Township 2 South, Range 10 West, Monroe County, Illinois, known as the Waterloo Pool.
 - 11) Ten acre spacing is established for the Trenton Limestone in Sections 27, 33 and 34, Township 1 North, Range 10 West, St. Clair County, Illinois, known as the Dupo Pool.
 - 12) Ten acre spacing is established for the Silurian (reef section) in the S1/2 SE1/4 and south 12 acres of fractional SW1/4 of Section 18; S1/2 SW1/4 of Section 17; NW1/4 and N1/2 SW1/4 and SW1/4 SW1/4 of Section 20; all of Section 19 except the W1/2 S1/2 of fractional SW1/4, all located in Township 2 South, Range 3 West, Washington County, known as the Nashville Pool.
- d) The following pool-wide natural gas spacing is established by the Department.

One hundred sixty acre spacing is established for the New Albany Shale Gas in the West half of Section 5, and all of Sections 6, 7, 8, 17, 18, 19 and 20 of Township 4 North, Range 10 West and in Sections 1, 2, 11, 12, 13 and 14 and the East half of Section 24, of Township 4 North, Range 11 West, Lawrence County, Illinois.

(Source: Amended at 21 Ill. Reg. 7164, effective June 3, 1997)

Section 240.1305 Permit Requirements in Mine Areas

- a) Requirements for Areas of Mining Activity

When the location of a well to be drilled for oil or gas, or any purpose in connection with that drilling, will penetrate an active mine or through the mined out and inaccessible or sealed off area of an active mine, or will penetrate those areas in a temporarily abandoned mine, or the undeveloped limits of any such mine property, as included in the shadow areas set forth in an approved mining permit, a drilling permit shall not be issued by the Mining Board until an agreement shall be reached between the owner of the proposed well and the mine owner, or in the event of failure to reach an agreement a permit will not be issued until a hearing is held as provided in this Section.

 - 1) Agreement with Mine Owner

A copy of the agreement, jointly signed by the applicant for a permit and the mine owner, agreeing to the drilling of the well and the proposed location shall be filed with the application and accompanied by a map or sketch showing the well location, its

relation to shafts and mine buildings and to each coal seam and mine workings underlying applicant's lease. As an alternative, a statement from the mine owner that the location is over the undeveloped limits of the mine shall be filed.

2) Requirements in Absence of Agreement

- A) In the absence of the agreement or statement outlined in subsection (a)(1), the applicant shall file with the application for permit a map or sketch showing the well location, its relation to shafts and mine buildings, if any, and its relation to the mine workings underlying applicant's lease, with a sworn statement that a true and exact copy of application and accompanying exhibits was mailed postage prepaid to the coal company or its authorized agent in Illinois, by United States registered mail.
- B) If, within 10 days from the receipt of the application for permit by the Mining Board, no written objections are filed, the Mining Board shall issue or deny the permit.
- C) Upon the filing of objections to the issuance of the permit, the Mining Board shall promptly set the matter for hearing and decisions.

b) Requirements for Areas with Presence of Workable Coal

In inactive mining areas where the existence of workable coal is known and the coal rights are owned by someone other than the lessor under an oil and gas lease, the applicant for a permit to drill a well for oil and gas or to drill any well in connection with the production of oil and gas shall notify the owner of the workable coal by registered mail, return receipt requested. The notice shall show the exact location of the proposed test and the approximate depth of the formation to be tested. The Mining Board shall be furnished with a copy of the notice attached to the application for permit, with the return receipt from the owner of the workable coal or a sworn statement that the applicant has the return receipt in his or her possession, giving the names and addresses of the owners of the coal rights and date of delivery of the notice.

1) Notice to Owner of the Workable Coal

No permit shall be issued to the applicant until 10 days have elapsed following the receipt of the registered notice by the owner of the workable coal.

2) Maps Available at Well Site

During the drilling of a well, the permittee shall keep at the well site for use of the Mining Board and its representatives an exact copy of the maps and sketches that accompanied his or her application for the permit.

(Source: Amended at 35 Ill. Reg. 13281, effective July 26, 2011)

Section 240.1330 Well Locations Prohibited

No well for oil or gas shall be drilled within two hundred fifty (250) feet from any opening of an active coal mine used as a means of ingress or egress for the persons employed in such mine, or which is used as an air shaft, except by mutual agreement between the person owning or operating the mine and oil or gas operator.

(Source: Recodified from Section 240.830 at 15 Ill. Reg. 8566)

Section 240.1500 [Bonds] When Required, Amount and When Released

a) To Drill, Deepen, Convert or Operate an Oil or Gas Well

- 1) A bond, in the amount provided in this Section, shall be submitted, along with an application to drill, deepen, convert, operate or transfer a production or Class II well, if:
 - A) the applicant was not an owner on September 26, 1991 of the right to drill and produce the well or wells in the transfer request;
 - B) the applicant was not a permittee of record on September 26, 1991; or
 - C) the applicant has had a bond forfeited or is the subject of an unappealed, unabated Department final administrative decision requiring wells to be plugged; or
 - D) the applicant was not assessed an annual well fee as of July 1 preceding the application date, unless applicant was a permittee of record of an unplugged well in the previous fiscal year and not the subject of an unappealed, unabated Department final administrative decision; or
 - E) the applicant has had funds expended and/or wells plugged on its behalf by the Department using funds from the PRF; or
 - F) the applicant is not an appointed trustee or receiver in accordance with Section 240.1410(a)(4).
- 2) When a bond is required to be filed with the Department to drill, deepen, convert or operate an oil or gas well or Class II well, the amount of the bond shall be:
 - A) \$1,500 for a well less than 2000 feet deep;
 - B) \$3,000 for a well 2,000 or more feet deep;
 - C) \$25,000 for up to 25 wells of a permittee;
 - D) \$50,000 for up to 50 wells of a permittee; or
 - E) \$100,000 for all wells of a permittee.
- 3) Failure to provide the required bond will result in the issuance of a cessation of operations order in accordance with Section 240.185(b).
- 4) A bond submitted pursuant to Section 240.1500(a) shall be released when:
 - A) all wells covered by the bond are plugged and restored in accordance with Subpart K; or
 - B) all wells covered by the bond are transferred in accordance with Subpart N; or
 - C) the permittee has paid assessments to the Department in accordance with Section 19.7 for 2 consecutive years and the permittee is not in violation of the Act.

b) To Operate a Liquid Oilfield Waste Transportation System

The amount of bond required to be filed with the Department before a permit is issued authorizing a person to operate a liquid oilfield waste system shall be \$10,000. When requested by permittee, bond shall be released when the permittee ceases operation and this system and the permittee's system is not in violation of the Act.

c) To Drill a Test Hole

The amount of bond required to be filed with the Department before a permit is issued to drill a geological structure, coal or other mineral test hole, or a monitoring well in connection with any activity regulated by the Department shall be \$2500 for each permit or a blanket bond of \$25,000 for all permits. The bond requirements of this Subpart shall not apply to a hole or well drilled on acreage permitted and bonded under the Surface-Mined Land Conservation and Reclamation Act [225 ILCS 715] or the Surface Coal Mining Land Conservation and Reclamation Act [225 ILCS 720]. When requested by permittee, bonds shall be released when the hole or holes are plugged and restored in accordance with Section 240.1260 and the permittee is not in violation of the Act.

(Source: Amended at 35 Ill. Reg. 13281, effective July 26, 2011)

Section 240.1710 Annual Permittee Reporting

- a) Permittees are required to submit, on a form prescribed by the Department, an annual verification of address and status. The address submitted under this Section will be used by the Department to provide notice of any hearings or other proceedings under the Act or this Part.
- b) The form shall contain the permittee's:
- 1) current address;
 - 2) verification of well ownership;
 - 3) type of business entity and supporting documentation;
 - 4) FEIN, or Social Security Number if an individual; and
 - 5) names and addresses of principals, officers or owners.
- c) Forms shall accompany the Annual Well Fee payment and shall be submitted by September 1 of each year.
- d) Authority of Person Signing Forms
- 1) If the permittee is a sole proprietor, the form shall be signed by the individual. If the permittee is a partnership, the form shall be signed by a general partner. If the permittee is a corporation, the form shall be signed by an officer of the corporation.
 - 2) In lieu of the signature of the permittee, the form may be signed by a person having a power of attorney to sign for the permittee, provided a certified copy of the power of attorney is on file with the Department or accompanies the form.
- e) If a permittee did not submit an annual verification of address and status form during the most recent annual fee payment period, a reporting form is required at the time of all well permit and transfer requests.
- f) Permittees shall submit to the Department any address changes within 30 days after the effective date of the change in address, on a form prescribed by the Department. Permittee shall ensure that any mail sent to the previous address is forwarded to the new address between the effective date of the change of address and the Department's notification of the change.

(Source: Amended at 40 Ill. Reg. 7051, effective April 22, 2016)

Section 240.1805 Definitions

"Act", for the purposes of this Subpart, means the Illinois Underground Natural Gas Storage Safety Act [415 ILCS 160].

"Downhole" means the portion of an underground natural gas storage facility from the first flange attaching the wellhead to the pipeline equipment and continuing down the well casing to and including the storage reservoir. (Section 5 of the Act)

"Emergency Abatement Order" or "EAO" means an order issued by the Department under Subpart H.

"Fault" means a fracture surface or zone of fractures in Earth materials along which there has been vertical and/or horizontal displacement or movement of the strata on opposite sides relative to one another.

"Fluid" means any material or substance that flows or moves, whether semisolid, liquid, gas, or steam.

"Gas Storage Operator", "Operator" or "Owner" means any entity that owns or operates an underground gas storage field.

"Gas Storage Well" means a well drilled for input and/or withdrawal of natural gas or manufactured gas in a gas storage field

"Natural Gas Incident" or "Incident" means an event that involves a release of stored natural gas from the downhole portion of an underground natural gas storage facility located in this State that:

results in the unintentional estimated gas loss of 3,000,000 cubic feet or more;

results in the unintentional estimated gas loss of 500,000 cubic feet or more that occurs within ¼ mile of a dwelling used as a residence, place of business, or place of public assembly;

results in death;

causes personal injury necessitating in-patient hospitalization;

causes property damage in excess of \$50,000; or

results in an emergency shutdown of an underground natural gas storage facility.

Activation of an emergency shutdown system for reasons other than an actual emergency does not constitute an incident.

"Observation Well" means a well drilled to monitor subsurface conditions in oil and gas projects or gas storage fields.

"Person" means an individual, firm, joint venture, partnership, corporation, company, limited liability company, firm, association, municipality, cooperative association, or joint stock association. "Person" includes a trustee, receiver, assignee, or personal representative of the person.

(Section 5 of the Act).

"Produced Fluid" means liquids regardless of chloride and total dissolved solids content, that is produced in conjunction with oil or natural gas production or natural gas storage operations.

"Release" means the escape of natural gas from an underground natural gas storage facility, regardless of whether the escape is underground or to the atmosphere.

"Secretary of Transportation" means the U.S. Secretary of Transportation or his or her designee.

"Sole Source Aquifer" means an aquifer that:

is the sole or principal drinking water source for an area; and

if contaminated, would create a significant hazard to public health as defined in 42 USC 300h-3(e) and further defined in the Sole Source Aquifer Designation Decision Process, Petition Review Guidance (USEPA; 1987; this incorporation by reference includes no later editions or amendments).

"Stored Natural Gas" means natural gas that is:

transported by pipeline into an underground natural gas storage facility for the purpose of storage prior to transmission back to the pipeline; and

stored within the underground gas storage field.

"Underground Natural Gas Storage Facility" means a facility that stores natural gas in an underground natural gas storage field incident to natural gas transportation, including:

a depleted hydrocarbon reservoir;

an aquifer reservoir;

a solution-mined salt cavern reservoir; and

associated material and equipment used for injection, withdrawal, monitoring, or observation wells, and wellhead equipment, piping, rights-of-way, property, buildings, compressor units, separators, metering equipment, and regulator equipment.

An underground natural gas storage facility is subject to regulation by the Illinois Department of Natural Resources and has not been preempted by the United States Government pursuant to 49 USC 60104(c).

"Underground Gas Storage Field" means an area of land that is contained within the lowest closing structural contour for which gas can be stored in a subsurface stratum.

"Violation" means a failure to comply with any provision of the Act or any Department order or rule under the Act. (Section 35 of the Act) (Source: Amended at 43 Ill. Reg. 11524, effective September 24, 2019)

Section 240.1820 Permit Requests in a Underground Gas Storage Field

- a) When the proposed location to drill, deepen, convert or amend an oil or gas production or Class II well, as defined in Subparts B and C, or a test hole, as defined in Subpart L, occurs within the limits of an underground gas storage field, or within any protective boundary shown on the gas storage operators map submitted to the Department, a permit shall not be issued until the applicant complies with subsection (a)(1) or (2):
- 1) The applicant enters into an agreement with the gas storage operator, outlining safety precautions and well drilling, completion, operating and plugging specifications. The agreement shall be signed by the applicant and the gas storage operator and shall be submitted with the permit application.
 - 2) The applicant submits a copy of an agreement previously reached with the gas storage operator that governs the relationship between the applicant and the gas storage operator with respect to safety precautions and well drilling, completion, operating and plugging issues. The agreement must be in full effect and cover the proposed drilling location.
 - 3) If an agreement cannot be reached after the applicant has exercised due diligence in negotiations, the applicant shall notify the gas storage operator of the proposed location and depth of the well by certified mail, return receipt requested. The certified mail receipt shall be attached to the permit application. If a written objection is not received by the Department within 15 days after the date of receipt the permit shall be issued, subject to the fulfillment of all other requirements for the issuance of a permit under this Part, or the Illinois Oil and Gas Act. If a written objection to the application is filed with the Department within 15 days after receipt of the notice of application, the Department shall consider the objection in determining whether the permit should be issued. If the objection raises a question regarding public safety, resource ownership or sufficiency of application, the permit objection shall be set for a public hearing. A hearing shall be set only after all other requirements for issuance of the permit have been fulfilled.
- b) Administrative Hearing
- 1) Any hearing held pursuant to this Section shall be a formal hearing conducted by the Department solely for the purpose of resolving the factual or legal question raised by the objection.
 - 2) Notice of the hearing shall be sent by the Department to the applicant and to the objector by mailing the notice by U.S. mail, postage prepaid, addressed to their last known home or business addresses.
 - 3) A certified court reporter shall record the hearing at the Department's expense.
 - 4) A Hearing Officer designated by the Department shall conduct the hearing. The Hearing Officer shall allow all parties at the hearing to present evidence in any form, including by oral testimony or documentary evidence, unless the Hearing Officer determines the evidence is irrelevant, immaterial, unduly repetitious, or of such a nature that reasonably prudent members of the public or people knowledgeable in the oil and gas field would not rely upon it in the conduct of their affairs.
 - 5) The Hearing Officer shall have the power to continue the hearing or to leave the record open for a certain period of time in order to obtain or receive further relevant evidence.
 - 6) Within 30 days after the closing of the record or the receipt of the transcript of the hearing, whichever comes later, the Department shall render a decision on the objection.
 - 7) All hearings under this Section shall be conducted in the Department's offices located in Springfield, Illinois by a

Hearing Officer designated by the Director and conducted in accordance with Article 10 of the Illinois Administrative Procedure Act [5 ILCS 100]

(Source: Amended at 35 Ill. Reg. 13281, effective July 26, 2011)

Section 240.1835 Contents of Application for Permit to Drill or Convert to an Observation or Gas Storage Well

The application for a permit shall include:

- a) the name of the well;
- b) the surveyed well location, the GPS latitude and longitude location, and ground elevation of the well. All GPS locations shall be recorded as degrees and minutes with the minutes recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement. All well locations shall be surveyed by a registered Illinois Land Surveyor or an Illinois Registered Professional Engineer. A survey is not required for a converted or deepened well or a drilled out plugged hole if the original well location was surveyed;
- c) a brief statement of the purpose of the well and a schematic showing the proposed construction of the well;
- d) certification, under penalty of perjury, that the applicant has the right, pursuant to valid and subsisting oil and gas leases, documents or memoranda of public record and/or any statute or regulation, to drill for and operate a well on the lands and formations required for the proposed well, as set forth in Subpart D;
- e) a statement as to whether the proposed well location is within the limits of any incorporated city, town, or village (and a certified copy of the official consent of the municipal authorities if the well is within the corporate limits);
- f) the name and address of the drilling contractor and the type of drilling method to be used;
- g) a statement whether the well is located over an active mine or temporarily abandoned mine, or within the undeveloped limits of a mine, and whether the coal rights are owned by someone other than the lessor under the oil and gas lease;
- h) the proposed depth of the well and the name of the lowest geologic formation to be penetrated; and
- i) an email address by which the gas storage operator may be served with a notice of probable violation of the Act. All such email addresses shall be updated by the gas storage operator or person authorized to sign for the gas storage operator within 3 days after any email address becoming inactive or unmonitored. Any application not containing an email address for the owner or gas storage operator will be denied by the Department.

(Source: Amended at 43 Ill. Reg. 11524, effective September 24, 2019)

Section 240.1910 Contents of Application for Permit to Drill or Convert to a Service Well

The application for a permit shall include:

- a) The name of the well;
- b) The surveyed well location, the GPS latitude and longitude location of an actual field measurement (all GPS locations shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet), and ground elevation of the well. All well locations shall be surveyed by a registered Illinois Land Surveyor or an Illinois Registered Professional Engineer. A survey or GPS location is not required for a converted or deepened well or a drilled out plugged hole if the original well location was surveyed;
- c) A brief statement of the purpose of the well and a schematic showing the proposed construction of the well;
- d) Certification, under penalty of perjury, that the applicant has the right, pursuant to valid and subsisting oil and gas leases, documents or memoranda of public record, and/or any statute or regulation, to drill for and operate a well on the lands and formations required for the proposed well, as set forth in Subpart D;
- e) A statement as to whether the proposed well location is within the limits of any incorporated city, town, or village (and a certified copy of the official consent of the municipal authorities if the well is within the corporate limits);
- f) The name and address of the drilling contractor and the type of drilling tools or equipment to be used;
- g) A statement whether the well is located over an active mine, temporarily abandoned mine or within the undeveloped limits of a mine and whether the coal rights are owned by someone other than the lessor under the oil and gas lease;
- h) A statement whether the well or drill hole is located within the limits of a gas storage field in accordance with Subpart R;
- i) The proposed depth of the well and the name of the lowest geologic formation to be penetrated.

(Source: Amended at 42 Ill. Reg. 5811, effective March 14, 2018)

HYDRAULIC FRACTURING REGULATORY ACT (225 ILCS 732/)

(225 ILCS 732/1-5)

Sec. 1-5. Definitions. For the purposes of this Act, unless the context otherwise requires:

"High volume horizontal hydraulic fracturing operations" means all stages of a stimulation treatment of a horizontal well as defined by this Act by the pressurized application of more than 80,000 gallons per stage or more than 300,000 gallons total of hydraulic fracturing fluid and proppant to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas.

TITLE 62: MINING
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES PART 245 HYDRAULIC
FRACTURING REGULATORY ACT

Section 245.200 Registration Procedures

- a) *Every applicant for a permit under this Part shall first register with the Department at least 30 days before applying for a permit, using a registration form provided by the Department. (Section 1-35(a) of the Act)*

Section 245.210 Permit Application Requirements

- a) *Every applicant for a permit under this Part must submit the following information to the Department on an application form provided by the Department (Section 1-35(b) of the Act). The plans required under subsections (a)(3), (a)(4), (a)(6), (a)(10), (a)(11), (a)(12), (a)(13), (a)(14), (a)(15) and (a)(20) are, pursuant to Section 1-55(a) of the Act, conditions of any permit issued under the Act. Pursuant to Section 1-35(b)(20) of the Act, the Department may request additional information from the applicant (see the other subsections of this subsection (a), requirements labeled as Additional Information within this subsection (a), and the information listed in subsection (b)).*

Section 245.1200 Medium Volume Horizontal Hydraulic Fracturing Completion Reports

- a) *For any horizontal hydraulic fracturing operations where all combined stages of a stimulation treatment of a horizontal well are by the pressurized application of more than 80,000 gallons but less than 300,001 gallons of hydraulic fracturing fluid and proppant to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas, reporting under subsection (c) is required (Section 1-98(a) of the Act).*
- b) *Permittees with a high volume horizontal hydraulic fracturing permit are not required to report under subsection (c).*
- c) *Within 60 calendar days after the conclusion of horizontal hydraulic fracturing operations identified in subsection (a), the permittee shall file a medium volume horizontal hydraulic fracturing operations completion report with the Department. The medium volume horizontal hydraulic fracturing operations completion report shall contain the following information (Section 1-98(b) of the Act):*
- 1) *the name and location of the well (Section 1-98(b)(1) of the Act). The well location shall be surveyed by an Illinois licensed land surveyor or Illinois registered professional engineer and the description of the surveyed well location shall also include the legal description, the GPS latitude and longitude location, and ground elevation of the well. The GPS location shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement;*
 - 2) *the permittee number and well reference number issued pursuant to the Illinois Oil and Gas Act;*
 - 3) *the total and per-stage gallons of hydraulic fracturing fluid used at the well (Section 1-98(b)(2) of the Act), the quantity recovered during the flowback period, and what the permittee did to dispose of, reuse or recycle the flowback;*
 - 4) *depth of the wellbore (including both total vertical depth and total measured depth) (Section 1-98(b)(3) of the Act);*
 - 5) *length of horizontal wellbore (Section 1-98(b)(4) of the Act);*
 - 6) *the maximum surface treating pressure used (Section 1-98(b)(5) of the Act);*
 - 7) *the formation targeted (Section 1-98(b)(6) of the Act);*
 - 8) *the number of hydraulic fracturing stages (Section 1-98(b)(7) of the Act); and*
 - 9) *total perforated interval and individual perforation intervals (Section 1-98(b)(8) of the Act).*