

ADMINISTRATIVE CODE

TITLE 62: MINING
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
PART 240 THE ILLINOIS OIL AND GAS ACT
SECTION 240.1500 WHEN REQUIRED, AMOUNT AND WHEN RELEASED

Section 240.1500 When Required, Amount and When Released

- 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 ~~September 26, 1991~~ January 1, 2026 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 ~~September 26, 1991~~ January 1, 2026; 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) \$1,500 for 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 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.~~

A) \$10,000 for one well;

B) \$25,000 for up to 10 wells of a permittee;

C) \$50,000 for up to 50 wells of a permittee; or

D) \$100,000 for all wells of a permittee.

E) Any blanket bond covering over 100 wells shall be increased to include the bond amount, as listed above, for the total number of wells over 100 that will be covered by the blanket bond.

3) Failure to provide the required bond will result in the issuance of a cessation of operations order in accordance with Section 240.185(b).

4) A bond submitted pursuant to Section 240.1500(a) shall be released when:

A) all wells covered by the bond are plugged and restored in accordance with Subpart K; or

B) all wells covered by the bond are transferred in accordance with Subpart N; or

C) the permittee has paid assessments to the Department in accordance with Section 19.7 for ~~2~~ 5 consecutive years and the permittee is not in violation of the Act.

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

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

(Source: Amended at 35 Ill. Reg. 13281, effective July 26, 2011)