



Rep. Brandon W. Phelps

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LRB099 10502 MLM 35456 a

1 AMENDMENT TO SENATE BILL 1378

2 AMENDMENT NO. _____. Amend Senate Bill 1378 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Oil and Gas Act is amended by
5 adding Sections 6.2 and 9.1 as follows:

6 (225 ILCS 725/6.2 new)

7 Sec. 6.2. Oil and gas leases; termination due to
8 non-development or non-production. The Department shall have
9 the authority to adopt rules and hold hearings to determine if
10 oil and gas leases submitted with an application for a permit
11 or transfer of a permit for a well are operative on the basis
12 that prior oil and gas leases covering the same lands have
13 terminated due to non-development or non-production.
14 Department determinations under this Section shall be based
15 upon affidavits of non-development or non-production from
16 knowledgeable individuals familiar with the history of

1 development and production of oil or gas as to such lands,
2 together with other evidence, which create a rebuttable
3 presumption that the prior oil and gas leases have terminated
4 and are of no further force and effect and that the submitted
5 oil and gas leases are operative and effective. To create a
6 rebuttable presumption, such affidavits, together with other
7 evidence provided to or available from the Department, shall
8 reasonably indicate that there has been no development or
9 production of oil and gas on the lands described in the prior
10 leases for at least 24 consecutive months subsequent to the
11 expiration of the primary term or any extension of the primary
12 term as set forth in the leases. A court order or judgment
13 declaring the prior leases terminated is not required for
14 determinations under this Section, except in extraordinary
15 circumstances where such determinations cannot reasonably be
16 concluded from the affidavits or evidence submitted to or
17 available from the Department. Upon the Department's
18 determination of a rebuttable presumption under this Section,
19 the Department shall provide the current permittee with notice
20 and a 30-day opportunity to request a hearing to rebut the
21 presumption before a final determination on a lease is made.
22 Any determination made by the Department under this Section
23 shall not diminish the rights or obligations of any current
24 permittee of a well that are otherwise provided by statute or
25 regulation of the Department. Any request for a determination
26 under this Section shall require the payment of a nonrefundable

1 fee of \$1,000 by the applicant. All determinations on leases by
2 the Department under this Section shall be made no later than
3 90 days after the Department's receipt of a valid request for
4 such determination. Determinations that prior oil and gas
5 leases have terminated due to non-development or
6 non-production shall require the current permittee to properly
7 plug all non-plugged and non-transferred wells within the lease
8 boundaries of the prior leases. If the current permittee fails
9 to properly plug all non-plugged and non-transferred wells
10 within 30 days after the issuance of the determination, the
11 wells shall be deemed abandoned and included in the
12 Department's Oil and Gas Well Site Plugging and Restoration
13 Program. Department determinations under this Section shall
14 not have res judicata or collateral estoppel effect in any
15 judicial proceedings.

16 (225 ILCS 725/9.1 new)

17 Sec. 9.1. Notice for hearings or other proceedings.

18 (a) All permittees under this Act shall provide the
19 Department with a current address within 90 days after the
20 effective date of this amendatory Act of the 99th General
21 Assembly for the Department's use in providing notice of any
22 hearings or other proceedings under this Act. Permittees must
23 inform the Department of any address changes within 30 days
24 after the effective date of the address change. Permittees
25 shall provide current address information and inform the

1 Department of any address changes on a form prescribed by the
2 Department.

3 (b) Written notice of a hearing or proceeding required to
4 be provided to a permittee under this Act shall be given either
5 personally or by certified mail with return receipt requested
6 sent to the address provided to the Department as required by
7 subsection (a) of this Section. Permittees shall sign certified
8 mail return receipts for all mail received from the Department.

9 (c) If notice sent by certified mail is returned unsigned
10 or undelivered and, upon due inquiry, the permittee cannot be
11 found for personal delivery, the Department shall provide
12 written notice of a hearing or other proceeding by publication
13 of the notice in a newspaper published in the county where the
14 well or wells at issue are located. If there is no newspaper
15 published in that county, then the publication shall be in a
16 newspaper published in an adjoining county in this State having
17 a circulation in the county where the well or wells at issue
18 are located. The notice shall be published once. The Department
19 shall, within 10 days after the publication of the newspaper
20 notice, send a copy of the notice to the address provided to
21 the Department as required by subsection (a) of this Section.
22 The certificate of an authorized representative of the
23 Department that newspaper notice was published and that a copy
24 of the newspaper notice has been sent to the permittee pursuant
25 to this subsection is evidence that the Department has properly
26 provided notice to the permittee for the hearing or other

1 proceeding.

2 (d) Any notice required to be provided to a permittee under
3 this Act shall include the identification of the well or wells
4 at issue, the date, time, place, and nature of the hearing or
5 other proceeding, and the name and contact information of the
6 Department where additional information can be obtained."