

TITLE 62: MINING
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES

PART 240
THE ILLINOIS OIL AND GAS ACT

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345 240.1960 Converting to Water Well

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347 **AUTHORITY:** Implementing and authorized by the Illinois Oil and Gas Act [225 ILCS 725],
 348 the Illinois Underground Natural Gas Storage Safety Act [415 ILCS 160], and Section 5-45 of
 349 the Illinois Administrative Procedure Act [5 ILCS 100].

350

351 **SOURCE:** Adopted November 7, 1951; emergency amendment at 6 Ill. Reg. 903, effective
 352 January 15, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 5542, effective April 19,
 353 1982; codified at 8 Ill. Reg. 2475; amended at 11 Ill. Reg. 2818, effective January 27, 1987;
 354 amended at 14 Ill. Reg. 2317, effective January 25, 1990; recodified at 14 Ill. Reg. 3053;
 355 amended at 14 Ill. Reg. 13620, effective August 8, 1990; amended at 14 Ill. Reg. 20427,
 356 effective January 1, 1991; amended at 15 Ill. Reg. 2706, effective January 31, 1991; recodified at
 357 15 Ill. Reg. 8566; recodified at 15 Ill. Reg. 11641; emergency amendment at 15 Ill. Reg. 14679,
 358 effective September 30, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 15493,
 359 effective October 10, 1991; amended at 16 Ill. Reg. 2576, effective February 3, 1992; amended
 360 at 16 Ill. Reg. 15513, effective September 29, 1992; expedited correction at 16 Ill. Reg. 18859,
 361 effective September 29, 1992; emergency amendment at 17 Ill. Reg. 1195, effective January 12,
 362 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 2217, effective February 8, 1993;
 363 amended at 17 Ill. Reg. 14097, effective August 24, 1993; amended at 17 Ill. Reg. 19923,
 364 effective November 8, 1993; amended at 18 Ill. Reg. 8061, effective May 13, 1994; emergency
 365 amendment at 18 Ill. Reg. 10380, effective June 21, 1994, for a maximum of 150 days; amended
 366 at 18 Ill. Reg. 16361, effective November 18, 1994; amended at 19 Ill. Reg. 10981, effective July
 367 14, 1995; amended at 21 Ill. Reg. 7164, effective June 3, 1997; emergency amendment at 22 Ill.
 368 Reg. 988, effective December 22, 1997, for a maximum of 150 days; amended at 22 Ill. Reg.
 369 8422, effective April 28, 1998; amended at 22 Ill. Reg. 8845, effective April 28, 1998; amended
 370 at 22 Ill. Reg. 22314, effective December 14, 1998; amended at 25 Ill. Reg. 9045, effective July
 371 9, 2001; amended at 35 Ill. Reg. 13281, effective July 26, 2011; amended at 38 Ill. Reg. 18717,
 372 effective August 29, 2014; amended at 38 Ill. Reg. 22052, effective November 14, 2014;
 373 amended at 40 Ill. Reg. 7051, effective April 22, 2016; expedited correction at 40 Ill. Reg.
 374 11042, effective April 22, 2016; emergency amendment at 40 Ill. Reg. 13265, effective
 375 September 1, 2016, for a maximum of 150 days; emergency expired January 28, 2017; amended
 376 at 41 Ill. Reg. 2957, effective February 21, 2017; amended at 42 Ill. Reg. 5811, effective March
 377 14, 2018; emergency amendment at 43 Ill. Reg. 4650, effective April 4, 2019, for a maximum of
 378 150 days; emergency expired August 31, 2019; amended at 43 Ill. Reg. 10459, effective
 379 September 6, 2019; amended at 43 Ill. Reg. 11524, effective September 24, 2019; amended at 45
 380 Ill. Reg. 13907, effective October 25, 2021; amended at 46 Ill. Reg. 20013, effective January 1,
 381 2023; amended at 48 Ill. Reg. 5734, effective March 27, 2024; amended at 49 Ill. Reg. 565,
 382 effective December 30, 2024; amended at 50 Ill. Reg. _____, effective _____.

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SUBPART O: BONDS

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386 **Section 240.1500 When Required, Amount and When Released**

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- a) To Drill, Deepen, Convert or Operate an Oil or Gas Well
- 1) A bond, in the amount provided in this Section, shall be submitted, along with an application to drill, deepen, convert, operate or transfer a production or Class II well, if:
- A) the applicant was not an owner on January 1, 2025~~September 26, 1991~~ of the right to drill and produce the well or wells in the transfer request; or
 - B) the applicant was not a permittee of record on January 1, 2026~~September 26, 1991~~; or
 - C) the applicant has had a bond forfeited or is the subject of an unappealed, unabated Department final administrative decision requiring wells to be plugged; or
 - D) the applicant was not assessed an annual well fee as of July 1 preceding the application date, unless applicant was a permittee of record of an unplugged well in the previous fiscal year and not the subject of an unappealed, unabated Department final administrative decision; or
 - E) the applicant has had funds expended and/or wells plugged on its behalf by the Department using funds from the PRF; or
 - F) the applicant is not an appointed trustee or receiver in accordance with Section 240.1410(a)(4).
- 2) When a bond is required to be filed with the Department to drill, deepen, convert or operate an oil or gas well or Class II well, the amount of the bond shall be:
- A) ~~\$10,000~~\$1,500 for one~~a well less than 2000 feet deep~~;
 - ~~B) \$3,000 for a well 2,000 or more feet deep;~~
 - ~~C) \$25,000 for up to 10~~25 wells of a permittee;
 - ~~D) \$50,000 for up to 50 wells of a permittee; or~~
 - ~~E) \$100,000 for all wells of a permittee; or~~

431 E) Any blanket bond covering over 100 wells shall be increased to
432 include the bond amount, as listed above, for the total number of
433 wells over 100 that will be covered by the blanket bond. [225 ILCS
434 725/6(2.5)]
435

- 436 3) Failure to provide the required bond will result in the issuance of a
437 cessation of operations order in accordance with Section 240.185(b).
438
- 439 4) A bond submitted pursuant to Section 240.1500(a) shall be released when:
440
- 441 A) all wells covered by the bond are plugged and restored in
442 accordance with Subpart K; or
 - 443
 - 444 B) all wells covered by the bond are transferred in accordance with
445 Subpart N; or
 - 446
 - 447 C) the permittee has paid assessments to the Department in
448 accordance with Section 19.7 for 2 consecutive years and the
449 permittee is not in violation of the Act.

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451 b) To Operate a Liquid Oilfield Waste Transportation System
452 The amount of bond required to be filed with the Department before a permit is
453 issued authorizing a person to operate a liquid oilfield waste system shall be
454 \$10,000. When requested by permittee, bond shall be released when the
455 permittee ceases operation and this system and the permittee's system is not in
456 violation of the Act.

457

458 c) To Drill a Test Hole
459 The amount of bond required to be filed with the Department before a permit is
460 issued to drill a geological structure, coal or other mineral test hole, or a
461 monitoring well in connection with any activity regulated by the Department shall
462 be ~~\$2,500~~2500 for each permit or a blanket bond of \$25,000 for all permits. The
463 bond requirements of this Subpart shall not apply to a hole or well drilled on
464 acreage permitted and bonded under the Surface-Mined Land Conservation and
465 Reclamation Act [225 ILCS 715] or the Surface Coal Mining Land Conservation
466 and Reclamation Act [225 ILCS 720]. When requested by permittee, bonds shall
467 be released when the hole or holes are plugged and restored in accordance with
468 Section 240.1260 and the permittee is not in violation of the Act.

469
470 (Source: Amended at 50 Ill. Reg. _____, effective _____)