

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Oil and Gas Act is amended by
5 changing Sections 6.1 and 21.1 as follows:

6 (225 ILCS 725/6.1) (from Ch. 96 1/2, par. 5410)

7 Sec. 6.1. When the applicant has complied with all
8 applicable provisions of this Act and the rules of the
9 Department, the Department shall issue the permit. All
10 applications for a permit submitted to the Department shall
11 either be granted or denied in writing within 20 business days
12 after the date of receipt by the Department, unless the
13 applicant and Department mutually agree to extend the 20-day
14 period. If granted, the written permit shall be issued. If
15 denied, the Department shall provide specific requirements for
16 additional information or documentation needed for the
17 application to be considered and the permit issued. Upon
18 submission of the required information and documentation, the
19 same process and timeframe as provided in this Section shall
20 continue until either the permit is issued or it is determined
21 that the permit cannot be issued because of legal or regulatory
22 impediments. The Department shall respond in a timely manner to
23 any application or submission of additional information and

1 documentation after initial submission.

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

3 (225 ILCS 725/21.1) (from Ch. 96 1/2, par. 5433)

4 Sec. 21.1. (a) The Department is authorized to issue
5 permits for the drilling of wells and to regulate the spacing
6 of wells for oil and gas purposes. For the prevention of waste,
7 to protect and enforce the correlative rights of owners in the
8 pool, and to prevent the drilling of unnecessary wells, the
9 Department shall, upon application of any interested person and
10 after notice and hearing, establish a drilling unit or units
11 for the production of oil and gas or either of them for each
12 pool, provided that no spacing regulation shall be adopted nor
13 drilling unit established which requires the allocation of more
14 than 40 acres of surface area nor less than 10 acres of surface
15 area to an individual well for production of oil from a pool
16 the top of which lies less than 4,000 feet beneath the surface
17 (as determined by the original or discovery well in the pool),
18 provided, however, that the Department may permit the
19 allocation of greater acreage to an individual well than that
20 above specified, and provided further that the spacing of wells
21 in any pool the top of which lies less than 4,000 feet beneath
22 the surface (as determined by the original or discovery well in
23 the pool) shall not include the fixing of a pattern except with
24 respect to the 2 nearest external boundary lines of each
25 drilling unit, and provided further that no acreage allocation

1 shall be required for input or injection wells nor for
2 producing wells lying within a secondary recovery unit as now
3 or hereafter established.

4 (b) Drilling units shall be of approximately uniform size
5 and shape for each entire pool, except that where circumstances
6 reasonably require, the Department may grant exceptions to the
7 size or shape of any drilling unit or units. Each order
8 establishing drilling units shall specify the size and shape of
9 the unit, which shall be such as will result in the efficient
10 and economical development of the pool as a whole, and subject
11 to the provisions of subsection (a) hereof the size of no
12 drilling unit shall be smaller than the maximum area that can
13 be efficiently and economically drained by one well. Each order
14 establishing drilling units for a pool shall cover all lands
15 determined or believed to be underlaid by such pool, and may be
16 modified by the Department from time to time to include
17 additional lands determined to be underlaid by such pool. Each
18 order establishing drilling units may be modified by the
19 Department to change the size thereof, or to permit the
20 drilling of additional wells.

21 (b-2) Any petition requesting a drilling unit exception
22 shall be accompanied by a non-refundable application fee in the
23 amount of \$1,500 for a Modified Drilling Unit or Special
24 Drilling Unit or a non-refundable application fee in the amount
25 of \$2,500 for a Pool-Wide Drilling Unit.

26 (c) Each order establishing drilling units shall prohibit

1 the drilling of more than one well on any drilling unit for the
2 production of oil or gas from the particular pool with respect
3 to which the drilling unit is established and subject to the
4 provisions of subsection (a) hereof shall specify the location
5 for the drilling of such well thereon, in accordance with a
6 reasonably uniform spacing pattern, with necessary exceptions
7 for wells drilled or drilling at the time of the application.
8 If the Department finds, after notice and hearing, that surface
9 conditions would substantially add to the burden or hazard of
10 drilling such well at the specified location, or for some other
11 reason it would be inequitable or unreasonable to require a
12 well to be drilled at the specified location, the Department
13 may issue an order permitting the well to be drilled at a
14 location other than that specified in the order establishing
15 drilling units.

16 (d) After the date of the notice for a hearing called to
17 establish drilling units, no additional well shall be commenced
18 for production from the pool until the order establishing
19 drilling units has been issued, unless the commencement of the
20 well is authorized by order of the Department.

21 (e) After an order establishing a drilling unit or units
22 has been issued by the Department, the commencement of drilling
23 of any well or wells into the pool with regard to which such
24 unit was established for the purpose of producing oil or gas
25 therefrom, at a location other than that authorized by the
26 order, or by order granting exception to the original spacing

1 order, is hereby prohibited. The operation of any well drilled
2 in violation of an order establishing drilling units is hereby
3 prohibited.

4 (f) Any application or petition by any interested person
5 for a drilling unit as provided in this Section shall be
6 accepted and filed or not accepted and filed by the Department
7 within 10 business days after receipt by the Department. If the
8 petition is accepted and filed, a public hearing on the
9 petition shall be scheduled not less than 30 days, but not more
10 than 60 days, after the acceptance and filing by the
11 Department. If not accepted, and filed, the Department shall
12 provide specific requirements for additional information or
13 documentation needed for the petition to be considered,
14 accepted, and filed. Upon submission of the required
15 information and documentation, the same process and timeframe
16 as provided in this subsection (f) shall continue until the
17 petition has been accepted and filed at which time a hearing
18 shall be scheduled as previously stated in this subsection (f).
19 The petition shall not be accepted and filed if it is
20 determined by the Department that, under any circumstance,
21 legal or regulatory impediments would prevent such acceptance
22 and filing. If the Department does not timely respond to any
23 petition or the submission of additional information or
24 documentation after initial submission, then the petition
25 shall be deemed to be in sufficient form for acceptance and
26 filing and the Department shall proceed with the scheduling of

1 a public hearing. The Department, after public hearing, shall
2 either grant or deny the petition within 20 working days after
3 the conclusion of the hearing.

4 (g) Any petition by an interested person to establish
5 drilling units for a pool as provided in this Section shall be
6 accepted and filed or not accepted and filed by the Department
7 within 10 business days after receipt by the Department. If the
8 petition is accepted and filed, a public hearing on the
9 petition shall be scheduled not less than 30 days, but not more
10 than 60 days, after the acceptance and filing by the
11 Department. If not accepted and filed, the Department shall
12 provide specific requirements for additional information or
13 documentation needed for the petition to be considered,
14 accepted, and filed. Upon submission of the required
15 information and documentation, the same process and timeframe
16 as provided in this subsection (g) shall continue until the
17 petition has been accepted and filed at which time a hearing
18 shall be scheduled as previously stated in this subsection (g).
19 The petition shall not be accepted and filed if it is
20 determined by the Department that, under any circumstance,
21 legal or regulatory impediments would prevent such acceptance
22 and filing. If the Department does not timely respond to any
23 petition or the submission of additional information or
24 documentation after initial submission, then the petition
25 shall be deemed to be in sufficient form for acceptance and
26 filing and the Department shall proceed with the scheduling of

1 a public hearing. The Department, after public hearing, shall
2 either grant or deny the petition within 20 working days after
3 the conclusion of the hearing.

4 (Source: P.A. 97-1136, eff. 1-1-13.)

5 Section 99. Effective date. This Act takes effect September
6 1, 2014.