

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Oil and Gas Act is amended by changing Sections 6.1 and 21.1 as follows:

(225 ILCS 725/6.1) (from Ch. 96 1/2, par. 5410)

Sec. 6.1. When the applicant has complied with all applicable provisions of this Act and the rules of the Department, the Department shall issue the permit. All applications for a permit submitted to the Department shall either be granted or denied in writing within 20 business days after the date of receipt by the Department, unless the applicant and Department mutually agree to extend the 20-day period. If granted, the written permit shall be issued. If denied, the Department shall provide specific requirements for additional information or documentation needed for the application to be considered and the permit issued. Upon submission of the required information and documentation, the same process and timeframe as provided in this Section shall continue until either the permit is issued or it is determined that the permit cannot be issued because of legal or regulatory impediments. The Department shall respond in a timely manner to any application or submission of additional information and

documentation after initial submission.

(Source: P.A. 85-1334.)

(225 ILCS 725/21.1) (from Ch. 96 1/2, par. 5433)

Sec. 21.1. (a) The Department is authorized to issue permits for the drilling of wells and to regulate the spacing of wells for oil and gas purposes. For the prevention of waste, to protect and enforce the correlative rights of owners in the pool, and to prevent the drilling of unnecessary wells, the Department shall, upon application of any interested person and after notice and hearing, establish a drilling unit or units for the production of oil and gas or either of them for each pool, provided that no spacing regulation shall be adopted nor drilling unit established which requires the allocation of more than 40 acres of surface area nor less than 10 acres of surface area to an individual well for production of oil from a pool the top of which lies less than 4,000 feet beneath the surface (as determined by the original or discovery well in the pool), provided, however, that the Department may permit the allocation of greater acreage to an individual well than that above specified, and provided further that the spacing of wells in any pool the top of which lies less than 4,000 feet beneath the surface (as determined by the original or discovery well in the pool) shall not include the fixing of a pattern except with respect to the 2 nearest external boundary lines of each drilling unit, and provided further that no acreage allocation

shall be required for input or injection wells nor for producing wells lying within a secondary recovery unit as now or hereafter established.

(b) Drilling units shall be of approximately uniform size and shape for each entire pool, except that where circumstances reasonably require, the Department may grant exceptions to the size or shape of any drilling unit or units. Each order establishing drilling units shall specify the size and shape of the unit, which shall be such as will result in the efficient and economical development of the pool as a whole, and subject to the provisions of subsection (a) hereof the size of no drilling unit shall be smaller than the maximum area that can be efficiently and economically drained by one well. Each order establishing drilling units for a pool shall cover all lands determined or believed to be underlaid by such pool, and may be modified by the Department from time to time to include additional lands determined to be underlaid by such pool. Each order establishing drilling units may be modified by the Department to change the size thereof, or to permit the drilling of additional wells.

(b-2) Any petition requesting a drilling unit exception shall be accompanied by a non-refundable application fee in the amount of \$1,500 for a Modified Drilling Unit or Special Drilling Unit or a non-refundable application fee in the amount of \$2,500 for a Pool-Wide Drilling Unit.

(c) Each order establishing drilling units shall prohibit

the drilling of more than one well on any drilling unit for the production of oil or gas from the particular pool with respect to which the drilling unit is established and subject to the provisions of subsection (a) hereof shall specify the location for the drilling of such well thereon, in accordance with a reasonably uniform spacing pattern, with necessary exceptions for wells drilled or drilling at the time of the application. If the Department finds, after notice and hearing, that surface conditions would substantially add to the burden or hazard of drilling such well at the specified location, or for some other reason it would be inequitable or unreasonable to require a well to be drilled at the specified location, the Department may issue an order permitting the well to be drilled at a location other than that specified in the order establishing drilling units.

(d) After the date of the notice for a hearing called to establish drilling units, no additional well shall be commenced for production from the pool until the order establishing drilling units has been issued, unless the commencement of the well is authorized by order of the Department.

(e) After an order establishing a drilling unit or units has been issued by the Department, the commencement of drilling of any well or wells into the pool with regard to which such unit was established for the purpose of producing oil or gas therefrom, at a location other than that authorized by the order, or by order granting exception to the original spacing

order, is hereby prohibited. The operation of any well drilled in violation of an order establishing drilling units is hereby prohibited.

(f) Any application or petition by any interested person for a drilling unit as provided in this Section shall be accepted and filed or not accepted and filed by the Department within 10 business days after receipt by the Department. If the petition is accepted and filed, a public hearing on the petition shall be scheduled not less than 30 days, but not more than 60 days, after the acceptance and filing by the Department. If not accepted, and filed, the Department shall provide specific requirements for additional information or documentation needed for the petition to be considered, accepted, and filed. Upon submission of the required information and documentation, the same process and timeframe as provided in this subsection (f) shall continue until the petition has been accepted and filed at which time a hearing shall be scheduled as previously stated in this subsection (f). The petition shall not be accepted and filed if it is determined by the Department that, under any circumstance, legal or regulatory impediments would prevent such acceptance and filing. If the Department does not timely respond to any petition or the submission of additional information or documentation after initial submission, then the petition shall be deemed to be in sufficient form for acceptance and filing and the Department shall proceed with the scheduling of

a public hearing. The Department, after public hearing, shall either grant or deny the petition within 20 working days after the conclusion of the hearing.

(g) Any petition by an interested person to establish drilling units for a pool as provided in this Section shall be accepted and filed or not accepted and filed by the Department within 10 business days after receipt by the Department. If the petition is accepted and filed, a public hearing on the petition shall be scheduled not less than 30 days, but not more than 60 days, after the acceptance and filing by the Department. If not accepted and filed, the Department shall provide specific requirements for additional information or documentation needed for the petition to be considered, accepted, and filed. Upon submission of the required information and documentation, the same process and timeframe as provided in this subsection (g) shall continue until the petition has been accepted and filed at which time a hearing shall be scheduled as previously stated in this subsection (g). The petition shall not be accepted and filed if it is determined by the Department that, under any circumstance, legal or regulatory impediments would prevent such acceptance and filing. If the Department does not timely respond to any petition or the submission of additional information or documentation after initial submission, then the petition shall be deemed to be in sufficient form for acceptance and filing and the Department shall proceed with the scheduling of

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a public hearing. The Department, after public hearing, shall either grant or deny the petition within 20 working days after the conclusion of the hearing.

(Source: P.A. 97-1136, eff. 1-1-13.)

Section 99. Effective date. This Act takes effect September 1, 2014.