



Sen. David S. Luechtefeld

Filed: 3/19/2015

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LRB099 10517 SXM 32479 a

1 AMENDMENT TO SENATE BILL 1458

2 AMENDMENT NO. _____. Amend Senate Bill 1458 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Natural Resources Act is
5 amended by changing Section 10-5 as follows:

6 (20 ILCS 801/10-5)

7 Sec. 10-5. Office of Mines and Minerals.

8 (a) The Department of Natural Resources shall have within
9 it an Office of Mines and Minerals, which shall be responsible
10 for the functions previously vested in the Department of Mines
11 and Minerals and the Abandoned Mined Lands Reclamation Council
12 and such other related functions and responsibilities as may be
13 provided by law.

14 (b) The Office of Mines and Minerals shall have a Director
15 and a Manager.

16 The Director of the Office of Mines and Minerals shall be a

1 person thoroughly conversant with the theory and practice of
2 coal mining but who is not identified with either coal
3 operators or coal miners. The Director of the Office of Mines
4 and Minerals must hold a certificate of competency as a mine
5 examiner issued by the Illinois Mining Board.

6 The Manager of the Office of Mines and Minerals shall be a
7 person who is thoroughly conversant with the theory and
8 practice of coal mining in the State of Illinois.

9 (c) Notwithstanding any provision of this Act or any other
10 law to the contrary, the Department of Natural Resources may
11 have within it an Office of Oil and Gas Resource Management,
12 which may be responsible for the functions previously vested in
13 the Department of Mines and Minerals relating to oil and gas
14 resources, such other related functions and responsibilities
15 as may be provided by law, and other functions and
16 responsibilities at the discretion of the Department of Natural
17 Resources.

18 (Source: P.A. 89-50, eff. 7-1-95; 89-445, eff. 2-7-96.)

19 Section 10. The State Finance Act is amended by changing
20 Section 5.832 as follows:

21 (30 ILCS 105/5.832)

22 Sec. 5.832. The Oil and Gas Resource Management ~~Mines and~~
23 ~~Minerals Regulatory~~ Fund.

24 (Source: P.A. 98-22, eff. 6-17-13; 98-756, eff. 7-16-14.)

1 Section 15. The Hydraulic Fracturing Regulatory Act is
2 amended by changing Sections 1-35, 1-65 and 1-135 as follows:

3 (225 ILCS 732/1-35)

4 Sec. 1-35. High volume horizontal hydraulic fracturing
5 permit application.

6 (a) Every applicant for a permit under this Act shall first
7 register with the Department at least 30 days before applying
8 for a permit. The Department shall make available a
9 registration form within 90 days after the effective date of
10 this Act. The registration form shall require the following
11 information:

12 (1) the name and address of the registrant and any
13 parent, subsidiary, or affiliate thereof;

14 (2) disclosure of all findings of a serious violation
15 or an equivalent violation under federal or state laws or
16 regulations in the development or operation of an oil or
17 gas exploration or production site via hydraulic
18 fracturing by the applicant or any parent, subsidiary, or
19 affiliate thereof within the previous 5 years; and

20 (3) proof of insurance to cover injuries, damages, or
21 loss related to pollution or diminution in the amount of at
22 least \$5,000,000, from an insurance carrier authorized,
23 licensed, or permitted to do this insurance business in
24 this State that holds at least an A- rating by A.M. Best &

1 Co. or any comparable rating service.

2 A registrant must notify the Department of any change in
3 the information identified in paragraphs (1), (2), or (3) of
4 this subsection (a) at least annually or upon request of the
5 Department.

6 (b) Every applicant for a permit under this Act must submit
7 the following information to the Department on an application
8 form provided by the Department:

9 (1) the name and address of the applicant and any
10 parent, subsidiary, or affiliate thereof;

11 (2) the proposed well name and address and legal
12 description of the well site and its unit area;

13 (3) a statement whether the proposed location of the
14 well site is in compliance with the requirements of Section
15 1-25 of this Act and a plat, which shows the proposed
16 surface location of the well site, providing the distance
17 in feet, from the surface location of the well site to the
18 features described in subsection (a) of Section 1-25 of
19 this Act;

20 (4) a detailed description of the proposed well to be
21 used for the high volume horizontal hydraulic fracturing
22 operations including, but not limited to, the following
23 information:

24 (A) the approximate total depth to which the well
25 is to be drilled or deepened;

26 (B) the proposed angle and direction of the well;

1 (C) the actual depth or the approximate depth at
2 which the well to be drilled deviates from vertical;

3 (D) the angle and direction of any nonvertical
4 portion of the wellbore until the well reaches its
5 total target depth or its actual final depth; and

6 (E) the estimated length and direction of the
7 proposed horizontal lateral or wellbore;

8 (5) the estimated depth and elevation, according to the
9 most recent publication of the Illinois State Geological
10 Survey of Groundwater for the location of the well, of the
11 lowest potential fresh water along the entire length of the
12 proposed wellbore;

13 (6) a detailed description of the proposed high volume
14 horizontal hydraulic fracturing operations, including, but
15 not limited to, the following:

16 (A) the formation affected by the high volume
17 horizontal hydraulic fracturing operations, including,
18 but not limited to, geologic name and geologic
19 description of the formation that will be stimulated by
20 the operation;

21 (B) the anticipated surface treating pressure
22 range;

23 (C) the maximum anticipated injection treating
24 pressure;

25 (D) the estimated or calculated fracture pressure
26 of the producing and confining zones; and

1 (E) the planned depth of all proposed perforations
2 or depth to the top of the open hole section;

3 (7) a plat showing all known previous wellbores within
4 750 feet of any part of the horizontal wellbore that
5 penetrated within 400 vertical feet of the formation that
6 will be stimulated as part of the high volume horizontal
7 hydraulic fracturing operations;

8 (8) unless the applicant documents why the information
9 is not available at the time the application is submitted,
10 a chemical disclosure report identifying each chemical and
11 proppant anticipated to be used in hydraulic fracturing
12 fluid for each stage of the hydraulic fracturing operations
13 including the following:

14 (A) the total volume of water anticipated to be
15 used in the hydraulic fracturing treatment of the well
16 or the type and total volume of the base fluid
17 anticipated to be used in the hydraulic fracturing
18 treatment, if something other than water;

19 (B) each hydraulic fracturing additive anticipated
20 to be used in the hydraulic fracturing fluid, including
21 the trade name, vendor, a brief descriptor of the
22 intended use or function of each hydraulic fracturing
23 additive, and the Material Safety Data Sheet (MSDS), if
24 applicable;

25 (C) each chemical anticipated to be intentionally
26 added to the base fluid, including for each chemical,

1 the Chemical Abstracts Service number, if applicable;

2 and

3 (D) the anticipated concentration in the base
4 fluid, in percent by mass, of each chemical to be
5 intentionally added to the base fluid;

6 (9) a certification of compliance with the Water Use
7 Act of 1983 and applicable regional water supply plans;

8 (10) a fresh water withdrawal and management plan that
9 shall include the following information:

10 (A) the source of the water, such as surface or
11 groundwater, anticipated to be used for water
12 withdrawals, and the anticipated withdrawal location;

13 (B) the anticipated volume and rate of each water
14 withdrawal from each withdrawal location;

15 (C) the anticipated months when water withdrawals
16 shall be made from each withdrawal location;

17 (D) the methods to be used to minimize water
18 withdrawals as much as feasible; and

19 (E) the methods to be used for surface water
20 withdrawals to minimize adverse impact to aquatic
21 life.

22 Where a surface water source is wholly contained within
23 a single property, and the owner of the property expressly
24 agrees in writing to its use for water withdrawals, the
25 applicant is not required to include this surface water
26 source in the fresh water withdrawal and management plan;

1 (11) a plan for the handling, storage, transportation,
2 and disposal or reuse of hydraulic fracturing fluids and
3 hydraulic fracturing flowback. The plan shall identify the
4 specific Class II injection well or wells that will be used
5 to dispose of the hydraulic fracturing flowback. The plan
6 shall describe the capacity of the tanks to be used for the
7 capture and storage of flowback and of the lined reserve
8 pit to be used, if necessary, to temporarily store any
9 flowback in excess of the capacity of the tanks.
10 Identification of the Class II injection well or wells
11 shall be by name, identification number, and specific
12 location and shall include the date of the most recent
13 mechanical integrity test for each Class II injection well;

14 (12) a well site safety plan to address proper safety
15 measures to be employed during high volume horizontal
16 hydraulic fracturing operations for the protection of
17 persons on the site as well as the general public. Within
18 15 calendar days after submitting the permit application to
19 the Department, the applicant must provide a copy of the
20 plan to the county or counties in which hydraulic
21 fracturing operations will occur. Within 5 calendar days of
22 its receipt, the Department shall provide a copy of the
23 well site safety plan to the Office of the State Fire
24 Marshal;

25 (13) a containment plan describing the containment
26 practices and equipment to be used and the area of the well

1 site where containment systems will be employed, and within
2 5 calendar days of its receipt, the Department shall
3 provide a copy of the containment plan to the Office of the
4 State Fire Marshal;

5 (14) a casing and cementing plan that describes the
6 casing and cementing practices to be employed, including
7 the size of each string of pipe, the starting point, and
8 depth to which each string is to be set and the extent to
9 which each string is to be cemented;

10 (15) a traffic management plan that identifies the
11 anticipated roads, streets, and highways that will be used
12 for access to and egress from the well site. The traffic
13 management plan will include a point of contact to discuss
14 issues related to traffic management. Within 15 calendar
15 days after submitting the permit application to the
16 Department, the applicant must provide a copy of the
17 traffic management plan to the county or counties in which
18 the well site is located, and within 5 calendar days of its
19 receipt, the Department shall provide a copy of the traffic
20 management plan to the Office of the State Fire Marshal;

21 (16) the names and addresses of all owners of any real
22 property within 1,500 feet of the proposed well site, as
23 disclosed by the records in the office of the recorder of
24 the county or counties;

25 (17) drafts of the specific public notice and general
26 public notice as required by Section 1-40 of this Act;

1 (18) a statement that the well site at which the high
2 volume horizontal hydraulic fracturing operation will be
3 conducted will be restored in compliance with Section
4 240.1181 of Title 62 of the Illinois Administrative Code
5 and Section 1-95 of this Act;

6 (19) proof of insurance to cover injuries, damages, or
7 loss related to pollution in the amount of at least
8 \$5,000,000; and

9 (20) any other relevant information which the
10 Department may, by rule, require.

11 (c) Where an application is made to conduct high volume
12 horizontal fracturing operations at a well site located within
13 the limits of any city, village, or incorporated town, the
14 application shall state the name of the city, village, or
15 incorporated town and be accompanied with a certified copy of
16 the official consent for the hydraulic fracturing operations to
17 occur from the municipal authorities where the well site is
18 proposed to be located. No permit shall be issued unless
19 consent is secured and filed with the permit application. In
20 the event that an amended location is selected, the original
21 permit shall not be valid unless a new certified consent is
22 filed for the amended location.

23 (d) The hydraulic fracturing permit application shall be
24 accompanied by a bond as required by subsection (a) of Section
25 1-65 of this Act.

26 (e) Each application for a permit under this Act shall

1 include payment of a non-refundable fee of \$13,500. Of this
2 fee, \$11,000 shall be deposited into the Oil and Gas Resource
3 Management ~~Mines and Minerals Regulatory~~ Fund for the
4 Department to use to administer and enforce this Act and
5 otherwise support the operations and programs of the Office of
6 Oil and Gas Resource Management ~~Office of Mines and Minerals~~.
7 The remaining \$2,500 shall be deposited into the Illinois Clean
8 Water Fund for the Agency to use to carry out its functions
9 under this Act. The Department shall not initiate its review of
10 the permit application until the applicable fee under this
11 subsection (e) has been submitted to and received by the
12 Department.

13 (f) Each application submitted under this Act shall be
14 signed, under the penalty of perjury, by the applicant or the
15 applicant's designee who has been vested with the authority to
16 act on behalf of the applicant and has direct knowledge of the
17 information contained in the application and its attachments.
18 Any person signing an application shall also sign an affidavit
19 with the following certification:

20 "I certify, under penalty of perjury as provided by law
21 and under penalty of refusal, suspension, or revocation of
22 a high volume horizontal hydraulic fracturing permit, that
23 this application and all attachments are true, accurate,
24 and complete to the best of my knowledge."

25 (g) The permit application shall be submitted to the
26 Department in both electronic and hard copy format. The

1 electronic format shall be searchable.

2 (h) The application for a high volume horizontal hydraulic
3 fracturing permit may be submitted as a combined permit
4 application with the operator's application to drill on a form
5 as the Department shall prescribe. The combined application
6 must include the information required in this Section. If the
7 operator elects to submit a combined permit application,
8 information required by this Section that is duplicative of
9 information required for an application to drill is only
10 required to be provided once as part of the combined
11 application. The submission of a combined permit application
12 under this subsection shall not be interpreted to relieve the
13 applicant or the Department from complying with the
14 requirements of this Act or the Illinois Oil and Gas Act.

15 (i) Upon receipt of a permit application, the Department
16 shall have no more than 60 calendar days from the date it
17 receives the permit application to approve, with any conditions
18 the Department may find necessary, or reject the application
19 for the high volume horizontal hydraulic fracturing permit. The
20 applicant may waive, in writing, the 60-day deadline upon its
21 own initiative or in response to a request by the Department.

22 (j) If at any time during the review period the Department
23 determines that the permit application is not complete under
24 this Act, does not meet the requirements of this Section, or
25 requires additional information, the Department shall notify
26 the applicant in writing of the application's deficiencies and

1 allow the applicant to correct the deficiencies and provide the
2 Department any information requested to complete the
3 application. If the applicant fails to provide adequate
4 supplemental information within the review period, the
5 Department may reject the application.

6 (Source: P.A. 98-22, eff. 6-17-13; 98-756, eff. 7-16-14.)

7 (225 ILCS 732/1-65)

8 Sec. 1-65. Hydraulic fracturing permit; bonds.

9 (a) An applicant for a high volume horizontal hydraulic
10 fracturing permit under this Act shall provide a bond, executed
11 by a surety authorized to transact business in this State. The
12 bond shall be in the amount of \$50,000 per permit or a blanket
13 bond of \$500,000 for all permits. If the applicant is required
14 to submit a bond to the Department under the Illinois Oil and
15 Gas Act, the applicant's submission of a bond under this
16 Section shall satisfy the bonding requirements provided for in
17 the Illinois Oil and Gas Act. In lieu of a bond, the applicant
18 may provide other collateral securities such as cash,
19 certificates of deposit, or irrevocable letters of credit under
20 the terms and conditions as the Department may provide by rule.

21 (b) The bond or other collateral securities shall remain in
22 force until the well is plugged and abandoned. Upon abandoning
23 a well to the satisfaction of the Department and in accordance
24 with the Illinois Oil and Gas Act, the bond or other collateral
25 securities shall be promptly released by the Department. Upon

1 the release by the Department of the bond or other collateral
2 securities, any cash or collateral securities deposited shall
3 be returned by the Department to the applicant who deposited
4 it.

5 (c) If, after notice and hearing, the Department determines
6 that any of the requirements of this Act or rules adopted under
7 this Act or the orders of the Department have not been complied
8 with within the time limit set by any notice of violation
9 issued under this Act, the permittee's bond or other collateral
10 securities shall be forfeited. Forfeiture under this
11 subsection shall not limit any duty of the permittee to
12 mitigate or remediate harms or foreclose enforcement by the
13 Department or the Agency. In no way will payment under this
14 bond exceed the aggregate penalty as specified.

15 (d) When any bond or other collateral security is forfeited
16 under the provisions of this Act or rules adopted under this
17 Act, the Department shall collect the forfeiture without delay.
18 The surety shall have 30 days to submit payment for the bond
19 after receipt of notice by the permittee of the forfeiture.

20 (e) All forfeitures shall be deposited in the Oil and Gas
21 Resource Management ~~Mines and Minerals Regulatory~~ Fund to be
22 used, as necessary, to mitigate or remediate violations of this
23 Act or rules adopted under this Act.

24 (Source: P.A. 98-22, eff. 6-17-13.)

1 Sec. 1-135. The Oil and Gas Resource Management ~~Mines and~~
2 ~~Minerals Regulatory~~ Fund. The Oil and Gas Resource Management
3 ~~Mines and Minerals Regulatory~~ Fund is created as a special fund
4 in the State treasury. All moneys required by this Act to be
5 deposited into the Fund shall be used by the Department to
6 administer and enforce this Act and otherwise support the
7 operations and programs of the Office of Oil and Gas Resource
8 Management ~~Office of Mines and Minerals~~.

9 (Source: P.A. 98-22, eff. 6-17-13.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law."