

62 Ill. Adm. Code 240.410

240.410 Drilling Units

a) Oil Wells

1) The Department shall not issue a permit for the drilling or deepening of a well for the production of oil within the State of Illinois unless the proposed well location and spacing conform to the following drilling units:

A) 10 acres of surface area lying within the quarter-quarter-quarter section of land (as established by the official United States Public Land Survey). The location of the well shall not be less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line.

2) A permittee shall not be obligated to drill any further wells pursuant to provisions in a lease existing prior to the effective date of this Section. Any obligation shall be determined, to the extent relevant and applicable, by regulations in effect as of the date of the lease.

b) Gas Wells

The Department shall not issue a permit for the drilling or deepening of a well for the production of gas within the State of Illinois unless the proposed well location and spacing conform to the following drilling units:

1) 10 acres of surface area lying within the quarter-quarter-quarter section of land (as established by the official United States Public Land Survey) for wells drilled or deepened for the production of gas from a reservoir other than limestone/dolomite, the top of which lies less than 2,000 feet beneath the surface. The location of the well shall not be less than 330 feet from the nearest lease external boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line; or

2) 20 acres of surface area lying within the east-west or north-south one-half of a quarter-quarter section of land (as established by the official United States Public Land Survey) for wells drilled or deepened for the production of gas from a limestone/dolomite reservoir, the top of which lies less than 2,000 feet beneath the surface. The location of the well shall not be less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well, a well being drilled, or a well for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line; or

3) 40 acres of surface area lying within a quarter-quarter section of land (as established by the official United States Public Land Survey) for wells drilled or deepened for the production of gas from a reservoir, the top of

| which lies between 2,000 feet below the surface and 5,000 feet or the top of the ~~Trenton Formation~~ Galena Group, whichever depth is greater. The location of the well shall not be less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well or well being drilled or for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line.

4) Establishment of Drilling Units for Deep Gas

A) In the case of wells drilled or deepened for the production of gas from a reservoir lying below 5,000 feet or the top of the Trenton formation, whichever depth is greater, no permit shall be issued for an exploratory well unless the proposed spacing and well location provide for a minimum of 160 acres of surface area lying within a quarter section of land (as established by the official United States Public Land Survey). The well location shall not be less than 660 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 10 feet from the nearest drilling unit boundary line.

B) After completion of the exploratory well or wells, but prior to commencement of production activities, application shall be made to the Department for the adoption of rules establishing spacing and well location requirements for the reservoir or reservoirs completed. The application shall identify the lands underlying the reservoir or reservoirs for which spacing and well location rules are requested, and shall include any geological, engineering or economic data, studies or reports upon which the requested spacing and well location rules are based.

C) Within 20 days after receipt of the application, the Department shall submit proposed spacing and well location rules for the reservoir or reservoirs in accordance with Section 5-40 of the Illinois Administrative Procedure Act, which shall include notice of a public hearing to be commenced no later than 20 days after publication of the notice of proposed rulemaking in the Illinois Register. In addition to the notice requirements of the Illinois Administrative Procedure Act, the applicant shall give notice of public hearing, at least 10 days prior to the date of the hearing, to all permittees of record and leaseholders whose wells or leases are within ¼ mile of the area described in the proposed rules by first class mail, postage pre-paid, and by publication in a newspaper of general circulation in each county in which any portion of the area described in proposed rules is located.

D) The public hearing shall be conducted in accordance with the provisions of Section 240.370(d)(4) and (d)(5). The Department shall fully consider the record from the public hearing and any other public comment received during the first notice period and, prior to commencement of the second notice period, shall make such changes to the proposed rules as may be necessary to prevent waste, protect correlative rights and prevent the unnecessary drilling of wells.

c) Coalbed Gas Wells

The Department shall not issue a permit for the drilling or deepening of a well for the production of coalbed gas from unmined seams of coal unless the proposed well location and spacing conform to drilling unit requirements

of 10 acres of surface area lying within a quarter-quarter-quarter section of land (as established by the official United States Public Land Survey). The location of the well shall be not less than 330 feet from the nearest lease boundary line except any lease boundary line located within a pooled unit. The location shall be no less than 330 feet from the nearest location of a producing well or well being drilled or for which a permit has previously been issued, but not yet drilled, for a well to the same individual reservoir. The location shall be no less than 10 feet from the nearest drilling unit boundary line.

d) Coal Mine Gas Wells

A well drilled into a mine void or a pillar within the mined out area for the production of gas from an abandoned coal mine is exempt from the spacing requirements of this Subpart.

e) Other Wells

Class II UIC wells, coal, mineral and structure test holes, observation wells, water supply wells used in relation to oil or gas production, and gas storage wells are exempt from the requirements of this Section.

f) All new well locations shall not be less than 200 feet from the nearest occupied dwelling existing at the time the permit application is filed with the Department, unless the permittee obtains a written agreement with the surface owner upon which the dwelling is located specifically allowing for a closer well location.