

SB3492



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3492

Introduced 2/14/2014, by Sen. Dan Kotowski

SYNOPSIS AS INTRODUCED:

225 ILCS 732/1-99.5 new

Amends the Hydraulic Fracturing Regulatory Act. Provides that the Department of Natural Resources shall suspend the acceptance or approval of any and all new or modified permits for high volume horizontal fracturing wells and operations, horizontal drilled wells with fracturing operations, and Class II injection wells that are near specified areas. Establishes the Illinois Active Earthquake Zone Investigative Task Force. Provides requirements for the Task Force's investigation and report concerning the effects of hydraulic fracturing, horizontal drilling, and Class II injection wells on seismicity in this State. Effective immediately.

LRB098 19570 MGM 54760 b

A BILL FOR

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 Hydraulic Fracturing Regulatory Act is
5 amended by adding Section 1-99.5 as follows:

6 (225 ILCS 732/1-99.5 new)

7 Sec. 1-99.5. The Illinois Active Earthquake Zone
8 Investigative Task Force.

9 (a) The Department shall, on the effective date of this
10 amendatory Act of the 98th General Assembly, suspend the
11 acceptance or approval of any and all new or modified permits
12 for high volume horizontal fracturing wells and operations,
13 horizontal drilled wells with fracturing operations, and Class
14 II injection wells that are located within any and all counties
15 that wholly or partially contain any part of the New Madrid
16 seismic zone, the Wabash Valley seismic zone, Cottage Grove
17 fault system, Rough Creek-Shawneetown fault system, the
18 magmatic system of Hicks Dome, the Illinois-Kentucky Fluorspar
19 District, or the NNW-trending La Salle, Du Quoin, and Clay City
20 fold systems. The Department shall also suspend any approval of
21 waste management plans for high volume horizontal fracturing
22 wells and operations, horizontal drilled wells with fracturing
23 operations, for disposal of oil, liquid natural gas, or natural

1 gas waste in existing Class II injection wells if they are
2 located within any and all counties that wholly or partially
3 contain any part of the New Madrid seismic zone, the Wabash
4 Valley seismic zone, Cottage Grove fault system, Rough
5 Creek-Shawneetown fault system, the magmatic system of Hicks
6 Dome, the Illinois-Kentucky Fluorspar District, or the
7 NNW-trending La Salle, Du Quoin, and Clay City fold systems.

8 (b) The Department shall work with the Illinois State
9 Geological Survey to perform probability mapping of all active
10 seismic zones in this State listed in subsection (a). Using
11 existing data and resources at the Illinois State Geological
12 Survey and the United States Geological Survey, along with data
13 on faults in brittle rock, the Illinois State Geological Survey
14 shall outline, for each county, the areas of the active faults
15 listed in subsection (a) that carry a high, medium, and low
16 probability of seismicity from oil, liquid natural gas, and gas
17 waste disposal in Class II injection wells.

18 (c) The Illinois Active Earthquake Zone Investigative Task
19 Force is hereby created. The Task Force shall have the
20 following members:

21 (1) the Director, or his or her representative, from
22 each of the following State agencies: the Illinois
23 Emergency Management Agency, the Department of Natural
24 Resources, the Department of Public Health, the Illinois
25 State Water Survey, the Illinois Pollution Control Board,
26 the Illinois Environmental Protection Agency, the Illinois

1 State Geological Survey, and the Department of Insurance;

2 (2) one independent expert in risk assessment in
3 earthquake zones and its impact on insurance rates and
4 ratings appointed by the Director of Insurance;

5 (3) one university-based independent seismologist with
6 expertise in induced seismicity appointed by the Director
7 of the Illinois State Geological Survey; and

8 (4) one member from the Illinois Attorney General's
9 office appointed by the Attorney General.

10 (d) The chairperson of the Illinois Active Earthquake
11 Investigative Task Force shall be the Director of the Illinois
12 Emergency Management Agency, or his or her representative. The
13 members shall be appointed no later than 60 days after the
14 effective date of this amendatory Act of the 98th General
15 Assembly.

16 The Illinois Active Earthquake Investigative Task Force
17 shall:

18 (1) Meet once a month, either in person or through
19 video conferencing capabilities, beginning no later than
20 90 days after the effective date of this amendatory Act of
21 the 98th General Assembly.

22 (2) Operate without pay, but with all expenses paid for
23 the functioning of the Task Force to be allocated by the
24 Illinois Emergency Management Agency.

25 (3) Provide a fully researched report, within 2 years
26 after the effective date of this amendatory Act of the 98th

1 General Assembly.

2 (4) Investigate any and all adverse effects, or risks,
3 of induced seismicity by the disposal of oil, liquid
4 natural gas, and natural gas waste in Class II injection
5 wells in active earthquake zones. And in particular, if the
6 Class II injection wells are located within any and all
7 counties that wholly or partially contain any part of the
8 New Madrid seismic zone, the Wabash Valley seismic zone,
9 Cottage Grove fault system, Rough Creek-Shawneetown fault
10 system, the magmatic system of Hicks Dome, the
11 Illinois-Kentucky Fluorspar District, or the NNW-trending
12 La Salle, Du Quoin, and Clay City fold systems.

13 (5) Examine the probability of induced seismicity in
14 Illinois active seismic zones and any and all adverse
15 effects or risks of possible induced seismicity on:

16 (A) water resources, water wells, aquifers, dams,
17 canals, any possible contamination, and the
18 environment, including possible soil and air
19 contamination;

20 (B) public health effects, including mental health
21 adverse effects of repeated induced seismic events;

22 (C) adverse effects on property, including
23 livestock and domesticated animals;

24 (D) adverse effects on tourism and recreational
25 activities in the active seismic zones of this State;

26 (E) risk management issues, including emergency

1 management plans;

2 (F) risk management issues, including liability
3 issues, bonding issues, and insurance requirements for
4 operators, well owners, land owners, mineral rights
5 owners, lessors, and subcontractors and the effects on
6 insurance rates and ratings, mortgages, small
7 businesses and their insurance and mortgage rates and
8 availability;

9 (G) effects on the mechanical integrity of the oil,
10 liquid natural gas, and natural gas wells, Class II
11 injection wells, and the oil, liquid natural gas, and
12 natural gas industry critical infrastructure,
13 including pipelines, and any possible contamination
14 from a breach of mechanical integrity of these
15 structures;

16 (H) effects of potential spillage, leakage, fires,
17 or blowouts of the oil, liquid natural gas and natural
18 gas wells, fracturing waste and waste water
19 containment structures including open pits, oil,
20 liquid natural gas and natural gas processing
21 infrastructure, and transportation infrastructure,
22 including pipelines, secondary to possible induced
23 seismicity;

24 (I) effects of potential spillage, leakage, fires,
25 or blowouts of chemicals, proppants, and byproducts,
26 and their containment, processing, and transportation

1 infrastructure, secondary to possible induced
2 seismicity;

3 (J) the safety of any nuclear power plants, uranium
4 processing plants, or low level radioactive waste
5 storage sites in this State and the surrounding states
6 that might be impacted by induced seismicity triggered
7 within the active seismic zones in this State;

8 (K) the risks of inducing a major earthquake,
9 greater than magnitude 6, either immediately or in the
10 future, on all of the issues delineated in this
11 Section, and the risk management issues involved with a
12 higher level of induced seismicity; and

13 (L) whether the Green Light, Yellow Light, Red
14 Light system of mitigation of induced seismicity,
15 proposed by the Illinois State Geological Survey and
16 the Department of Natural Resources, is appropriate or
17 sufficient for real mitigation of all adverse effects
18 of induced seismicity in the active seismic zones in
19 this State.

20 (e) The Illinois Active Earthquake Zone Investigative Task
21 Force shall investigate the issues under subsection (d) and
22 write a report to be submitted on or before January 1, 2017 to
23 the General Assembly, the Governor, the Hydraulic Fracturing
24 Task Force, the Illinois Emergency Management Agency, the
25 Department of Natural Resources, the Department of Public
26 Health, the Illinois State Water Survey, the Illinois Pollution

1 Control Board, the Illinois Environmental Protection Agency,
2 the Illinois State Geological Survey, the Department of
3 Insurance, the Illinois Attorney General, and to the public via
4 the website of the Illinois Emergency Management Agency and the
5 website of the Department of Natural Resources. The report
6 shall be as complete as possible when discussing the risks and
7 the possible mitigation of the risks of induced seismicity
8 shall include recommendations and conclusions about naturally
9 occurring seismic events in the active seismic zones listed in
10 section (a), including:

11 (1) the risks of drilling and extracting oil, liquid
12 natural gas, and natural gas in active seismic zones;

13 (2) the risks of drilling and operating Class II
14 injection wells in active seismic zones;

15 (3) the use of fracturing waste or wastewater open pits
16 in active seismic zones;

17 (4) earthquake induced contamination of air, water,
18 and soil from oil and natural gas extraction operations and
19 waste disposal, the clean up and public health effects of
20 the contamination;

21 (5) emergency management recommendations during
22 earthquakes involving areas of oil and natural gas
23 operations and infrastructure;

24 (6) earthquake induced spillage and leakage from oil
25 and natural gas wells;

26 (7) oil and natural gas infrastructure instability

1 during earthquakes;

2 (8) bonding requirements for oil and natural gas
3 operations and infrastructure in active seismic zones;

4 (9) insurance requirements for oil and natural gas
5 operations and infrastructure in active seismic zones;

6 (10) best practices for the oil and natural gas
7 industry in active seismic zones; and

8 (11) any and all emergency management, transportation,
9 and communication recommendations related to the oil and
10 natural gas industry and its operations before, during, and
11 after an earthquake.

12 (f) The report shall include recommendations to the General
13 Assembly and Governor for legislation to protect the public
14 health and environment, property, livelihoods, and communities
15 from all reported adverse affects of induced seismicity in the
16 Illinois active seismic zones, including recommendations to
17 the General Assembly about legislation to limit damages, harms,
18 risks, contamination, and legal challenges over liability
19 secondary to naturally concurring seismic events in the active
20 seismic zones and how to mitigate the risks from blowouts,
21 spillage, leakage, and damages to the mechanical integrity of
22 oil, liquid natural gas, and natural gas wells, drilling, Class
23 II injection wells, waste and waste water containment,
24 pipelines, infrastructure, chemicals, proppants, and
25 byproducts. This report shall also include any and all
26 emergency management, transportation, and communication

1 recommendations related to the oil and natural gas industry and
2 its operations before, during, and after induced seismicity and
3 naturally occurring seismic events.

4 (g) The Illinois Active Earthquake Zone Investigative Task
5 Force shall submit its report on or before January 1, 2017. The
6 Task Force shall be dissolved on July 1, 2017.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.