



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB5295

by Rep. Bill Mitchell

#### SYNOPSIS AS INTRODUCED:

5 ILCS 615/23.5 new

Amends the Oil and Gas Wells on Public Lands Act. Provides that, upon application to the Illinois Department of Natural Resources for a permit to drill or otherwise operate an oil or gas well with respect to a drilling unit that includes certain highway lands, those lands shall be deemed leased for the purpose of enabling the permittee to obtain a drilling permit, without action by the Illinois Department of Transportation, if certain conditions are met. Prohibits the State of Illinois from receiving any compensation or royalty interest in the production from the subject well in exchange for the highway lands deemed leased.

LRB098 17959 OMW 53084 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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

4 Section 5. The Oil and Gas Wells on Public Lands Act is  
5 amended by adding Section 23.5 as follows:

6 (5 ILCS 615/23.5 new)

7 Sec. 23.5. Oil and gas leases; highway land.

8 (a) The General Assembly finds that:

9 (1) the Illinois Department of Transportation  
10 exercises jurisdiction over lands held, or otherwise used,  
11 for highway purposes, hereinafter "highway lands", but  
12 that title to those lands was not authorized or secured for  
13 the purpose of developing or enjoying oil and gas rights;

14 (2) the interest of the State of Illinois with respect  
15 to those lands is in the present and future use and  
16 protection of surface rights of way for highways; and

17 (3) the lawful permitting of private lands for the  
18 exploration and development of oil and gas production is  
19 better served by the leasing of highway lands by the  
20 Illinois Department of Transportation in cooperation with  
21 owners of lands that are contiguous to highway lands.

22 (b) Therefore, it is the policy of the State of Illinois,  
23 and the purpose of this Section, to encourage the development

1 of oil and gas production within the State and to reduce  
2 constraints on the development of those natural resources by  
3 private landowners in compliance with law.

4 (c) Notwithstanding any other provision of this Act or any  
5 other law to the contrary, upon application to the Illinois  
6 Department of Natural Resources for a permit to drill or  
7 otherwise operate an oil or gas well with respect to a drilling  
8 unit that includes highway lands, the highway lands shall be  
9 deemed leased for the purpose of enabling the permittee to  
10 obtain the drilling permit, without any consent or action by  
11 the Illinois Department of Transportation, if the following  
12 conditions are met:

13 (1) the acreage under the jurisdiction of the Illinois  
14 Department of Transportation does not exceed 50% of the  
15 total acreage comprising the proposed drilling unit;

16 (2) the proposed drilling site is at least 200 feet  
17 from any improved road surface; and

18 (3) the proposed drilling site is not located upon  
19 highway land.

20 (d) Neither the State of Illinois nor the Illinois  
21 Department of Transportation shall receive any compensation or  
22 royalty interest in the production from the subject well in  
23 exchange for highway lands deemed leased pursuant to subsection  
24 (c).

25 (e) This Section shall not apply to any land owned,  
26 managed, or leased by the Department of Natural Resources.