

1 AN ACT concerning oil and gas.

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 1 and 11 as follows:

6 (225 ILCS 725/1) (from Ch. 96 1/2, par. 5401)

7 Sec. 1. Unless the context otherwise requires, the words
8 defined in this Section have the following meanings as used
9 in this Act.

10 "Person" means any natural person, corporation,
11 association, partnership, governmental agency or other legal
12 entity, receiver, trustee, guardian, executor, administrator,
13 fiduciary or representative of any kind.

14 "Oil" means natural crude oil or petroleum and other
15 hydrocarbons, regardless of gravity, which are produced at
16 the well in liquid form by ordinary production methods or by
17 the use of an oil and gas separator and which are not the
18 result of condensation of gas after it leaves the underground
19 reservoir.

20 "Gas" means all natural gas, including casinghead gas,
21 and all other natural hydrocarbons not defined above as oil.

22 "Pool" means a natural, underground reservoir containing
23 in whole or in part, a natural accumulation of oil or gas, or
24 both. Each productive zone or stratum of a general structure,
25 which is completely separated from any other zone or stratum
26 in the structure, is deemed a separate "pool" as used herein.

27 "Field" means the same general surface area which is
28 underlaid or appears to be underlaid by one or more pools.

29 "Permit" means the Department's written authorization
30 allowing a well to be drilled, deepened, converted, or
31 operated by an owner.

1 "Permittee" means the owner holding or required to hold
2 the permit, and who is also responsible for paying
3 assessments in accordance with Section 19.7 of this Act and,
4 where applicable, executing and filing the bond associated
5 with the well as principal and who is responsible for
6 compliance with all statutory and regulatory requirements
7 pertaining to the well.

8 When the right and responsibility for operating a well is
9 vested in a receiver or trustee appointed by a court of
10 competent jurisdiction, the permit shall be issued to the
11 receiver or trustee.

12 "Orphan Well" means a well for which: (1) no fee
13 assessment under Section 19.7 of this Act has been paid or no
14 other bond coverage has been provided for 2 consecutive
15 years; (2) no oil or gas has been produced from the well or
16 from the lease or unit on which the well is located for 2
17 consecutive years; and (3) no permittee or owner can be
18 identified or located by the Department. Orphaned wells
19 include wells that may have been drilled for purposes other
20 than those for which a permit is required under this Act if
21 the well is a conduit for oil or salt water intrusions into
22 fresh water zones or onto the surface which may be caused by
23 oil and gas operations.

24 "Owner" means the person who has the right to drill into
25 and produce from any pool, and to appropriate the production
26 either for the person or for the person and another, or
27 others, or solely for others, excluding the mineral owner's
28 royalty if the right to drill and produce has been granted
29 under an oil and gas lease. An owner may also be a person
30 granted the right to drill and operate an injection (Class II
31 UIC) well independent of the right to drill for and produce
32 oil or gas. When the right to drill, produce, and
33 appropriate production is held by more than one person, then
34 all persons holding these rights may designate the owner by a

1 written operating agreement or similar written agreement. In
2 the absence of such an agreement, and subject to the
3 provisions of Sections 22.2 and 23.1 through 23.16 of this
4 Act, the owner shall be the person designated in writing by a
5 majority in interest of the persons holding these rights.

6 "Department" means the Department of Natural Resources.

7 "Director" means the Director of Natural Resources.

8 "Mining Board" means the State Mining Board in the
9 Department of Natural Resources, Office of Mines and
10 Minerals.

11 "Mineral Owner's Royalty" means the share of oil and gas
12 production reserved in an oil and gas lease free of all costs
13 by an owner of the minerals whether denominated royalty or
14 overriding royalty.

15 "Waste" means "physical waste" as that term is generally
16 understood in the oil and gas industry, and further includes:

17 (1) the locating, drilling and producing of any oil
18 or gas well or wells drilled contrary to the valid order,
19 rules and regulations adopted by the Department under the
20 provisions of this Act.

21 (2) permitting the migration of oil, gas, or water
22 from the stratum in which it is found, into other strata,
23 thereby ultimately resulting in the loss of recoverable
24 oil, gas or both;

25 (3) the drowning with water of any stratum or part
26 thereof capable of producing oil or gas, except for
27 secondary recovery purposes;

28 (4) the unreasonable damage to underground, fresh
29 or mineral water supply, workable coal seams, or other
30 mineral deposits in the operations for the discovery,
31 development, production, or handling of oil and gas;

32 (5) the unnecessary or excessive surface loss or
33 destruction of oil or gas resulting from evaporation,
34 seepage, leakage or fire, especially such loss or

1 destruction incident to or resulting from the escape of
2 gas into the open air in excessive or unreasonable
3 amounts, provided, however, it shall not be unlawful for
4 the operator or owner of any well producing both oil and
5 gas to burn such gas in flares when such gas is, under
6 the other provisions of this Act, lawfully produced, and
7 where there is no market at the well for such escaping
8 gas; and where the same is used for the extraction of
9 casinghead gas, it shall not be unlawful for the operator
10 of the plant after the process of extraction is
11 completed, to burn such residue in flares when there is
12 no market at such plant for such residue gas;

13 (6) permitting unnecessary fire hazards;

14 (7) permitting unnecessary damage to or destruction
15 of the surface, soil, animal, fish or aquatic life or
16 property from oil or gas operations.

17 "Drilling Unit" means the surface area allocated by an
18 order or regulation of the Department to the drilling of a
19 single well for the production of oil or gas from an
20 individual pool.

21 "Enhanced Recovery Method" means any method used in an
22 effort to recover hydrocarbons from a pool by injection of
23 fluids, gases or other substances to maintain, restore or
24 augment natural reservoir energy, or by introducing
25 immiscible or miscible gases, chemicals, other substances or
26 heat or by in-situ combustion, or by any combination thereof.

27 "Well-Site Equipment" means any production-related
28 equipment or materials specific to the well, including
29 motors, pumps, pump jacks, tanks, tank batteries, separators,
30 compressors, casing, tubing, and rods.

31 "Documented event" means a crude oil or other produced
32 fluid spill, leak, or release into the environment that is
33 reported to the Department on or about the date it occurs or
34 is discovered that is then recorded by the Department in the

1 regular course of carrying out its duties, as authorized
2 under this Act, provided the person or entity that may be
3 responsible for causing, contributing, correcting, or
4 remediating the event is promptly notified in writing.

5 (Source: P.A. 89-243, eff. 8-4-95; 89-445, eff. 2-7-96.)

6 (225 ILCS 725/11) (from Ch. 96 1/2, par. 5417)

7 Sec. 11. Whenever it shall appear that any person is
8 violating or threatening to violate any provision of this
9 Act, or any rule or final administrative order made
10 hereunder, the Department, through the Attorney General, who
11 may call to his or her assistance the State's Attorney of the
12 county in which an action is instituted, shall bring an
13 action in the name of the People of the State of Illinois
14 against such person in the circuit court of the county
15 wherein any part of the land or any activity which is the
16 subject matter of such action is located, or a final
17 administrative order was entered, to restrain such person
18 from continuing such violation or from carrying out the
19 threat of violation. In such action the Department, in the
20 name of the People of the State of Illinois, may obtain such
21 injunctions, prohibitory and mandatory, including temporary
22 restraining orders and preliminary injunctions, or other
23 enforcement orders as the facts may warrant.

24 All remedies and penalties provided for in this Act shall
25 be cumulative in effect and, accordingly, proceedings under
26 this Section are in addition to, and not in lieu of, other
27 remedies and penalties provided for in this Act.

28 Notwithstanding any other portion of this Act to the
29 contrary, in no event shall a penalty or sanction be imposed
30 under this Section for a documented event for which (i) an
31 administrative remedy has previously been imposed, unless to
32 enforce the terms of the administrative remedy, or (ii)
33 administrative enforcement action under this Act has been

1 initiated and concluded. Documented events wholly unrelated
2 by time, location, or cause to the subject matter of the
3 claimed violation or threat of violation brought pursuant to
4 this Section shall not serve nor be considered as evidence of
5 a violation of this Section.

6 Remedies available under this Section shall not include
7 the requirement of any bond as a condition of continuing
8 operation within the State or the revocation of or refusal to
9 issue any drilling or operating permits. Such remedies, if
10 otherwise provided for in this Act, shall remain available as
11 specifically provided for in this Act.

12 (Source: P.A. 86-205; 86-364; 86-1028.)