**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).

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 may 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).

d) For an oil production well or a well converted to oil production drilled prior to October 25, 2021, which does not comply with the well location and spacing requirements of Section 240.410, the permittee of the previously drilled well may make an application to the Department to obtain a revision of the requirements to the drilling unit for the previously drilled well under the following circumstances:

1) If the previously drilled well is located on the boundary line of two or more drilling units, the permittee may select the drilling unit to which the previously drilled well shall be attributed.

2) If the previously drilled well is located less than 10 feet from the drilling unit boundary line, the well location shall be deemed compliant and attributed to the drilling unit where physically located.

e) An application for revision of the requirements set forth in subsection (d) shall include facts as to the circumstance involved and the reason for the requested revision. The application shall be submitted upon a form determined and made available by the Department. Every application shall be accompanied by a fee of $400. [225 ILCS 725/14] If the revision is granted by the Department, all future applications to drill an oil production well on the drilling units previously included with the original drilling unit of the oil production well drilled prior to October 25, 2021, shall be accompanied by a copy of documentation from the Department granting the revision.

(Source: Amended at 48 Ill. Reg. 5734, effective March 27, 2024)