

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 adding Sections 6.2 and 9.1 as follows:

(225 ILCS 725/6.2 new)

Sec. 6.2. Oil and gas leases; termination due to non-development or non-production. The Department shall have the authority to adopt rules and hold hearings to determine if oil and gas leases submitted with an application for a permit or transfer of a permit for a well are operative on the basis that prior oil and gas leases covering the same lands have terminated due to non-development or non-production. Department determinations under this Section shall be based upon affidavits of non-development or non-production from knowledgeable individuals familiar with the history of development and production of oil or gas as to such lands, together with other evidence, which create a rebuttable presumption that the prior oil and gas leases have terminated and are of no further force and effect and that the submitted oil and gas leases are operative and effective. To create a rebuttable presumption, such affidavits, together with other evidence provided to or available from the Department, shall

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

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

(225 ILCS 725/9.1 new)

Sec. 9.1. Notice for hearings or other proceedings.

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

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

mail return receipts for all mail received from the Department.

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

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