

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 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
17 development and production of oil or gas as to such lands,
18 together with other evidence, which create a rebuttable
19 presumption that the prior oil and gas leases have terminated
20 and are of no further force and effect and that the submitted
21 oil and gas leases are operative and effective. To create a
22 rebuttable presumption, such affidavits, together with other
23 evidence provided to or available from the Department, shall

1 reasonably indicate that there has been no development or
2 production of oil and gas on the lands described in the prior
3 leases for at least 24 consecutive months subsequent to the
4 expiration of the primary term or any extension of the primary
5 term as set forth in the leases. A court order or judgment
6 declaring the prior leases terminated is not required for
7 determinations under this Section, except in extraordinary
8 circumstances where such determinations cannot reasonably be
9 concluded from the affidavits or evidence submitted to or
10 available from the Department. Upon the Department's
11 determination of a rebuttable presumption under this Section,
12 the Department shall provide the current permittee with notice
13 and a 30-day opportunity to request a hearing to rebut the
14 presumption before a final determination on a lease is made.
15 Any determination made by the Department under this Section
16 shall not diminish the rights or obligations of any current
17 permittee of a well that are otherwise provided by statute or
18 regulation of the Department. Any request for a determination
19 under this Section shall require the payment of a nonrefundable
20 fee of \$1,000 by the applicant. All determinations on leases by
21 the Department under this Section shall be made no later than
22 90 days after the Department's receipt of a valid request for
23 such determination. Determinations that prior oil and gas
24 leases have terminated due to non-development or
25 non-production shall require the current permittee to properly
26 plug all non-plugged and non-transferred wells within the lease

1 boundaries of the prior leases. If the current permittee fails
2 to properly plug all non-plugged and non-transferred wells
3 within 30 days after the issuance of the determination, the
4 wells shall be deemed abandoned and included in the
5 Department's Oil and Gas Well Site Plugging and Restoration
6 Program. Department determinations under this Section shall
7 not have res judicata or collateral estoppel effect in any
8 judicial proceedings.

9 (225 ILCS 725/9.1 new)

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

11 (a) All permittees under this Act shall provide the
12 Department with a current address within 90 days after the
13 effective date of this amendatory Act of the 99th General
14 Assembly for the Department's use in providing notice of any
15 hearings or other proceedings under this Act. Permittees must
16 inform the Department of any address changes within 30 days
17 after the effective date of the address change. Permittees
18 shall provide current address information and inform the
19 Department of any address changes on a form prescribed by the
20 Department.

21 (b) Written notice of a hearing or proceeding required to
22 be provided to a permittee under this Act shall be given either
23 personally or by certified mail with return receipt requested
24 sent to the address provided to the Department as required by
25 subsection (a) of this Section. Permittees shall sign certified

1 mail return receipts for all mail received from the Department.

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

21 (d) Any notice required to be provided to a permittee under
22 this Act shall include the identification of the well or wells
23 at issue, the date, time, place, and nature of the hearing or
24 other proceeding, and the name and contact information of the
25 Department where additional information can be obtained.