



Rep. Brandon W. Phelps

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09800HB5567ham002

LRB098 19182 ZMM 58483 a

1 AMENDMENT TO HOUSE BILL 5567

2 AMENDMENT NO. _____. Amend House Bill 5567 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Oil and Gas Act is amended by
5 changing Sections 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

1 application to be considered and the permit issued. Upon
2 submission of the required information and documentation, the
3 same process and timeframe as provided in this Section shall
4 continue until either the permit is issued or it is determined
5 that the permit cannot be issued because of legal or regulatory
6 impediments. The Department shall respond in a timely manner to
7 any application or submission of additional information and
8 documentation after initial submission. If the Department does
9 not timely respond to any application or submission of
10 additional information and documentation after initial
11 submission, then the application shall be deemed granted and
12 the permit shall be issued by the Department within 3 working
13 days after the expiration of the time to respond.

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

15 (225 ILCS 725/21.1) (from Ch. 96 1/2, par. 5433)

16 Sec. 21.1. (a) The Department is authorized to issue
17 permits for the drilling of wells and to regulate the spacing
18 of wells for oil and gas purposes. For the prevention of waste,
19 to protect and enforce the correlative rights of owners in the
20 pool, and to prevent the drilling of unnecessary wells, the
21 Department shall, upon application of any interested person and
22 after notice and hearing, establish a drilling unit or units
23 for the production of oil and gas or either of them for each
24 pool, provided that no spacing regulation shall be adopted nor
25 drilling unit established which requires the allocation of more

1 than 40 acres of surface area nor less than 10 acres of surface
2 area to an individual well for production of oil from a pool
3 the top of which lies less than 4,000 feet beneath the surface
4 (as determined by the original or discovery well in the pool),
5 provided, however, that the Department may permit the
6 allocation of greater acreage to an individual well than that
7 above specified, and provided further that the spacing of wells
8 in any pool the top of which lies less than 4,000 feet beneath
9 the surface (as determined by the original or discovery well in
10 the pool) shall not include the fixing of a pattern except with
11 respect to the 2 nearest external boundary lines of each
12 drilling unit, and provided further that no acreage allocation
13 shall be required for input or injection wells nor for
14 producing wells lying within a secondary recovery unit as now
15 or hereafter established.

16 (b) Drilling units shall be of approximately uniform size
17 and shape for each entire pool, except that where circumstances
18 reasonably require, the Department may grant exceptions to the
19 size or shape of any drilling unit or units. Each order
20 establishing drilling units shall specify the size and shape of
21 the unit, which shall be such as will result in the efficient
22 and economical development of the pool as a whole, and subject
23 to the provisions of subsection (a) hereof the size of no
24 drilling unit shall be smaller than the maximum area that can
25 be efficiently and economically drained by one well. Each order
26 establishing drilling units for a pool shall cover all lands

1 determined or believed to be underlaid by such pool, and may be
2 modified by the Department from time to time to include
3 additional lands determined to be underlaid by such pool. Each
4 order establishing drilling units may be modified by the
5 Department to change the size thereof, or to permit the
6 drilling of additional wells.

7 (b-2) Any petition requesting a drilling unit exception
8 shall be accompanied by a non-refundable application fee in the
9 amount of \$1,500 for a Modified Drilling Unit or Special
10 Drilling Unit or a non-refundable application fee in the amount
11 of \$2,500 for a Pool-Wide Drilling Unit.

12 (c) Each order establishing drilling units shall prohibit
13 the drilling of more than one well on any drilling unit for the
14 production of oil or gas from the particular pool with respect
15 to which the drilling unit is established and subject to the
16 provisions of subsection (a) hereof shall specify the location
17 for the drilling of such well thereon, in accordance with a
18 reasonably uniform spacing pattern, with necessary exceptions
19 for wells drilled or drilling at the time of the application.
20 If the Department finds, after notice and hearing, that surface
21 conditions would substantially add to the burden or hazard of
22 drilling such well at the specified location, or for some other
23 reason it would be inequitable or unreasonable to require a
24 well to be drilled at the specified location, the Department
25 may issue an order permitting the well to be drilled at a
26 location other than that specified in the order establishing

1 drilling units.

2 (d) After the date of the notice for a hearing called to
3 establish drilling units, no additional well shall be commenced
4 for production from the pool until the order establishing
5 drilling units has been issued, unless the commencement of the
6 well is authorized by order of the Department.

7 (e) After an order establishing a drilling unit or units
8 has been issued by the Department, the commencement of drilling
9 of any well or wells into the pool with regard to which such
10 unit was established for the purpose of producing oil or gas
11 therefrom, at a location other than that authorized by the
12 order, or by order granting exception to the original spacing
13 order, is hereby prohibited. The operation of any well drilled
14 in violation of an order establishing drilling units is hereby
15 prohibited.

16 (f) Any application or petition by any interested person
17 for a drilling unit as provided in this Section shall be
18 accepted and filed or not accepted and filed by the Department
19 within 10 business days after receipt by the Department. If the
20 petition is accepted and filed, a public hearing on the
21 petition shall be scheduled not less than 30 days, but not more
22 than 60 days, after the acceptance and filing by the
23 Department. If not accepted, and filed, the Department shall
24 provide specific requirements for additional information or
25 documentation needed for the petition to be considered,
26 accepted, and filed. Upon submission of the required

1 information and documentation, the same process and timeframe
2 as provided in this subsection (f) shall continue until the
3 petition has been accepted and filed at which time a hearing
4 shall be scheduled as previously stated in this subsection (f).
5 The petition shall not be accepted and filed if it is
6 determined by the Department that, under any circumstance,
7 legal or regulatory impediments would prevent such acceptance
8 and filing. If the Department does not timely respond to any
9 petition or the submission of additional information or
10 documentation after initial submission, then the petition
11 shall be deemed to be in sufficient form for acceptance and
12 filing and the Department shall proceed with the scheduling of
13 a public hearing. The Department, after public hearing, shall
14 either grant or deny the petition within 20 working days after
15 the conclusion of the hearing.

16 (g) Any petition by an interested person to establish
17 drilling units for a pool as provided in this Section shall be
18 accepted and filed or not accepted and filed by the Department
19 within 10 business days after receipt by the Department. If the
20 petition is accepted and filed, a public hearing on the
21 petition shall be scheduled not less than 30 days, but not more
22 than 60 days, after the acceptance and filing by the
23 Department. If not accepted and filed, the Department shall
24 provide specific requirements for additional information or
25 documentation needed for the petition to be considered,
26 accepted, and filed. Upon submission of the required

1 information and documentation, the same process and timeframe
2 as provided in this subsection (g) shall continue until the
3 petition has been accepted and filed at which time a hearing
4 shall be scheduled as previously stated in this subsection (g).
5 The petition shall not be accepted and filed if it is
6 determined by the Department that, under any circumstance,
7 legal or regulatory impediments would prevent such acceptance
8 and filing. If the Department does not timely respond to any
9 petition or the submission of additional information or
10 documentation after initial submission, then the petition
11 shall be deemed to be in sufficient form for acceptance and
12 filing and the Department shall proceed with the scheduling of
13 a public hearing. The Department, after public hearing, shall
14 either grant or deny the petition within 20 working days after
15 the conclusion of the hearing.

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

17 Section 99. Effective date. This Act takes effect September
18 1, 2014."