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INTRODUCTION

The Illinois Register is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State Statute; and activities (meeting agendas; Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State Agencies; is also published in the Register.

The Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings.

The Illinois Register is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1, et seq.].

ILLINOIS REGISTER PUBLICATION SCHEDULE FOR 2014

Issue#	Rules Due Date	Date of Issue
1	December 23, 2013	January 3, 2014
2	December 30, 2013	January 10, 2013
3	January 6, 2014	January 17, 2014
4	January 13, 2014	January 24, 2014
5	January 21, 2014	January 31, 2014
6	January 27, 2014	February 7, 2014
7	February 3, 2014	February 14, 2014
8	February 10, 2014	February 21, 2014
9	February 18, 2014	February 28, 2014
10	February 24, 2014	March 7, 2014
11	March 3, 2014	March 14, 2014
12	March 10, 2014	March 21, 2014
13	March 17, 2014	March 28, 2014
14	March 24, 2014	April 4, 2014
15	March 31, 2014	April 11, 2014
16	April 7, 2014	April 18, 2014
17	April 14, 2014	April 25, 2014
18	April 21, 2014	May 2, 2014

19	April 28, 2014	May 9, 2014
20	May 5, 2014	May 16, 2014
21	May 12, 2014	May 23, 2014
22	May 19, 2014	May 30, 2014
23	May 27, 2014	June 6, 2014
24	June 2, 2014	June 13, 2014
25	June 9, 2014	June 20, 2014
26	June 16, 2014	June 27, 2014
27	June 23, 2014	July 7, 2014
28	June 30, 2014	July 11, 2014
29	July 7, 2014	July 18, 2014
30	July 14, 2014	July 25, 2014
31	July 21, 2014	August 1, 2014
32	July 28, 2014	August 8, 2014
33	August 4, 2014	August 15, 2014
34	August 11, 2014	August 22, 2014
35	August 18, 2014	August 29, 2014
36	August 25, 2014	September 5, 2014
37	September 2, 2014	September 12, 2014
38	September 8, 2014	September 19, 2014
39	September 15, 2014	September 26, 2014
40	September 22, 2014	October 3, 2014
41	September 29, 2014	October 10, 2014
42	October 6, 2014	October 17, 2014
43	October 14, 2014	October 24, 2014
44	October 20, 2014	October 31, 2014
45	October 27, 2014	November 7, 2014
46	November 3, 2014	November 14, 2014
47	November 10, 2014	November 21, 2014
48	November 17, 2014	December 1, 2014
49	November 24, 2014	December 5, 2014
50	December 1, 2014	December 12, 2014
51	December 8, 2014	December 19, 2014
52	December 15, 2014	December 26, 2014

Editor's Note: The Secretary of State Index Department is providing this opportunity to remind you that the next filing period for your Regulatory Agenda will occur from October 15, 2014 until January 2, 2015.

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Alcoholism and Substance Abuse Treatment and Intervention Licenses
- 2) Code Citation: 77 Ill. Adm. Code 2060
- 3) Section Numbers: Proposed Action:
2060.201 Amendment
2060.507 Amendment
- 4) Statutory Authority: Implementing and authorized by the Alcoholism and Other Drug Dependency Act [20 ILCS 301]
- 5) A Complete Description of the Subjects and Issues involved: This rulemaking pertains to the Department of Human Services' Division of Alcoholism and Substance Abuse. It clarifies language regarding the licensure of more than one provider for designated program services. The applicant is also required to submit policies relevant to the provision of the designated program service that identify each proposed court or jurisdiction where services will be delivered and specify how each applicant will adhere to applicable court rules for the provision of the service.
- 6) Any published studies or reports, along with the sources of underlying data, that were used when composing this rulemaking? No
- 7) Will this rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days after the date of this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENTS

Tracie Drew, Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue East
Harris Building, 3rd Floor
Springfield IL 62762

217/785-9772

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory agenda on which this rulemaking was summarized: This rulemaking was not included on either of the two most recent regulatory agendas because: it was not anticipated by the Department when the two most recent regulatory agendas were published.

The full text of the Proposed Amendments begin on the next page:

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENTS

TITLE 77: PUBLIC HEALTH
CHAPTER X: DEPARTMENT OF HUMAN SERVICES
SUBCHAPTER d: LICENSURE

PART 2060
ALCOHOLISM AND SUBSTANCE ABUSE TREATMENT
AND INTERVENTION LICENSES

SUBPART A: GENERAL REQUIREMENTS

- Section
2060.101 Applicability
2060.103 Incorporation by Reference and Definitions

SUBPART B: LICENSURE REQUIREMENTS

- Section
2060.201 Types of Licenses
2060.203 Off-Site Delivery of Services
2060.205 Unlicensed Practice
2060.207 Organization Representative
2060.209 Ownership Disclosure
2060.211 License Application Forms
2060.213 License Application Fees
2060.215 Period of Licensure
2060.217 License Processing/Review Requirements
2060.219 Renewal of Licensure
2060.221 Change of Ownership/Management
2060.223 Dissolution of the Corporation
2060.225 Relocation of Facility
2060.227 License Certificate Requirements
2060.229 Deemed Status (Repealed)

SUBPART C: REQUIREMENTS – ALL LICENSES

- Section
2060.301 Federal, State and Local Regulations and Court Rules
2060.303 Rule Exception Request Process
2060.305 Facility Requirements

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2060.307	Service Termination/Record Retention
2060.309	Professional Staff Qualifications
2060.311	Staff Training Requirements
2060.313	Personnel Requirements and Procedures
2060.315	Quality Improvement
2060.317	Service Fees
2060.319	Confidentiality – Patient Information
2060.321	Confidentiality – HIV Antibody/AIDS Status
2060.323	Patient Rights
2060.325	Patient/Client Records
2060.327	Emergency Patient Care
2060.329	Referral Procedure
2060.331	Incident and Significant Incident Reporting
2060.333	Complaints
2060.335	Inspections
2060.337	Investigations
2060.339	License Sanctions
2060.341	License Hearings

SUBPART D: REQUIREMENTS – TREATMENT LICENSES

Section	
2060.401	Levels of Care
2060.403	Court Mandated Treatment
2060.405	Detoxification
2060.407	Group Treatment
2060.409	Patient Education
2060.411	Recreational Activities
2060.413	Medical Services
2060.415	Infectious Disease Control
2060.417	Assessment for Patient Placement
2060.419	Assessment for Treatment Planning
2060.421	Treatment Plans
2060.423	Continued Stay Review
2060.425	Progress Notes and Documentation of Service Delivery
2060.427	Continuing Recovery Planning and Discharge

SUBPART E: REQUIREMENTS – INTERVENTION LICENSES

DEPARTMENT OF HUMAN SERVICES

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Section

2060.501	General Requirements
2060.503	DUI Evaluation
2060.505	DUI Risk Education
2060.507	Designated <u>Programs</u> Program
2060.509	Recovery Homes

AUTHORITY: Implementing and authorized by the Illinois Vehicle Code [625 ILCS 5] and the Alcoholism and Other Drug Dependency Act [20 ILCS 301].

SOURCE: Adopted at 20 Ill. Reg. 13519, effective October 3, 1996; recodified from Department of Alcoholism and Substance Abuse to Department of Human Services at 21 Ill. Reg. 9319; emergency amendment at 23 Ill. Reg. 4488, effective April 2, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 10803, effective August 23, 1999; amended at 25 Ill. Reg. 11063, effective August 14, 2001; amended at 26 Ill. Reg. 16913, effective November 8, 2002; amended at 27 Ill. Reg. 13997, effective August 8, 2003; amended at 39 Ill. Reg. _____, effective _____.

SUBPART B: LICENSURE REQUIREMENTS

Section 2060.201 Types of Licenses

Substance abuse treatment and intervention services as specified in Section 2060.101 ~~of this Part~~ shall be licensed by the Department. An organization may apply for an intervention and a treatment license at the same facility and all services authorized by both an intervention and a treatment license shall be authorized by a single license issued to that facility. Consistent with ~~this Part~~ rules herein, services may be provided to adults as well as adolescents. The license certificate for the facility shall specify all levels of care and a designation of adult and or adolescent services. Individuals who are 16 and 17 may be admitted as adults and individuals who are 18, 19 and 20 may be admitted as adolescents provided that the assessment of ~~those such~~ individuals includes justification based on the person's behavior and life experience.

a) Treatment

A treatment license issued by the Department may authorize substance abuse services as established in the ASAM Patient Placement Criteria. The level of care and category (adolescent/adult) shall be specified on the license application or, after licensure, on any application to add an additional level of care and/or category (adolescent/adult).

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NOTICE OF PROPOSED AMENDMENTS

- b) **Intervention**
An intervention license issued by the Department may authorize the following services:
- 1) **DUI Evaluation**
Substance abuse evaluation services for persons who are charged with driving under the influence (DUI) offenses pursuant to the Illinois Vehicle Code [625 ILCS 5/11-501] or similar local ordinances that determine the offender's risk to public safety and make a subsequent corresponding recommendation for intervention to the Illinois courts or the Office of the Secretary of State.
 - 2) **DUI Risk Education**
Substance abuse risk education services for persons who are charged with driving under the influence (DUI) offenses pursuant to the Illinois Vehicle Code [625 ILCS 5/11-501] or similar local ordinances.
 - 3) **Designated ProgramsProgram**
ProgramsA program designated by the Department to provide screening, assessment, referral and tracking services pursuant to Article 40 of the Act.
 - 4) **Recovery Homes**
Alcohol and drug free housing with rules, peer-led groups, staff activities and/or other structured operations thatwhich are directed toward maintenance of sobriety for persons in early recovery from substance abuse or persons who have completed substance abuse treatment services or who may still be receiving thatsuch treatment at another licensed facility.

(Source: Amended at 39 Ill. Reg. _____, effective _____)

SUBPART E: REQUIREMENTS – INTERVENTION LICENSES

Section 2060.507 Designated ProgramsProgram

- a) Services are provided under the authority of a designated program Intervention license and designed to intervene and address substance use or addiction related problems with individuals who have been charged with or convicted of a crime

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~~and who may elect treatment as an alternative to incarceration pursuant to the provisions of Section 40-5 of the Act. The Department shall designate an organization (hereafter referred to as the designated program) to provide assessment and case management services for the Illinois courts. Such services are subject to the exemptions specified in Section 40-5 of the Act and are for any substance abuser who is charged with or convicted of a crime and who may elect treatment as an alternative to incarceration under the supervision of such organization pursuant to the provisions of Article 40 of the Act.~~

- b) ~~Designated programs~~The designated program shall provide ~~the services specified in this Section in a uniform manner to districts or circuits of the Illinois courts throughout the State either directly or by subcontract or referral. Designated programs shall establish policies and procedures and submit them with the license application. These policies and procedures shall:~~
- 1) identify each proposed court or jurisdiction where designated program services will be delivered;
 - 2) specify how each service identified in this Section will be provided in relation to the operation of each court and/or for offenders under the jurisdiction of the Department of Corrections;
 - 3) include a copy of any applicable court rules or procedures for the provision of this service; and
 - 4) identify how the designated program will adhere to these court rules and procedures.
- c) Under the authority of the intervention license, designated programs shall provide all services specified in subsections (d) through (l).~~The designated program shall have a written agreement with the Chief Judge of each circuit court receiving services from the program that identifies such services and specifies how they will be provided in relation to the operation of that specific court.~~
- d) Assessment
- 1) The designated program shall conduct an assessment, in accordance with the provisions specified in Section 2060.417 ~~of this Part~~, to determine if

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the offender is likely to be rehabilitated through substance abuse treatment.

- 2) The designated program shall obtain the offender's informed consent prior to the provision of services.
- 3) The assessment shall include, at a minimum, collection of demographic data as specified in Section 2060.325(1)-~~of this Part~~.
 - A) If it is determined that the offender has had a previous sentence of probation, the designated program shall request a statement from the relevant probation department.
 - B) This statement shall, at a minimum, summarize the offender's probation record, including, when available, known history of substance use, the identity of any treatment program utilized by the offender and any record of compliance with court ordered conditions.
- 4) Upon completion of the assessment, the designated program shall make a recommendation to the court relative to the offender's substance use and/or abuse and the likelihood of the offender's rehabilitation through substance abuse treatment.
 - A) ~~The~~~~Such~~ notification to the court shall be made to the probation department during the offender's pre-sentence investigation, unless otherwise ordered by the court.
 - B) The designated program shall send written notification to the offender regarding the result of the assessment and its subsequent recommendation.
- e) Case Management
 - 1) The designated program shall provide case management services ~~that~~~~which~~ will assist the offender with admission to treatment, assist the court in final dispositions, and assist treatment providers in identifying any special treatment needs the offender may have. At a minimum, ~~the~~~~such~~ services shall include:

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- A) written notification to the court regarding the offender's initial or subsequent admission to treatment, which shall include identification of the treatment program; address and telephone number; the name of the professional treatment staff assigned to the case; the name, address and telephone number of the designated program staff assigned to the case; and the date of the admission to treatment;
 - B) written monthly reports to the court relative to the offender's status in treatment; and
 - C) a written report summarizing the offender's treatment and rehabilitation upon discharge from the designated program.
- f) The designated program shall have mutual linkage agreements with any treatment program utilized for referrals that ensures communication and documentation of offender progress in treatment.
- g) The designated program shall identify all criteria that the offender shall meet in order to participate in the program and how ~~those such~~ criteria will be used to measure the offender's progress in treatment.
- h) The designated program shall specify the method that will be utilized to intervene with an offender should ~~the such~~ offender fail to comply with the program's criteria or those specified in the offender's treatment plan.
- i) The designated program shall conduct all chemical test services in accordance with the provisions specified in Section 2060.415(a) ~~of this Part~~.
- j) The designated program shall document all court appearances, including any status or violation hearing and all decisions of the court and any subsequent required actions. Procedures shall be established to specify the activities required before, during and after any hearing and the staff responsible for ~~those activities such~~.
- k) The designated program shall maintain offender records in accordance with the provisions specified in Section 2060.325 ~~of this Part~~. In addition, each offender record shall include:

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- 1) documentation of the offender's informed consent and any other consent to release information form;
 - 2) the document ~~that~~which contains the results of the assessment, including psychological evaluation reports and prior treatment information that determined the offender's substance abuse problem and readiness for treatment;
 - 3) a copy of the notification of assessment results and recommendations to the offender and the court;
 - 4) copies of any other correspondence, court order or record of judicial proceedings related to the assessment or any other case management service;
 - 5) documentation of admission to treatment and a copy of the notification to the court of ~~the~~such admission;
 - 6) documentation of any chemical test results;
 - 7) documentation of all court appearances;
 - 8) written reports from the treatment provider relative to the offender's progress in treatment;
 - 9) copies of any warning letters and/or jeopardy meeting reports;
 - 10) copies of any case conference meeting report; and
 - 11) copies of all documents related to the offender's discharge from the designated program.
- l) Offender Discharge
- 1) The designated program shall establish standardized procedures for discharge of the offender from the designated program. ~~Those~~Such procedures shall include, at a minimum:

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- A) the process for review of offender progress in treatment to determine if a change in status is justified;
 - B) the specific instances that would lead to a change in offender status and the procedure to be followed when ~~thesueh~~ determination is made;
 - C) the process that will be followed when there is a judicial request to reassess a discharge offender; and
 - D) a process to ensure that proper notice is given to the courts and the offender prior to and upon successful or unsuccessful discharge.
- 2) The designated program shall send written reports of successful discharge to the court within ~~10ten~~ calendar days after discharge. ~~TheSueh~~ reports shall contain the offender's intended residency, if known, summary of treatment progress, and recommendations for any further treatment.
 - 3) The designated program shall send written reports of unsuccessful discharge to the courts within three calendar days after discharge. ~~TheSueh~~ reports shall contain the offender's intended residency, if known, instructions for continued contact between the designated program and the courts, and the specific reasons for the unsuccessful discharge.

(Source: Amended at 39 Ill. Reg. _____, effective _____)

ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Medication
- 2) Code Citation: 11 Ill. Adm. Code 603
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
603.60	Amendment
603.70	Amendment
603.75	Amendment
603.210	Amendment
- 4) Statutory Authority: Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)]
- 5) A Complete Description of the Subjects and Issues Involved: The proposed amendments in Section 60, Permitted Use of Foreign Substances and Threshold Levels, adopts threshold levels for therapeutic medications recommended by the Racing Medication and Testing Consortium (RMTC) and adopted by the Association of Racing Commissioners International (ARCI). These proposed amendments also make necessary updates to Sections 70, 75, and 210. The Furosemide Part, Section 70, has been updated to include testing for specific gravity. The Environmental Contaminant Part, Section 75, has been updated to include Theobromine. The Androgenic-Anabolic Steroid Part, Section 210, has been updated to reflect the changes recommended by the RMTC and adopted by the ARCI.

On March 19, 2013, the Racing Medication and Testing Consortium (RMTC) recommended threshold levels and restricted administration times for 24 therapeutic medications, in conjunction with the American Association of Equine Practitioners. The RMTC represents racing industry stakeholders nationwide in both harness racing and thoroughbred racing.

On April 2, 2013, the ARCI adopted RMTC's recommendations as a model rule for legal therapeutic medications appropriate for routine equine care. On April 17, 2014, the ARCI amended their model rules based upon further recommendations from RMTC, such as changing the restricted administration times to recommended withdrawal guidelines, as well as adding threshold levels for two more therapeutic medications, albuterol and isoflupredone. The threshold levels and withdrawal time guidelines were adopted for both thoroughbred racing and standardbred racing as a step toward the uniform regulation of medication and drug testing in North American horse racing.

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Each medication has a regulatory threshold level and withdrawal time guideline. When combined, they will enable the therapeutic treatment of the horse with the likelihood that no pharmacologically significant residue of the medication will be present in the horse during a race. A regulatory threshold level is the minimum concentration of a drug or metabolite that must be present in a specimen, before the laboratory will report the drug testing result as a positive.

The ARCI sets standards for racing regulation, medication policy, drug testing laboratories, totalizator systems, racetrack operation and security, and off-track wagering entities through the development and adoption of Model Rules. Regulatory bodies are encouraged to adopt the Model Rules as a way to enhance uniformity of regulation in a sport that has evolved to be multi-jurisdictional. When the ARCI adopts the recommendations set forth by the RMTC and amends their Model Rules, regulatory bodies are encouraged to adopt the changes to maintain uniformity.

- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: ARCI Controlled Therapeutic Medication Schedule (revised April 17, 2014, version 2.1); Uniform Classification Guidelines for Foreign Substances and Recommended Penalties and Model Rule (January 2014, version 7.00); and the ARCI Model Rules.
- 7) Will this rulemaking replace any emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending in this Part? No
- 11) Statement of Statewide Policy Objectives: No local governmental units will be required to increase expenditures.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days after this Notice, to:

Mickey Ezzo
Illinois Racing Board
100 West Randolph St.
Suite 5-700

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Chicago IL 60601

312/814-5017

- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not-for-profit corporations affected: None.
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda which this rulemaking was summarized: January 2014

The full text of the Proposed Amendments begins on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING
SUBTITLE B: HORSE RACING
CHAPTER I: ILLINOIS RACING BOARD
SUBCHAPTER c: RULES APPLICABLE TO ALL OCCUPATION LICENSEES

PART 603
MEDICATION

Section

603.10	Pre-Race Saliva Tests
603.20	Racing Soundness Exam
603.30	Foreign Substances and Pharmaceutical Aids Banned
603.40	Twenty-four Hour Ban
603.50	Trainer Responsibility
603.55	Prima Facie Evidence
603.60	Permitted Use of Foreign Substances and Threshold Levels
603.70	Furosemide
603.75	Environmental Contaminants
603.80	Needles, Syringes and Injectables
603.90	Drugs, Chemicals and Prescription Items
603.100	Detention Barn
603.110	Test Samples
603.120	Referee Samples
603.130	Laboratory Findings and Reports
603.140	Distribution of Purses
603.150	Post Mortems
603.160	Penalties
603.170	Veterinarian's Records
603.180	Carbon Dioxide Tests
603.190	Erythropoietin and Darbepoietin Antibody Testing Program
603.200	Out of Competition Testing
603.210	Androgenic-Anabolic Steroids (AAS)

AUTHORITY: Implementing and authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Adopted at 21 Ill. Reg. 3232, effective March 4, 1997; amended at 22 Ill. Reg. 2217, effective January 1, 1998; amended at 22 Ill. Reg. 3594, effective February 1, 1998; amended at 25 Ill. Reg. 15611, effective December 1, 2001; amended at 26 Ill. Reg. 12360, effective August

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1, 2002; amended at 27 Ill. Reg. 5027, effective March 7, 2003; amended at 27 Ill. Reg. 7331, effective April 15, 2003; amended at 28 Ill. Reg. 1374, effective January 19, 2004; amended at 28 Ill. Reg. 4751, effective March 1, 2004; emergency amendment at 28 Ill. Reg. 7565, effective May 11, 2004, for a maximum of 150 days; emergency expired October 7, 2004; amended at 28 Ill. Reg. 11250, effective August 1, 2004; amended at 28 Ill. Reg. 15790, effective December 1, 2004; emergency amendment at 29 Ill. Reg. 2779, effective February 22, 2005, for a maximum of 150 days; emergency amendment at 29 Ill. Reg. 4116, effective February 25, 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 5726, effective April 8, 2005; amended at 29 Ill. Reg. 12265, effective July 24, 2005; amended at 29 Ill. Reg. 14038, effective September 1, 2005; emergency amendment at 30 Ill. Reg. 14371, effective August 21, 2006, for a maximum of 150 days; amended at 30 Ill. Reg. 18729, effective November 20, 2006; amended at 31 Ill. Reg. 1478, effective January 1, 2007; emergency amendment at 31 Ill. Reg. 6680, effective April 23, 2007, for a maximum of 150 days; amended at 31 Ill. Reg. 12982, effective September 1, 2007; amended at 32 Ill. Reg. 7397, effective May 1, 2008; amended at 33 Ill. Reg. 12571, effective August 25, 2009; expedited correction at 34 Ill. Reg. 9551, effective August 25, 2009; emergency amendment at 35 Ill. Reg. 265, effective December 17, 2010, for a maximum of 150 days; emergency amendment at 35 Ill. Reg. 2810, effective February 1, 2011, for a maximum of 150 days; amended at 35 Ill. Reg. 7400, effective April 25, 2011; amended at 35 Ill. Reg. 8485, effective May 23, 2011; emergency amendment at 35 Ill. Reg. 15296, effective September 6, 2011, for a maximum of 150 days; emergency rule repealed by emergency amendment at 35 Ill. Reg. 18434, effective October 24, 2011, for the remainder of the 150 days; emergency amendment at 35 Ill. Reg. 18959, effective October 25, 2011, for a maximum of 150 days; amended at 36 Ill. Reg. 330, effective January 1, 2012; emergency amendment at 36 Ill. Reg. 3290, effective February 15, 2012, for a maximum of 150 days; emergency amendment at 36 Ill. Reg. 6057, effective April 6, 2012, for a maximum of 150 days; amended at 36 Ill. Reg. 8967, effective June 1, 2012; amended at 36 Ill. Reg. 12815, effective August 1, 2012; amended at 36 Ill. Reg. 17078, effective November 28, 2012; emergency amendment at 36 Ill. Reg. 17131, effective November 28, 2012, for a maximum of 150 days; amended at 37 Ill. Reg. 4993, effective April 1, 2013; emergency amendment at 38 Ill. Reg. 9121, effective April 10, 2014, for a maximum of 150 days; amended at 38 Ill. Reg. 18555, effective August 25, 2014; amended at 39 Ill. Reg. _____, effective _____.

Section 603.60 Permitted Use of Foreign Substances and Threshold Levels

- a) Non-Steroidal Anti-Inflammatories (NSAID): Threshold Levels
 - 1) Only one non-steroidal anti-inflammatory drug (NSAID) may be present in a horse's body while it is participating in a race. The presence of more than one NSAID, greater than the threshold level, is forbidden and will

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result in the purse being redistributed.

- 2) Subject to the prohibition contained in Section 603.40 (24 hour ban), the only foreign substances that now meet the criteria established in Section 603.80 are phenylbutazone, flunixin, [ketoprofen](#), pyrilamine, isoxsuprine and [the therapeutic medications listed in subsection \(f\)](#)~~ketoprofen~~.
- 3) The threshold level of phenylbutazone is 2 ~~mcg/ml~~[micrograms \(mcg\) per milliliter \(ml\)](#) of serum or plasma. The level of phenylbutazone shall be less than 2 mcg/ml of serum or plasma.
 - A) In the event a post-race sample from a horse contains an amount of phenylbutazone greater than or equal to 2 mcg/ml but less than 5 mcg/ml of serum or plasma, the trainer and any other responsible party shall be subject to the following penalties:
 - i) first offense within a 365 day period, minimum penalty of a written warning to a maximum fine of \$500;
 - ii) second offense within a 365 day period, minimum penalty of a written warning to a maximum fine of \$750 and the owner shall be notified;
 - iii) third or subsequent offense within a 365 day period, minimum fine of \$500 to a maximum fine of \$1,000 and the purse shall be redistributed.
 - B) In the event a post-race sample from a horse contains an amount of phenylbutazone greater than or equal to 5 mcg/ml of serum or plasma, the trainer and any other responsible party shall be subject to the following penalties absent mitigating circumstances:
 - i) first offense within a 365 day period, minimum fine of \$1,000 and the purse shall be redistributed;
 - ii) second offense within a 365 day period, minimum fine of \$1,500, a 15 day suspension and the purse shall be redistributed;

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- iii) third or subsequent offense within a 365 day period, minimum fine of \$2,500, a 30 day suspension, the purse shall be redistributed and the owner shall be fined a minimum of \$5,000.
- C) A finding by the Board's laboratory of any amount of oxyphenbutazone in the absence of phenylbutazone shall be treated as a Class 4 drug, as defined in the Association of Racing Commissioners International Uniform Classification Guidelines for Foreign Substances (ARCI, 1510 Newtown Pike, Suite 210, Lexington KY 40511; January 2014 version 7.00; this incorporation includes no later amendments or editions).
- 4) The threshold level of flunixin shall be less than 20 ng/ml of serum or plasma and the threshold level of ketoprofen shall be less than ~~2+0~~ ng/ml of serum or plasma. In the event a post-race sample from a horse contains an amount of:
- A) flunixin greater than or equal to 20 ng/ml but less than 100 ng/ml or ketoprofen greater than or equal to ~~2+0~~ ng/ml but less than 50 ng/ml, the trainer shall be subject to the following penalties, absent mitigating circumstances:
 - i) first offense within a 365 day period, minimum penalty of a written warning to a maximum fine of \$500;
 - ii) second offense within a 365 day period, minimum penalty of a written warning to a maximum fine of \$750 and the owner shall be notified;
 - iii) third or subsequent offense within a 365 day period, minimum fine of \$500 to a maximum fine of \$1,000 and the purse shall be redistributed.
 - B) flunixin greater than or equal to 100 ng/ml or ketoprofen greater than or equal to 50 ng/ml, the trainer shall be subject to the following penalties, absent mitigating circumstances:

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- i) first offense within a 365 day period, minimum fine of \$1,000 and the purse shall be redistributed;
 - ii) second offense within a 365 day period, minimum fine of \$1,500, a 15 day suspension and the purse shall be redistributed;
 - iii) third or subsequent offense within a 365 day period, minimum fine of \$2,500, a 30 day suspension, the purse shall be redistributed and the owner shall be fined a minimum of \$5,000.
- 5) If the phenylbutazone, flunixin or ketoprofen overage is due to the negligence of the veterinarian attending the horse, the veterinarian shall be subject to the same penalties as are set forth in subsections (a)(3)(A) and (B) and (a)(4)(A) and (B).
- 6) Penalties for violations of this Section shall be based on the following criteria:
 - A) previous warnings and rulings for violations of this Section;
 - B) the age and experience of the violator;
 - C) whether the violator has ever been the subject of a medication ruling in this or any other racing jurisdiction;
 - D) what action, if any, was taken to avoid the violation;
 - E) the purse of the race.
- b) The following foreign substances may be administered externally to a horse entered to a race: Leg paints and liniment that do not contain any "caine" derivatives, pharmacodynamic and/or chemotherapeutic agents, and that can be applied topically without penetrating the skin.
- c) Subject to the prohibition contained in Section 603.40 (24-hour ban), the following foreign substances, commonly referred to as anti-bacterial, anti-fungal, anti-protozoal or anti-ulcer drugs, may be present in the body of a horse

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participating in a race.

1) Anti-Bacterials

Amikacin
Ampicillin
Ampicillin sodium
Azolsulfamide
Chloramphenicol
Doxycycline
Enrofloxacin (Baytril)
Erythromycin sulfate
Gentamicin sulfate
Kanamycin sulfate
Methenamine
Metronidazole
Neomycin sulfate
Nitrofurantoin
Oxytetracycline
Penicillin G. Benzathine
Penicillin G. Potassium
Sulfadimethazine
Sulfadimethoxine
Sulfamethoxazole
Sulfametranidazole
Sulfapyridine
Sulfathiazole
Tetracycline
Trimethoprim

2) Anti-Fungals

Amphotericin B
Griseofulvin
Neomycin Undecylenate
Nystatin

3) Anti-Protozoals

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Nitazoxanide (Navigator)
Ponazuril (Marquis)
Pyrimethamine (Daraprim)

4) Anti-Ulcers

Cimetidine (Tagamet)
~~Omeprazole (Prilosec or GastroGard)~~
Ranitidine (Zantac)

- d) This listing of anti-bacterial, anti-fungal, anti-protozoal and anti-ulcer drugs is all inclusive and shall not include any other anti-bacterial, anti-fungal, anti-protozoal or anti-ulcer drug, except as provided in subsection (f).
- e) A foreign substance of accepted therapeutic value may be administered as prescribed by a veterinarian when threshold levels and guidelines for its use have been approved by the Board and this Part has been duly amended. The Board shall give due consideration to threshold levels and guidelines, when making additions to the permitted list, that have been established by the Association of Racing Commissioners International (ARCI, 1510 Newtown Pike, Suite 210, Lexington KY 40511; January 2014 version 7.00; this incorporation includes no later amendments or editions).
- f) The use of the following therapeutic medications shall be permitted. The official test samples may contain the following therapeutic medications in concentrations less than the following threshold levels:
- 1) Acepromazine – 10 ng/ml as 2-(1-hydroxyethyl) promazine sulfoxide (HEPS) in urine.
 - 2) Albuterol – 1 ng/ml in urine.
 - 3) Betamethasone – 10 pg/ml in serum or plasma.
 - 4) Butorphanol – 300 ng/ml of total butorphanol in urine.
 - 5) Clenbuterol –140 pg/ml in urine.
 - 6) Dantrolene –100 pg/ml of 5-hydroxydantrolene in serum or plasma.

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- 7) Detomidine – Level of Detection for detomidine in serum or plasma.
- 8) Dexamethasone – Level of Detection (which is not less than 5 pg/ml) in serum or plasma.
- 9) Diclofenac – 5 ng/ml in serum or plasma.
- 10) Dimethyl sulfoxide (DMSO) – 10 mcg/ml in serum or plasma.
- 11) Firocoxib – 20 ng/ml in serum or plasma.
- 12) Furosemide – 100 ng/ml in serum or plasma.
- 13) Glycopyrrlate – 3 pg/ml in serum or plasma.
- 14) Isoflupredone – 100 pg/ml in serum or plasma.
- 15) Lidocaine – 20 pg/ml of total 3-hydroxylicocaine in serum or plasma.
- 16) Mepivacaine – 10 ng total hydroxymepivacaine/ml in urine.
- 17) Methocarbamol – 1 ng/ml in serum or plasma.
- 18) Methylprednisolone – 100 pg/ml in serum or plasma.
- 19) Omeprazole – 1 ng/ml in urine.
- 20) Prednisolone – 1 ng/ml in serum or plasma.
- 21) Procaine penicillin – 25 ng/ml of procaine in serum or plasma. Procaine penicillin must be reported to the Board at time of administration and shall not be administered after the horse is entered to race.
- 22) Triamcinolone acetonide – 100 pg/ml in serum or plasma.
- 23) Xylazine – 10 pg/ml in serum or plasma.

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- g) Laboratory reports of the therapeutic medications listed in subsection (f) greater than or equal to their respective threshold level shall be treated as they are defined and classified in the Association of Racing Commissioners International Uniform Classification Guidelines for Foreign Substances (ARCI, 1510 Newtown Pike, Suite 210, Lexington KY 40511; January 2014 version 7.00; this incorporation includes no later amendments or editions).
- hf) Official test samples may contain the following drug substance, or its metabolites, in a concentration less than~~an amount that does not exceed~~ the threshold level:
- 1) Isoxsuprine ~~The threshold level of isoxsuprine~~ shall be less than 1,000 ng/ml in urine.
 - 2) Pyrilamine ~~The threshold level of O-desmethyl pyrilamine~~ shall be less than 50 ng/ml of O-desmethyl pyrilamine in urine.
- ig) The provisions of this Section shall be applied retroactively when substantively applicable, including all actions pending before the Board without regard to when the cause of action accrued; provided, however, that this subsection shall not operate to affect rights of individuals that have fully vested.
- jh) To help licensees~~horsemen~~ determine the test levels of substances contained in this Section, the Board laboratory will test, at the sole expense of the licensee for the actual cost of processing the sample, all equine urine, serum or plasma samples submitted to it that are accompanied by a certification~~an affidavit~~ indicating time, method and route of administration.

(Source: Amended at 39 Ill. Reg. _____, effective _____)

Section 603.70 Furosemide

- a) The Board recognizes that Exercise Induced Pulmonary Hemorrhage (EIPH) is almost universal in performance horses. The Board also recognizes that the diuretic furosemide is helpful in the management of the EIPH syndrome, this includes horses that already had a bleeding episode as well as horses that have not yet exhibited the epistaxis. In regulating the race day use of furosemide, the Board has placed strict controls on the dose, route and time the medication is administered. Additionally, Board security personnel monitors these horses during and after the administration. Advances in drug testing techniques permit

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the Board laboratory to quantitate post-race serum samples for furosemide, providing a thorough regulation of the drug. All of these measures are designed to prevent the misuse of furosemide.

b) Eligibility for Furosemide Treatment

A horse is eligible to race with furosemide if at least one of the following occurs:

- 1) The horse is on the Illinois Furosemide List and has complied with subsection (c);
- 2) The horse is on the Illinois Bleeder List and has complied with subsection (d);
- 3) The trainer provides the State Veterinarian or his or her designee with evidence that the horse is on the Furosemide List or Bleeder List in another racing jurisdiction. Acceptable evidence shall be a furosemide or bleeder certificate approved by an official veterinarian. The certification date shall be the date shown on the furosemide or bleeder certificate;
- 4) The trainer provides the State Veterinarian or his or her designee with evidence that the horse has been running consistently, up to its last start, with furosemide in other racing jurisdictions as shown on the official past performance lines. Acceptable past performance lines for thoroughbreds and/or quarter horses shall be Equibase and/or Racing Form. Acceptable past performance lines for standardbreds shall be the official past performances of the United States Trotting Association (USTA) or Canadian Trotting Association (CTA) or the eligibility papers. The certification date shall be the earliest available date the horse shows running with furosemide on the official past performance lines. If the past performance lines of a horse show that the horse has been running on and off furosemide in other racing jurisdictions, the horse shall not be permitted to run with furosemide in Illinois, unless the occasions the horse ran without furosemide were due to rule restrictions imposed on the horse by those particular racing jurisdictions.

c) Furosemide List

Furosemide shall be administered to a horse that is entered to race only after the State Veterinarian has placed the horse on the Furosemide List. In order for a

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horse to be placed on the Furosemide List, the following process shall be followed:

- 1) After the horse's licensed trainer and licensed veterinarian determine that it would be in the horse's best interests to race with furosemide, they shall notify the State Veterinarian or his or her designee, using the prescribed form provided by the Board, that they wish the horse to be placed on the Furosemide List.
 - 2) The form must be received by the State Veterinarian or his or her designee no later than the time of entry to ensure public notification prior to race participation.
 - 3) A horse placed on the Furosemide List must remain on that list until the licensed trainer and licensed veterinarian submit a written request to remove the horse from the list. The request must be made to the State Veterinarian or his or her designee, on the proper form, no later than the time of entry.
 - 4) After a horse has been removed from the Furosemide List, the horse may not be placed back on the list for a period of 60 calendar days unless it is determined, in consultation with the State Veterinarian, to be detrimental to the welfare of the horse. If a horse is removed from the Furosemide List a second time in a 365-day period, the horse may not be placed back on the list for a period of 90 calendar days.
- d) Bleeder List
- 1) The State Veterinarian shall maintain a Bleeder List of all horses that have demonstrated:
 - A) External evidences of exercise induced pulmonary hemorrhage from one or both nostrils during or after a race or workout, as observed by an official veterinarian.
 - B) Internal evidences of exercise induced pulmonary hemorrhage via endoscopy reported by a licensed practicing veterinarian on a Board approved form.

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- 2) Every confirmed bleeder, regardless of age, shall be placed on the Bleeder List and be ineligible to race for the following time periods:
 - A) First incident – 14 days;
 - B) Second incident within a 365 day period – 30 days;
 - C) Third incident within a 365 day period – 180 days;
 - D) Fourth incident within a 365 day period – Barred from racing for its lifetime.
 - 3) For the purposes of counting the number of days a horse is ineligible to run, the day the horse bled is the first day of the recovery period.
 - 4) After the expiration of the barred periods in subsections (d)(2)(A), (B) and (C), a horse must perform a workout, without bleeding, to the satisfaction of the State Veterinarian. Prior to the workout, a blood sample may be collected by the State Veterinarian and sent to the Board laboratory for testing. After the workout, the State Veterinarian may witness an endoscopic examination of the horse to confirm that it has not bled.
 - 5) All horses on the Bleeder List that are eligible to race shall be administered furosemide pursuant to subsection (f).
- e) Furosemide Administration
- 1) All horses on the Furosemide List must be treated with furosemide in order to be permitted to participate in a race. Test results must show a detectable concentration of the drug in the post-race urine sample if a horse is on the Furosemide List.
 - 2) Furosemide shall be administered between 4 hours and 15 minutes and 3 hours and 45 minutes prior to the scheduled post time of the race in which a horse is entered.
 - 3) A Board licensed veterinarian shall administer not less than 150 mg and not more than 500 mg of furosemide by single intravenous injection and shall verify the administration on Board prescribed affidavits no later than

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one hour prior to the post time for the race for which the horse is entered.

- 4) The trainer or his or her licensed employee shall witness the furosemide administration.
 - 5) The administration of furosemide may take place in the horse's own stall or in a centralized location.
 - 6) Failure to administer furosemide in accordance with subsection (e)(2) may result in the horse being scratched from the race by the Stewards and the trainer may be fined not less than \$200 and not more than \$500.
- f) Removal from Bleeder List
- 1) Once a horse is placed on the Bleeder List, it must continue to race with furosemide unless the removal from the list is approved by the State Veterinarian. The State Veterinarian may remove a horse from the Bleeder List upon written request of the trainer, if the horse's performance is negatively affected by the use of furosemide or if the horse has an adverse physiological reaction to furosemide.
 - 2) Once removed from the Bleeder List, a thoroughbred horse shall be ineligible to participate in a race for a minimum of 30 days. A standardbred horse shall be ineligible for a minimum of 14 days. The ineligibility period shall be counted from the day the State Veterinarian approves the removal of the horse from the Bleeder List. Prior to starting in a race, a horse must participate without furosemide in a qualifying race or perform an official workout without bleeding, to the satisfaction of the State Veterinarian. Prior to the qualifying race or workout, a blood sample may be collected by the State Veterinarian and sent to the Board laboratory for testing. After the qualifying race or workout, the State Veterinarian may witness an endoscopic examination of the horse to confirm that it has not bled.
- g) Absence of Furosemide
- In the event a horse listed on the furosemide list races without furosemide, the horse shall be disqualified and any purse money earned by the horse redistributed. In addition, the stewards may suspend or fine the trainer and/or veterinarian not less than \$200 and not more than ~~\$1,500~~500.

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- h) Excessive Use of Furosemide
- 1) The test level for furosemide shall be less than 100 ng/ml in nanograms (ng) per milliliter (ml) of serum or plasma. A horse shall not carry in its body an amount of furosemide greater than or equal to 100 ng/ml in serum or plasma, in conjunction with urine that has a specific gravity of less than 1.010.
 - 2) If the laboratory reports an official test sample of furosemide greater than or equal to 100 ng/ml and specific gravity less than 1.010, the trainer shall be subject to the following penalties:
 - A) For a first offense, the trainer shall be fined \$250;
 - B) For a second offense within a 365 day period after the first offense, the trainer shall be fined \$500;
 - C) For a third or subsequent offense within a 365 day period after the first offense, the trainer shall be fined \$1,000 and/or suspended for 15 days and the purse shall be redistributed.
 - ~~2) The first time the laboratory reports an amount of furosemide in excess of 100 nanograms, the trainer shall be fined \$250.~~
 - ~~3) The second time the laboratory reports an amount of furosemide in excess of 100 nanograms within 365 days after the first offense, the trainer shall be fined \$500.~~
 - ~~4) For a third or subsequent laboratory report of an amount of furosemide in excess of 100 nanograms within 365 days after the first offense, the trainer shall be fined \$1,000 and/or suspended for 15 days and the purse shall be redistributed.~~
 - ~~35) When imposing penalties, the stewards shall consider the criteria in Section 603.160(b)(3), (4), (5) and (6) of this Part.~~
- i) Trainer's Responsibilities for Horses on the Furosemide List

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- 1) The trainer shall be responsible for:
 - A) providing the racing office at the time of entry with accurate information regarding the use of furosemide on horses he/she enters to race;
 - B) providing the information required for furosemide approval of his/her horses to Board staff coordinating the administration of furosemide;
 - C) notifying his/her veterinarian of furosemide horses and the date and times for race day treatment;
 - D) having horses on the furosemide list stabled at the barn and in the stall assigned by the Racing Secretary or his/her designee;
 - E) posting a "Security Stall" sign on the stalls of his/her horses entered to race (see 11 Ill. Adm. Code 436);
 - F) ensuring horses are treated with furosemide on race day at the prescribed time, witnessing the administration of furosemide and guarding the horse until the horse is taken to the paddock (see 11 Ill. Adm. Code 436).
 - 2) The stewards may suspend the trainer or assess a fine of no less than \$200 and no more than \$500 for violation of this subsection (i).
- j) Veterinarian's Responsibilities
- 1) The practicing veterinarian shall be responsible for:
 - A) administering the proper furosemide medication and dose at the proper time to the proper horse.
 - B) providing Board staff, upon request, with any documentation related to horses that are stabled on approved facilities and medication samples and/or paraphernalia used to administer any medication to a horse. Samples and/or paraphernalia may be sent to the Board laboratory for testing.

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- 2) The stewards may suspend the veterinarian or assess a fine of no less than \$200 and no more than \$500 for violations of this subsection (j).
- k) Security
- 1) Each horse racing with furosemide shall be detained in a stall assigned by the Racing Secretary at least 4 hours and 15 minutes before the post time of the race in which it is entered, and shall remain in the stall until taken to the paddock to be saddled or harnessed for the race, except that the stewards may permit horses to leave the "security stall" to engage in exercise blow-outs or warm-up heats.
 - 2) The barn area is a secure area and shall be under the supervision of the Board.
 - 3) No unauthorized person shall approach the security area. If any unauthorized person does approach the security area, a report of the incident is to be made immediately to one of the State Veterinarians, the stewards or a Board investigator.
 - 4) Board staff may direct a veterinarian to take a blood sample immediately prior to the administration of furosemide to be submitted to the Board's laboratory for analysis.
 - 5) Board staff may collect from a veterinarian the syringe containing any medication about to be administered to a horse for testing at the Board laboratory.
- l) This Section shall apply to all horses entering in and competing in race meetings as defined in Section 3.07 of the Act [230 ILCS 5/3.07], as well as all horses shipping in from other racing jurisdictions, domestic or foreign.

(Source: Amended at 39 Ill. Reg. _____, effective _____)

Section 603.75 Environmental Contaminants

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The following drugs are recognized as substances that unavoidably become part of the food supply or environment of the horse, or are recognized as substances of human use and addiction and that could be found in the horse due to its close association with humans:-

- a) Benzoyllecgonine (a metabolite of cocaine):
- 1) Each time the laboratory reports benzoyllecgonine in a concentration less than 150 ng/ml in urine, the Stewards shall conduct an inquiry. The presence of benzoyllecgonine in the horse shall be considered reasonable cause to order a drug screen on the trainer, groom or any other licensed person who cares for the horse pursuant to 11 Ill. Adm. Code Section 508.50.
 - 2) Laboratory reports of benzoyllecgonine in a concentration, greater than or equal to 150 ng/ml, shall be treated as a Class 1 drug, as defined in the Association of Racing Commissioners International Uniform Classification Guidelines for Foreign Substances (ARCI, 1510 Newtown Pike, Suite 210, Lexington KY 40511; January 2014 version 7.00; this incorporation includes no later amendments or editions).
- b) Dimethyl Sulfoxide (DMSO):
~~The test level of DMSO, greater than or equal to 500 mcg/ml, in urine shall be considered a violation of Section 603.50 and the trainer shall receive a fine of not less than \$500 and the purse shall be redistributed.~~
- be) Caffeine:
Laboratory reports of caffeine in a concentration greater than or equal to 100 ng/ml in urine shall be treated as a Class 2 drug, as defined in the Association of Racing Commissioners International Uniform Classification Guidelines for Foreign Substances (ARCI, 1510 Newtown Pike, Suite 210, Lexington KY 40511; January 2014 version 7.00; this incorporation includes no later amendments or editions).
- c) Theobromine:
Laboratory reports of theobromine in a concentration greater than or equal to 2 mcg/ml in urine shall be treated as a Class 4 drug, as defined in the Association of Racing Commissioners International Uniform Classification Guidelines for Foreign Substances (ARCI, 1510 Newtown Pike, Suite 210, Lexington KY

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40511; January 2014 version 7.00; this incorporation includes no later amendments or editions).

(Source: Amended at 39 Ill. Reg. _____, effective _____)

Section 603.210 Androgenic-Anabolic Steroids (AAS)

- a) No AAS shall be permitted in test samples collected from racing horses except for endogenous concentrations of the naturally occurring substances~~residues of the major metabolite of stanozolol, nandrolone, and the naturally occurring substances~~ boldenone and testosterone at concentrations less than the threshold levels indicated in subsection (b)~~indicated thresholds~~.
- b) Concentrations of these AAS shall not exceed the following threshold concentrations for total (i.e., free drug or metabolite and drug or metabolite liberated from its conjugates) drug:
- 1) ~~In urine:~~
 - A) ~~16 β -hydroxystanozolol (metabolite of stanozolol (Winstrol)) 1 ng/ml in urine for all horses regardless of sex.~~
 - B) ~~Boldenone (Equipoise[®] is the undecylenate ester of boldenone) in male horses other than geldings 15 ng/ml in urine. No boldenone shall be permitted in geldings or female horses.~~
 - C) ~~Nandrolone (Durabolin[®] is the phenylpropionate ester and Deca-Durabolin[®] is the decanoate ester)~~
 - i) ~~In geldings — 1 ng/ml in urine.~~
 - ii) ~~In fillies and mares 1 ng/ml in urine.~~
 - iii) ~~In male horses other than geldings — 45 ng/ml of metabolite, 5 α -oestrane 3 β ,17 α -diol in urine.~~
 - D) ~~Testosterone =~~
 - i) ~~In geldings — 20 ng/ml in urine.~~

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- ii) ~~In fillies and mares — 55 ng/ml in urine.~~
 - iii) ~~Male horses other than geldings will not be tested; or~~
- b) Concentrations of these AAS shall be less than the following free (i.e., not conjugated) steroid concentrations in plasma or serum:
- 2) ~~In plasma:~~
 - A) ~~Stanozolol — screening limit no greater than 100 pg/ml in serum or plasma with a confirmatory threshold no greater than 25 pg/ml for all horses regardless of sex.~~
 - 1B) ~~Boldenone — shall be less screening limit no greater than 100 pg/ml in serum or plasma with a confirmatory threshold no greater than 25 pg/ml for all horses regardless of sex.~~
 - 2C) ~~Nandrolone — shall be less screening limit no greater than 100 pg/ml in serum or plasma with a confirmatory threshold no greater than 25 pg/ml for geldings, and fillies and mares. Male horses other than geldings will not be tested.~~
 - 3D) ~~Testosterone — in fillies, mares, and i) In geldings — shall be less screening limit no greater than 100 pg/ml in serum or plasma with a confirmatory threshold no greater than 25 pg/ml.~~
 - ii) ~~In fillies and mares screening limit no greater than 100 pg/ml in serum or plasma with a confirmatory threshold no greater than 25 pg/ml.~~
 - iii) ~~In male horses other than geldings confirmatory threshold no greater than 2,000 pg/ml in serum or plasma.~~
- c) All other AAS are prohibited in racing horses.
- d) The sex of the horse must be identified to the laboratory on all pre-race and post-race samples~~Post-race urine and blood samples collected from intact males must be identified to the laboratory.~~

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- e) ~~If Any horse to which~~ an anabolic steroid has been administered ~~to a horse~~ in order to assist in the recovery from illness or injury, ~~the horse~~ may be placed on the ~~Veterinarian's List~~~~veterinarian's list~~ in order to monitor the concentration of the drug or metabolite in ~~serum or plasma~~~~urine~~. After the concentration has fallen below the designated threshold for the administered AAS, the horse is eligible to be removed from the list.

(Source: Amended at 39 Ill. Reg. _____, effective _____)

ILLINOIS COMMERCE COMMISSION

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- 1) Heading of the Part: Tariff Filings
- 2) Code Citation: 83 Ill. Adm. Code 745
- 3)

<u>Section Numbers:</u>	<u>Adopted Action:</u>
745.20	Amendment
745.100	Amendment
745.200	Amendment
745.221	Amendment
- 4) Statutory Authority: Implementing Sections 13-501, 13-502, 13-503, 13-504 and 13-505 of, and authorized by Section 10-101 of, the Public Utilities Act [220 ILCS 5/13-501, 13-502, 13-503, 13-504, 13-505 and 10-101]
- 5) Effective Date of Rule: November 17, 2014
- 6) Does this rule contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rule, including any material incorporated by reference, is on file in the Commission's Springfield office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: January 10, 2014; 38 Ill. Reg. 671
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version: No substantive changes have been made.
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? No changes were required.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: PA 98-45 amended Section 13-505 of the Public Utilities Act to relax certain requirements for tariff filings by providers of competitive

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telecommunications services. Section 13-505 now allows changes in rates for competitive services to be effective upon either the filing of a tariff with the Commission or the posting of the information to a provider's website. Section 13-505 also makes newspaper publication of information about rate increases an optional, additional avenue for customer notification. Section 13-501 was amended similarly to allow website postings as an alternative for tariff filings for competitive services. The amendments made by this rulemaking to Sections 745.20, 745.100, 745.200, and 745.221 reflect these statutory changes.

- 16) Questions or requests for information about this adopted rule shall be directed to:

Brian W. Allen
Office of General Counsel
Illinois Commerce Commission
527 East Capitol Avenue
Springfield IL 62701

217/558-2387

The full text of the Adopted Amendments begins on the next page:

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

TITLE 83: PUBLIC UTILITIES
CHAPTER I: ILLINOIS COMMERCE COMMISSION
SUBCHAPTER f: TELEPHONE UTILITIES

PART 745
TARIFF FILINGS

SUBPART A: GENERAL PROVISIONS

Section	
745.10	Applicability
745.15	Definitions
745.20	General Filing Requirements
745.30	Classification of Tariffs
745.40	Temporary Corrections

SUBPART B: NONCOMPETITIVE TARIFFS

Section	
745.100	Filing Requirements for Noncompetitive Tariffs
745.110	Simplified Noncompetitive Tariff Filings Under Section 13-504

SUBPART C: COMPETITIVE TARIFFS

Section	
745.200	Filing Requirements for Competitive Tariffs
745.210	Additional Provisions Concerning Tariffs Filed Under Section 13-502(e) (Repealed)
745.220	Post-filing Proceedings Under Section 13-502(e) (Repealed)
745.221	Rate Changes for Competitive Services
745.225	Interim Orders (Repealed)
745.230	Information Available to the Public

SUBPART D: RECLASSIFICATION OF SERVICES

Section	
745.300	Reclassification
745.EXHIBIT A	Notice of Competitive Tariff Filing Under Section 13-502(e)

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745.EXHIBIT B (Repealed)
Notice of Simplified Noncompetitive Tariff Filing Under Section 13-504

AUTHORITY: Implementing Sections 13-501, 13-502, 13-503, 13-504 and 13-505 of, and authorized by Section 10-101 of, the Public Utilities Act [220 ILCS 5/13-501, 13-502, 13-503, 13-504, 13-505 and 10-101].

SOURCE: Emergency rules adopted at 10 Ill. Reg. 765, effective January 1, 1986, for a maximum of 150 days; adopted at 10 Ill. Reg. 10515, effective May 30, 1986; amended at 11 Ill. Reg. 8988, effective May 1, 1987; amended at 17 Ill. Reg. 10258, effective July 1, 1993; amended at 23 Ill. Reg. 1597, effective February 1, 1999; amended at 36 Ill. Reg. 15048, effective October 1, 2012; amended at 38 Ill. Reg. 22045, effective November 17, 2014.

SUBPART A: GENERAL PROVISIONS

Section 745.20 General Filing Requirements

- a) *No telecommunications carrier shall offer or provide noncompetitive telecommunications service, telecommunications service subject to Section 13-506.2(g), 13-900.1 or 13-900.2 of the Act, or telecommunications service referred to in an interconnection agreement as a tariffed service, unless and until a tariff is filed with the Commission which complies with this Part and which describes the nature of the service, applicable rates and other charges, terms and conditions of service, and the exchange, exchanges or other geographical area or areas in which the service shall be offered or provided. (Section Sections-13-501(a) and 13-506.2(i) of the Act)*
- b) *A telecommunications carrier shall offer or provide telecommunications service that is not subject to Section 13-501(a) of the Act and subsection (a) of this Section pursuant to either a tariff filed with the Commission or a written service offering that shall be available on the telecommunications carrier's website as required by Section 13-503 of the Act and that describes the nature of the service, applicable rates and other charges, terms and conditions of service. (Section 13-501(c) of the Act)*
- ~~b)~~ *As required by Section 13-503 of the Act, with respect to rates or other charges made, demanded or received for any telecommunications service offered, provided or to be provided that is subject to Section 13-501(a) of the Act and*

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subsection (a) of this Section, ~~whether such service is competitive or noncompetitive, and with the exception of rates or other charges for competitive retail telecommunications services provided by Electing Providers pursuant to Section 13-506.2 of the Act,~~ telecommunications carriers shall comply with the publication and filing provisions of Sections 9-101, 9-102, 9-102.1 and 9-2019-103 of the Act.

- de) As required by Section 13-503 of the Act, except for the provision of services offered or provided by payphone providers pursuant to a tariff, *telecommunications carriers shall make all tariffs and all written service offerings for competitive telecommunications service available electronically to the public without requiring a password or other means of registration.*

(Source: Amended at 38 Ill. Reg. 22045, effective November 17, 2014)

SUBPART B: NONCOMPETITIVE TARIFFS

Section 745.100 Filing Requirements for Noncompetitive Tariffs

- a) In addition to the requirements imposed by Subpart A and Section 745.230, telecommunications carriers shall, with respect to tariffs for noncompetitive services, comply with the requirements imposed by Article XIII of the Public Utilities Act and by 83 Ill. Adm. Code 255.30 and 285.
- b) With respect to tariffs for noncompetitive service, a telecommunications carrier shall provide notice of the filing of a general rate increase, as defined in 83 Ill. Adm. Code 255.10, by:
- 1) providing notice in accordance with 83 Ill. Adm. Code 255.20(f); or
 - 2) providing notice, no later than 10 days following the filing, to potentially affected customers by letters, post cards, bill messages or electronic mail.
- c) With respect to tariffs for noncompetitive service, a telecommunications carrier shall provide notice of the filing of a change other than a general rate increase, as defined in 83 Ill. Adm. Code 255.10, by:
- 1) providing notice in accordance with 83 Ill. Adm. Code 255.20(b);

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- 2) providing notice to potentially affected customers by letters, post cards, bill messages, or electronic mail; or
- 3) posting notice of the change in a conspicuous location on the page of the carrier's website where the tariff is located.

(Source: Amended at 38 Ill. Reg. 22045, effective November 17, 2014)

SUBPART C: COMPETITIVE TARIFFS

Section 745.200 Filing Requirements for Competitive Tariffs

- a) Telecommunications~~In addition to the requirements imposed by Subpart A of this Part, telecommunications~~ carriers shall, with respect to tariffs filed pursuant to Sections~~Section 13-502~~ of the Act under which competitive telecommunications services are to be offered or provided, comply with the requirements imposed on public utilities by 83 Ill. Adm. Code 255.30 (except subsections (i) and (j)) ~~and with the remainder of this Section.~~
- b) All tariffs classifying a service as competitive shall clearly state that they are being filed pursuant to Section 13-502(b) or 13-506.2 of the Act.
- c) All such tariffs classifying a service as competitive, with the exception of competitive retail telecommunications services provided underby Electing Providers pursuant to Section 13-506.2 of the Act, shall be accompanied by a verified statement (see 83 Ill. Adm. Code 200.130) that:
 - 1) specifically alleges that, for some identifiable class or group of customers in an exchange, group of exchanges, or some other clearly defined geographical area, that service, or its functional equivalent, or a substitute service, is reasonably available from more than one provider, whether or not the provider is a telecommunications carrier subject to regulation under the Act;
 - 2) specifically identifies, through the use of descriptions, maps or equivalent means, the identifiable class or group of customers in an exchange, group of exchanges or other clearly defined geographical area for which the classification is made;

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- 3) specifically describes the service, its functional equivalent, or the substitute service for which classification is being made; and
- 4) specifies:
 - A) one or more entities that provide the same service, its functional equivalent, or a substitute service; and
 - B) the identifiable class or group of customers in an exchange, group of exchanges or other clearly defined geographical area to whom ~~the such~~ service is offered by ~~that such~~ entity or entities.
- d) ~~If a telecommunications carrier which files a tariff classifying a service as competitive or reclassifying a previously noncompetitive telecommunications service as competitive also offers or provides noncompetitive telecommunications service, it shall file a study of the long-run service incremental cost for the service being classified as competitive at the time the tariff is filed, except when such service is a competitive retail telecommunications service provided by an Electing Provider pursuant to Section 13-506.2 of the Act (Section 13-502 of the Act).~~
- de) Tariffs filed pursuant to Section 13-502(b) or 13-506.2 of the Act take effect immediately upon filing.

(Source: Amended at 38 Ill. Reg. 22045, effective November 17, 2014)

Section 745.221 Rate Changes for Competitive Services

- a) Requirements for proposed changes in rates for competitive services are found in Section 13-505 of the Act.
- b) *Notice of an increase shall be given, no later than the prior billing cycle, to all potentially affected customers by mail, ~~publication in a newspaper of general circulation,~~ or equivalent means of notice, including electronic if the customer has elected electronic billing. Additional notice by publication in a newspaper of general circulation may also be given. (Section 13-505 of the Act)-*

(Source: Amended at 38 Ill. Reg. 22045, effective November 17, 2014)

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- 1) Heading of the Part: The Illinois Oil and Gas Act
- 2) Code Citation: 62 Ill. Adm. Code 240
- 3) Section Number: 240.796 Adopted Action:
New Section
- 4) Statutory Authority: Implementing and authorized by the Hydraulic Fracturing Regulatory Act [225 ILCS 732]
- 5) Effective Date of Rule: November 14, 2014
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rulemaking, including all material incorporated by reference, is on file in the Department of Natural Resources' principal office and is available for public inspection.
- 9) Notice of Proposed published in the *Illinois Register*: November 15, 2013, 37 Ill. Reg. 18081
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between the Proposed and Final Version: Some grammatical, formatting and punctuation modifications were made that did not affect the substance of the rule. In addition to the grammatical formatting and punctuation modifications, the following substantive changes were made:

First Notice Changes:

In subsection (d), the magnitudes for yellow and red light alerts were reduced.

In subsection (c)(3), new seismic monitoring consultation requirements were included.

The radii were increased.

In subsection (g), induced seismicity reporting requirements were modified.

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Second Notice Changes:

Subsection (b) was modified to indicate that seismic activity in a neighboring state must be in an adjacent county to Illinois.

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: Implementing administrative rules to regulate the monitoring of Class II UIC wells receiving any Class II Fluids or hydraulic fracturing flowback from wells where high volume horizontal hydraulic fracturing operation were conducted for the purpose of determining whether such Class II UIC wells are contributing to seismic activity. The administrative rules will also regulate when the Department will notify Class II UIC well permittees of induced seismic activity in the area and how to mitigate the operations of Class II UIC wells to reduce future induced seismicity events.
- 16) Information and questions regarding this adopted rule shall be directed to:

Jeffrey P. Smith
General Counsel
Illinois Department of Natural Resources
One Natural Resources Way
Springfield IL 62702-1271

217/782-1809

The full text of the Adopted Amendment begins on the next page:

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TITLE 62: MINING

CHAPTER I: DEPARTMENT OF NATURAL RESOURCES

PART 240

THE ILLINOIS OIL AND GAS ACT

SUBPART A: GENERAL PROVISIONS

Section	
240.10	Definitions
240.20	Prevention of Waste (Repealed)
240.30	Jurisdiction (Repealed)
240.40	Enforcement of Act (Repealed)
240.50	Delegation of Authority (Repealed)
240.60	Right of Inspection (Repealed)
240.70	Right of Access (Repealed)
240.80	Sworn Statements (Repealed)
240.90	Additional Reports (Repealed)
240.100	When Rules Become Effective (Repealed)
240.110	Notice of Rules (Repealed)
240.120	Forms (Repealed)
240.130	Hearings – Notices (Repealed)
240.131	Unitization Hearings
240.132	Integration Hearings
240.133	Hearings to Establish Pool-Wide Drilling Units
240.140	Violations Not Requiring Formal Action
240.150	Notice of Violation
240.155	Civil Complaint
240.160	Director's Decision
240.170	Cessation Order (Repealed)
240.180	Enforcement Hearings and Enforcement Cessation Orders
240.185	Cessation of Oil Production Operations
240.186	Cessation of Conditions Creating an Imminent Danger to Public Health and Safety and the Environment
240.190	Temporary Relief Hearings
240.195	Subpoenas

SUBPART B: PERMIT APPLICATION PROCEDURES FOR PRODUCTION WELLS

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Section	
240.200	Applicability
240.210	Application for Permit to Drill, Deepen or Convert to a Production Well
240.220	Contents of Application
240.230	Authority of Person Signing Application
240.240	Additional Requirements for Directional Drilling
240.245	Additional Requirements for Horizontal Drilling
240.250	Issuance of Permit to Drill or Operate
240.251	Revocation of Permit to Drill
240.255	Conversion of a Production Well to a Water Well
240.260	Change of Well Location
240.270	Application for Approval of Enhanced Recovery Injection and Disposal Operations (Repealed)
240.280	Duration of Underground Injection Well Orders (Repealed)

SUBPART C: PERMIT APPLICATION PROCEDURES FOR CLASS II UIC WELLS

Section	
240.300	Applicability
240.305	Transfer of Management (Recodified)
240.310	Application for Permit to Drill, Deepen, or Convert or Amend to a Class II UIC Well
240.311	Application for Freshwater Aquifer Exemption
240.312	Freshwater Aquifer Exemptions
240.320	Contents of Application
240.330	Authority of Person Signing Application
240.340	Proposed Well Construction and Operating Parameters
240.350	Groundwater and Potable Water Supply Information
240.360	Area of Review
240.370	Public Notice
240.380	Issuance of Permit
240.385	Conversion of a Class II Well to a Water Well
240.390	Permit Amendments
240.395	Update of Class II UIC Well Permits Issued Prior to July 1, 1987

SUBPART D: SPACING OF WELLS

Section	
240.400	Definitions

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240.410	Drilling Units
240.420	Well Location Exceptions within Drilling Unit
240.430	Drilling Unit Exceptions
240.440	More Than One Well on a Drilling Unit
240.450	Directional Drilling
240.455	Horizontal Drilling
240.460	Modified Drilling Unit
240.465	Special Drilling Unit
240.470	Establishment of Pool-Wide Drilling Units Based Upon Reservoir Characteristics

SUBPART E: WELL DRILLING,
COMPLETION AND WORKOVER REQUIREMENTS

Section	
240.500	Definitions
240.510	Department Permit Posted
240.520	Drilling Fluid Handling and Storage
240.525	Saltwater or Oil Based Drilling Fluid Handling and Storage
240.530	Completion Fluid and Completion Fluid Waste Handling and Storage
240.540	Drilling and Completion Pit Restoration
240.550	Disposal of General Oilfield Wastes and Other Wastes

SUBPART F: WELL CONSTRUCTION, OPERATING AND REPORTING
REQUIREMENTS FOR PRODUCTION WELLS

Section	
240.600	Applicability
240.605	Drilled Out Plugged Hole (DOPH) Notification
240.610	Construction Requirements for Production Wells
240.620	Remedial Cementing of Leaking Wells
240.630	Operating Requirements
240.640	Reporting Requirements
240.650	Confidentiality of Well Data
240.655	Mechanical Integrity Testing for Class II Injection Wells (Repealed)
240.660	Monitoring and Reporting Requirements for Enhanced Recovery Injection and Disposal Wells (Repealed)
240.670	Avoidable Waste of Gas (Repealed)
240.680	Escape of Unburned Gas Prohibited (Repealed)

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SUBPART G: WELL CONSTRUCTION, OPERATING
AND REPORTING REQUIREMENTS FOR CLASS II UIC WELLS

Section	
240.700	Applicability and Definitions
240.710	Surface and Production Casing Requirements for Newly Drilled Class II UIC Wells
240.720	Surface and Production Casing Requirements for Conversion to Class II UIC Wells
240.730	Surface and Production Casing Requirements for Existing Class II UIC Wells
240.740	Other Construction Requirements for Class II UIC Wells
240.750	Operating Requirements for Class II UIC Wells
240.760	Establishment of Internal Mechanical Integrity for Class II UIC Wells
240.770	Establishment of External Mechanical Integrity for Class II UIC Wells
240.780	Reporting Requirements for Class II UIC Wells
240.790	Confidentiality of Well Data
240.795	Commercial Saltwater Disposal Well
<u>240.796</u>	<u>Operating and Reporting Requirements, Hydraulic Fracturing Operations, Seismicity</u>

SUBPART H: LEASE OPERATING REQUIREMENTS

Section	
240.800	Definitions
240.805	Lease and Well Identification
240.810	Tanks, Tank Batteries and Containment Dikes
240.820	Flowlines
240.830	Power Lines
240.840	Equipment Storage
240.850	Concrete Storage Structures
240.860	Pits
240.861	Existing Pit Exemption For Continued Production Use
240.862	Existing Pit Exemption For Alternative Use
240.870	Leaking Unpermitted Drill Hole
240.875	Leaking Previously Plugged Well
240.880	Initial Spill Notification
240.890	Crude Oil Spill Remediation Requirements
240.891	Crude Oil Spill Waste Disposal and Remediation
240.895	Produced Water Spill Remediation Requirements

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SUBPART I: LIQUID OILFIELD WASTE HANDLING AND DISPOSAL

Section	
240.900	Definitions
240.905	Application for Permit to Operate a Liquid Oilfield Waste Transportation System
240.906	Application for a Liquid Oilfield Waste Transportation Vehicle Permit
240.910	Inspection of Vehicles (Tanks)
240.920	Issuance of Liquid Oilfield Waste Transportation System and Vehicle Permits
240.925	Liquid Oilfield Waste Recordkeeping Requirements
240.926	Liquid Oilfield Waste Transportation System and Vehicle Operating Requirements
240.930	Produced Water
240.940	Crude Oil Bottom Sediments
240.945	Lease Road Oiling
240.950	Crude Oil Spill Waste Disposal (Repealed)
240.960	Oil Field Brine Hauling Permit Conditions (Repealed)
240.970	Inspection of Vehicles (Repealed)
240.980	Transfer of Permits (Repealed)
240.985	Revocation of Oil Field Brine Hauling Permit (Repealed)
240.990	Records and Reporting Requirements (Repealed)
240.995	Bonds – Blanket Surety Bond (Repealed)

SUBPART J: VACUUM

Section	
240.1000	Definitions
240.1005	Applicability
240.1010	Application for Vacuum Permit
240.1020	Contents of Application
240.1030	Authority of Person Signing Application
240.1040	Notice and Hearing
240.1050	Issuance of Permit
240.1060	Permit Amendments

SUBPART K: PLUGGING OF WELLS

Section	
240.1105	Plugging of Non-Productive Wells (Repealed)

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240.1110	Definitions
240.1115	Plugging Responsibility
240.1120	Plugging of Uncased Wells
240.1130	Plugging and Temporary Abandonment of Inactive Production Wells
240.1131	Extension of Future Use Status for Production Wells (Repealed)
240.1132	Plugging and Temporary Abandonment of Inactive Class II UIC Wells
240.1140	General Plugging Procedures and Requirements
240.1150	Specific Plugging Procedures
240.1151	Procedures for Plugging Coal Seams
240.1160	Plugging Fluid Handling and Storage
240.1170	Plugging Fluid Waste Disposal and Well Site Restoration
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240.1181	Lease Restoration Requirements
240.1190	Filing Plugging Report

SUBPART L: REQUIREMENTS FOR OTHER TYPES OF WELLS

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240.1200	Applicability
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240.1210	Contents of Application for Permit to Drill or Convert to an Observation, Gas Storage Well or Service Well (Repealed)
240.1220	Contents of Application for Coal Test Hole, Mineral Test Hole, Structure Test Hole, or Coal or Mineral Groundwater Monitoring Well
240.1230	Authority of Person Signing Application
240.1240	Issuance of Permit
240.1250	When Wells Shall Be Plugged and Department Notification
240.1260	Plugging and Restoration Requirements
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SUBPART M: PROTECTION OF WORKABLE COAL BEDS

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240.1305	Permit Requirements in Mine Areas
240.1310	Workable Coal Beds Defined
240.1320	Mining Board may Determine Presence of Coal Seams
240.1330	Well Locations Prohibited

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240.1340	Notice to Mining Board
240.1350	Casing and Protective Work
240.1360	Operational Requirements Over Active Mine
240.1370	Inspection of Vehicles (Recodified)
240.1380	Transfer of Permits (Recodified)
240.1385	Revocation of Oil Field Brine Hauling Permit (Recodified)
240.1390	Records and Reporting Requirements (Recodified)
240.1395	Bonds – Blanket Surety Bond (Recodified)

SUBPART N: ISSUANCE OR TRANSFER OF PERMIT TO OPERATE

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240.1430	Responsibilities of Current Permittee
240.1440	Responsibilities of New Permittee or Proposed New Permittee
240.1450	Authority of Persons Signing Notification
240.1460	Conditions for and Effect of Issuance or Transfer of Permit to Operate
240.1465	Condition for and Effect of Transfer of PRF Wells
240.1470	Revocation of Permit to Operate
240.1480	Involuntary Transfer
240.1485	Administrative Record Correction
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240.1510	Definitions
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- 240.1610 Plugging Leaking or Abandoned Wells
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- 240.1625 Plugging Abandoned Wells Through Landowner Grant
- 240.1630 Emergency Well Plugging, Emergency Repair Work, Emergency Projects
- 240.1635 Emergency Well Plugging and Emergency Project Reimbursement
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- 240.1650 Authorization for a Permittee to Operate Its Wells Placed into the Plugging and Restoration Fund Program for Abandonment
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SUBPART Q: ANNUAL WELL FEES

Section

- 240.1700 Fee Liability
- 240.1705 Amount of Assessment
- 240.1710 Annual Permittee Reporting
- 240.1720 When Annual Well Fees are Due
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SUBPART R: REQUIREMENTS IN UNDERGROUND GAS STORAGE FIELDS
AND FOR GAS STORAGE AND OBSERVATION WELLS

Section

- 240.1800 Applicability
- 240.1805 Definitions
- 240.1810 Submission of Underground Gas Storage Field Map
- 240.1820 Permit Requests in a Underground Gas Storage Field
- 240.1830 Application for Permit to Drill or Convert Wells
- 240.1835 Content of Application for Permit to Drill or Convert to an Observation or Gas Storage Well
- 240.1840 Authority of Person Signing Application
- 240.1850 Issuance of Permit
- 240.1852 Gas Storage and Observation Well, Construction, Operating and Reporting Requirements
- 240.1855 Well Drilling Completion and Workover Requirements
- 240.1860 Storage Field Operating Requirements
- 240.1865 Liquid Oilfield Waste Disposal

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240.1870 Plugging of Gas Storage and Observation Wells

SUBPART S: REQUIREMENTS FOR SERVICE WELLS

Section

240.1900	Applicability
240.1905	Application for Permit to Drill or Convert to Other Types of Wells or Drill Holes
240.1910	Contents of Application for Permit to Drill or Convert to a Service Well
240.1920	Authority of Person Signing Application
240.1930	Issuance of Permit
240.1940	When Wells Shall Be Plugged and Department Notification
240.1950	Plugging and Restoration Requirements
240.1960	Converting to Water Well

AUTHORITY: Implementing and authorized by the Illinois Oil and Gas Act [225 ILCS 725].

SOURCE: Adopted November 7, 1951; emergency amendment at 6 Ill. Reg. 903, effective January 15, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 5542, effective April 19, 1982; codified at 8 Ill. Reg. 2475; amended at 11 Ill. Reg. 2818, effective January 27, 1987; amended at 14 Ill. Reg. 2317, effective January 25, 1990; recodified at 14 Ill. Reg. 3053; amended at 14 Ill. Reg. 13620, effective August 8, 1990; amended at 14 Ill. Reg. 20427, effective January 1, 1991; amended at 15 Ill. Reg. 2706, effective January 31, 1991; recodified at 15 Ill. Reg. 8566; recodified at 15 Ill. Reg. 11641; emergency amendment at 15 Ill. Reg. 14679, effective September 30, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 15493, effective October 10, 1991; amended at 16 Ill. Reg. 2576, effective February 3, 1992; amended at 16 Ill. Reg. 15513, effective September 29, 1992; expedited correction at 16 Ill. Reg. 18859, effective September 29, 1992; emergency amendment at 17 Ill. Reg. 1195, effective January 12, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 2217, effective February 8, 1993; amended at 17 Ill. Reg. 14097, effective August 24, 1993; amended at 17 Ill. Reg. 19923, effective November 8, 1993; amended at 18 Ill. Reg. 8061, effective May 13, 1994; emergency amendment at 18 Ill. Reg. 10380, effective June 21, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 16361, effective November 18, 1994; amended at 19 Ill. Reg. 10981, effective July 14, 1995; amended at 21 Ill. Reg. 7164, effective June 3, 1997; emergency amendment at 22 Ill. Reg. 988, effective December 22, 1997, for a maximum of 150 days; amended at 22 Ill. Reg. 8422, effective April 28, 1998; amended at 22 Ill. Reg. 8845, effective April 28, 1998; amended at 22 Ill. Reg. 22314, effective December 14, 1998; amended at 25 Ill. Reg. 9045, effective July 9, 2001; amended at 35 Ill. Reg. 13281, effective July 26, 2011; amended at 38 Ill. Reg. 18717, effective August 29, 2014; amended at 38 Ill. Reg. 22052, effective November 14, 2014.

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SUBPART G: WELL CONSTRUCTION, OPERATING
AND REPORTING REQUIREMENTS FOR CLASS II UIC WELLS**Section 240.796 Operating and Reporting Requirements, Hydraulic Fracturing Operations, Seismicity**a) Applicability

This Section applies to all Class II UIC disposal wells that inject any Class II fluids or hydraulic fracturing flowback from a high volume horizontal hydraulic fracturing operation permitted by the Department under the Hydraulic Fracturing Regulatory Act [225 ILCS 732]. This Section does not apply to Class II UIC wells used for enhanced oil recovery operations.

b) Definitions

For purposes of this Section, the terms defined in 62 Ill. Adm. Code 245.110 have the same meanings when used in this Section. Additionally, the following terms have the meanings ascribed in this subsection:

"Green Light Alert" means the Department received notice from either USGS or ISGS that there was an earthquake in Illinois with a magnitude less than 2.0.

"Induced Seismicity" means an earthquake event that is felt, recorded by the national seismic network, and attributable to a Class II UIC well used for disposal of flowback and produced fluid from high volume horizontal hydraulic fracturing operations. (Section 1-96(a) of the Hydraulic Fracturing Regulatory Act)

"ISGS" means Illinois State Geological Survey.

"Red Light Alert" means the Department received notice from either USGS or ISGS that there was an earthquake in Illinois or a bordering county of an adjacent state with a magnitude of 4.0 or greater.

"USGS" means United States Geological Survey.

"Yellow Light Alert" means the Department received notice from either USGS or ISGS that there was an earthquake in Illinois or a bordering

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county of an adjacent state with a magnitude of at least 2.0, but less than 4.0.

c) Class II UIC Well Operations

- 1) All Class II UIC wells regulated by this Section shall be equipped with a flow meter capable of monitoring the rate of flow of fluids injected down into the well on a per day basis consistent with the Class II UIC permit issued by the Department.
- 2) All permittees shall record and maintain pressure and flow data for each Class II UIC well on a monthly basis. The report shall include the average and maximum monthly injection rates and pressures. The records shall be submitted to the Department in accordance with Section 240.780(e). The records shall be maintained for at least 5 years and shall be available to the Department for inspection upon request.
- 3) When an identified well is suspected of triggering induced seismic activity, the permittee shall consult with the Department and ISGS to develop a plan for seismic monitoring, including the possibility of installing monitoring stations in the vicinity of the well and reduction in rate or pressures of fluid injected.

d) Induced Seismicity Reporting

- 1) The Department will report any Yellow Light Alert to all Class II UIC well permittees with wells located within a 6 mile radius of the earthquake event's epicenter measured from the surface above the hypocenter.
- 2) After receiving a Yellow Light Alert, an identified Class II UIC well permittee has the discretion to operate the permitted well according to the terms of the permit, adjust the operation of the permitted well by reducing the volume of fluids injected into the well, and consult with the Department and ISGS about the implications of the Yellow Light Alert as it relates to the operation of the well.
- 3) After receiving a third Yellow Light Alert within one year, an identified Class II UIC well permittee must immediately reduce injection volume and consult with the Department and ISGS.

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- 4) The Department will report any Red Light Alert to all Class II UIC well permittees with wells located within a 10 mile radius of the earthquake event's epicenter measured from the surface above the hypocenter.
- e) Induced Seismicity Cessation Orders
The Department shall issue an order to a permittee of a Class II UIC well for the immediate cessation of operations due to conditions that create imminent danger to the health and safety of the public, or significant damage to property, pursuant to Section 19.1 of the Oil and Gas Act and 62 Ill. Adm. Code 246.186, under any of the following conditions:
- 1) If an identified well regulated by this Section receives a third Yellow Light Alert and within the last year the same permittee received a Notice of Violation for the same well related to flow, pressure or mechanical integrity;
 - 2) If an identified well regulated by this Section receives any number of Yellow Light Alerts and there is confirmed property damage to a building or structure as a result of the earthquake event with a magnitude greater than 4.5. The confirmation can be performed by personnel from the Department or personnel from any local, State or federal agency;
 - 3) If an identified well regulated by this Section receives a fifth Yellow Light Alert; or
 - 4) If an identified well regulated by this Section receives a Red Light Alert and is within 6 miles of the epicenter of the earthquake event measured from the surface above the hypocenter.
- f) The Department has discretion to issue cessation orders to permittees with wells regulated by this Section within 10 miles of any earthquake epicenter, when necessary, if, after consultation with ISGS, induced seismicity conditions warrant cessation.
- g) Induced Seismicity Mitigation Requirements
- 1) After receiving a cessation order, in addition to the requirements of the order, the permittee shall schedule a meeting with the Department and

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representatives of ISGS at the Department's Headquarters, One Natural Resources Way, Springfield, Illinois, to be held within 30 calendar days after issuance of the order and before the cessation order hearing. Once scheduled, the permittee shall confirm the meeting in writing to both the Department and ISGS and provide the last 6 months of well data required in subsection (c)(2) to help facilitate the meeting. The purpose of the meeting will be to determine possible ways to mitigate induced seismicity events near the permitted well.

- 2) If the permittee and Department, in consultation with ISGS, reach agreement on how to test induced seismicity mitigation, the Department shall present the agreement as a settlement before the Hearing Officer for the cessation order hearing (see Section 240.186(d)).

h) Enforcement

Penalties for administrative and operating violations are specified in Section 240.160(c). Violations under this Section are classified as administrative or operating, as follows:

- 1) Failure to comply with any portion of subsection (c)(2) related to records is an administrative violation.
- 2) Failure to schedule and attend a meeting within 30 days after the issuance of a cessation order is an administrative violation.
- 3) Failure to install a flow meter, or maintain a flow meter in operating condition, is an operating violation.
- 4) Failure to cease operations after a cessation order is issued by the Department is an operating violation.
- 5) Failure to comply with an induced seismicity mitigation agreement is an operating violation.

(Source: Added at 38 Ill. Reg. 22052, effective November 14, 2014)

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- 1) Heading of the Part: Hydraulic Fracturing Regulatory Act
- 2) Code Citation: 62 Ill. Adm. Code 245
- 3)

<u>Section Numbers:</u>	<u>Adopted Action:</u>
245.100	New Section
245.110	New Section
245.115	New Section
245.120	New Section
245.200	New Section
245.210	New Section
245.220	New Section
245.230	New Section
245.240	New Section
245.250	New Section
245.260	New Section
245.270	New Section
245.300	New Section
245.310	New Section
245.320	New Section
245.330	New Section
245.340	New Section
245.350	New Section
245.360	New Section
245.400	New Section
245.410	New Section
245.500	New Section
245.510	New Section
245.520	New Section
245.530	New Section
245.540	New Section
245.550	New Section
245.560	New Section
245.570	New Section
245.580	New Section
245.600	New Section
245.610	New Section
245.615	New Section
245.620	New Section

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245.630	New Section
245.700	New Section
245.710	New Section
245.715	New Section
245.720	New Section
245.730	New Section
245.800	New Section
245.805	New Section
245.810	New Section
245.815	New Section
245.820	New Section
245.825	New Section
245.830	New Section
245.835	New Section
245.840	New Section
245.845	New Section
245.850	New Section
245.855	New Section
245.860	New Section
245.870	New Section
245.900	New Section
245.910	New Section
245.920	New Section
245.930	New Section
245.940	New Section
245.1000	New Section
245.1010	New Section
245.1020	New Section
245.1030	New Section
245.1100	New Section
245.1110	New Section
245.1120	New Section
245.1130	New Section
245.1140	New Section
245.1200	New Section

- 4) Statutory Authority: Implementing and authorized by the Hydraulic Fracturing Regulatory Act [225 ILCS 732]

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- 5) Effective Date of Rule: November 14, 2014
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? Yes. See Section 245.115 Incorporated Materials.
- 8) A copy of the adopted rule, including all material incorporated by reference is on file in the Department of Natural Resources' principal office and is available for public inspection.
- 9) Notice of Proposed published in the *Illinois Register*: November 15, 2013; 37 Ill. Reg. 18097
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between the Proposed and Final Version:

In Section 245.100: Date restrictions were removed.

In Section 245.110: Definitions were added, deleted, simplified, or modified to clarify or make consistent with other Rules.

In Section 245.120: Disclosure of serious violations was clarified and distinction in reporting time made between different types of changes in registrant information.

In Section 245.210: Distinction drawn between plans automatically incorporated as permit conditions and additional information required by Department. Standard additional information requests incorporated into application to facilitate timely permit review, protect public, and enable statutorily required determinations. Some sections combined or eliminated to reduce paperwork.

In Section 245.230: Application acceptance and initial processing clarified to harmonize statutory timetable and Department practical requirements, and reduce waste due to an incomplete application.

In Section 245.240: The list of entities the Department mails notice to was modified.

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In Section 245.250: Description of the persons the applicant notifies was clarified and simplified.

In Section 245.260: Application correction and public comment rights were harmonized.

In Section 245.270: In subsection (a)(1)(A), explanatory definition of "adversely affected" was deleted. In subsection (a)(3), the hearing request procedure was simplified. In subsection (b), hearing venues were localized. In subsection (f), sanctions for failure to appear were balanced. Subsection (c) and subsections (h)-(n) were streamlined.

In Section 245.300: Permit decision elements and recordkeeping requirements were harmonized with statutory purpose and language.

In Section 245.330: Examples of types of permit modifications were included and the modification process clarified.

In Section 245.510(f): Radioactivity testing for certain materials was added, and open storage of radioactive materials banned.

In Section 245.520: Availability of cement job logs to the Department was clarified.

In Section 245.530: Requirement to notify Department during normal business hours only was deleted. Surface casing cement requirements were amplified.

In Section 245.540: Mechanical Integrity tests were allowed to be conducted with mud, with conditions. "Normal business hours" requirement was removed from requirement to notify Department for mechanical integrity test.

In Section 245.550: "Normal business hours" requirement was deleted from blowout prevention test notification requirement.

In Section 245.560: "Normal business hours" requirement was deleted from intermediate cement pouring notification.

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In Section 245.580: "Normal business hours" requirement was deleted from formation integrity testing notification.

In Section 245.600: "Normal business hours" requirement was deleted from baseline testing and follow-up sampling notifications. Well location disclosure was made more specific. Water sampling minimums were clarified.

In Section 245.615: Department notice of pollution to local health authorities was added.

In Section 245.620: Clarified operation of rebuttable presumption clause and applicability by referencing applicable statutory section and condensing rule.

In Section 245.700: Scope of chemical disclosure was clarified.

In Section 245.710: Scope of chemical disclosure and ability of contractor to adjust to field conditions was clarified.

In Section 245.720: Information required for Department review of trade secret claim was listed.

In Section 245.730: Process and responsibilities for disclosure to health professionals of chemicals for which trade secret is claimed were clarified and simplified to reduce communication and logistical obstacles.

In Section 245.805: "Normal business hours" requirement was deleted from pressure testing notification; test records location was relaxed.

In Section 245.810: "Normal business hours" requirement was deleted from pressure testing notification; test records location was relaxed.

In Section 245.815: "Normal business hours" requirement was deleted from commencement of operations notification. Well plugging sufficiency considerations were listed. Requirement that information provided to Department be current was added.

In Section 245.820: Inspection records location was relaxed

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In Section 245.825: Above-ground tank fluid compatibility and inspection frequency explanations were added. Process to comply with existing Illinois floodplains regulation was added.

In Section 245.830: Process for reserve pits to comply with existing Illinois floodplains regulation was added.

In Section 245.835: Example of indication of a leak was added.

In Section 245.845: Listed minimum information to be provided to Department to support claim that technical infeasibility or economic unreasonableness warrant exception from emission capture requirements. Added requirement of auto-igniter.

In Section 245.850: Removed ambiguity regarding time limits on storage of fluids in reserve pits.

In Section 245.900: Listed minimum information to be provided to Department to support claim that technical infeasibility or economic unreasonableness warrant exception from emission capture requirements. Added requirement of auto-igniter and flare monitoring.

In Section 245.910: Added requirement of auto-igniter and flare monitoring. Clarified emissions calculation method.

In Section 245.930: Clarified flaring and/or venting reporting.

In Section 245.1010: Well plugging sufficiency considerations were listed.

In Section 245.1020: Clarified method for repair of tile lines and repair of soil conservation practices.

In Section 245.1110: Streamlined notice of violation.

In Section 245.1120: Increased fine amounts and Departmental look-back period.

In Section 245.1130: Removed constrictions on costs definition and clarified that attorney's fees are excluded. Clarified non-conflict with civil actions.

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- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: Implementing administrative rules to regulate the permitting, drilling, construction, operation, and plugging of wells and the restoration of well sites where high volume horizontal hydraulic fracturing operations are conducted.
- 16) Information and questions regarding these adopted rules shall be directed to:

Jeffrey P. Smith
General Counsel
Illinois Department of Natural Resources
One Natural Resources Way
Springfield IL 62702-1271

217/782-1809

The full text of the Adopted Rules begins on the next page:

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TITLE 62: MINING

CHAPTER I: DEPARTMENT OF NATURAL RESOURCES

PART 245

HYDRAULIC FRACTURING REGULATORY ACT

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Section

- 245.100 Applicability
- 245.110 Definitions
- 245.115 Incorporated Materials
- 245.120 Permit Requirements

SUBPART B: REGISTRATION AND PERMITTING PROCEDURES

Section

- 245.200 Registration Procedures
- 245.210 Permit Application Requirements
- 245.220 Permit Bonds or Other Collateral Securities
- 245.230 Permit Application Receipt and Department Review
- 245.240 Public and Governmental Notice by the Department
- 245.250 Public and Governmental Notice by the Permit Applicant
- 245.260 Public Comment Periods
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SUBPART C: PERMIT DECISIONS

Section

- 245.300 Permit Decision
- 245.310 Permit Denial
- 245.320 Permit Conditions
- 245.330 Permit Modifications
- 245.340 Permit Transfers
- 245.350 Permit Release
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SUBPART D: WELL SITE PREPARATION

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- Section
- 245.400 Setback Requirements
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SUBPART E: WELL CONSTRUCTION

- Section
- 245.500 General Conditions and Requirements
- 245.510 Well Drilling, Storage and Disposal of Drilling Waste
- 245.520 Cement Requirements
- 245.530 Surface Casing Requirements
- 245.540 Establishment of Internal Mechanical Integrity
- 245.550 Installation and Testing of Blowout Prevention Equipment
- 245.560 Intermediate Casing Requirements
- 245.570 Production Casing Requirements
- 245.580 Establishment of Formation Integrity

SUBPART F: WATER QUALITY

- Section
- 245.600 Water Quality Monitoring
- 245.610 Water Pollution Investigations
- 245.615 Procedures
- 245.620 Rebuttable Presumption of Pollution or Diminution
- 245.630 Prohibitions

SUBPART G: CHEMICAL DISCLOSURE; TRADE SECRETS

- Section
- 245.700 Chemical Disclosure by Permittee
- 245.710 Chemical Disclosure by Contractor
- 245.715 Chemical Use Prohibitions
- 245.720 Department Publication of Chemical Disclosures and Claims of Trade Secret
- 245.730 Trade Secret Disclosure to Health Professional

SUBPART H: HIGH VOLUME HORIZONTAL HYDRAULIC
FRACTURING PREPARATIONS AND OPERATIONS

Section

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245.800	General Conditions and Requirements
245.805	Hydraulic Fracturing String Requirements and Pressure Testing
245.810	Surface Equipment Pressure Testing
245.815	Notice and Approval Before Commencement of High Volume Horizontal Hydraulic Fracturing Operations
245.820	Secondary Containment Inspections
245.825	General Fluid Storage
245.830	Reserve Pits
245.835	Mechanical Integrity Monitoring
245.840	Hydraulic Fracturing Fluid and Flowback Confinement
245.845	Management of Gas and Produced Hydrocarbons During Flowback
245.850	Hydraulic Fracturing Fluid and Hydraulic Fracturing Flowback Storage, Disposal or Recycling, Transportation and Reporting Requirements
245.855	Spills and Remediation
245.860	High Volume Horizontal Hydraulic Fracturing Operations Completion Report
245.870	Use of Diesel in High Volume Horizontal Hydraulic Fracturing Operations Prohibited

SUBPART I: HIGH VOLUME HORIZONTAL
HYDRAULIC FRACTURING PRODUCTION

Section	
245.900	Managing Natural Gas and Hydrocarbon Fluids During Production
245.910	Uncontrolled Emissions from Storage Tanks Containing Natural Gas and Hydrocarbon Fluids
245.920	Flaring Waiver
245.930	Annual Flaring Reports
245.940	Produced Water Disposal or Recycling, Transportation and Reporting Requirements

SUBPART J: PLUGGING AND RESTORATION

Section	
245.1000	Plugging and Restoration Requirements
245.1010	Plugging Previously Abandoned Unplugged or Insufficiently Plugged Wells
245.1020	Restoration of Lands Other than the Well Site and Production Facility
245.1030	Restoration of the Well Site and Production Facility

SUBPART K: ENFORCEMENT

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Section

245.1100	Suspension, Revocation, Remediation and Administrative Penalties
245.1110	Notice of Violation
245.1120	Director's Decision
245.1130	Director's Decision Hearings
245.1140	Alternative Enforcement

SUBPART L: MEDIUM VOLUME HORIZONTAL HYDRAULIC
FRACTURING OPERATIONS COMPLETION REPORTS

Section

245.1200	Medium Volume Horizontal Hydraulic Fracturing Completion Reports
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AUTHORITY: Implementing and authorized by the Hydraulic Fracturing Regulatory Act [225 ILCS 732].

SOURCE: Adopted at 38 Ill. Reg. 22067, effective November 14, 2014.

SUBPART A: GENERAL PROVISIONS

Section 245.100 Applicability

- a) **High Volume Horizontal Hydraulic Fracturing Operations**
This Part applies to all horizontal wells in which any single stage of a stimulation treatment using more than 80,000 gallons, or in which the total amount of all stages of stimulation treatment using more than 300,000 gallons, in the pressurized application of hydraulic fracturing fluid to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas *are planned, have occurred or are occurring in this State* (Section 1-20 of the Act).
- b) **Medium Volume Horizontal Hydraulic Fracturing Operations**
Subpart L applies to all *horizontal wells* in which the total amount of *all stages of stimulation treatment using more than 80,000 gallons but less than 300,001 gallons* in the pressurized application of hydraulic fracturing fluid to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas are planned, have occurred or are occurring in this State (Section 1-98 of the Act).

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- c) *The provisions of this Part shall be in addition to the provisions of the Illinois Oil and Gas Act [225 ILCS 725] and the rules adopted under that Act (62 Ill. Adm. Code 240). However, if there is a conflict between the provisions of the Illinois Oil and Gas Act and the rules enacted pursuant thereto, the provisions of the Act and this Part shall prevail. (Section 1-20 of the Act)*

Section 245.110 Definitions

For the purposes of this Part, unless the context otherwise requires:

"Act" means the Hydraulic Fracturing Regulatory Act [225 ILCS 732].

"Agency" means the Illinois Environmental Protection Agency. (Section 1-5 of the Act)

"ANSI" means the American National Standards Institute.

"API" means the American Petroleum Institute.

"Applicant" means any person registered with the Department pursuant to Section 245.200 of this Part that has filed an application in accordance with this Part.

"Application" means a filing by an applicant to the Department seeking a high volume horizontal hydraulic fracturing permit pursuant to Section 245.210 or a modification pursuant to Section 245.330 of this Part.

"Aquatic life" means all fish, reptiles, amphibians, crayfish, and mussels. (Section 1-5 of the Act)

"Aquifer" means saturated (with groundwater) soils and geologic materials that are sufficiently permeable to readily yield economically useful quantities (at least 70 gallons per minute) of fresh water to wells, springs, or streams under ordinary hydraulic gradients. "Aquifer" is limited to aquifers identified as major sand and gravel aquifers in the Illinois State Water Survey's Illinois Community Water Supply Wells map (Map Series 2006-01). (Section 1-5 of the Act)

"Base fluid" means the continuous phase fluid type, including, but not limited to, water or nitrogen or other gas used in a high volume horizontal hydraulic

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fracturing operation. (Section 1-5 of the Act) "Base fluid" shall also include both hydrocarbon and non-hydrocarbon fluids in gas and/or liquid form used in high volume horizontal hydraulic fracturing operations. Calculation and reporting of volumes for all base fluid shall be for the normal volume that the base fluid would occupy at 20°C and one atmosphere (National Institute of Standards and Technology Standard Temperature and Pressure, or "STP"). If part or all of the base fluid will contain any component that at STP would exist in a gaseous state, regardless of whether the component is transported or injected or combined in any other form or at any other temperature or pressure, or whether, when mixed with other substances the component forms a foam or gel or other dispersion, the volume of that component shall be calculated and reported as the uncompressed volume at STP for all purposes under this Part.

"BTEX" means benzene, toluene, ethylbenzene, and xylene. (Section 1-5 of the Act)

"By-product materials" has the same meaning as in the Illinois Radiation Protection Act of 1990 [420 ILCS 40].

"Certified local health department" means a local governmental agency that has been certified by the Illinois Department of Public Health to meet the requirements set forth in Subparts C and D of this Part and 77 Ill. Adm. Code 600.210.

"Chemical" means any element, chemical compound, or mixture of elements or compounds that has its own specific name or identity, such as a Chemical Abstracts Service number, regardless of whether the chemical is subject to the requirements of 29 CFR 1910.1200(g)(2). (Section 1-5 of the Act)

"Chemical Abstracts Service" means the division of the American Chemical Society that is the globally recognized authority for information on chemical substances. (Section 1-5 of the Act)

"Chemical Abstracts Service number" or "CAS number" means the unique identification number assigned to a chemical by the Chemical Abstracts Service. (Section 1-5 of the Act)

"Class II UIC well" shall have the same meaning as in 62 Ill. Adm. Code 240.

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"Completion combustion device" means any ignition device, installed horizontally or vertically, used in exploration and production operations to combust otherwise vented emissions. (Section 1-5 of the Act)

"Delineation well" means a well drilled in order to determine the boundary of a field or producing reservoir. (Section 1-5 of the Act)

"Department" or "IDNR" means the Illinois Department of Natural Resources. (Section 1-5 of the Act)

"Diesel" means a substance having any one of the following Chemical Abstracts Service numbers: 68334-30-5; 68476-34-6; 68476-30-2; 68476-31-3; 8008-20-6; or 68410-00-4. "Diesel" includes any additional substances regulated by the United States Environmental Protection Agency as diesel fuel used in hydraulic fracturing activities under the federal Safe Drinking Water Act (42 USC 300f et seq.). (Section 1-5 of the Act)

"Director" means the Director of the Illinois Department of Natural Resources or his or her designee. (Section 1-5 of the Act)

"Enhanced oil recovery operation" means any secondary or tertiary recovery method used in an effort to recover hydrocarbons from a pool by injection of fluids, gases or other substances to maintain, restore, or augment natural reservoir energy, or by introducing gases, chemicals, other substances, or heat, or by in-situ combustion, or by any combination thereof. (Section 1-5 of the Act)

"Flare" means a thermal oxidation system using an open, enclosed, or semi-enclosed flame. "Flare" does not include completion combustion devices as defined in this Section. (Section 1-5 of the Act)

"Flowback period" means the period of time when hydraulic fracturing fluid flows back to the surface from a well following a stimulation treatment, either in preparation for a subsequent phase of stimulation treatment or in preparation for cleanup and placing the well into production. "Flowback period" begins when the hydraulic fracturing fluid returns to the surface following a stimulation treatment. "Flowback period" ends with either the well shut in, or when the well is producing continuously to the flow line or to a storage vessel for collection, whichever occurs first. (Section 1-5 of the Act)

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"Fresh water" means surface and subsurface water in its natural state that is suitable for drinking water for human consumption, domestic livestock, irrigation, industrial, municipal and recreational purposes, that is capable of supporting aquatic life, and contains less than 10,000 ppm total dissolved solids. (Section 1-5 of the Act)

"Gas" means all natural gas, including casinghead gas, and all other natural hydrocarbons not defined as oil. (Section 1-5 of the Act)

"GPS" means Global Positioning System.

"Groundwater" means any water below the land surface that is within the saturated zone or geologic materials where the fluid pressure in the pore space is equal to or greater than atmospheric pressure. (Section 1-5 of the Act)

"Hazardous material" has the same meaning as ascribed in Section 3 of the Illinois Hazardous Material Transportation Act [430 ILCS 30].

"Health care services" means any services included in the furnishing to any individual of medical care, or the hospitalization incident to the furnishing of such care, as well as the furnishing to any person of any and all other services for the purpose of preventing, alleviating, curing or healing human illness or injury, including home health and pharmaceutical services and products. [215 ILCS 134/10]

"Health professional" means a physician, physician assistant, nurse practitioner, registered professional nurse, emergency medical technician, or other individual appropriately licensed or registered to provide health care services. (Section 1-5 of the Act)

"Hearing Officer" means the presiding officer at the public hearing and other hearings referenced in this Part. The term also includes administrative law judge.

"High volume horizontal hydraulic fracturing operations" or "HVHHF operations" means all stages of a stimulation treatment of a horizontal well by the pressurized application of more than 80,000 gallons in any single stage or more than 300,000 gallons in total of hydraulic fracturing fluid to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas. (Section 1-5 of the Act)

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"High volume horizontal hydraulic fracturing permit" means the permit issued by the Department allowing high volume horizontal hydraulic fracturing operations to occur at a well site. (Section 1-5 of the Act)

"High volume horizontal hydraulic fracturing treatment" shall have the same definition as "High volume horizontal hydraulic fracturing operations".

"Horizontal well" means a well with a wellbore drilled laterally at an angle of at least 80 degrees to the vertical and with a horizontal projection exceeding 100 feet measured from the initial point of penetration into the potential productive formation through the terminus of the lateral in the same common source of hydrocarbon supply. (Section 1-5 of the Act)

"Hydraulic fracturing" means the pressurized application of hydraulic fracturing fluid to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas.

"Hydraulic fracturing additive" means any chemical substance or combination of chemicals, including, but not limited to, any chemical or proppant that is added to a base fluid for the purposes of preparing a hydraulic fracturing fluid for a high volume horizontal hydraulic fracturing operation. (Section 1-5 of the Act)

"Hydraulic fracturing flowback" or "Flowback" means all hydraulic fracturing fluid and other fluids or materials that return to the surface after a stage of hydraulic fracturing has been completed and prior to the well being placed in production. (Section 1-5 of the Act)

"Hydraulic fracturing fluid" means the mixture of the base fluid and all the hydraulic fracturing additives, used to perform hydraulic fracturing. (Section 1-5 of the Act)

"Hydraulic fracturing string" means any pipe or casing string used for the transport of hydraulic fracturing fluids during high volume horizontal hydraulic fracturing operations. (Section 1-5 of the Act)

"IEMA" means the Illinois Emergency Management Agency.

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"Inspector" means a well inspector from the Department's Office of Oil and Gas Resource Management.

"Intake" means a pipe or other means to withdraw raw water from a water source. (Section 1-5 of the Act)

"Landowner" means the legal title holder or owner of real property and includes an owner of an undivided interest, a life tenant, a remainderman, a public or private corporation, a trustee under an active trust, and the holder of the beneficial interest under a land trust. "Landowner" does not include a mortgagee, a trustee under a trust deed in the nature of a mortgage, a lien holder, or a lessee. (Section 1-5 of the Act)

"Low-level radioactive waste" or "LLRW" shall have the same meaning as ascribed in Section 3 of the Illinois Low-Level Radioactive Waste Management Act [420 ILCS 20/3].

"Low pressure well" means a well with reservoir pressure and vertical well depth such that 0.445 times the reservoir pressure (in psia) minus 0.038 times the vertical well depth (in feet) minus 67.578 psia is less than the flow line pressure at the sales meter. (Section 1-5 of the Act)

"Material Safety Data Sheet" or "MSDS" means a document provided by chemical or industrial manufacturers that contains information on chemicals. An MSDS includes: nature of the chemical, precautions to take in using the chemical, conditions of safe use, clean-up procedure for a release, and recommended disposal procedures.

"Medium volume hydraulic fracturing operations" means a stimulation treatment of a horizontal well by the pressurized application of more than 80,000 gallons but less than 300,001 gallons in total of hydraulic fracturing fluid to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas.

"Naturally Occurring Radioactive Materials" or "NORM" means materials that may contain any of the primordial radionuclides or radioactive elements as they occur in nature, such as radium, uranium, thorium or potassium, and their radioactive decay products such as radium and radon that are undisturbed as a result of human activities. (See USEPA/Office of Radiation and Air, Radiation

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Protection Division – Technical Report on TENORM from Uranium Mining, vol. 1 and 2 (2006)).

"Nature preserve" shall have the same meaning as provided in Section 3.11 of the Illinois Natural Areas Preservation Act [525 ILCS 30/3.11]. (Section 1-5 of the Act)

"Oil" means natural crude oil or petroleum and other hydrocarbons, regardless of specific gravity, which are produced at the well in liquid form by ordinary production methods or by the use of an oil and gas separator and which are not the result of condensation of gas after it leaves the underground reservoir. (Section 1-5 of the Act)

"Operator" means the individual or entity controlling the right to drill or produce a horizontal well in accordance with the requirements of the Illinois Oil and Gas Act. (Section 1-5 of the Act)

"Ordinary high water mark" means the boundary of a water source delineated by the highest water level that has been maintained for a sufficient period of time to leave evidence upon the landscape. For:

 rivers, the ordinary high water mark is the elevation of the top of the bank of the channel; and

 natural or artificial lakes, ponds or reservoirs, the ordinary high water mark is the operating elevation of the normal operating pool.

"OSHA" means the Occupational Safety and Health Administration, an agency of the federal Department of Labor.

"Owner" when used with reference to oil and/or gas rights, shall have the same meaning as provided in Section 1 of the Illinois Oil and Gas Act, but when used with a modifying prepositional clause or, in the context of ownership of anything other than oil and gas drilling rights, shall have its plain and ordinary meaning. (Section 1-5 of the Act)

"Perennial stream" means a stream that has continuous flow in its stream bed during all of the calendar year. (Section 1-5 of the Act)

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"Permit" means a high volume horizontal hydraulic fracturing permit issued under the Act and this Part. (Section 1-5 of the Act)

"Permittee" means a person holding a high volume horizontal hydraulic fracturing permit under the Act and this Part. (Section 1-5 of the Act)

"Person" means any individual, partnership, co-partnership, firm, company, limited liability company, corporation, association, joint stock company, trust, estate, political subdivision, State agency, or any other legal entity or its legal representative, agent, or assigns. (Section 1-5 of the Act)

"Pollution or diminution" means:

in groundwater, any of the following:

detection of benzene or any other carcinogen in any Class I, Class II, or Class III groundwater;

detection of any constituent in 35 Ill. Adm. Code 620.310(a)(3)(A)(i) equal to or above the listed preventive response criteria in any Class I, Class II, or Class III groundwater;

detection of any constituent in 35 Ill. Adm. Code 620.410(a), (b), (c), (d), (e), or (f) equal to or above the listed standard in any Class I, Class II, or Class III groundwater;

detection of any constituent in Class III groundwater equal to or above a standard established under 35 Ill. Adm. Code 620.260; or

detection of any constituent in Class I, Class II, or Class III groundwater equal to or above a cleanup objective listed in 35 Ill. Adm. Code 742.

in surface water, exceeding any applicable numeric or narrative standard in 35 Ill. Adm. Code 302 or 304. (Section 1-5 of the Act)

"Produced water" means water, regardless of chloride and total dissolved solids content, that is produced from a well in conjunction with oil or natural gas

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production or natural gas storage operations, but does not include hydraulic fracturing flowback. (Section 1-5 of the Act)

"Proppant" means sand or any natural or man-made material that is used during high volume horizontal hydraulic fracturing operations to prop open the artificially created or enhanced fractures. (Section 1-5 of the Act)

"Public water supply" means all mains, pipes, and structures through which water is obtained and distributed to the public, including wells and well structures, intakes and cribs, pumping stations, treatment plants, reservoirs, and storage tanks and appurtenances, collectively or severally, actually used or intended for use for the purpose of furnishing water for drinking or general domestic use, and which serves at least 15 service connections or which regularly serves at least 25 persons at least 60 days per year. (Section 1-5 of the Act)

"Radiation" has the same meaning as ascribed in Section 4(f) of the Illinois Radiation Protection Act of 1990 [420 ILCS 40/4(f)].

"Radioactive material" has the same meaning as ascribed in Section 4(i) of the Illinois Radiation Protection Act of 1990 [420 ILCS 40/4(i)].

"Real property" means the surface, subsurface or mineral rights of land.

"Real property interest" means ownership in the surface, subsurface or mineral rights of land.

"Real property surface interest" means ownership in only the surface rights of land.

"Recycled water" means water in hydraulic fracturing flow back from a hydraulic fracturing operation or produced water that is physically or chemically treated for use as the base fluid or a component of hydraulic fracturing fluid.

"Register of Land and Water Reserves" means the list of areas registered in accordance with Section 16 of the Illinois Natural Areas Preservation Act and 17 Ill. Adm. Code 4010. (Section 1-5 of the Act)

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"Registrant" means any person that registers with the Department to apply for high volume horizontal hydraulic fracturing permits pursuant to Section 245.200 of this Part.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment. (Section 1-5 of the Act)

"Serious violation" means any violation set forth in 62 Ill. Adm. Code 240.140(c). (Section 1-5 of the Act)

"Service connection" means the opening, including all fittings and appurtenances, at the water main through which water is supplied to the user. (Section 1-5 of the Act)

"Stimulation treatment" has the same meaning given to "hydraulic fracturing" in this Section.

"Surface water" means all water that is open to the atmosphere and subject to surface runoff. (Section 1-5 of the Act)

"Technically enhanced naturally occurring radioactive materials" or "TENORM" means naturally occurring radioactive materials that have been concentrated or exposed to the accessible environment as a result of human activities such as manufacturing, mineral extraction or water processing. (See USEPA/Office of Radiation and Air, Radiation Protection Division – 2006, Technical Report on TENORM from Uranium Mining, vol. 1 and 2.)

"Total water volume" means the total quantity of water from all sources used in the high volume horizontal hydraulic fracturing operations, including surface water, groundwater, produced water, or recycled water. (Section 1-5 of the Act)

"True vertical depth" means the vertical distance from a depth in a planned or existing wellbore or well to a point at the surface. (Section 1-5 of the Act)

"Water pollution" means any alteration of the physical, thermal, chemical, biological, or radioactive properties of any waters of the State, or the discharge of any contaminant into any water of the State, as will or is likely to create a nuisance or render the waters harmful, detrimental, or injurious to public health,

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safety, or welfare, or to domestic, commercial, industrial, agricultural, recreational, or other legitimate uses, or to livestock, wild animals, birds, or fish or other aquatic life. (Section 1-5 of the Act)

"Water source" means:

any existing water well or developed spring used for human or domestic animal consumption; or

any river, perennial stream, aquifer, natural or artificial lake, pond, wetland listed on the Register of Land and Water Reserves, or reservoir. (Section 1-5 of the Act)

"Well" means the entire length of any drill hole, including all horizontal well bores, required to be permitted under the Illinois Oil and Gas Act. (Section 1-5 of the Act)

"Well site" means surface areas, including the surface location of the well, occupied by all equipment or facilities necessary for, or incidental to, high volume horizontal hydraulic fracturing operations, construction, drilling, production, or plugging a well. (Section 1-5 of the Act)

"Wholly contained" or "Wholly within" means a pond or lake, regardless of its hydrological source or connection, where the boundary of the pond or lake is completely contained within a landowner's property.

"Wildcat well" means a well outside known fields or the first well drilled in an oil or gas field where no other oil and gas production exists. (Section 1-5 of the Act)

"Wildlife" means any bird or mammal that is by nature wild by way of distinction from those that are naturally tame and are ordinarily living unconfined in a state of nature without the care of man. (Section 1-5 of the Act)

Section 245.115 Incorporated Materials

- a) The following documents are incorporated or referenced in various Sections of this Part:

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- 1) ANSI/API Specification 10A, Specification for Cements and Materials for Well Cementing, December 2010 (API Spec 10A)
 - 2) API Specification 5CT, Specification for Casing and Tubing, July 2011 (API Spec 5CT)
 - 3) ANSI/API Recommended Practice 5A3, Recommended Practice on Thread Compounds for Casing, Tubing, Line Pipe, and Drill Stem Elements, November 2009 (API RP 5A3)
 - 4) ANSI/API Specification 10D, Specification for Bow-String Casing Centralizers (alternatively: Specification for Bow-Spring Casing Centralizers), September 2002, Reaffirmed August 2010 (API Spec 10D)
 - 5) API Technical Report 10TR4, Selection of Centralizers for Primary Cementing Operations, May 2008 (API Spec 10TR4)
 - 6) ANSI/API Recommended Practice 10D-2, Recommended Practice for Centralizer Placement and Stop-collar Testing, August 2004, Reaffirmed July 2010 (API RP 10D-2)
 - 7) API Specification 16D, Specification for Control Systems for Drilling Well Control Equipment and Control Systems for Diverter Equipment, July 2004, 2-Year Extension May 2010 (API Spec 16D)
- b) All incorporations by reference in this Part refer to the standards on the date specified and do not include any additions or deletions subsequent to the date specified.
- c) All materials incorporated by reference are available for inspection and copying at the Illinois Department of Natural Resources, One Natural Resources Way, Springfield IL 62702-1271.

Section 245.120 Permit Requirements

- a) *A person may not conduct high volume horizontal hydraulic fracturing operations, drill, deepen, convert a horizontal well in this State where high volume horizontal hydraulic fracturing operations are planned or occurring, or convert a vertical well into a horizontal well where high volume horizontal*

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hydraulic fracturing operations are planned in this State, unless the person is registered with the Department, has been issued a permit by the Department under this Part, and has obtained all applicable authorizations required by the Illinois Oil and Gas Act (Section 1-30(a) of the Act).

- b) *If multiple wells are to be stimulated using high volume horizontal hydraulic fracturing operations from a single well site, then a separate permit shall be obtained for each well at the well site. (Section 1-30(b) of the Act)*
- c) A permittee may not conduct HVHFF operations that deviate from the terms of the permit, unless the permittee obtains a modification of the permit under Section 245.330.
- d) A person may not operate a well where HVHFF operations were previously permitted or conducted pursuant to a permit issued to another, unless the person is registered with the Department and obtains a transfer of the permit under Section 245.350.

SUBPART B: REGISTRATION AND PERMITTING PROCEDURES

Section 245.200 Registration Procedures

- a) *Every applicant for a permit under this Part shall first register with the Department at least 30 days before applying for a permit, using a registration form provided by the Department. (Section 1-35(a) of the Act)*
- b) *The registration form:*
 - 1) *shall require the following information (Section 1-35(a) of the Act):*
 - A) *the name and address of the registrant, the registrant's legal status (individual, partnership, corporation or other), and the name, address and legal status of any parent, subsidiary, or affiliate of the registrant (Section 1-35(a)(1) of the Act);*
 - B) *disclosure of all findings of a serious violation or an equivalent violation as defined in Section 245.110, or all findings under federal, Illinois or other state laws or regulations in the development or operation of an oil or gas exploration or*

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production site via hydraulic fracturing by the registrant or any parent, subsidiary, or affiliate of the registrant within the previous 5 years (Section 1-35(a)(2) of the Act);

C) *proof of insurance to cover injuries, damages, or loss related to pollution or diminution in the amount of at least \$5,000,000 per occurrence, from an insurance carrier authorized, licensed, or permitted to do this insurance business in this State that holds at least an A- rating by A.M. Best & Co. or any comparable rating service (Section 1-35(a)(3) of the Act).*

2) shall be signed by the registrant or the registrant's designee who has been vested with the authority to act on behalf of the registrant. The signature of the registrant or the registrant's designee constitutes a certificate that the registrant has read the registration form and that, to the best of the registrant's knowledge, information and belief, the information set forth in the form is true and accurate.

c) The registration form shall be submitted to the Department electronically via the Department's website or mailed to Office of Oil and Gas Resource Management, at One Natural Resources Way, Springfield IL 62702.

d) Within 21 days after the receipt of a registration form, if the Department determines that the registration form is compliant with the requirements of subsection (b) and the person submitting the registration form is properly registered as a permittee under the Illinois Oil and Gas Act, then the registration form shall be accepted and the Department will provide the registrant with:

1) a statement that the registrant is registered with the Department for purposes of applying for high volume horizontal hydraulic fracturing permits pursuant to this Part;

2) the date the registration was accepted; and

3) a high volume horizontal hydraulic fracturing registration number to be used when applying for high volume horizontal hydraulic fracturing permits pursuant to this Part.

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- e) Within 21 days after receipt of a registration form, if the Department determines that the registration form is deficient relative to the requirements of subsection (b), or the person submitting the registration form is not properly registered as a permittee under the Illinois Oil and Gas Act, then the registration shall not be accepted and the Department will notify the registrant with a statement of the deficiencies. The registrant shall not be considered registered for purposes of applying for high volume horizontal hydraulic fracturing permits pursuant to this Section until the deficiencies have been cured, the registration form resubmitted and a Department determination pursuant to subsection (d) has been made.
- f) *A registrant must* keep its registration current at all times while it holds a permit issued under this Part by *notifying the Department of any change in the information identified in subsection (b)*. Any change in the information required by subsection (b)(2)(A) or (C) shall be reported within 30 days after the change occurs. Any change in the information required by subsection (b)(1)(B) shall be reported at least quarterly. (Section 1-35(a) of the Act)
- g) All registrants shall resubmit the registration form pursuant to subsections (b) and (c) beginning September 1, 2016 and by September 1 of every even numbered year thereafter.

Section 245.210 Permit Application Requirements

- a) *Every applicant for a permit under this Part must submit the following information to the Department on an application form provided by the Department* (Section 1-35(b) of the Act). The plans required under subsections (a)(3), (a)(4), (a)(6), (a)(10), (a)(11), (a)(12), (a)(13), (a)(14), (a)(15) and (a)(20) are, pursuant to Section 1-55(a) of the Act, conditions of any permit issued under the Act. Pursuant to Section 1-35(b)(20) of the Act, the Department may request additional information from the applicant (see the other subsections of this subsection (a), requirements labeled as Additional Information within this subsection (a), and the information listed in subsection (b)).
 - 1) Applicant Information
The name, email address, and address of the applicant, the name and address of any parent, subsidiary, or affiliate (Section 1-35(b)(1) of the Act) of the applicant, and the applicant's HVHHF registration number;
 - 2) Well Location

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The proposed well name, well location, and legal description per the Public Land Survey System of the well, well site, and its unit area (Section 1-35(b)(2) of the Act). The well location shall be surveyed by an Illinois licensed land surveyor or Illinois registered professional engineer and the description of the surveyed well location shall also include the legal description, the GPS latitude and longitude location, and ground elevation of the well. The GPS location shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement;

3) Well Site Setback Plan

A statement whether the proposed location of the well site is in compliance with the setback requirements of Section 245.400 and a plat map, which shows the proposed surface location of the well site, providing the distance in feet from the surface location of the well site to the features described in Section 245.400(a) (Section 1-35(b)(3) of the Act) and a statement explaining how the size of the well site is sufficient to conduct all aspects of HVHFF operations within its boundaries;

4) Directional Drilling Plan

A detailed description of the directional drilling plan for the proposed well to be used for the high volume horizontal hydraulic fracturing operations, including, but not limited to, the following information (Section 1-35(b)(4) of the Act):

- A) *the approximate total true vertical and measured depth to which the well is to be drilled or deepened* (Section 1-35(b)(4)(A) of the Act);
- B) *the proposed angle and direction (heading) of the well* (Section 1-35(b)(4)(B) of the Act);
- C) *the actual depth or the approximate depth at which the well to be drilled deviates from vertical* (Section 1-35(b)(4)(C) of the Act);
- D) the planned depth at which the well enters the formation that will be stimulated as part of the HVHFF operations;

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- E) *the angle and direction of any nonvertical portion of the well until the well reaches its total target depth or its actual final depth* (Section 1-35(b)(4)(D) of the Act);
 - F) *the planned horizontal deviation and direction (heading) of the proposed horizontal portion of the well* (Section 1-35(b)(4)(E) of the Act); and
 - G) the planned bottom hole location of the well;
- 5) **Underground Fresh Water Information**
The estimated depth and elevation, according to the most recent publication of the Illinois State Geological Survey of Groundwater for the location of the well or any other relevant information known to the applicant, of the lowest potential fresh water along the entire length of the proposed well (Section 1-35(b)(5) of the Act);
- 6) **High Volume Horizontal Hydraulic Fracturing Operations Plan**
A detailed description of the proposed high volume horizontal hydraulic fracturing operations, including, but not limited to, the following (Section 1-35(b)(6) of the Act):
- A) *the formations affected by the high volume horizontal hydraulic fracturing operations, including, but not limited to, geologic name and geologic description of the formations that will be stimulated by the operation* (Section 1-35(b)(6)(A) of the Act), and a description of the confining zone and the formations constituting or contributing to that zone, including, but not limited to, a description of the lithology, extent, thickness, permeability, porosity, transmissive faults, fractures, water or water source content, and susceptibility to vertical propagation of fractures, of the confining formations; if any of the features of the confining zone and overburden described in this subsection (a)(6)(A) are unknown, the applicant should so state;
 - B) *the anticipated surface treating pressure range* (Section 1-35(b)(6)(B) of the Act);

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- C) *the maximum anticipated injection treating pressure* (Section 1-35(b)(6)(C) of the Act);
 - D) *the estimated or calculated fracture pressure of the producing and confining zones* (Section 1-35(b)(6)(D) of the Act);
 - E) *the planned depth of all proposed perforations or depth to the top of the open hole section* (Section 1-35(b)(6)(E) of the Act); and
 - F) the anticipated type, source and volume of the base fluid anticipated to be used in the high volume horizontal hydraulic fracturing treatment;
- 7) Scaled Plat Maps, Diagrams or Cross-sections
- A) A scaled *plat map showing the well location and all known previous well bores within 750 feet of any part of the horizontal well bore that penetrated within 400 vertical feet of the formation that will be stimulated as part of the high volume horizontal hydraulic fracturing operations* (Section 1-35(b)(7) of the Act). If the well bores are present, then also include the following information for each well bore: well name, location and permit number;
 - B) a scaled map showing the proposed unit, including the unit boundaries and the location of the proposed well, well pad, well site, access road and any other operating facilities;
 - C) a scaled top-view diagram showing the well location, direction of drilling below the surface entry point to the intersection with the formation to be stimulated, and the horizontal leg to its total length. Also indicate the location at the surface of all known previous well bores within 750 feet of any part of the horizontal well bore that penetrated within 400 vertical feet of the formation that will be stimulated as part of the HVHHF operations; and
 - D) a scaled cross-section of the well bore from the surface through the horizontal leg's total length, providing the information required in

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subsections (a)(4) and (a)(5), and showing the formations to be stimulated as described in subsection (a)(6)(A);

8) Chemical Disclosure Report

Unless the applicant documents to the Department's satisfaction why the information is not available at the time the application is submitted (in which case the applicant shall comply with Sections 245.700 and 245.720), a chemical disclosure report identifying each chemical and proppant anticipated to be used in hydraulic fracturing fluid for each stage of the high volume horizontal hydraulic fracturing operations (Section 1-35(b)(8) of the Act). If this information is not available pursuant to a trade secret claim under Sections 245.700 and 245.720, the permittee shall submit redacted and un-redacted copies of the documents identifying the specific information on the master list of chemicals claimed to be protected as trade secrets. The Department shall use the redacted copies when posting the master list of chemicals on its website. The redacted copy must also be submitted to the certified local public health department. The report must contain the following:

- A) *for each stage, the total volume of water anticipated to be used in the high volume horizontal hydraulic fracturing treatment of the well or the type and total volume of the base fluid anticipated to be used in the high volume horizontal hydraulic fracturing treatment, if something other than water (Section 1-35(b)(8)(A) of the Act). If the total volume has not been determined at the time of the application, the permittee shall submit an estimate for the maximum volume of water or base fluid anticipated to be used;*
- B) *each hydraulic fracturing additive anticipated to be used in the hydraulic fracturing fluid, including the trade name, vendor, a brief descriptor of the intended use or function of each hydraulic fracturing additive, and the MSDS if applicable (Section 1-35(b)(8)(B) of the Act). If this information is not available under Sections 245.700 and 245.720, the chemical family and chemical effects of each additive must be disclosed. If the additives have not been determined at the time of the application, the permittee must submit all possible additives that could be used;*

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- C) *each chemical anticipated to be intentionally added to the base fluid, including, for each chemical, the CAS number, if applicable* (Section 1-35(b)(8)(C) of the Act). If this information is not available under Sections 245.700 and 245.720, the chemical family and chemical effects of each chemical must be disclosed. If the chemicals have not been determined at the time of the application, the permittee must submit all possible chemicals that could be used;
- D) *the anticipated concentration in the base fluid, in percent by mass, of each chemical to be intentionally added to the base fluid* (Section 1-35(b)(8)(D) of the Act) as calculated by the equation $\text{Mass Percent} = \text{g solute} / \text{g solution} \times 100$. If the concentration has not been determined at the time of the application, the permittee shall submit an estimate and identify such as an estimate; and
- E) at or before the time of the applicant's filing of its first application under the Act, the applicant must have on file with the Department a master list of chemicals, as required in Section 1-77 of the Act;
- 9) **Water Use Self-Certification**
A self-certification explaining the applicant's compliance with the Water Use Act of 1983 [525 ILCS 45] and applicable regional water supply plans (Section 1-35(b)(9) of the Act), and including receipt or other proof of the applicant's delivery of the plan to the applicable Soil and Water Conservation District and any community water supply, as defined in Section 5 of the Public Water Supply Operations Act [415 ILCS 45/5], within 20 miles of the proposed water source;
- 10) **Water Source Management Plan**
- A) If fresh water is anticipated to be used in the high volume horizontal hydraulic fracturing treatment, *a water source management plan that shall include the following information* (Section 1-35(b)(10) of the Act):
- i) *the name and location (county, latitude, longitude) of the source of the fresh water, such as surface or groundwater, anticipated to be used for water withdrawals, and the*

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anticipated withdrawal location (Section 1-35(b)(10)(A) of the Act);

- ii) *the anticipated volume and rate of each fresh water withdrawal from each withdrawal location* (Section 1-35(b)(10)(B) of the Act);
- iii) *the anticipated months when fresh water withdrawals shall be made from each withdrawal location* (Section 1-35(b)(10)(C) of the Act);
- iv) *the methods to be used to minimize fresh water withdrawals as much as feasible* (Section 1-35(b)(10)(D) of the Act);
and
- v) *the methods to be used for surface water withdrawals to minimize adverse impact to aquatic life* (Section 1-35(b)(10)(E) of the Act);

B) Additional Information. Pursuant to Section 1-35(b)(20) of the Act, with its Water Source Management Plan, the applicant shall:

- i) specify the methods to be utilized for accurately monitoring the amount of water from each source and how that data will be recorded and maintained;
- ii) specify the methods of transportation and/or delivery of withdrawn surface water to the well site;
- iii) if recycled water is anticipated to be used in the HVHHF treatment, describe the source of the recycled water and the anticipated water to be used; and
- iv) if water other than fresh water or recycled water is anticipated to be used in the HVHHF treatment:
 - describe the source of that other water and the anticipated volume to be used; and

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- if the water derives from a river, lake, stream, other surface water or groundwater and, but for the total dissolved solids (TDS) levels, would be considered fresh water, provide the information required by subsection (a)(10)(A);
- C) *Where a surface water source is wholly contained within a single property, and the landowner of the property expressly agrees in writing to its use for fresh water withdrawals, the applicant is not required to include this surface water source in the fresh water withdrawal and management plan (Section 1-35(b)(10) of the Act). For this exception to apply, the water use agreement with the landowner of the property must be provided with the permit application. Any confidential provisions of a water use agreement may be redacted by the applicant;*
- 11) Hydraulic Fracturing Fluids and Flowback Plan
- A) *A hydraulic fracturing fluids and flowback plan for the handling, storage, transportation, and disposal, recycling, or reuse of hydraulic fracturing fluids and hydraulic fracturing flowback consistent with the requirements of Subpart H. The plan shall identify the specific Class II injection well or wells that will be used to dispose of the hydraulic fracturing flowback or the facilities where the hydraulic fracturing flowback will be reused or recycled. The plan shall describe the capacity of the tanks to be used for the capture and storage of flowback and of the lined reserve pit to be used, if necessary, to temporarily store any flowback in excess of the capacity of the tanks. Identification of the Class II injection well or wells shall be by name, identification number, and specific location and shall include the date of the most recent mechanical integrity test for each Class II injection well (Section 1-35(b)(11) of the Act);*
- B) Additional Information. Pursuant to Section 1-35(b)(20) of the Act, the applicant shall also describe the anticipated hydraulic fracturing flowback, the expected flowback rate and amount, and the frequency at which the storage tanks will be emptied;

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- 12) Well Site Safety Plan
- A) *A well site safety plan to:*
- i) *address proper safety measures to be employed during high volume horizontal hydraulic fracturing operations for the protection of persons on the well site (Section 1-35(b)(12) of the Act) that complies with federal and State law, including applicable OSHA regulations; and*
- ii) *address proper safety measures to be employed during high volume horizontal hydraulic fracturing operations for the protection of the general public (Section 1-35(b)(12) of the Act) that complies with federal and State law;*
- B) Additional Information. Pursuant to Section 1-35(b)(20) of the Act, the applicant shall also address proper safety measures to be employed during an emergency, such as whether local responders have appropriate equipment and training to respond to an emergency at a well site, identify the presence of any hazardous materials used or stored at the well site, and ensure the applicant has contact information for all appropriate emergency responders and that the applicant's contact information is made available to emergency responders;
- 13) Containment Plan
A containment plan describing the containment practices and equipment to be used and the area of the well site where containment systems will be employed (Section 1-35(b)(13) of the Act) to be compliant with Sections 245.820, 245.825 and 245.830;
- 14) Casing and Cementing Plan
A casing and cementing plan that describes the casing and cementing practices to be employed, including the size of each string of pipe, the starting point, and depth to which each string is to be set and the extent to which each string is to be cemented (Section 1-35(b)(14) of the Act) to be compliant with Sections 245.530, 245.560 and 245.570;
- 15) Traffic Management Plan

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- A) *A traffic management plan that* is developed by the applicant, identifying the impacted highway authorities (county, township, road district system, and municipal street system, as applicable), to *identify the anticipated roads, streets, and highways that will be used* (Section 1-35(b)(15) of the Act) to facilitate the well site construction, drilling operations, HVHHF operations, production, and continued operations of the well site. The applicant shall include contact information for the applicant's representative with knowledge of the traffic management plan and contact information for a representative of each impacted highway authority. The applicant shall submit copies of the traffic management plan to the impacted highway authority, when the applicant submits the application to the Department, to provide the highway authority time to submit comments to the Department, if desired.
- B) Additional Information. Pursuant to Section 1-35(b)(20) of the Act, the applicant shall also include:
- i) a scaled map of the proposed routes, including but not limited to any access roads, that the applicant intends to use to construct the well site or to perform HVHHF operations, production and continued operations, for at least a 10 mile radius around the well site, identifying all the different highway jurisdictions, as well as any structures or property lines relevant to demonstrating compliance with Section 245.410 and 765 ILCS 530;
 - ii) anticipated start and end dates for well site construction and drilling operations, HVHHF operations, and other high traffic operations; and
 - iii) any management measures that will be used to minimize stress to local roads and/or impact on regular traffic flow;
- 16) Owner Information
The names and addresses of all owners of any real property surface interest within 1,500 feet of the proposed well site as disclosed by the

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records in the office of the recorder of the county or counties (Section 1-35(b)(16) of the Act);

- 17) Public Notice Drafts
Drafts of the specific public notice and general public notice as required by Section 245.250 using the forms provided by the Department (Section 1-35(b)(17) of the Act);
- 18) Restoration Statement
- A) *A statement that the well site at which the HVVHF operation will be conducted will be restored in compliance with 62 Ill. Adm. Code 240.1181 and Section 1-95 of the Act (Section 1-35(b)(18) of the Act).*
- B) Additional Information. Pursuant to Section 1-35(b)(20) of the Act, the applicant shall provide:
- i) Its proposed strategy for the pre-HVVHF operations plugging of previously abandoned unplugged or insufficiently plugged wells identified in subsection (a)(7)(A). For any well bores identified in subsection (a)(7)(A), this strategy shall demonstrate that the well bores are sufficiently plugged as described in Section 245.815(b) or that the well bores will be plugged pursuant to Section 245.1010;
- ii) A strategy for restoration of lands used by the permittee other than the well site and production facility pursuant to Section 245.1020; and
- iii) A strategy for the plugging of the well and the restoration of the well site to be in compliance with 62 Ill. Adm. Code 240.Subpart K and Sections 245.1000 and 245.1030 of this Part;
- 19) Proof of Insurance
Proof of insurance indicating that the applicant/operator performing, itself or through a contractor, HVVHF operations at the proposed well is insured

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to cover injuries, damages, or loss related to pollution in the amount of at least \$5,000,000 per occurrence (Section 1-35(b)(19) of the Act);

- 20) Water Quality Monitoring Work Plan
The work plan to ensure accurate and complete water quality sampling and testing (Section 1-80(a) of the Act) as set forth in Section 245.600(a), reviewed and certified by a professional engineer or professional geologist;
 - 21) Applicant Disclosure
Disclosure of and a written explanation for the following, which must be supplemented if any changes occur after the application is submitted:
 - A) Any conviction, adjudication or finding of *fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere* (Section 1-60(a)(4) of the Act);
 - B) Any revocation of a *high volume horizontal hydraulic fracturing permit, or its equivalent, in any other state, province, district, or territory for incurring a material or major violation or using fraudulent or dishonest practices* (Section 1-60(a)(5) of the Act).
- b) Additional Information. Pursuant to Section 1-35(b)(20) of the Act, the Department may request additional information from the applicant. This information is not automatically incorporated in the permit as a permit condition (see Section 1-55(a) of the Act), as are the plans described in the subsections specified in subsection (a). The applicant shall submit the following information:
- 1) Registration Certification
Certification that the applicant's registration information provided pursuant to Section 245.200 is accurate and up to date;
 - 2) Topsoil Preservation
A strategy for compliance with the requirement to preserve topsoil as required by Section 245.410;
 - 3) Fugitive Dust Control

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A strategy for compliance with the requirement to implement practices to control fugitive dust as required by Section 245.410;

- 4) Contractor Information
A statement indicating whether the applicant or a contractor will be performing the HVHHF operations. If a contractor will be performing the HVHHF operations, provide the contractor's name, address and telephone number, and the direct telephone number of the person responsible for HVHHF operations at the well site for the contractor. If any information is not known about the contractor at this time, the application shall be supplemented as soon as possible and in all events before the HVHHF operations begin;
- 5) Violations Report
A violations report indicating whether the applicant or any parent, subsidiary or affiliate of the applicant has pending Notices of Violations or Director's Decisions under the Act, this Part, the Illinois Oil and Gas Act, or the administrative rules promulgated under that Act;
- 6) Emissions Management
A statement of which of the methods for managing natural gas and hydrocarbon fluids produced during the flowback period and production period the applicant will use, as required by Sections 245.845(a) and (b) and 245.900(a) through (c). If the applicant indicates in this statement that it intends to request an exemption or waiver under Section 245.845(c) or (f), 245.900(d) or (i), or 245.920, it must include that fact in the statement and attach the substantiation for the request that is required by Section 245.845, 245.900 or 245.920, as applicable;
- 7) The applicant shall submit a radioactive materials management strategy to test for and identify, manage, transport and dispose of any radioactive materials utilized or generated during the course of HVHHF operations. The proposed strategy shall ensure that any wastes generated that are low-level radioactive waste comply with the waste management requirements specified in the strategy. The radioactive materials management strategy shall include:
 - A) An initial site sampling plan that will determine the concentrations of total dissolved solids, gross alpha, gross

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beta, radium-226, radium-228 and potassium-40 of the soil, private wells and surface water within 1500 feet of the well site;

- B) A strategy for radiation testing of the drill cuttings from the black shale, the hydraulic fracturing flowback, and the well site as part of the site restoration, including reserve pits and any surface waters within 1500 feet of the well site. The strategy shall include surveys, of a specified frequency, of equipment and waste streams prior to disposal, maintenance or recycling.
- c) *When an application is made to conduct high volume horizontal hydraulic fracturing operations at a well site located within the limits of any city, village, or incorporated town, the application shall state the name of the city, village, or incorporated town and be accompanied with a certified copy of the official consent for the high volume horizontal hydraulic fracturing operations to occur from the municipal authorities where the well site is proposed to be located. No permit shall be issued unless consent is secured and filed with the permit application. In the event that a modification to the permit is subsequently sought for an amended location or any other significant permit deviation, a new certified consent is required for the amended location.* (Section 1-35(c) of the Act)
- d) If any part of the well or well site identified in subsection (a)(2) is in an area identified by the U.S. Geological Service as having a 2% or more probability of exceedance (in 50 years) of peak ground acceleration of 0.4 standard gravity (g) or more, then the plans submitted per subsections (a)(11) (Hydraulic Fracturing Fluids and Flowback Plan), (a)(12) (Well Site Safety Plan), (a)(13) (Containment Plan) and (a)(14) (Casing and Cementing Plan) shall identify measures the applicant will take to protect the components in those plans against an earthquake of M 4.5 or more, and the insurance policy identified in subsection (a)(19) shall have a rider providing coverage against loss or claims resulting from impacts from any aspect of the permitted operations following earthquakes of M 4.5 or more.
- e) If any part of the well or well site identified in subsection (a)(2) is in an area identified as a floodplain under 17 Ill. Adm. Code 3700 or 3706, it shall be considered a construction under either or both of those Parts and the applicant shall be responsible for obtaining all permits under Part 3700 or 3706, whichever

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is applicable, and the insurance policy identified in subsection (a)(19) shall have a rider providing coverage against loss or claims resulting from impacts from any aspect of the permitted operations following floods.

- f) *The permit application shall be accompanied by a bond or equivalent financial instrument as required by Section 245.220(a) (Section 1-35(d) of the Act).*
- g) *Each application for a permit under this Part shall include payment of a non-refundable fee of \$13,500 (Section 1-35(e) of the Act). Checks shall be made payable to the Illinois Department of Natural Resources.*
- h) *Each application submitted under this Part shall be signed, under the penalty of perjury, by the applicant or the applicant's designee who has been vested with the authority to act on behalf of the applicant and has direct knowledge of the information contained in the application and its attachments. Any person signing an application shall also sign an affidavit with the following certification:*
- "I certify, under penalty of perjury as provided by law and under penalty of refusal, suspension, or revocation of a high volume horizontal hydraulic fracturing permit, that this application and all attachments are true, accurate, and complete to the best of my knowledge." (Section 1-35(f) of the Act)*
- i) *The permit application shall be submitted to the Department in both electronic and hard copy format at the same time. One hard copy of the permit application and all documents attached to the application shall be provided. The electronic format shall be searchable (Section 1-35(g) of the Act) and provided to the Department on compact disc, DVD or Universal Serial Bus (USB) compatible storage devices. Permittee shall also provide the Department, in electronic and hard copy format, a duplicate set of any pages containing names or addresses of individuals in which the names and addresses, except those provided pursuant to subsections (a)(1) and (b)(4), are redacted for purposes of confidentiality. Review of the permit application shall not be considered for the purposes of Section 245.230 if the Department is unable to access the submitted electronic format.*
- j) *The application for a high volume horizontal hydraulic fracturing permit may be submitted as a combined permit application with the permittee's application to drill on a form as the Department shall prescribe. The combined application must include the information required in this Section. The submission of a*

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combined permit application under this subsection shall not be interpreted to relieve the applicant or the Department from complying with the requirements of this Part, the Act, the Illinois Oil and Gas Act and the rules adopted under that Act. (Section 1-35(h) of the Act)

Section 245.220 Permit Bonds or Other Collateral Securities

- a) No person shall be allowed to construct, drill, operate, perform HVHHF operations, or produce from a well for which a permit is necessary under this Part if that well is not covered and protected by a bond or other collateral securities as required by this Section.
- b) All applicants *for a permit under this Part*, and persons requesting permit transfers, *shall provide a bond* at the time of filing an application for permit pursuant to Section 245.210 or at the time of filing a request for transfer of permit pursuant to Section 245.340. *The bond shall be in the amount of \$50,000 per permit or a blanket bond of \$500,000 for all permits.* (Section 1-65(a) of the Act) All bonds must meet the following requirements during the permit application process and through the entire term of an issued permit until the bond is released as provided by subsection (d):
 - 1) Bonds shall be signed by the permittee as principal and by a good and sufficient corporate surety legally authorized to transact business as a surety in Illinois.
 - 2) Each bond shall provide that the bond shall not be cancelled by the surety without at least 90 days' notice to the Department. Notice shall be served upon the Department in writing by registered or certified mail to the Illinois Department of Natural Resources, Attention: Office of Oil and Gas Resource Management, One Natural Resources Way, Springfield IL 62702.
 - 3) Within the 90-day notice period and before the bond is cancelled the permittee shall deliver to the Department a replacement bond. If the replacement bond is not delivered, all activities covered by the bond shall cease at the expiration of the 90-day notice period.
 - 4) If the authority to transact business in Illinois of any surety upon which a bond is filed with the Department is suspended or revoked, the permittee,

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within 30 days after receiving notice of the suspension/revocation, shall notify the Department and shall make substitution by providing a bond or other security as required by this Section. Upon the failure of the permittee to make the substitution of bond or other security, all activities covered by the bond shall cease until substitution has been made.

- c) *In lieu of a bond, other collateral securities such as cash, certificates of deposit, or irrevocable letters of credit under the following terms and conditions may be provided by a permittee (Section 1-65(a) of the Act):*
- 1) Cash: Cash shall be placed in the Department's possession.
 - 2) Certificates of Deposit
 - A) Certificates of deposit shall be payable to the permittee and assigned to the Department, both in writing submitted to the Department and upon the records of the bank issuing the certificates. If assigned, the Department will require the banks issuing these certificates to waive all rights of setoff or liens against the certificates.
 - B) The Department will not accept an individual certificate of deposit in an amount in excess of the maximum insurable amount determined by the Federal Deposit Insurance Corporation.
 - C) Any interest accruing on a certificate of deposit shall be for the benefit of the permittee except that accrued interest shall first be applied to any prepayment penalty when a certificate of deposit is forfeited by the Department.
 - D) The certificate of deposit, if a negotiable instrument, shall be placed in the Department's possession. If the certificate of deposit is not a negotiable instrument, a withdrawal receipt, endorsed by the permittee, shall be placed in the Department's possession.
 - 3) Letters of Credit
 - A) The letter may only be issued by a bank organized or authorized to do business in the United States (issuing bank). If the issuing bank

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does not have an office for collection in Illinois, there shall be a confirming bank designated that is authorized to accept, negotiate and pay the letter upon presentment in Illinois.

- B) Letters of credit shall be irrevocable during their terms. A letter of credit shall be forfeited and shall be collected by the Department if not replaced by other suitable bond or other collateral securities at least 30 days before its expiration date.
 - C) The letter of credit shall be payable to the Department upon demand, in part or in full, upon receipt from the Department of a notice of forfeiture issued in accordance with subsection (e).
 - D) The Department will not accept a letter of credit in excess of 10% of the issuing bank's total capital and surplus accounts, as certified by the President of the bank providing the letter of credit and as evidenced by the most recent quarterly Call Report provided to the Federal Deposit Insurance Corporation.
 - E) The letter of credit shall provide on its face that the Department, its lawful assigns, or the attorneys for the Department or its assigns may sue, waive notice and process, appear on behalf of, and confess judgment against the issuing bank (and any confirming bank) in the event that the letter of credit is dishonored. The letter of credit shall be deemed to be made in Sangamon County, Illinois, for the purpose of enforcement and any actions thereon shall be enforceable in the Courts of Illinois, and shall be construed under Illinois law.
- d) *The bond or other collateral securities shall remain in force until the well is plugged, abandoned and restored, or transferred. Upon plugging, abandoning and restoring, or transferring a well to the satisfaction of the Department and in accordance with the Illinois Oil and Gas Act, the bond or other collateral securities shall be promptly released by the Department. Upon the release by the Department of the bond or other collateral securities, any cash or collateral securities deposited shall be returned by the Department to the applicant or permittee who deposited it. (Section 1-65(b) of the Act)*

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- e) *If, after notice and the opportunity for hearing, the Department determines that any of the requirements of the Act or this Part or the orders of the Department have not been complied with within the time limit set by any notice of violation issued thereunder, the permittee's bond or other collateral securities shall be subject to forfeiture pursuant to the following procedure (Section 1-65(c) of the Act):*
- 1) A permittee's failure to comply with the Department's order finding a violation of the Act or this Part constitutes grounds for bond forfeiture.
 - 2) The Department will send written notification by certified mail, return receipt requested, to the permittee and the surety on the bond, if any, informing them of the determination to forfeit the bond pursuant to subsection (e)(1).
 - 3) The Department may allow a surety to correct the violation if the surety can demonstrate an ability to complete the corrective work in accordance with the requirements of the Act and this Part. No surety liability shall be released until the successful correction of the violation ordered by the Department.
 - 4) In the event forfeiture of the bond or other collateral securities is warranted by subsection (e)(1), the Department will afford the permittee the right to a hearing, if the hearing is requested in writing by the permittee within 30 days after the bond forfeiture notification is received in accordance with subsection (e)(2). If the permittee does not request a hearing within the 30-day period, the determination to forfeit the bond shall be a final administrative decision. If a hearing is requested by the permittee, the hearing shall be scheduled within 30 days after the receipt of the request for hearing, and shall be conducted by a Hearing Officer.
 - 5) At the bond forfeiture hearing, the Department will present evidence and has the burden of proof to support its determination to forfeit the bond under subsection (e)(1). The permittee may present evidence contesting the Department's determination. The Hearing Officer may administer oaths and affirmations, subpoena witnesses and written or printed materials, compel attendance of

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witnesses or production of those materials, compel discovery, and take evidence.

- 6) Within 30 days after the close of the record for the bond forfeiture hearing, the Hearing Officer shall issue recommended findings of fact, recommended conclusions of law and recommendations as to the disposition of the case.
- 7) The Director or his or her designee shall review the administrative record in a contested case, in conjunction with the Hearing Officer's recommended findings of fact, recommended conclusions of law and recommendations as to the disposition of the case. The Director or designee, shall then issue the Department's final administrative decision affirming, vacating or modifying the Hearing Officer's decision.
- 8) *In no way will payment under this bond exceed the aggregate administrative penalty as specified in the Notice of Violation or Director's Decision. (Section 1-65(c) of the Act)*
- 9) *Forfeiture under this subsection (e) shall not limit any duty of the permittee to mitigate or remediate harms or foreclose enforcement by the Department or the Agency. (Section 1-65(c) of the Act)*
- f) *When any bond or other collateral security is forfeited under the provisions of the Act or this Part, the Department shall collect the forfeiture without delay. The surety shall have 30 days to submit payment for the bond after receipt of notice by the permittee or the Department of the forfeiture. (Section 1-65(d) of the Act)*
- g) If the permittee's bond is subject to forfeiture and used for anything other than plugging and restoration of the well and well site, the permittee shall have 30 days from the date of the Department's determination to forfeit the bond to replace the bond. Failure to replace the bond within this time shall result in the immediate cessation of activities covered by the bond and permit.

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- h) *All forfeitures shall be deposited in the Mines and Minerals Regulatory Fund to be used, as necessary, to mitigate or remediate violations of the Act or this Part. (Section 1-65(e) of the Act)*

Section 245.230 Permit Application Receipt and Department Review

- a) All registrants who anticipate filing a permit application with the Department shall notify the Office of Oil and Gas Resource Management at least 5 business days before the anticipated date of filing by both email at DNR.HFApplication@partner.illinois.gov and by telephone at 217-782-7756 to advise the Office of the anticipated permit filing. The registrant shall provide the name of the applicant and the name and telephone number of an applicant contact person in case the Office has any questions.
- b) In no event will a permit application be considered received until after one full business day following the delivery to the Department of all the materials required by Section 245.210. When the Department has in its possession all of the required materials, the Department will promptly check the materials to see that all of the components listed in Section 245.210 are present and are in such format and detail that the Department will be able to review the proposed plans and activities. The Department, before the end of the first full business day following delivery, will determine whether the components are present and can be subject to permit review. If the Department so determines, the application will be considered received effective start of business the first full business day following the completeness check, and the applicant will be so notified. The determination and notification will in no way signify any Department approval of the adequacy of any component of the application, or all of it, only its submission and susceptibility to review. If the Department, however, determines that the application has any patently or facially incomplete or deficient parts or components, the Department will promptly notify the applicant that it does not consider the application properly submitted or received.
- c) Upon receipt of a permit application, the Department shall provide *notice to the applicant that the permit application was received* (Section 1-40(b) of the Act) and of the following:
 - 1) the review number assigned by the Department to the permit application;
 - 2) the date of receipt of the permit application;

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- 3) the dates of the public comment period on the permit application; and
 - 4) the date, time and address of the public hearing and the name of the Hearing Officer scheduled to preside over the public hearing for the permit application that will apply should a request for public hearing be filed.
- d) Any application received by the Office after 12:00 p.m. (Central Standard Time) will be considered received on the following business day.
- e) *Upon receipt of a permit application, the Department shall have no more than 60 calendar days from the date it receives the permit application to approve, with any conditions the Department may find necessary, or reject the application for the high volume horizontal hydraulic fracturing permit. The applicant may waive, in writing, the 60-day deadline upon its own initiative or in response to a request by the Department. (Section 1-35(i) of the Act)*
- f) *If, during the review period, the Department determines that the permit application is not complete under the Act, does not meet the requirements of Section 245.210, or requires additional information, the Department shall notify the applicant in writing of the application's deficiencies and allow the applicant to correct the deficiencies and provide the Department any information requested to complete the application. If the applicant fails to provide adequate supplemental information, the Department may reject the application. (Section 1-35(j) of the Act)*

Section 245.240 Public and Governmental Notice by the Department

- a) *Within 5 calendar days after the Department's receipt of the high volume horizontal hydraulic fracturing permit application, the Department shall post notice of its receipt and a copy of the permit application on its website. Except for the names and addresses provided in the permit application pursuant to Section 245.210(a)(1) and (b)(4), all other names and addresses of individuals provided in the permit application shall be considered confidential and shall not be posted on the Department's website. The notice shall include (Section 1-40(a) of the Act):*
- 1) the date the application was received by the Department;

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- 2) *the dates of the public comment period* (Section 1-40(a) of the Act) for the permit application;
 - 3) *directions for interested parties to submit comments* (Section 1-40(a) of the Act) or *objections* (Section 1-50(a) of the Act);
 - 4) the review numbers assigned by the Department to the permit application;
 - 5) the date, time and address of the public hearing and the name and mailing address of the Hearing Officer scheduled to preside over the public hearing on the permit application should a request for public hearing be filed; and
 - 6) *directions for any person having an interest that is or may be adversely affected, any government agency that is or may be affected, or the county board of a county to be affected under a proposed permit* on how and when to request a public hearing on the permit application (Section 1-50(a) of the Act).
- b) *Within 5 calendar days after the Department's receipt of the permit application, the Department shall provide the Agency, the Office of the State Fire Marshal, Illinois State Water Survey, Illinois State Geological Survey, and the certified local public health department where the well site is located with notice of the application* (Section 1-40(b) of the Act).
 - c) *Within 5 calendar days after the Department's receipt of the permit application, the Department shall provide a copy of the permit application's well site safety plan to the Office of the State Fire Marshal* (Section 1-35(b)(12) of the Act).
 - d) *Within 5 calendar days after the Department's receipt of the permit application, the Department shall provide a copy of the permit application's containment plan to the Office of the State Fire Marshal* (Section 1-35(b)(13) of the Act).
 - e) *Within 5 calendar days after the Department's receipt of the permit application, the Department shall provide a copy of the permit application's traffic management plan to the Office of the State Fire Marshal* (Section 1-35(b)(15) of the Act).

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- f) *Public Hearing Notice: At least 10 calendar days before the date of the public hearing, the Department shall publish notice of the public hearing in a newspaper of general circulation published in, or as near possible to, the county where the proposed well site will be located (Section 1-50(d) of the Act). The notice shall include:*
- 1) the date, time and place of the public hearing;
 - 2) the name and mailing address of the Hearing Officer scheduled to preside over the public hearing;
 - 3) the purpose of the public hearing and the name of the applicant;
 - 4) the legal description, per the Public Land Survey System, of the proposed well site and unit area;
 - 5) the review number for the permit application; and
 - 6) *a statement that any person having an interest that is or may be adversely affected, any government agency that is or may be affected, or the county board of a county to be affected under a proposed permit may file (Section 1-40(c)(3)(G) of the Act) a request for public hearing on the permit application pursuant to Section 245.270.*

Section 245.250 Public and Governmental Notice by the Permit Applicant

- a) *The applicant shall provide the following public and governmental notice (Section 1-40(c) of the Act):*
- 1) *Applicants shall mail specific public notice by U.S. Postal Service certified mail, return receipt requested, within 3 calendar days after submittal of the high volume horizontal hydraulic fracturing permit application to the Department to:*
 - A) *all persons identified in Section 245.210(a)(16) as owners of any real property surface interest within 1,500 feet of the proposed well site as disclosed by the records in the office of the recorder of the county or counties;*

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- B) the governing body of *each municipality in which the well is proposed to be located*; and
 - C) the county board of *each county in which the well is proposed to be located*. (Section 1-40(c)(1) of the Act)
- 2) *Except as otherwise provided in this subsection (a)(2), applicants shall provide general public notice by publication, once each week for 2 consecutive weeks, beginning no later than 3 calendar days after submittal of the high volume horizontal hydraulic fracturing permit application to the Department, in a newspaper of general circulation published in or, if necessary, as near possible to each county where the well proposed for high volume horizontal hydraulic fracturing operations is proposed to be located. If a well is proposed for high volume horizontal hydraulic fracturing operations in a county where there is no daily newspaper of general circulation, applicant shall provide general public notice, by publication, once each week for 2 consecutive weeks, in a weekly newspaper of general circulation in that county beginning as soon as the publication schedule of the weekly newspaper permits, but in no case later than 10 days after submittal of the high volume horizontal hydraulic fracturing permit application to the Department.* (Section 1-40(c)(2) of the Act)
- 3) *Within 15 calendar days after submitting the permit application to the Department, the applicant must provide a copy of the permit application's well site safety plan to the county or counties and all local fire departments with jurisdictions covering the well site in which high volume horizontal hydraulic fracturing operations will occur.* (Section 1-35(b)(12) of the Act)
- 4) *Within 15 calendar days after submitting the permit application to the Department, the applicant must provide a copy of the permit application's traffic management plan to the county or counties in which the well site is located and any impacted highway authorities identified in the traffic management plan pursuant to Section 245.210(a)(15) (Section 1-35(b)(15) of the Act).*

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- 5) *The specific and general public notices required under subsections (a)(1) and (a)(2) shall be on forms provided by the Department and shall contain the following information (Section 1-40(c)(3) of the Act):*
- A) *the name and address of the applicant (Section 1-40(c)(3)(A) of the Act);*
 - B) *the date the application for a high volume horizontal hydraulic fracturing permit was received by the Department (Section 1-40(c)(3)(B) of the Act);*
 - C) *the dates for the public comment period and a statement that anyone may file written comments, objections and recommendations about any portion of the applicant's submitted high volume horizontal hydraulic fracturing permit application with the Department during the public comment period (Section 1-40(c)(3)(C) of the Act);*
 - D) *the proposed well name, review number assigned by the Department, well location, and legal description per the Public Land Survey System of the well, well site, and its unit area (Section 1-40(c)(3)(D) of the Act). The well location shall be surveyed by an Illinois licensed land surveyor and the description of the surveyed well location shall also include the legal description, the GPS latitude and longitude location, and ground elevation of the well. The GPS location shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement;*
 - E) *a statement that the information filed by the applicant in its application for a high volume horizontal hydraulic fracturing permit is available from the Department through its website (Section 1-40(c)(3)(E) of the Act);*

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- F) *the Department's website and the address and telephone number for the Department's Office of Oil and Gas Resource Management (Section 1-40(c)(3)(F) of the Act);*
 - G) *a statement that any person having an interest that is or may be adversely affected, any government agency that is or may be affected, or the county board of a county to be affected under a proposed permit, may file written objections to a permit application and may request a public hearing pursuant to Section 245.270 (Section 1-40(c)(3)(G) of the Act); and*
 - H) *the date, time and address of the public hearing and the name and address of the Hearing Officer scheduled to preside over the public hearing for the permit application should a request for public hearing be filed.*
- b) *After providing the public notice as required under subsection (a), the applicant shall supplement its permit application by providing the Department with a certification and documentation that the applicant fulfilled the public notice requirements of this Section no later than 35 days after the Department's receipt of the permit application (Section 1-40(d) of the Act).*
 - c) *If multiple applications are submitted at the same time for wells located on the same well site, the applicant may use one public notice for all applications provided the notice is clear that it pertains to multiple well applications and conforms to the requirements of this Section (Section 1-40(e) of the Act).*

Section 245.260 Public Comment Periods

- a) *The initial public comment period shall begin 7 calendar days after the Department's receipt of the permit application and last for 30 calendar days (Section 1-45(a) of the Act). During the initial public comment period, any person may file written comments to the Department concerning any portion of the permit application and any issue relating to the applicant's compliance with the requirements of the Act (Section 1-45(c) of the Act), this Part, the Illinois Oil and Gas Act and the administrative rules promulgated under that Act.*
- b) *When a public hearing is conducted under Section 245.270, the Department shall provide for an additional public comment period to allow for comments in*

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response only to evidence and testimony presented at the hearing. The additional public comment period shall begin on the day after the close of the evidence at the public hearing and last for not more than 15 days, taking into consideration that the Department shall have no more than 60 days from the date it receives the permit application to approve or reject the permit application. (Sections 1-45(b) and 1-35(i) of the Act)

- c) Written public comments may be filed via mail or electronically.
 - 1) Written public comments may be mailed to the Department at Illinois Department of Natural Resources, Attention: Oil and Gas Regulatory Staff, One Natural Resources Way, Springfield IL 62702.
 - 2) Written public comments may be sent electronically to the Department based on the information provided in the Department's notice posted on its website.
- d) All public comments must include the review number assigned by the Department to the permit application and be received by the Office of Oil and Gas Resource Management by 5:00 p.m. on the last day of the applicable public comment period to be eligible for Department consideration during the permit review process set forth in this Part.
- e) *The Department may request that the applicant respond to any substantive public comments, objections and recommendations obtained during the public comment periods (Section 1-45(d) of the Act).*
- f) If, during the review period, the Department allows the applicant to correct deficiencies pursuant to Section 245.230(f), the Department may require an additional public comment period or hearing related specifically to those changes made in the application. If there is not sufficient time to hold an additional comment period or hearing within the 60 calendar days to make a permit decision, the applicant must waive the 60-day deadline or the Department may reject the application.

Section 245.270 Public Hearings

- a) *Participation*

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- 1) *When a permit application to conduct high volume horizontal hydraulic fracturing operations for the first time at a particular well site is received by the Department, any person having an interest that is or may be adversely affected, any government agency that is or may be affected, or the county board of a county to be affected under a proposed permit, may file a written request for public hearing (Section 1-50(a) of the Act).*
- 2) The request for hearing shall be served by electronic mail or certified mail, return receipt requested, upon the Hearing Officer, the Department, and the applicant. All requests for hearing shall be received by the Department before 5 p.m. on the last day of the initial public comment period established under Section 245.260(a).
- 3) *The request for hearing shall contain a short and plain statement:*
 - A) stating the permit review number and acknowledging the date, time and location of the hearing;
 - B) *identifying the person, government agency or county and:*
 - i) if a person, *stating facts demonstrating that the person has an interest that is or may be adversely affected (Section 1-50(a) of the Act);*
 - ii) if a government agency, stating facts demonstrating that the government agency is or may be affected by the proposed permit; and
 - iii) if a county, stating facts demonstrating that it will be affected by the proposed permit;
 - C) identifying each objection to, or concern with, the permit application and, to the extent possible, explaining the specific fact or facts upon which each objection or concern is based;
 - D) referencing any statute, Section and/or regulation upon which each objection or concern is based;
 - E) hearing requestors are encouraged, in addition, to list:

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- i) known witnesses that will or may be called at the hearing, including, if possible, their name, address and phone number, and a summary of their expected testimony and, if any witness will be used as an expert, documentation (e.g., a curriculum vitae) or statement of that witness' relevant qualifications; and
 - ii) if known at the time of the request for hearing, any documents supporting any objection or concern. The disclosure of witnesses and documents is not required to request a hearing, but the Department, to facilitate the orderly presentation of facts, will provide optional space for that information on the Department prescribed hearing request form.
- 4) All requests for hearing should include copies of any documents referenced in subsection (a)(3)(E)(ii).
- 5) *The Department shall hold a public hearing upon a request for hearing under this subsection (a), unless the request is determined by the Hearing Officer to:*
 - A) *lack an adequate factual statement for finding that the person is or may be adversely affected, that the government agency is or may be affected, or that the county is affected by the proposed permit; or*
 - B) *be frivolous by presenting grounds that are readily recognizable as devoid in merit. (Section 1-50(a) of the Act)*
- 6) *Prior to, but not less than 2 business days before, the commencement of a public hearing under this Section, any person who could have requested the hearing under subsection (a)(1) may petition the Department to participate in the hearing in the same manner as the party requesting the hearing. The petition shall be in writing and meet the requirements for requests for hearing set forth in subsection (a)(3). The petitioner shall serve the petition by electronic mail or certified mail, return receipt requested, upon the Department, the Hearing Officer, and the applicant.*

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The petitioner shall be allowed to participate in the hearing in the same manner as the party requesting the hearing if the petition meets the requirements set forth in subsection (a)(3). (Section 1-50(b) of the Act)

- b) Public Hearing Procedures and Location
 - 1) *The public hearing to be conducted under this Section shall comply with the contested case requirements of the Illinois Administrative Procedure Act [5 ILCS 100] and this Section. (Section 1-50(c) of the Act)*
 - 2) All public hearings under this Part will be held in the county where the well site is located or such other local venue as the Department deems necessary and available, but in no event more than 30 miles outside the county where the proposed well site is to be located.
- c) Hearing Officer
 - 1) All public hearings shall be conducted by a Hearing Officer designated by the Director. Hearing Officers shall be licensed to practice law in the State of Illinois with at least 5 years' experience. Hearing Officers may be employees of the Department or work for the Department pursuant to contract.
 - 2) The Hearing Officer shall take all necessary action and shall have all powers necessary to render a decision on requests for public hearings and on petitions for participation, to avoid delay, to maintain order, to develop a clear and complete record, and to conduct a fair hearing, including the following:
 - A) To administer oaths and affirmations;
 - B) To receive relevant evidence;
 - C) To regulate the course of the hearing and the conduct of the parties and their counsel;
 - D) To consider and rule upon procedural requests;

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- E) To examine witnesses and direct witnesses to testify, limit the number of times any witness may testify, limit repetitive or cumulative testimony, and set reasonable limits on the amount of time each witness may testify; and
 - F) To require the production of documents or subpoena the appearance of witnesses, either on the Hearing Officer's own motion or for good cause shown on motion of any party of record. The Hearing Officer may require that relevant documents be provided to any party of record on his or her own motion or for good cause shown on motion of any party of record.
- 3) Ex parte contacts between the parties and the Hearing Officer concerning the merits of a proceeding are prohibited except upon notice and opportunity for all parties to participate. This Section does not prohibit communications concerning case status or advice concerning compliance with procedural requirements unless the area of inquiry is an area of controversy in the proceeding.
- d) Disqualification of Hearing Officer
- 1) A Hearing Officer, on his or her own motion or that of a party, may be disqualified in a proceeding due to bias or conflict of interest. However, the fact that a Hearing Officer is an employee of or under contract with the Department does not alone serve as a basis for conflict of interest.
 - 2) A motion for disqualification filed pursuant to this Section shall:
 - A) be in writing;
 - B) contain a statement of supporting grounds;
 - C) be filed with the Director and served upon all parties and the Hearing Officer; and
 - D) be filed not less than 2 business days before the scheduled date of the public hearing.

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- 3) Unless the Director orders otherwise, the Hearing Officer and any party to a proceeding in which a motion is filed under this Section may file a response.
 - 4) The Director shall rule on all motions filed pursuant to this Section immediately or as expeditiously as possible. If a motion filed under this Section is granted, the Director shall appoint a new Hearing Officer for the proceeding.
- e) **Postponement or Continuance of Hearing**
A hearing may be postponed or continued for due cause by the Hearing Officer upon his or her own motion or upon the motion of a party to the hearing. A motion filed by a party to the hearing shall set forth facts justifying the request and attesting that the request for continuance is not for the purpose of delay. Except in the case of an emergency, motions requesting postponement or continuance shall be made in writing and shall be received by all parties to the hearing at least 2 business days prior to the scheduled hearing date. The Hearing Officer shall grant a motion requesting postponement or continuance only upon the most substantial of grounds and the public hearing is to be rescheduled as quickly as possible, taking into consideration that the Department shall have no more than 60 days from the date it receives the permit application to approve or reject the permit application.
- f) **Failure to Appear at Hearing**
If any party, after making a proper request for public hearing, fails to appear at the hearing, absent an emergency situation beyond the party's control, that party's request for public hearing shall be dismissed. If other proper requests for public hearing remain, the public hearing will proceed with any remaining parties. If the party failing to appear is the applicant, the hearing may proceed, at the election of the requestors, for the testimony, evidence or statements that persons present wish to adduce, but absent an emergency situation beyond the applicant's control, the Department will reject the permit application. If the applicant fails to appear but sends a satisfactory written explanation to the Hearing Officer explaining why emergency circumstances out of the applicant's control existed, and the applicant waives the 60 day deadline set forth in Section 245.230(e), the Hearing Officer shall reschedule the public hearing. In such an event, the applicant shall be responsible for payment of all the costs associated with the first hearing.
- g) **Conduct of Hearing**

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- 1) Taking into consideration that the Department shall have no more than 60 days from the date it receives the permit application to approve or reject the permit application, pre-hearing conferences are not expected and will only be scheduled on request of a party if the Hearing Officer determines that good cause is provided to do so and delay of the public hearing will not result. Any pre-hearing conference may be conducted via telephone.
- 2) Taking into consideration that the Department shall have no more than 60 days from the date it receives the permit application to approve or reject the permit application based upon the information required to be supplied with permit applications, requests for hearing and petitions for participation, discovery will only be allowed for good cause shown after a motion is served on all parties, shall be at the discretion of the Hearing Officer, and shall be limited to requests for production of documents and the presence of witnesses at the public hearing. All motions for discovery are required to be made as early as possible, but in no event less than 2 business days before the scheduled date for the public hearing, and in a manner to avoid delay of the public hearing.
- 3) Every person, government agency or county filing a request for hearing or petition to participate at the public hearing shall enter an appearance in writing.
- 4) All parties in the hearing shall have the right to be represented by an attorney. Parties that are individuals do not need to be represented by an attorney. Parties required by Illinois law to be represented by an attorney in the courts of this State must be represented by an attorney at the public hearing.
- 5) The Hearing Officer shall allow all parties to present statements, testimony, evidence and argument as may be relevant to the proceeding.
- 6) The Department shall appear at any hearing held under this Section and shall be given the opportunity to question parties or to provide evidence necessary to reach a decision on the request for hearing or petition to participate. The Department's role shall be to assist in creating a complete and accurate record at the public hearing.

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- 7) **Ruling on Participation**

The Hearing Officer shall first determine and rule on whether each request for hearing satisfies the requirements of subsection (a)(5), giving due consideration to the sophistication of the petitioner and whether the petitioner is represented by counsel. If there are also petitions to participate, the Hearing Officer shall determine whether each petition to participate satisfies the requirements of subsection (a)(5). *Notice* provided to any person, government agency, or county pursuant to 245.240 or Section 245.250 *shall not constitute standing for purposes of requesting a public hearing* (Section 1-40(e) of the Act). The Hearing Officer shall base this ruling on the standards set forth in subsection (a)(5). Any Hearing Officer decision denying participation to any party under this subsection (g)(7) shall be a final administrative decision by the Department and subject to judicial review under the Administrative Review Law and rules promulgated under that Law.
- 8) **Preliminary Matters**

After ruling on participation, the following shall be addressed prior to receiving evidence at the discretion of the Hearing Officer:

 - A) Parties may offer preliminary exhibits, including documents necessary to present the issues to be heard, notices, proof of the notice of hearing, proof of publication and the application at issue.
 - B) Ruling may be made on any pending motions.
 - C) Any other preliminary matters appropriate for disposition prior to presentation of evidence may be addressed.
- h) **Evidence**
 - 1) **Admissibility**

The Illinois Rules of Evidence shall generally apply to these proceedings. However, evidence not admissible under those rules of evidence may be admitted, except when precluded by statute, if it is of a type commonly relied upon by reasonable, prudent persons in the conduct of their affairs. The Hearing Officer shall rule on the admissibility of evidence.
 - 2) **Official Notice**

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Official notice may be taken of any material fact not appearing in evidence in the record if the circuit courts of this State could take judicial notice of that fact. In addition, notice may be taken of generally recognized technical or scientific facts within the Department's specialized knowledge.

3) Case Presentation

The parties requesting the public hearing shall present their case first. If there are parties that petitioned to participate in the hearing, they will then present their case. The Hearing Officer will determine whether the Department or the applicant presents additional evidence and in what order. The Hearing Officer will determine whether to allow rebuttal evidence. All witnesses are subject to cross-examination. The Hearing Officer may allow opening statements and closing arguments.

4) Briefs

The Hearing Officer may require or allow parties to submit written briefs to the Hearing Officer within such time as the Hearing Officer shall determine, taking into consideration that the Department shall have no more than 60 days from the date it receives the permit application to approve or reject the permit application.

i) Record of Proceedings; Testimony

A complete record of the public hearings and all testimony shall be made by the Department and recorded stenographically or electronically (Section 1-50(c) of the Act). Any person testifying shall be required to do so under oath.

j) Recommended Findings

1) After the close of evidence at any public hearing held under this Section, the Hearing Officer shall prepare recommended findings regarding the objections and concerns raised by the parties at the public hearing, and identifying any potential impact on the pending permit application based on the evidence and testimony presented at the hearing.

2) The Hearing Officer shall issue and serve on all parties the recommended findings within 7 days after the close of evidence.

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- 3) The Department shall take into consideration the recommended findings when making a permit decision consistent with Section 245.300.

SUBPART C: PERMIT DECISIONS

Section 245.300 Permit Decision

- a) *The Department shall have no more than 60 calendar days from the date it receives the permit application to approve, with any conditions the Department may find necessary, or reject the application for the high volume horizontal hydraulic fracturing permit. The applicant may waive, in writing, the 60-day deadline upon its own initiative or in response to a request by the Department. (Section 1-35(i) of the Act)*
- b) *For the purpose of determining whether to issue a permit, the Department shall consider and the Department's record of decision shall include (Section 1-53(b) of the Act):*
 - 1) *the application for the high volume horizontal hydraulic fracturing permit, including all documentation required by Section 245.210 (Section 1-53(b)(1) of the Act);*
 - 2) *all written comments received during the public comment periods and, if applicable, the complete record from the public hearing held under Section 245.270 (Section 1-53(b)(2) of the Act), and specifically including the recommended findings;*
 - 3) *all supplemental information provided by the applicant in response to:*
 - A) *any public comments (Section 1-53(b)(3) of the Act);*
 - B) *recommended findings of the Hearing Officer if a public hearing was held;*
 - C) *the requirements of this Part; and*
 - D) *Department requests for information, including any information required or requested to demonstrate preparation against the risk of earthquake, flood or other natural disaster;*

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- 4) *any information known to the Department as the public entity responsible for regulating high volume horizontal hydraulic fracturing operations and oil and gas operations, including, but not limited to, inspections of the proposed well site as necessary to ensure adequate review of the application* (Section 1-53(b)(4) of the Act).
- c) *The Department shall issue a high volume horizontal hydraulic fracturing permit, with any conditions the Department may find necessary, only if the record of decision demonstrates that* (Section 1-53(a) of the Act):
 - 1) *the well site location restrictions of Section 245.400 have been satisfied* (Section 1-53(a)(1) of the Act);
 - 2) *the application meets the requirements of Section 245.210* (Section 1-53(a)(2) of the Act);
 - 3) *the plans required to be submitted with the application under Section 245.210 are adequate and effective* (Section 1-53(a)(3) of the Act) to comply with the Act, this Part, the Illinois Oil and Gas Act, and the administrative rules promulgated under that Act;
 - 4) *the high volume horizontal hydraulic fracturing operations will be conducted in a manner that will protect the public health, public safety, property, wildlife, aquatic life and environment, and will prevent pollution or diminution of any water source* (Section 1-53(a)(4) of the Act);
 - 5) *the water quality monitoring work plan required under Section 245.600 has been submitted to and approved by the Department* (Section 1-53(a)(5) of the Act);
 - 6) *the applicant or any parent, subsidiary, or affiliate of the applicant has not failed to abate a violation of the Act, this Part, the Illinois Oil and Gas Act* (Section 1-53(a)(6) of the Act), or the administrative rules promulgated under that Act specified in a final administrative decision of the Department or any court decisions related to that decision;
 - 7) *the Class II injection wells to be used for disposal of hydraulic fracturing flowback comply with all applicable requirements for internal and external*

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mechanical integrity testing as required in 62 Ill. Adm. Code 240.760 and 240.770, including that the well has been tested within the previous 5 years. (Section 1-53(a)(7) of the Act) The Class II injection wells to be used for disposal of hydraulic fracturing flowback must be shown to be in compliance with 62 Ill. Adm. Code 240.360 at the time of the issuance of the high volume horizontal hydraulic fracturing permit;

- 8) *there is no good cause to deny the permit under Section 245.310* (Section 1-53(a)(8) of the Act); and
- 9) The registration and permitting procedures set forth in Subpart B have been satisfied.
- d) *The Department shall, by U.S. Mail and electronic transmission, provide the applicant with a copy of the high volume horizontal hydraulic fracturing permit as issued or its final administrative decision denying the permit to the applicant and shall, by U.S. Mail or electronic transmission, provide a copy of the permit as issued or the final administrative decision denying the permit to any person or unit of local government who received specific public notice under Section 245.240 or 245.250 or participated in any public hearing under Section 245.270.* (Section 1-53(c) of the Act)
- e) *The Department's decision to approve or deny a high volume horizontal hydraulic fracturing permit shall be considered a final administrative decision subject to judicial review under the Administrative Review Law [735 ILCS 5/Art. III] and the rules adopted under that Law* (Section 1-53(d) of the Act).
- f) *Following completion of the Department's review process, the Department's website shall indicate whether an individual high volume horizontal hydraulic fracturing permit was approved or denied and provide a copy of the approval or denial* (Section 1-53(e) of the Act).
- g) *The complete administrative record of the permit decision shall be maintained and shall be accessible to the public on the Department's website until final release of the applicant's bond pursuant to Section 245.220(d)* (Section 1-50(c) of the Act).

Section 245.310 Permit Denial

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In addition to failing to meet the requirements of Section 245.300(c)(1) through (c)(7), *the Department may also refuse to issue a high volume horizontal hydraulic fracturing permit for one or more of the following causes* (Section 1-60(a) of the Act):

- a) *providing incorrect, misleading, incomplete, or materially untrue information in a permit application or any document required to be filed with the Department during the permit application process* (Section 1-60(a)(1) of the Act);
- b) *using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere* (Section 1-60(a)(4) of the Act);
- c) *having a high volume horizontal hydraulic fracturing permit, or its equivalent, revoked in any other state, province, district, or territory for incurring a material or major violation or using fraudulent or dishonest practices* (Section 1-60(a)(5) of the Act); or
- d) *an emergency condition exists under which conduct of the high volume horizontal hydraulic fracturing operations would pose a significant hazard to public health, public safety, property, aquatic life, wildlife, or the environment* (Section 1-60(a)(6) of the Act).

Section 245.320 Permit Conditions

- a) *Each permit issued by the Department shall require the permittee to comply with all provisions of the Act, this Part, the Illinois Oil and Gas Act, the administrative rules promulgated under that Act, and all other applicable local, State, and federal laws, rules, and regulations in effect at the time the permit is issued* (Section 1-55(a) of the Act).
- b) The permit application and all *plans, maps, and diagrams submitted with the application shall be incorporated into and be conditions of the permit* (Section 1-55(a) of the Act).
- c) The Department shall include any additional terms or conditions on the permit that, based on its review of the permit application, the Department determines to be necessary to ensure the goals and requirements of the Act and this Part.

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- d) *A permit, and all conditions to the permit, issued under this Part shall last until plugging and restoration in compliance with this Part, the Act, the Illinois Oil and Gas Act, and the administrative rules promulgated under that Act are completed to the Department's satisfaction (Section 1-55(b) of the Act).*
- e) The permittee shall also be responsible for adjusting to field conditions as necessary during well drilling and construction (see Subpart F), HVHFF operations, and hydraulic fracturing flowback periods (see Subpart H), to ensure protection of public health, public safety, property, wildlife, aquatic life, and the environment as long as the actions are adequate and effective to comply with the Act, this Part, the Illinois Oil and Gas Act, and the administrative rules promulgated under that Act. The actions shall be reported to the Department's District Office within 72 hours for the Department's determination whether the actions require the filing of an application for permit modification pursuant to Section 245.330.
- f) A permit and all conditions thereto shall continue in full force and effect until the permit is released by the Department pursuant to Section 245.350.

Section 245.330 Permit Modifications

- a) Except for the actions allowed pursuant to Section 245.320(e), actions that materially deviate from the original permit require the permit to be modified prior to being conducted. *No permit issued under this Part may be modified without approval of the Department pursuant to this Section (Section 1-55(c) of the Act).*
- b) Applications for permit modification shall be made on a Department permit application form and shall specifically identify the applicant, the well, and each proposed deviation to the original permit.
 - 1) Sections of a permit modification application that do not affect or change terms or conditions of, or information on, the original permit are not required to be completed, other than that information necessary to identify the applicant, operator, well site and well. All sections of a permit modification application that are not completed will be considered to incorporate the original permit (and original permit application) as the content of the permit modification application for those sections.

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- 2) *Each permit modification application submitted under this Part shall be signed, under the penalty of perjury, by the applicant or the applicant's designee who has been vested with the authority to act on behalf of the applicant and has direct knowledge of the information contained in the permit modification application and its attachments. Any person signing a permit modification application shall also sign an affidavit with the following certification:*

"I certify, under penalty of perjury as provided by law and under penalty of refusal, suspension, or revocation of a high volume horizontal hydraulic fracturing permit, that this application and all attachments are true, accurate, and complete to the best of my knowledge." (Section 1-35(f) of the Act)

- c) The permit modification application for a significant deviation shall be accompanied by a non-refundable fee of \$13,500 as set forth in Section 245.210, and shall be reviewed and approved or rejected with all the opportunities for notice, comment and hearing required under Sections 1-45 and 1-50 of the Act and Sections 245.240 through 245.270 of this Part as if it were a completely new permit application under the permit application procedures set forth in this Part. The applicant shall confer with the Department prior to filing the application for modification so as to coordinate scheduling. Examples of permit modifications that are considered significant deviations are those that propose to:
- 1) move the horizontal well bore more than 50 feet in any direction or extend or add to any dimension of the horizontal well bore;
 - 2) add a new horizontal well bore or bores;
 - 3) make any change such that any person or entity who did not receive specific notice of the original application would receive notice if the proposed modification application were a new permit application;
 - 4) materially alter any part of any plan submitted to the Department with the original application, including but not limited to:
 - A) moving the vertical part of the well more than 50 feet;

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- B) substantially moving, extending or adding to the well site;
 - C) any material alteration of plans for containment or storage, transportation of materials (including produced hydrocarbons) to or from the well site, or management of emissions if the alteration results in an increase in emissions, venting or flaring; or
 - 5) request relief from any condition imposed upon or attached to the original permit.
- d) *If the Department, after receipt of an application for modification, determines that a permit modification presents a possible serious risk to public safety, public health, life, property, aquatic life, wildlife, or the environment (Section 1-55(c) of the Act), and the application is not already being treated as one for modification representing a significant deviation, the Department shall inform the applicant. The applicant, if it wishes to proceed with the application for modification, shall pay a non-refundable fee totaling \$13,500 (after credit for any payment for insignificant modification already tendered) as set forth in Section 245.210. The application shall be reviewed and approved or rejected with all the opportunities for notice, comment and hearing required under Sections 1-45 and 1-50 of the Act and Sections 245.240 through 245.270 of this Part as if it were a completely new permit application under the permit application procedures set forth in this Part. The applicant shall confer with the Department after notification of this procedure so as to coordinate scheduling.*
- e) All other permit modification applications may be filed as an insignificant permit deviation and accompanied by a non-refundable \$5,000 permit modification fee. However, the Department has the discretion to determine that the permit modification is a significant deviation based on the content of the application. The permit modification application for insignificant permit deviation shall be reviewed and approved or rejected under the following procedures:
- 1) The Department's record of decision shall include the original permit record of decision, information provided by the application for permit modification pursuant to subsection (b), and any other additional information provided by the permittee in response to requests by the Department. The Department shall provide a copy of the modification application to any of the entities entitled to receive notice in Section 245.240 (the Agency, the Office of the State Fire Marshal, Illinois State

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Water Survey, and Illinois State Geological Survey) if it proposes to modify a plan they received under Section 245.240.

- 2) The Department shall approve or reject the proposed insignificant permit modifications within 30 days after receipt of the permit modification application based on the requirements of Section 245.300(c). The Department's decision to approve or reject the proposed insignificant permit modifications shall be considered a final administrative decision subject to judicial review under the Administrative Review Law and the rules adopted under that Law.
 - 3) Approval of an insignificant permit modification shall result in a modified permit that shall be considered a permit under this Part and, therefore, subject to all conditions and requirements for permits under the Act and this Part.
 - 4) The Department shall, by U.S. Mail and electronic transmission, provide the applicant with a copy of the modified permit as issued or its final administrative decision rejecting the modification request.
 - 5) The applicant shall, by U.S. Mail or electronic transmission, provide a copy of the modified permit as issued to any person or unit of local government who received specific public notice under Section 245.250 or participated in any public hearing under Section 245.270 for the original permit or any significant modifications of that permit. The applicant shall notify the Department within 30 days after receipt of the modified permit that it has complied with this subsection (e)(5).
 - 6) Following completion of the Department's review and approval process, the Department's website shall indicate whether an individual high volume horizontal hydraulic fracturing permit modification was approved or denied and provide a copy of the approval or denial.
 - 7) The complete record shall be maintained and shall be accessible to the public on the Department's website at least until final release of the applicant's bond.
- f) If the Department determines that an application for an insignificant deviation in subsection (e) is a significant deviation based on the content of the application,

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the Department shall notify the applicant and the applicant shall be required to increase the non-refundable application fee to \$13,500 as set forth in Section 245.210. Once the full application fee is received, the permit modification application shall be reviewed and approved or rejected as if it were a completely new permit application under the permit application procedures set forth in this Part.

Section 245.340 Permit Transfers

- a) *No permit may be transferred to another person without approval of the Department (Section 1-55(b) of the Act).*
- b) A request for permit transfer shall be made on a Department form and be signed by the current permittee and the proposed new permittee or by individuals authorized to sign for them.
- c) Each request for permit transfer shall include a \$2,000 non-refundable fee. The check shall be made payable to the Department.
- d) The Department shall approve a permit transfer, with any conditions the Department may find necessary, only if:
 - 1) the proposed new permittee certifies that its registration information provided pursuant to Section 245.200 is accurate and up to date;
 - 2) the permit for the well issued pursuant to the Illinois Oil and Gas Act is approved for transfer to the proposed new permittee under the requirements for permit transfers under the Illinois Oil and Gas Act administrative rules;
 - 3) the proposed new permittee provides proof of insurance that it is insured *to cover injuries, damages or loss related to pollution in the amount of at least \$5,000,000 (Section 1-35(b)(19) of the Act);*
 - 4) there is no good cause to deny the permit transfer under Section 245.310;
 - 5) the request for permit transfer is accompanied by a bond as required by Section 245.220; and

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- 6) there are no outstanding unabated violations by either the current or proposed new permittee of this Part, the Act, the Illinois Oil and Gas Act, or the administrative rules promulgated under that Act, as specified in a final administrative decision by the Department.
- e) The Department shall approve or deny a request for permit transfer in writing within 30 days after receiving the request for permit transfer.
 - 1) If the request for permit transfer is approved, the current permittee shall transfer a copy of the well file to the new permittee, the new permittee will be the permittee of record for the permit, and the bond of the current permittee will be released by the Department pursuant to Section 245.220(d).
 - 2) If the request for permit transfer is denied, then the current permittee will continue to be the permittee of record for the permit.
 - f) A current or proposed new permittee may request a hearing to challenge the Department's decision if a hearing is requested in writing within 30 days after the date of the transfer or denial notice. All requests for hearing shall be mailed to the Department at Illinois Department of Natural Resources, Attention: Office of Oil and Gas Resource Management, One Natural Resources Way, Springfield IL 62702. All requests for hearing must be accompanied by documents evidencing the basis for objection. If no hearing is requested in this time period, the permit transfer decision shall be a final administrative decision of the Department. If a hearing is requested by the current or new permittee:
 - 1) A pre-hearing conference may be held within 60 days after the receipt of the request for hearing.
 - A) A pre-hearing conference shall be scheduled in order to:
 - i) Simplify the factual and legal issues presented by the hearing request;
 - ii) Receive stipulations and admissions of fact and of the contents and authenticity of documents;

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- iii) Exchange lists of witnesses the parties intend to have testify and copies of all documents the parties intend to introduce into evidence at the hearing;
 - iv) Set a hearing date; and
 - v) Discuss and resolve such other matters as may tend to expedite the disposition of the hearing request and to assure a just conclusion.
- B) Pre-hearing conferences may be held by telephone conference if that procedure is acceptable to all parties.
- 2) All hearings under this Section shall be conducted by a Hearing Officer and shall be held in the Department's offices located in Springfield, Illinois.
 - 3) At the permit transfer hearing, the Department shall present evidence in support of its determination under subsection (e). Both the current and the new permittee may present evidence contesting the Department's determination under subsection (e). The Hearing Officer may administer oaths and affirmations, subpoena witnesses and written or printed materials, compel attendance of witnesses or production of those materials, compel discovery, and take evidence.
 - 4) Within 30 days after the close of the record for the permit transfer hearing, the Hearing Officer shall issue findings of fact, conclusions of law and recommendations as to the disposition of the case.
 - 5) The Director or his or her designee shall review the administrative record in conjunction with the Hearing Officer's findings of fact, conclusions of law and recommendations as to the disposition of the case. The Director or designee shall then issue the Department's final administrative decision affirming, vacating or modifying the Hearing Officer's decision, which shall be subject to judicial review under the Administrative Review Law and the rules adopted under that Law.

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- 6) Failure to request a hearing in accordance with this subsection (f) shall constitute a waiver of all legal rights to contest the permit transfer decision.

Section 245.350 Permit Release

A permit issued under this Part shall be released by the Department upon the Department's satisfaction that the plugging of the well and restoration of the well site is completed in compliance with the permittee's Plugging and Restoration Plan pursuant to Sections 245.210(a)(18) and 245.1030, the Act, the Illinois Oil and Gas Act, and the administrative rules promulgated under that Act. (Section 1-55(b) of the Act).

Section 245.360 Judicial Review

All final administrative decisions, including issuance or denial of a permit, made by the Department under this Part are subject to judicial review under the Administrative Review Law and rules adopted under that Law (Section 1-125 of the Act).

SUBPART D: WELL SITE PREPARATION

Section 245.400 Setback Requirements

- a) *Except as otherwise provided in this Section, no well site may be located as follows (Section 1-25(a) of the Act):*
 - 1) *within 500 feet measured horizontally from any residence or place of worship unless the landowner of the residence or the governing body of the place of worship otherwise expressly agrees in writing to a closer well site location (Section 1-25(a)(1) of the Act). This agreement shall be signed and dated by the landowner of the residence or an authorized representative of the governing body of the place of worship. A copy of the agreement shall be submitted to the Department as part of the permit application;*
 - 2) *within 500 feet measured horizontally from the edge of the property line from any school, hospital, or licensed nursing home facility (Section 1-25(a)(2) of the Act);*

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- 3) *within 500 feet measured horizontally from the surface location of any existing water well or developed spring used for human or domestic animal consumption, unless the landowner or landowners of the well or developed spring otherwise expressly agrees or agree in writing to a closer well site location (Section 1-25(a)(3) of the Act). This agreement shall be signed and dated by the landowner. A copy of the agreement shall be submitted to the Department as part of the permit application;*
- 4) *within 300 feet measured horizontally from the center of a perennial stream or from the ordinary high water mark of any river, natural or artificial lake, pond, or reservoir (Section 1-25(a)(4) of the Act), unless the landowner of a water source that is wholly contained within the landowner's property expressly, in writing, waives the setback requirements and agrees to a closer well site location (Section 1-25(b) of the Act). This agreement shall be signed and dated by the landowner. A copy of the agreement shall be submitted to the Department as part of the permit application.*
- 5) *within 750 feet of a nature preserve or a site on the Register of Land and Water Reserves (Section 1-25(a)(5) of the Act); or*
- 6) *within 1,500 feet of a surface water or groundwater intake of a public water supply; the distance from the public water supply as identified by the Department shall be measured as follows (Section 1-25(a)(6) of the Act):*
 - A) *For a surface water intake on a lake or reservoir, the distance shall be measured from the intake point on the lake or reservoir (Section 1-25(a)(6)(A) of the Act).*
 - B) *For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake (Section 1-25(a)(6)(B) of the Act).*
 - C) *For a groundwater source, the distance shall be measured from the surface location of the groundwater wellhead or the ordinary high water mark of the spring. The distance restrictions under this subsection (a) shall be determined as conditions exist at the time of*

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the submission of the permit application pursuant to Section 245.210 (Section 1-25(a)(6)(C) of the Act).

- b) *Unless specified otherwise, all distances shall be measured to the closest edge of the well site. (Section 1-25(a) of the Act)*

Section 245.410 Access Roads, Public Roads and Topsoil Conditions

- a) *The access road to the well site must be located in accordance with access rights either obtained by agreement with the surface landowner or pursuant to the Drilling Operations Act [765 ILCS 530] and located as far as practical from occupied structures, places of assembly, and property lines of unleased property (Section 1-70(b)(1) of the Act).*
- b) *The improvement, construction, or repair of a publicly owned highway or roadway, if undertaken by the owner, operator, permittee, or any other private entity, shall be performed using bidding procedures outlined in the Illinois Department of Transportation rules governing local roads and streets or applicable bidding requirements outlined in the Illinois Procurement Code [30 ILCS 500] as though the project were publicly funded (Section 1-70(b)(4) of the Act).*
- c) *Permittees shall employ practices for control of fugitive dust related to their operations. These practices shall include, but are not limited to, the use of speed restrictions, regular road maintenance, and restriction of construction activity during high-wind days. Additional management practices such as road surfacing, wind breaks and barriers, or automation of wells to reduce truck traffic may also be required by the Department, in consultation with the Agency as the Department deems appropriate, if technologically feasible and economically reasonable to minimize fugitive dust emissions. (Section 1-75(e)(10) of the Act)*
- d) *Unless otherwise approved or directed by the Department, all topsoil and subsoil stripped to facilitate the construction of the well pad, well site, and access roads must be stockpiled, stabilized to prevent erosion, and remain on site. Topsoil is the uppermost layer of soil with the darkest color or the highest content of organic matter. The topsoil shall be segregated from the subsoil. All soils shall remain on site for use in either partial or final restoration and reclamation pursuant to Subpart J. In the event it is anticipated that the final reclamation shall take place in excess of one year from drilling the well, the topsoil may be disposed of in any*

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lawful manner provided the permittee reclaims the site with topsoil of similar characteristics of the topsoil removed. (Section 1-70(b)(2) of the Act)

SUBPART E: WELL CONSTRUCTION

Section 245.500 General Conditions and Requirements

- a) *All wells shall be constructed, and casing and cementing activities shall be conducted, in a manner that shall provide for control of the well at all times, prevent the migration of oil, gas, and other fluids into the fresh water and coal seams, and prevent pollution or diminution of fresh water. (Section 1-70(d) of the Act)*
- b) *At any time, the Department, as it deems necessary, may require construction activities in addition to those required by this Part, including but not limited to, the installation of an additional cemented casing string or strings in the well. (Section 1-70(d)(15) of the Act)*

Section 245.510 Well Drilling, Storage and Disposal of Drilling Waste

Drill cuttings, drilling fluids and drilling wastes must be stored and disposed of pursuant to the requirements of this Section and the requirements of the rules promulgated under the Illinois Oil and Gas Act when not in conflict with this Section.

- a) *Drill cuttings, drilling fluids, and drilling wastes not containing oil-based mud or polymer-based mud may be stored in tanks or pits (Section 1-75(c)(11) of the Act).*
- b) *Pits used to store drill cuttings, drilling fluids, and drilling wastes from wells not using fresh water mud shall be subject to the construction standards identified in Section 245.830 (Reserve Pits) (Section 1-75(c)(11) of the Act).*
- c) *Drill cuttings not contaminated with oil-based mud or polymer-based mud may be disposed of on property subject to the written approval of the Department and the surface landowner (Section 1-75(c)(11) of the Act).*
- d) *Drill cuttings contaminated with oil-based mud or polymer-based mud shall be disposed of in an Agency permitted special waste landfill or other offsite location*

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in accordance with applicable law. (Section 1-75(c)(11) of the Act). (See 62 Ill. Adm. Code 240.540(a).)

- e) *Disposal of drill cuttings or fluid down the annulus of any well is prohibited* (Section 1-75(c)(11) of the Act).
- f) Anything in subsections (a) through (e) notwithstanding, the drilling fluid, drilling cuttings and drilling waste from any black shale zones shall be tested for radioactivity, and if above the levels identified in this Part, disposed of in accordance with the radioactive materials management strategy set forth in Section 245.210(b)(7). Drilling fluid, drilling cuttings and drilling waste from any black shale zones that test positive for levels of radioactive contamination shall not be stored in open pits.

Section 245.520 Cement Requirements

All cementing activities for well construction shall meet the requirements of this Section.

- a) *Cement must conform to the industry standards set forth in the document referenced in Section 245.115(a)(1).* (Section 1-70(d)(4) of the Act)
- b) *Cement slurry must be prepared to minimize its free water content in accordance with the industry standards set forth in the document referenced in Section 245.115(a)(1).* (Section 1-70(d)(4) of the Act)
- c) Cement activities shall be designed and constructed in a manner to:
 - 1) *secure the casing in the wellbore* (Section 1-70(d)(4)(A) of the Act);
 - 2) *isolate and protect fresh groundwater* (Section 1-70(d)(4)(B) of the Act);
 - 3) *isolate abnormally pressured zones, lost circulation zones, and any potential flow zones, including hydrocarbon and fluid-bearing zones* (Section 1-70(d)(4)(C) of the Act);
 - 4) *properly control formation pressure and any pressure from drilling, completion and production* (Section 1-70(d)(4)(D) of the Act);

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- 5) *protect the casing from corrosion and degradation* (Section 1-70(d)(4)(E) of the Act); and
 - 6) *prevent gas flow in the annulus* (Section 1-70(d)(4)(F) of the Act).
- d) For all cementing activities, the *cement must be pumped at a rate and in a flow regime that inhibits channeling of the cement in the annulus* (Section 1-70(d)(7) of the Act).
 - e) Cement must be placed behind all surface, intermediate and production casing pursuant to the requirements of Sections 245.530, 245.560 and 245.570, respectively.
 - f) *After the cement is placed behind the casing, the permittee shall wait on cement to set until the cement achieves a calculated compressive strength of at least 500 pounds per square inch, and a minimum of 8 hours before the casing is disturbed in any way, including installation of a blowout preventer* (Section 1-70(d)(8) of the Act).
 - g) *Cement compressive strength tests must be performed on all cemented surface, intermediate, and production casing strings* in accordance with the industry standards set forth in the document referenced in Section 245.115(a)(1):
 - 1) *the cement shall have a 72-hour compressive strength of at least 1,200 psi; and*
 - 2) *the free water separation shall be no more than 6 milliliters per 250 milliliters of cement.* (Section 1-70(d)(8) of the Act)
 - h) Cement job logs must be kept for all cementing activities pursuant to the following requirements:
 - 1) Cement job logs shall provide information about the cementing activities as specified on a form to be prescribed by the Department, including, but not limited to:
 - A) dates of cementing;
 - B) source of the cement;

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- C) type of cement; and
 - D) amount used;
- 2) *A copy of the cement job logs and cement compressive strength test results for all cemented surface, intermediate, and production casing strings in the well shall be maintained in the well file and, upon notice by the Department, be made available to Department inspectors at the well site during drilling and HVHFF operations and shall be made available to the Department upon request (Section 1-70(d)(9) of the Act);*
 - 3) Permittee shall provide the Department with a copy of all cement job logs and cement compressive strength test results 30 days after completion of cementing activities; and
 - 4) Permittee shall retain these records for the life of the well until the well is plugged, abandoned and restored in accordance with the Illinois Oil and Gas Act, the administrative rules promulgated under that Act, and Subpart J of this Part.

Section 245.530 Surface Casing Requirements

Surface casing shall be used in the construction of all wells regulated by this Part and shall be set and cemented pursuant to the requirements of this Section.

- a) *Surface casing shall be used and set to a depth of at least 200 feet, or 100 feet below the base of the deepest fresh water, whichever is deeper. Surface casing must stop before reaching any hydrocarbon-bearing zones. (Section 1-70(d)(10) of the Act) If the surface casing does not protect all of the fresh water, intermediate casing shall be required.*
- b) *Surface casing must be made of steel and conform to the industry standards set forth in the document referenced in Section 245.115(a)(2). Additionally, the use of surface casing in the well construction must be in a manner consistent with the industry standards set forth in the document referenced in Section 245.115(a)(2). (Section 1-70(d)(1) of the Act)*

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- c) *Casing thread compound must conform to* and meet all manufacturing and material requirements of the industry standards set forth in the document referenced in Section 245.115(a)(3) (Section 1-70(d)(2) of the Act). Additionally, the uses of casing thread compound in the well construction must be in a manner consistent with the industry standards set forth in the document referenced in Section 245.115(a)(3).
- d) *The borehole must be circulated and conditioned* before surface casing setting and cementing *to ensure an adequate cement bond* (Section 1-70(d)(5) of the Act).
- e) The permittee shall notify the Department's District Office by phone and electronic mail *at least 24 hours* (Section 1-70(d)(11) of the Act) before setting and cementing surface casing to enable an inspector to be present.
- f) When setting surface casing, centralizers are required to be used as follows to keep the casing in the center of the wellbore before and during cement operations:
- 1) A centralizer shall be placed at the bottom of the surface casing string or shoe;
 - 2) Centralizers shall be placed *above and below a stage collar or diverting tool, if run*;
 - 3) Centralizers shall be placed *through usable-quality water zones*;
 - 4) Centralizers shall be placed on *every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar*;
 - 5) *The Department may require additional centralization as necessary to ensure the integrity of the well design is adequate*; and
 - 6) *All centralizers must conform to and shall meet specifications in, or equivalent to, the industry standards set forth in the documents referenced in Section 245.115(a)(4) through (a)(6).*
- g) *A pre-flush or spacer must be pumped ahead of the cement.* (Section 1-70(d)(6) of the Act)

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- h) Surface casing cement must:
- 1) be Class A cement or, alternatively, if the applicant requests before the pour in writing with sufficient proof of need as determined by the Department, and the Department approves the use in writing before the pour, Class B Cement. Class A and Class B cement means Class A and Class B cement as described in the document incorporated by reference in Section 245.115(a)(1);
 - 2) meet the cement requirements of Section 245.520(a) and (b), including but not limited to being poured with the ratio of water to cement mix and density desired in the document incorporated by reference in Section 245.115(a)(1); and
 - 3) be applied behind the casing according to the requirements of Section 245.520(c) and (d).
- i) *Surface casing must be fully cemented to the surface with excess cements. Cementing must be by the pump and plug method with a minimum of 25% excess cement with appropriate lost circulation material, unless another amount of excess cement is approved by the Department. If cement returns are not observed at the surface, the permittee must perform remedial actions as appropriate. (Section 1-70(d)(11) of the Act)*
- j) *After the cement is placed behind the surface casing (Section 1-70(d)(8) of the Act), the cement must be tested (compressive strength test) and cement job logs maintained pursuant to the requirements of Section 245.520(f) through (h).*
- k) *After the surface casing cement operation is completed to the surface, the permittee shall notify the Department's District Office by phone and electronic mail to enable an inspector to be present for the following:*
- 1) testing the internal mechanical integrity of the surface casing pursuant to Section 245.540; and
 - 2) installation and testing of the blowout prevention equipment pursuant to Section 245.550.

Section 245.540 Establishment of Internal Mechanical Integrity

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An internal mechanical integrity test shall be performed on each cemented casing string after installation for all wells regulated by this Part.

- a) *The permittee shall contact the Department's District Office by phone and electronic mail at least 24 hours before conducting an internal mechanical integrity pressure test to enable an inspector to be present when the test is performed (Section 1-70(d)(16) of the Act).*
- b) Mechanical Integrity
 - 1) *The internal mechanical integrity of surface and intermediate casing strings shall be tested:*
 - A) *with fresh water, mud or brine. If mud is used, the mud cannot be so viscous or contain so much particulate that it blocks, plugs or obscures the presence of any potential leaks in the casing string;*
 - B) *to no less than 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield; and*
 - C) *for at least 30 minutes with less than a 5% pressure loss.*
 - 2) *If the pressure declines more than 5% or if there are other indications of a leak, corrective action shall be taken before conducting further drilling operations. (Section 1-70(d)(16) of the Act)*
- c) *The internal mechanical integrity of the production casing string or any casing string that will have pressure exerted on it during stimulation of the well shall be tested:*
 - 1) *with fresh water, mud or brine. If mud is used, the mud cannot be so viscous or contain so much particulate that it blocks, plugs or obscures the presence of any potential leaks in the casing string;*
 - 2) *to at least the maximum anticipated treatment pressure or 1,500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield;*

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- 3) *for at least 30 minutes with less than a 5% pressure loss; and*
 - 4) *if the pressure declines more than 5% or if there are other indications of a leak, corrective action shall be taken before conducting further drilling operations. (Section 1-70(d)(16) of the Act)*
- d) Records of internal mechanical integrity pressure tests for all casing strings must be kept pursuant to the following requirements:
- 1) *A record of the internal mechanical integrity pressure test for each casing string must be maintained by the permittee in the well file and must be submitted to the Department on a form prescribed by the Department before conducting high volume horizontal hydraulic fracturing operations (Section 1-70(d)(16) of the Act).*
 - 2) Permittee shall provide the Department with a copy of all internal mechanical integrity pressure test results for all casing strings within 30 days after completion of well construction; and
 - 3) Permittee shall retain these records for the life of the well until the well is plugged, abandoned and restored in accordance with the Illinois Oil and Gas Act, the administrative rules promulgated under that Act, and Subpart J of this Part.

Section 245.550 Installation and Testing of Blowout Prevention Equipment

After the surface casing has been set and cemented pursuant to Section 245.530, *the permittee shall install and test blowout prevention equipment* pursuant to the requirements of this Section (Section 1-70(e)(1) of the Act).

- a) The permittee shall contact the Department's District Office by phone and electronic mail at least 24 hours before conducting pressure tests on the blowout prevention equipment to enable an inspector to be present when the tests are performed.
- b) The permittee or permittee's designated representative shall be present at the well site *when the blowout preventer is installed, tested, and in use.*

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- 1) *That person or personnel shall have a current well control certification from an accredited training program that is acceptable to the Department; and*
- 2) *The certification shall be available at the well site and provided to the Department upon request. (Section 1-70(e)(3) of the Act)*
- c) *The permittee shall install all blowout prevention equipment using pipe fittings, valves, and unions placed on or connected to the blow-out prevention systems that have a working pressure capability that exceeds the anticipated pressures. (Section 1-70(e)(2) of the Act)*
- d) *A remote blowout preventer actuator that is powered by a source other than rig hydraulics shall be located at least 50 feet from the wellhead and have an appropriate rated working pressure (Section 1-70(e)(6) of the Act).*
- e) *Pressure testing of all pressure control equipment, including the blowout preventer and related equipment for any drilling or completion operation must be performed.*
 - 1) *Testing must be conducted in accordance with the industry standards set forth in the document referenced in Section 245.115(a)(7). A record of the pressure tests must be made on a form prescribed by the Department.*
 - 2) *Testing of the blowout preventer shall include testing after the blowout preventer is installed on the well but prior to drilling below the last cemented casing seat.*
 - 3) *Pressure control equipment, including the blowout preventer, that fails any pressure test shall not be used until it is repaired, or replaced, and passes the pressure test. (Section 1-70(e)(5) of the Act)*
 - 4) *Records of all pressure tests and repair work on blowout prevention equipment shall be maintained by the permittee in the well file at the well site and made available to the Department upon request.*
- f) *After installation and testing, the blowout prevention equipment must be in use during all drilling and completion operations and shall be maintained in good working condition at all times (Section 1-70(e)(1) and (3) of the Act).*

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- g) *Appropriate pressure control procedures must be properly employed and equipment must be installed and maintained in proper working order while conducting drilling and completion operations, including tripping, logging, running casing into the well, and drilling out solid-core stage plugs (Section 1-70(e)(4) of the Act).*

Section 245.560 Intermediate Casing Requirements

When intermediate casing is required by subsection (a), intermediate casing used in the construction of wells must be set and cemented pursuant to the requirements of subsections (b) through (m). *Intermediate casing used to isolate fresh water must not be used as the production string in the well in which it is installed, and may not be perforated for purposes of conducting a hydraulic fracture treatment through it.*

- a) Cemented intermediate casing must be installed under the following conditions:
- 1) *when necessary to isolate fresh water not isolated by surface casing; or*
 - 2) *to seal off potential flow zones, anomalous pressure zones, lost circulation zones and other drilling hazards. (Section 1-70(d)(12) of the Act)*
- b) Intermediate casing shall be set and cemented to one of the standards below:
- 1) *When intermediate casing is installed to protect fresh water, the permittee shall set a full string of new intermediate casing at least 100 feet below the base of the deepest fresh water and bring cement to the surface;*
 - 2) *In instances in which intermediate casing was set solely to protect fresh water encountered below the surface casing shoe, and cementing to the surface is technically infeasible, would result in lost circulation, or both, cement must be brought to a minimum of 600 feet above the shallowest fresh water zone encountered below the surface casing shoe or to the surface if the fresh water zone is less than 600 feet from the surface;*
 - 3) *In the case that intermediate casing was set for a reason other than to protect fresh water, the intermediate casing string shall be cemented from the shoe to a point at least 600 true vertical feet above the shoe; or*

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- 4) *If there is a hydrocarbon bearing zone that is capable of producing and that is exposed above the intermediate casing shoe, then the casing shall be cemented from the shoe:*
- A) *to a point at least 600 true vertical feet above the shallowest hydrocarbon bearing zone; or*
 - B) *to a point at least 200 feet above the shoe of the next shallower casing string that was set and cemented in the well; or*
 - C) *to the surface if less than 200 feet.* (Section 1-70(d)(12) of the Act)
- c) *The location and depths of any hydrocarbon-bearing zones or fresh water zones requiring intermediate casing or that are open to the wellbore above the casing shoe must be confirmed by coring, electric logs, or testing and must be reported to the Department.* (Section 1-70(d)(12) of the Act)
- d) Intermediate casing must conform to the industry standards set forth in the document referenced in Section 245.115(a)(2). Additionally, the use of intermediate casing in the well construction must be in a manner consistent with the industry standards set forth in the document referenced in Section 245.115(a)(2).
- e) *Casing thread compound must conform to and meet all manufacturing and material requirements of the industry standards set forth in the document referenced in Section 245.115(a)(3) (Section 1-70(d)(2) of the Act). Additionally, the uses of casing thread compound in the well construction must be in a manner consistent with the industry standards set forth in the document referenced in Section 245.115(a)(3).*
- f) *The borehole must be circulated and conditioned before intermediate casing setting and cementing to ensure an adequate cement bond* (Section 1-70(d)(5) of the Act).
- g) The permittee shall notify the Department's District Office by phone and electronic mail at least 24 hours before setting and cementing intermediate casing cementing operations to enable an inspector to be present.

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- h) When setting intermediate casing in non-deviated holes, centralizers are required to be used as follows to keep the casing in the center of the wellbore before and during cementing operations:
- 1) *Centralizers shall be placed on every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar;*
 - 2) *The Department may require additional centralizers as necessary to ensure the integrity of the well design; and*
 - 3) *All centralizers must conform to and shall meet specifications in, or equivalent to, the industry standards set forth in the documents referenced in Section 245.115(a)(4) through (a)(6). (Section 1-70(d)(3) of the Act)*
- i) *A pre-flush or spacer must be pumped ahead of the cement (Section 1-70(d)(6) of the Act).*
- j) Intermediate casing cement must:
- 1) meet the cement requirements of Section 245.520(a) and (b); and
 - 2) be applied behind the casing according to the requirements of Section 245.520(c) and (d).
- k) A radial cement bond evaluation log, or other evaluation approved by the Department, such as, but not limited to, temperature surveys, must be run to verify the cement bond on the intermediate casing. Remedial cementing is required if the cement bond is not adequate for drilling ahead. (Section 1-70(d)(13) of the Act)
- l) The cementing and testing requirements of subsections (b)(2), (b)(3), (b)(4) and (c) may be waived if all intermediate casing strings are cemented to surface.
- m) After the cement is placed behind the intermediate casing (Section 1-70(d)(8) of the Act), the cement must be tested and cement job logs maintained pursuant to the requirements of Section 245.520(f) through (h).
- n) After the intermediate casing cement operation is completed, the permittee shall notify the Department's District Office by phone and electronic mail to enable an

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inspector to be present for testing the internal mechanical integrity of the intermediate casing pursuant to Section 245.540.

- o) If the annulus between the production casing and the surface of intermediate casing has not been cemented to the surface, the intermediate casing annulus shall be equipped with an appropriately sized and tested relief valve. The flow line from the relief valve should be secured and diverted to a lined pit or tank. (See API HF1 – Hydraulic Fracturing Operations – Well Construction and Integrity Guidelines, 1st Edition, October 2009, Section 10.4.2, Pressure Monitoring.)

Section 245.570 Production Casing Requirements

Production casing shall be used in the construction of all wells regulated by this Part and shall be set and cemented pursuant to the requirements of this Section.

- a) *Production casing must be fully cemented from the production casing shoe to 500 feet above the top perforated formation, if possible* (Section 1-70(d)(14) of the Act). However, if that cementing requirement will inhibit the production of oil or gas from the targeted formation, the operator must make a written or electronic mail request to the Department for an alternate cementing plan, and in no event shall the cementing of the production casing be completed from less than just above the top of the perforated formation to 500 feet above the top of the perforated formation.
- b) Production casing must conform to the industry standards set forth in the document referenced in Section 245.115(a)(2). Additionally, the use of production casing in the well construction must be in a manner consistent with the industry standards set forth in the document referenced in Section 245.115(a)(2).
- c) *Casing thread compound must conform to* and meet all manufacturing and material requirements of *the industry standards* set forth in the document referenced in Section 245.115(a)(3) (Section 1-70(d)(2) of the Act). Additionally, the uses of casing thread compound in the well construction must be in a manner consistent with the industry standards set forth in the document referenced in Section 245.115(a)(3).
- d) *The borehole must be circulated and conditioned* before production casing setting and cementing *to ensure an adequate cement bond* (Section 1-70(d)(5) of the Act).

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- e) The permittee shall notify the Department's District Office by phone and electronic mail before setting and cementing production casing to enable an inspector to be present.
- f) When setting production casing, centralizers are required to be used as follows to keep the casing in the center of the wellbore prior to and during cement operations:
 - 1) In the vertical portion of the well, *a centralizer shall be placed on every fourth joint from the kickoff point to the ground surface or to the bottom of the cellar;*
 - 2) In the horizontal portion of the well, rigid centralizers shall be used and placed accordingly to ensure at least 80% standoff;
 - 3) *The Department may require additional centralizers as necessary to ensure the integrity of the well design; and*
 - 4) *All centralizers used in the vertical portion of the well must conform to and shall meet specifications in, or equivalent to, the industry standards set forth in the documents referenced in Section 245.115(a)(4) through (a)(6). (Section 1-70(d)(3) of the Act)*
- g) *A pre-flush or spacer must be pumped ahead of the cement (Section 1-70(d)(6) of the Act).*
- h) Production casing cement must:
 - 1) meet the cement requirements of Section 245.520(a) and (b); and
 - 2) be applied behind the casing according to the requirements of Section 245.520(c) and (d).
- i) *After the cement is placed behind the production casing (Section 1-70(d)(8) of the Act), the cement must be tested and cement job logs maintained pursuant to the requirements of Section 245.520(f) through (h).*

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- j) After the production casing cement operation is completed, the permittee shall notify the Department's District Office by phone or electronic mail to enable an inspector to be present for testing the internal mechanical integrity of the production casing pursuant to Section 245.540.

Section 245.580 Establishment of Formation Integrity

- a) *A formation pressure integrity test shall be conducted below the surface casing and below all intermediate casing in order to demonstrate:*
- 1) that the integrity of the casing shoe is sufficient to contain the wellbore pressures anticipated in the permit application;
 - 2) that no flow path exists to formations above the casing shoe; and
 - 3) that the casing shoe is competent to handle an influx of formation fluid or gas without breaking down.
- b) *The permittee shall notify the Department's District Office by phone and electronic mail at least 24 hours before conducting a formation pressure integrity test to enable an inspector to be present when the test is performed.*
- c) *The actual hydraulic fracturing treatment pressure must not exceed the mechanical integrity test pressure of the casing tested pursuant to Section 245.540 at any time during high volume horizontal hydraulic fracturing operations.*
- d) Records of all formation integrity tests must be kept pursuant to the following requirements:
- 1) *A record of the formation integrity test must be maintained by the permittee in the well file and must be submitted to the Department on a form prescribed by the Department before conducting high volume horizontal hydraulic fracturing operations. (Section 1-70(d)(18) of the Act)*
 - 2) Permittee shall provide the Department with a copy of all formation integrity test results 30 days after completion of well construction.

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- 3) Permittee shall retain these records for the life of the well until the well is plugged, abandoned and restored in accordance with the Illinois Oil and Gas Act, the administrative rules promulgated under that Act, and Subpart J of this Part.

SUBPART F: WATER QUALITY

Section 245.600 Water Quality Monitoring

Water quality monitoring shall be conducted pursuant to the requirements of this Section and in accordance with the water quality monitoring work plan submitted pursuant to Section 245.210(a)(20). Unless specified otherwise, all distances are measured horizontally from the closest edge of the well site.

- a) **Water Quality Monitoring Work Plan**
Each applicant for a high volume horizontal hydraulic fracturing permit shall provide the Department with a water quality monitoring work plan to ensure accurate and complete sampling and testing as required under this Section. A water quality monitoring work plan shall include, at a minimum, the following (Section 1-80(a) of the Act):
 - 1) *information identifying all water sources within the range of testing under this Section (Section 1-80(a)(1) of the Act);*
 - 2) *a sampling plan and protocol consistent with the requirements of subsections (b), (c) and (d), including notification to the Department at least 7 calendar days prior to sample collection (Section 1-80(a)(2) of the Act);*
 - 3) *the name and contact information of an independent third party under the supervision of a professional engineer or professional geologist that shall be designated to conduct sampling to establish a baseline as provided for under subsection (b) (Section 1-80(a)(3) of the Act);*
 - 4) *the name and contact information of an independent third party under the supervision of a professional engineer or professional geologist that shall be designated to conduct sampling to establish compliance with monitoring as provided within subsection (c) (Section 1-80(a)(4) of the Act);*

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- 5) *the name and contact information of an independent testing laboratory accredited or certified by the Agency to perform the required laboratory method and to conduct the analysis required under subsections (b) and (c) (Section 1-80(a)(5) of the Act). When no laboratory has been accredited or certified by the Agency to analyze a particular substance requested in subsection (d), results will be considered only if they have been analyzed by a laboratory accredited or certified by another State agency or an agency of the federal government, if the standards used for the accreditation or certification of that laboratory are substantially equivalent to the accreditation standard under Section 4(o) of the Illinois Environmental Protection Act [415 ILCS 5];*
- 6) proof that the applicant provided each landowner referenced in subsections (a)(7) through (a)(10) with a notice of water sampling rights under the Act pursuant to a form prescribed by the Department and prior to the landowner's execution of any document regarding water sampling.
- 7) *proof of access and the right to test within the area for testing prescribed within subsections (b) and (c) (Section 1-80(a)(6) of the Act);*
- 8) *copies of any non-disclosure agreements made with landowners, if applicable (Section 1-80(a)(6) of the Act). Landowners of private property may condition access or permission for sampling of private water wells or ponds wholly within their property or a portion of any perennial stream or river that flows through their property under a non-disclosure agreement that includes the following terms and conditions (Section 1-80(d) of the Act):*
 - A) *the permittee shall provide the results of the water quality testing to the private property landowners (Section 1-80(d)(1) of the Act);*
 - B) *the permittee shall retain the results of all water quality testing conducted pursuant subsections (b) and (c) until at least 1 year after completion of all water quality monitoring for review by the Department upon request (Section 1-80(d)(2) of the Act);*

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- C) *the permittee shall not file with the Department the results of the water quality testing, except that under subsection (a)(7)(D) (Section 1-80(d)(3) of the Act); and*
- D) *the permittee shall notify and provide to the Department and the Agency within 7 calendar days of its receipt of the water quality data any testing under subsection (c) indicating concentrations that exceed the standards or criteria referenced in the definition of "pollution or diminution" under Section 245.110 (Section 1-80(d)(4) of the Act);*
- 9) *documentation that the landowner of the private property declines, expressly and in writing, to provide access or permission for sampling, if applicable. Under these conditions, sampling of private water wells or ponds wholly contained within private property shall not be required (Section 1-80(d) of the Act);*
- 10) *evidence as to the good faith efforts (for example, logs of oral communications and copies of written communication) that were made to secure documentation that the landowner of the private property declines to provide proof of his or her refusal to allow access for the purposes of conducting sampling in writing, if applicable. Permits issued under this Part cannot be denied if the landowner of the private property declines to provide proof of his or her refusal to allow access in writing and the permittee provides evidence that good faith efforts were made to gain access for the purposes of conducting sampling (Section 1-80(d) of the Act); and*
- 11) *identification of practicable contingency measures, including provision for alternative drinking water supplies, which could be implemented in the event of pollution or diminution of a water source as provided for in Section 245.610 (Section 1-80(a)(7) of the Act).*
- b) **Baseline Testing**
Before conducting high volume horizontal hydraulic fracturing operations on a well, a permittee shall retain an independent third party, as identified pursuant to subsection (a)(3). The permittee, through its independent third party, shall, after giving the Department 7 calendar days' notice, conduct baseline water quality sampling of all water sources within 1,500 feet of the well site (Section 1-80(b) of

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the Act) pursuant to the laboratory analysis procedures of subsection (d) and as follows:

- 1) If an aquifer to be sampled is inaccessible through *groundwater wells within 1,500 feet of the well site*, the permittee shall conduct groundwater well *sampling* of that aquifer at the next *closest groundwater well that the permittee has permission to access*.
- 2) *Installation of a groundwater monitoring well is not required to satisfy the sampling requirements of this Section.*
- 3) Baseline testing results shall be submitted to the Department no later than 3 calendar days before commencing HVVHF operations, unless there are non-disclosure agreements with the applicable private property landowners. In the case of non-disclosure agreements, the permittee shall provide a certification to the Department that the baseline testing results have been provided to the applicable private property landowners no later than 3 calendar days before commencing HVVHF operations.
- 4) *The Department shall post the results of the baseline sampling and analysis conducted under this subsection (b) on its website within 7 calendar days after receipt. The posted results shall, at a minimum, include the following:*
 - A) the well name, well site location and permit number;
 - B) the sampling site GPS latitude and longitude location, and ground elevation of the well. The GPS location shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement;
 - C) *a detailed description of the sampling and testing conducted under this subsection (b), including the results of the sampling and testing;*
 - D) *the chain of custody of the samples;*

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- E) *quality control of the testing.* (Section 1-80(b) of the Act)
- c) Follow-up Monitoring
After baseline tests are conducted under subsection (b) and following the completion of HVHFF operations, the permittee, through its independent third party, shall perform the following:
- 1) *Notify the Department at least 7 calendar days prior to taking the samples; and*
 - 2) *Sample and test all water sources that were subjected to sampling under subsection (b) in the same manner following the procedures under subsection (d) 6 months, 18 months, and 30 months after the high volume horizontal hydraulic fracturing operations have been completed, unless the water source was sampled under this subsection (c) or subsection (b) within the previous month.* (Section 1-80(c) of the Act)
- d) Laboratory Analysis Procedures
- 1) *Sampling shall, at a minimum, be consistent with the water quality monitoring work plan as approved by the Department and allow for a determination of whether any hydraulic fracturing additive or other oil or gas well contaminant has caused pollution or diminution* (Section 1-80(e) of the Act). For each water source required to be sampled and tested under subsections (b) and (c):
 - A) *a minimum of 3 separate samples, or as many as required by the work plan and any conditions placed on the permit, shall be collected by the independent third party, under the supervision of a licensed professional engineer or professional geologist* (Section 1-80(b) of the Act) consistent with the approved water quality monitoring work plan; and
 - B) each sample collected *shall be submitted to and analyzed by an Agency-accredited or -certified independent testing laboratory* (Section 1-80(b) of the Act) for the following:
 - i) *pH* (Section 1-80(e)(1) of the Act);

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- ii) *total dissolved solids, dissolved methane, dissolved propane, dissolved ethane, alkalinity, and specific conductance* (Section 1-80(e)(2) of the Act);
 - iii) *chloride, sulfate, arsenic, barium, calcium, chromium, iron, magnesium, selenium, cadmium, lead, manganese, mercury, and silver* (Section 1-80(e)(3) of the Act);
 - iv) *BTEX* (Section 1-80(e)(4) of the Act);
 - v) *gross alpha and beta particles to determine the presence of any naturally occurring radioactive materials* (Section 1-80(e)(5) of the Act);
- 2) The independent third party's laboratory request submitted to the Agency-accredited or -certified independent testing laboratory shall include:
- A) the applicant's name, well name, well location and permit number;
 - B) a detailed description of the sampling methods used to collect the samples, the date and time of the sampling collections, the location where each sample was collected and by whom, and the specific testing requested;
 - C) the chain of custody for the samples up to the point when the samples are relinquished to the laboratory; and
 - D) a specific request to the laboratory that the laboratory's report also include:
 - i) the name and address of the laboratory;
 - ii) the sampling method and testing requested in subsection (d);
 - iii) the analyses being performed;
 - iv) the test methods used to perform the analyses;

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- v) the date and time of the analyses;
 - vi) the identification of any test results performed by a subcontracted laboratory;
 - vii) the name of any subcontracted laboratory used and the applicable accreditation that the subcontracted laboratory holds and maintains for the analyses performed;
 - viii) the complete chain of custody through all the analyses in the laboratory and any subcontracted laboratory used;
 - ix) the test results with the units of measurements used, when appropriate;
 - x) an interpretation of the test results, including the definitions for any data qualifiers applied to the test results;
 - xi) the name, title and signature of the person authorizing the test results; and
 - xii) a summary of the laboratory's quality control results for the analyses performed;
- 3) *The permittee shall, within 7 calendar days after receipt of results of baseline or follow-up monitoring tests conducted under this Section, submit the independent third party's lab request under subsection (d)(2) and the results to the Department for a water source not subject to a non-disclosure agreement or, except as provided by subsection (d)(5), only to the landowner of the water source pursuant to a non-disclosure agreement under subsection (a)(7) (Section 1-80(b) and (c) of the Act);*
- 4) For a water source subject to a non-disclosure agreement, if the independent third party follow-up monitoring test results indicate that concentrations exceed the standards or criteria referenced in the definition of "pollution or diminution" in Section 245.110, the permittee shall submit the independent third party lab requests and the results of those tests to the Department and the Agency within 7 calendar days after its receipt of the

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follow-up monitoring test results. The permittee must identify which specific standards or criteria are exceeded.

- e) Upon receipt of the independent third party's lab requests and the results of the laboratory analyses for follow-up monitoring under subsection (c), the Department shall, in consultation with the Agency as the Department deems appropriate, determine *whether any hydraulic fracturing additive or other oil or gas well contaminant has caused pollution or diminution for purposes of Sections 245.610 and 245.620 (Section 1-80(e) of the Act).*
- f) If the Department makes a determination of pollution or diminution under subsection (e), the procedures set forth in Section 245.615 shall be followed.

Section 245.610 Water Pollution Investigations

- a) *Any person who has reason to believe he or she has incurred pollution or diminution of a water source as a result of a high volume horizontal hydraulic fracturing treatment of a well may request that an investigation be conducted (Section 1-83(a) of the Act) by:*
 - 1) notifying the Department either in writing or electronically through its website; and
 - 2) providing the following information:
 - A) his or her name, address and contact information; and
 - B) a detailed description of the suspected contamination, including but not limited to, identifying:
 - i) the water source being affected;
 - ii) the suspected source of contamination;
 - iii) dates and times related to observations of the suspected contamination;
 - iv) the names of potential witnesses and their contact information; and

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- v) any documents or photographs in his or her possession that may be useful as evidence of pollution or diminution.
- b) *Within 30 calendar days after the notification required by subsection (a), the Department will notify the Agency and initiate an investigation of the claim. The Department will make a reasonable effort to reach a determination within 180 calendar days after receiving the notification.* (Section 1-83(b) of the Act)
- c) If necessary, *the Agency shall conduct water quality sampling* (Section 1-83(b) of the Act) and the Department shall provide to the Agency all available permit information and other relevant data.
- d) *Any person conducting or who has conducted high volume horizontal hydraulic fracturing operations suspected to be the source of pollution or diminution complained of shall supply any information requested by the Department or Agency to assist with the investigation. The Department, in consultation with the Agency as the Department deems appropriate, shall give due consideration to any information submitted during the course of the investigation.* (Section 1-83(c) of the Act) The requested information may include additional water quality monitoring sampling in accordance with Section 245.600.
- e) The Department, in consultation with the Agency as the Department deems appropriate, shall make a determination of pollution or diminution if *sampling results or other information obtained as part of the investigation or the results of tests conducted under Section 245.600 indicate that hydraulic fracturing additive or other oil or gas well contaminant concentrations in the water are found to exceed the following standards or criteria* (Section 1-83(d) of the Act) and are statistically significantly higher than the base line sampling results obtained under Section 245.600(b):
 - 1) in groundwater, any of the following:
 - A) *detection of benzene or any other carcinogen in any Class I, Class II, or Class III groundwater;*
 - B) *detection of any constituent in 35 Ill. Adm. Code 620.310(a)(3)(A)(i) equal to or above the listed preventive*

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response criteria in any Class I, Class II, or Class III groundwater;

- C) *detection of any constituent in 35 Ill. Adm. Code 620.410(a), (b), (c), (d) or (e) equal to or above the listed standard in any Class I, Class II, or Class III groundwater;*
 - D) *detection of any constituent in Class III groundwater equal to or above a standard established under 35 Ill. Adm. Code 620.260; or*
 - E) *detection of any constituent in Class I, Class II, or Class III groundwater equal to or above a cleanup objective listed in 35 Ill. Adm. Code 742.*
- 2) *in surface water, exceeding any applicable numeric or narrative standard in 35 Ill. Adm. Code 302 or 304. (Section 1-5 of the Act)*
- f) If the Department makes a determination of pollution or diminution under subsection (e), the procedures set forth in Section 245.615 shall be followed.

Section 245.615 Procedures

- a) Upon a determination of pollution or diminution by the Department, the Department shall issue a Notice of Violation and proceed with appropriate enforcement pursuant to Subpart K. The enforcement shall, *in addition to any other penalty available under the law*, require the permittee to complete remedial action to temporarily or permanently *restore or replace the affected water supply with an alternative source of water adequate in quantity and quality for the purposes served by the water source. The quality of a restored or replaced water source shall meet or exceed the quality of the original water source based upon the results of the baseline test results under Section 245.600(b) for that water source, or other available information. Further, as appropriate, the Department may require the permittee to take immediate action, including, but not limited to, repair, replacement, alteration, or prohibition of operation of equipment permitted by the Department. The Department, in consultation with the Agency and/or the Illinois Department of Public Health, may also issue conditions and orders to protect the public health, public safety, property, wildlife, aquatic life or environment.* (Section 1-83(d) of the Act)

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- b) *Within 15 calendar days after a determination of pollution or diminution, the Department shall, with assistance from other State and local agencies, provide notice of its Notice of Violation and determination on the Department's website and to all persons that use the water source for domestic, agricultural, industrial, or any other legitimate beneficial uses, as well as any certified local public health departments that serve those persons (Section 1-83(e) of the Act).*
- c) *Upon issuance of a Notice of Violation pursuant to subsection (b), the Department shall contact the Agency and forward all information to the Agency. The Agency shall investigate the potential for violations as designated within Section 1-87 of the Act. (Section 1-83(f) of the Act)*
- d) *The Department shall publish, on its website, lists of confirmed determinations of pollution or diminution that result from high volume horizontal hydraulic fracturing operations and are final administrative decisions. This information shall be searchable by county. (Section 1-83(h) of the Act)*
- e) *The Agency shall have the duty to investigate complaints that activities under the Act or this Part have caused a violation of Section 12 of the Illinois Environmental Protection Act or surface or groundwater rules adopted under the Illinois Environmental Protection Act. Any action taken by the Agency in enforcing these violations shall be taken under and consistent with the Illinois Environmental Protection Act, including, but not limited to, the Agency's authority to seek a civil or criminal cause of action under that Act. (Section 1-87(b) of the Act)*

Section 245.620 Rebuttable Presumption of Pollution or Diminution

- a) *This Section establishes a rebuttable presumption for use in determining the cause of water pollution or diminution, as defined by Section 1-5 of the Act, under Subpart K (Section 1-85(a) of the Act).*
- b) *Unless rebutted by a defense established in subsection (c), it shall be presumed that any person conducting or who has conducted high volume horizontal hydraulic fracturing operations shall be liable for pollution or diminution of a water supply if (Section 1-85(b) of the Act):*
 - 1) *the water source is within 1,500 feet of the well site (Section 1-85(b)(1) of the Act) where the HVHFF operations occurred;*

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- 2) *water quality data showed no pollution or diminution before the start of high volume horizontal hydraulic fracturing operations* (Section 1-85(b)(2) of the Act); and
 - 3) *the pollution or diminution occurred during high volume horizontal hydraulic fracturing operations or no more than 30 months after the completion of the high volume horizontal hydraulic fracturing operations* (Section 1-85(b)(3) of the Act).
- c) *To rebut the presumption established under this Section, a person presumed responsible must affirmatively prove by clear and convincing evidence any of the following* (Section 1-85(c) of the Act):
- 1) *the water source is not within 1,500 feet of the well site* (Section 1-85(c)(1) of the Act);
 - 2) *the pollution or diminution occurred before the high volume horizontal hydraulic fracturing operations or more than 30 months after the completion of the high volume horizontal hydraulic fracturing operations* (Section 1-85(c)(2) of the Act); and
 - 3) *the pollution or diminution occurred as the result of an identifiable cause other than the high volume horizontal hydraulic fracturing operations* (Section 1-85(c)(3) of the Act).

Section 245.630 Prohibitions

It is unlawful to inject or discharge hydraulic fracturing fluid, produced water, BTEX, diesel, or petroleum distillates into fresh water (Section 1-25(c) of the Act).

SUBPART G: CHEMICAL DISCLOSURE; TRADE SECRETS

Section 245.700 Chemical Disclosure by Permittee

- a) *If the chemical disclosure information required by Section 245.210(a)(8) is not submitted at the time of permit application, then the permittee shall submit this information to the Department in electronic format no less than 21 calendar days before performing the high volume horizontal hydraulic fracturing operations* (Section 1-77(a) of the Act).

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- b) *Nothing in this Section shall prohibit the permittee from adjusting or altering the contents of the fluid during the treatment process to respond to unexpected conditions, as long as the permittee notifies the Department by electronic mail within 24 hours of the departure from the initial treatment design and includes a brief explanation detailing the reason for the departure (Section 1-77(a) of the Act).*
- c) No less than 21 calendar days before performing the first stimulation treatment of HVHHF operations, the permittee shall *maintain and disclose to the Department separate and up-to-date master lists of* (Section 1-77(c)(2) of the Act):
- 1) *the base fluid to be used during any high volume horizontal hydraulic fracturing operations within this State* (Section 1-77(c)(2)(A) of the Act);
 - 2) *all hydraulic fracturing additives to be used during any high volume horizontal hydraulic fracturing operations within this State* (Section 1-77(c)(2)(B) of the Act); and
 - 3) *all chemicals and associated Chemical Abstract Service numbers to be used in any high volume horizontal hydraulic fracturing operations within this State* (Section 1-77(c)(2)(C) of the Act).
- d) If a permittee uses the services of another person to perform high volume horizontal hydraulic fracturing operations, that person shall comply with Section 245.710 (Section 1-77(b) of the Act).

Section 245.710 Chemical Disclosure by Contractor

- a) A permittee shall be responsible to ensure that any contractor *performing high volume horizontal hydraulic fracturing operations within this State* on behalf of the permittee *shall* (Section 1-77(c) of the Act):
- 1) *be authorized to do business in this State* (Section 1-77(c)(1) of the Act);
 - 2) provide the Department with the following information:
 - A) the contractor's business name, address, email address and telephone number;

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- B) the well name, permit number and permittee name for the well on which HVHHF operations will be conducted; and
 - C) the name, email address and telephone number of the person at the well site responsible for the HVHHF operations.
- b) No less than 21 calendar days before performing the first stimulation treatment of HVHHF operations, the contractor performing HVHHF operations on behalf of the permittee shall *maintain and disclose to the Department separate and up-to-date master lists of* (Section 1-77(c)(2) of the Act):
- 1) *the base fluid to be used during any high volume horizontal hydraulic fracturing operations within this State* (Section 1-77(c)(2)(A) of the Act);
 - 2) *all hydraulic fracturing additives to be used during any high volume horizontal hydraulic fracturing operations within this State* (Section 1-77(c)(2)(B) of the Act); and
 - 3) *all chemicals and associated Chemical Abstract Service numbers to be used in any high volume horizontal hydraulic fracturing operations within this State* (Section 1-77(c)(2)(C) of the Act).
- c) *Nothing in this Section shall prohibit the contractor performing high volume horizontal hydraulic fracturing operations on behalf of the permittee from adjusting or altering the contents of the fluid during the treatment process to respond to unexpected conditions, as long as all other requirements of the Act and this Part are met and the contractor notifies the Department by electronic mail within 24 hours of the specific details of departure from the initial treatment design and includes a brief explanation detailing the reason for the departure* (Section 1-77(a) of the Act).

Section 245.715 Chemical Use Prohibitions

- a) The permittee performing HVHHF operations is *prohibited from using any base fluid, hydraulic fracturing additive, or chemical not listed on their master lists disclosed under Section 245.700.*

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- b) Contractors *performing high volume horizontal hydraulic fracturing operations are prohibited from using any base fluid, hydraulic fracturing additive, or chemical not listed on their master lists disclosed under Section 245.710.* (Section 1-77(d) of the Act)

Section 245.720 Department Publication of Chemical Disclosures and Claims of Trade Secret

- a) *The Department shall assemble and post up-to-date copies of the master lists of chemicals it receives under Sections 245.700 and 245.710 on its website within 14 calendar days after receipt* (Section 1-77(e) of the Act).
- b) *When an applicant, permittee, or person performing high volume horizontal hydraulic fracturing operations furnishes chemical disclosure information to the Department under Section 245.210, 245.700, 245.710 or 245.860 under a claim of trade secret, the applicant, permittee, or person performing high volume horizontal hydraulic fracturing operations shall submit redacted and un-redacted copies of the documents identifying the specific information on the master list of chemicals claimed to be protected as trade secret. The redacted copy shall provide a description of the chemical family or other similar descriptor associated with that chemical. The Department shall use the redacted copies when posting the master list of chemicals on its website.* (Section 1-77(f) of the Act)
- c) *Upon submission or within 5 calendar days after submission of the master list of chemicals with chemical disclosure information to the Department under Section 245.210, 245.700, 245.710 or 245.860 under a claim of trade secret, the person that claimed trade secret protection ("claimant") shall provide a justification of the claim containing an affidavit swearing or affirming under penalty of perjury, that the information is a bona fide trade secret. The affidavit shall include:*
- 1) *a detailed description of the procedures used by the claimant to safeguard that portion of the information on the master list of chemicals for which trade secret is claimed from becoming available to persons other than those selected by the claimant to have access to the information for limited purposes;*
 - 2) *a certification that the person has no knowledge that the portion of the information on the master list of chemicals for which trade secret is*

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claimed *has ever been published or disseminated or has otherwise become a matter of general public knowledge*;

- 3) identification of the claimant's specific use of the chemicals claimed as trade secret and explanation of why it is a secret of interest to competitors, including the following:
 - A) description of the specific use of the chemicals claimed as trade secret, identifying the product or process in which it is used. If the claimant uses the chemicals other than as a component of a product or in a manufacturing process, this description must identify the activity in which the chemical is used;
 - B) whether the claimant's company or facility identity has been linked to the specific identity claimed as trade secret in a patent or in publications or other information sources available to the public or the claimant's competitors. If so, include an explanation of why this knowledge does not eliminate the justification for trade secrecy;
- 4) *a detailed discussion of why the person believes that the portion of the information on the master list of chemicals for which trade secret is claimed is of competitive value* and an explanation of why the information has general competitive value, not just competitive value at the permittee's specific work site;
- 5) that the information being sought to be exempted is a "trade secret" as defined in Section 2(d) of the Illinois Trade Secrets Act [765 ILCS 1065];
- 6) the identity of each individual or entity to whom that portion of the information on the master list of chemicals for which trade secret is claimed has been disclosed, including all local, State and federal government entities to which the claimant has disclosed the information. For each such individual or entity, the claimant shall indicate what confidentiality claim was made and whether the individual or entity denied that claim; and
- 7) *any other information that shall support the claim of trade secret* (Section 1-77(g) of the Act).

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- d) *Chemical disclosure information furnished under Section 245.210, 245.700, 245.710 or 245.860 under a claim of trade secret shall be protected from disclosure as a trade secret if the Department determines that the statement of justification demonstrates that (Section 1-77(h) of the Act):*
- 1) *the information has not been published, disseminated, or otherwise become a matter of general public knowledge (Section 1-77(h)(1) of the Act). There is a rebuttable presumption that the information has not been published, disseminated, or otherwise become a matter of general public knowledge if the person has taken reasonable measures to prevent the information from becoming available to persons other than those selected by the person to have access to the information for limited purposes and the statement of justification contains a certification that the person has no knowledge that the information has ever been published, disseminated, or otherwise become a matter of general public knowledge (Section 1-77(h) of the Act); and*
 - 2) *the information has competitive value (Section 1-77(h)(2) of the Act).*
- e) *Denial of a trade secret request under this Section shall be appealable under the Administrative Review Law (Section 1-77(i) of the Act) and the rules adopted under that Law.*
- f) *A person whose request to inspect or copy a public record is denied, in whole or in part, because of a grant of trade secret protection may file a request for review with the Public Access Counselor under Section 9.5 of the Freedom of Information Act [5 ILCS 140] or for injunctive or declaratory relief under Section 11 of the Freedom of Information Act for the purpose of reviewing whether the Department properly determined that the trade secret protection should be granted (Section 1-77(j) of the Act).*
- g) *Except as otherwise provided in Section 245.730 of this Part and Section 1-77(m) of the Act, the Department must maintain the confidentiality of chemical disclosure information furnished under Section 245.210, 245.700, 245.710 or 245.860 under a claim of trade secret, until the Department receives official notification of a final order by a reviewing body with proper jurisdiction that is not subject to further appeal rejecting a grant of trade secret protection for that information (Section 1-77(k) of the Act).*

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Section 245.730 Trade Secret Disclosure to Health Professional

- a) Information *furnished under a claim of trade secret* will be provided by the Department to a health professional who:
 - 1) *states a need for the information and articulate why the information is needed;*
 - 2) states whether the affected patient requires *emergency or non-emergency* (Section 1-77(1) of the Act) health care services; and
 - 3) identifies the name and profession of the health professional and the name and location of the facility where the affected patient is being treated.
- b) A person furnishing information to the Department under a claim of trade secret shall:
 - 1) provide the Department with a telephone number and e-mail where the trade secret holder may be reached at any time (24 hours/day, 7 days/week), and the Department shall post on its website, by county, a list of operators and well sites, showing or linking to the telephone and e-mail information of the trade secret claimant; and
 - 2) post in a conspicuous place at the well site, available 24 hours/day, 7 days/week, the name, telephone number and address of an employee, agent or contractor of the permittee having knowledge of the specific chemicals being used in the HVHHF operation at any given time.
- c) In an emergency health care situation, a health professional:
 - 1) shall call the Department's Office of Oil and Gas Resource Management and the Department shall provide any properly-requested information to the health professional as quickly as possible by telephone, fax or other means of communication requested or agreed upon; or
 - 2) may call the trade secret holder at any time (24 hours/day, 7 days/week) and request the information from the trade secret holder directly. The trade secret holder shall provide any properly-requested information to the

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health professional as quickly as possible, but at least within 2 hours, by telephone, fax or other means of communication requested or agreed upon.

- d) In a non-emergency health care situation, a health professional shall:
 - 1) call or email the Department's Office of Oil and Gas Resource Management. The Department shall provide any properly-requested information to the health professional within one business day by telephone, fax or other means of communication requested or agreed upon; or
 - 2) call the trade secret holder at any time (24 hours/7 days a week) and submit a completed request for information to the trade secret holder directly by fax or email. The trade secret holder shall respond to the health professional within the same business day by fax or other methods determined by the trade secret holder to be a secure means of disclosure.
- e) *The health professional may share information disclosed pursuant to this Section with other persons as may be professionally necessary* in accordance (and only in accordance) with the provisions of Section 1-77 of the Act.
- f) If, pursuant to this Section, the Department releases any trade secret information to a health professional, it will notify the trade secret holder of that release.

SUBPART H: HIGH VOLUME HORIZONTAL HYDRAULIC
FRACTURING PREPARATIONS AND OPERATIONS

Section 245.800 General Conditions and Requirements

- a) *During all phases of high volume horizontal hydraulic fracturing operations, the permittee shall comply with all terms of the permit, the Act and this Part (Section 1-75(a)(1) of the Act).*
- b) *All phases of high volume horizontal hydraulic fracturing operations shall be conducted in a manner that shall not pose a significant risk to public health, life, property, aquatic life, wildlife or the environment (Section 1-75(a)(2) of the Act).*

Section 245.805 Hydraulic Fracturing String Requirements and Pressure Testing

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Hydraulic fracturing strings, if used in any wells regulated by this Part, shall be set or reset pursuant to the requirements of this Section.

- a) *Hydraulic fracturing strings must be either strung into a production liner or run with a packer set at least 100 feet below the deepest cement top.*
- b) *A function-tested relief valve and diversion line must be installed and used to divert flow from the hydraulic fracturing string-casing annulus to a covered watertight steel tank in case of hydraulic fracturing string failure.*
 - 1) *The relief valve must be set to limit the annular pressure to no more than 95% of the working pressure rating of the weakest casings forming the annulus.*
 - 2) *The annulus between the hydraulic fracturing string and the production or immediate casing must be pressurized to at least 250 psi and monitored.*
- c) *Hydraulic fracturing strings must be tested to not less than the maximum anticipated treating pressure minus the annulus pressure applied between the fracturing string and the production or immediate casing. The pressure test shall be considered successful if the pressure applied has been held for 30 minutes with no more than 5% pressure loss. (Section 1-70(d)(17) of the Act)*
- d) *The permittee shall notify the Department's District Office by phone and electronic mail at least 24 hours before conducting a pressure test of the hydraulic fracturing string to enable an inspector to be present when the test is performed.*
- e) *A record of the pressure test shall be made on a form prescribed by the Department, maintained by the permittee in the well file, and made available at the well site to the Department upon request and included in the HVHHF operations completion report pursuant to Section 245.860(d).*
- f) *If any change to the well involving resetting, repositioning, reconnecting or breaking any pressure connection of the hydraulic fracturing string occurs after a stage of high volume horizontal hydraulic treatment, the pressure test requirements of subsections (c) through (e) must be successfully repeated before initiating any subsequent stage of HVHHF treatment.*

Section 245.810 Surface Equipment Pressure Testing

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For all wells regulated by this Part, the final configuration of surface equipment associated with the HVHHF treatment, including *the injection lines and manifold, associated valves, fracture head or tree and any other wellhead components or connections, must be pressure tested* pursuant to the requirements of this Section *before any pumping of hydraulic fracturing fluid.*

- a) The permittee shall notify the Department's District Office by phone and electronic mail at least 24 hours before conducting a pressure test of the final configuration of the surface equipment used for the HVHHF treatment to enable an inspector to be present when the test is performed.
- b) The final configuration of the surface equipment used for the HVHHF treatment *must be pressure tested with fresh water or brine to at least the maximum anticipated treatment pressure for at least 30 minutes with less than a 5% pressure loss.*
- c) *A record of the pressure test must be made on a form prescribed by the Department, maintained by the permittee in the well file, and made available at the well site to the Department upon request.* (Section 1-75(b)(2) of the Act)
- d) If the configuration of surface equipment used for the HVHHF treatment has been reconfigured or changed in any manner that breaks any pressure connection after a stage of HVHHF operations treatment, the pressure test requirements of subsections (a) through (c) must be successfully repeated before initiating any subsequent stage of HVHHF operations.

Section 245.815 Notice and Approval Before Commencement of High Volume Horizontal Hydraulic Fracturing Operations

Before commencement of HVHHF operations, the permittee must notify and receive written approval from the Department by U.S. mail or electronic mail. Department approval for HVHHF operations shall be based on the permittee's compliance with the following:

- a) *The permittee shall notify the Department's District Office by phone and electronic mail or letter at least 48 hours before the commencement of high volume horizontal hydraulic fracturing operations to enable an inspector to be present (Section 1-75(a)(3) of the Act). The notification under this subsection shall be notice for all stages of a multiple-stage HVHHF treatment.*

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- b) *Prior to conducting high volume horizontal hydraulic fracturing operations at a well site, the permittee shall cause to be plugged all previously abandoned unplugged or insufficiently plugged well bores within 750 feet of any part of the horizontal well bore that penetrated within 400 vertical feet of the geologic formation that will be stimulated as part of the high volume horizontal hydraulic fracturing operations (Section 1-95(b) of the Act). In determining whether a well has been sufficiently plugged, the Department will consider, but is not limited to, well completion reports, cementing records, well construction records, cement bond logs, tracer surveys, oxygen activation logs and plugging records. Plugging under this subsection shall be performed as required by Section 245.1010.*
- c) Baseline water quality sampling of all water sources within 1,500 feet of the well site must be completed pursuant to Section 245.600(b).
- d) All tests required by the following Sections shall be conducted:
- 1) Section 245.540: well casing internal mechanical integrity tests (see Sections 1-75(b)(1) and 1-70(d)(16) of the Act);
 - 2) Section 245.580: formation integrity tests (see Sections 1-75(b)(1) and 1-70(d)(18) of the Act);
 - 3) Section 245.805: hydraulic fracturing string pressure tests, if required (see Sections 1-75(b)(1) and 1-70(d)(17) of the Act);
 - 4) Section 245.810: surface equipment pressure tests (see Section 1-75(b)(2) of the Act); and
 - 5) All information previously requested by the Department shall be supplied to the Department, and any information that was accurate at the time of submission but no longer accurate shall be updated.

Section 245.820 Secondary Containment Inspections

No more than one hour before initiating any stage of the high volume horizontal hydraulic fracturing operations, all secondary containment required pursuant to Section 245.825(b) must be visually inspected by the permittee or the contractor performing the HVHHF operations on behalf of the permittee to ensure that all structures and equipment are in place and in proper working order. The results of this inspection must be recorded and documented by the permittee

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or the contractor performing the HVVHF operations on behalf of the permittee on a form prescribed by the Department, maintained in the well file, *and made available at the well site to the Department upon request.* (Section 1-75(c)(13) of the Act)

Section 245.825 General Fluid Storage

In accordance with the approved hydraulic fracturing fluid and flowback plan required by Section 245.210(a)(11) and the approved containment plan required by Section 245.210(a)(13), and *except as provided in Section 245.830, hydraulic fracturing additives, hydraulic fracturing fluid, hydraulic fracturing flowback, and produced water shall be stored in above-ground tanks pursuant to the requirements of this Section at all times until removed for proper disposal or recycling* (Section 1-75(c)(1) and (c)(2) of the Act).

- a) *Above-ground tanks* must be:
 - 1) *closed, watertight, vented in compliance with Section 245.910, and corrosion-resistant* (Section 1-75(c)(4) of the Act);
 - 2) *constructed of materials compatible with the composition of the hydraulic fracturing fluid, hydraulic fracturing flowback, and produced water* (Section 1-70(b)(3) of the Act). For purposes of this Section, for the materials of a containing mechanism or device to be "compatible" means that the materials are resistant to corrosion, erosion, swelling, deterioration or other damage as a result of normal exposure to whatever substances it is intended to contain, as well as exposure to weather and natural hazards;
 - 3) *of sufficient pressure rating* (Section 1-75(c)(6) of the Act);
 - 4) *maintained in a leak-free condition* (Section 1-75(c)(6) of the Act); and
 - 5) *routinely inspected for corrosion, at least semiannually* (Section 1-75(c)(4) of the Act). Permittees shall maintain records of these periodic inspections.
- b) *Secondary containment* is required for all above-ground tanks and additive staging areas.
 - 1) *Secondary containment measures may include one or a combination of the following: dikes, liners, pads, impoundments, curbs, sumps, or other*

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structures or equipment capable of containing the substance within the well site.

- 2) *Any secondary containment must be sufficient to contain 150% of the total capacity of the single largest container or tank within a common containment area (Section 1-75(c)(13) of the Act), be compatible with the environment and the substances to be contained, and be protected from heavy vehicle or equipment traffic.*
- c) *Piping, conveyances, valves in contact with hydraulic fracturing fluid, hydraulic fracturing flowback, or produced water must be (Section 1-70(b)(3) of the Act):*
 - 1) *constructed of materials compatible with the expected composition of the hydraulic fracturing fluid, hydraulic fracturing flowback, and produced water (Section 1-70(b)(3) of the Act);*
 - 2) *of sufficient pressure rating (Section 1-75(c)(6) of the Act);*
 - 3) *able to resist corrosion (Section 1-75(c)(6) of the Act); and*
 - 4) *maintained in a leak-free condition. (Section 1-75(c)(6) of the Act)*
- d) Stationary fueling tanks shall meet the requirements of this subsection (d).
 - 1) Stationary *fueling tanks* shall have *secondary containment* in accordance with subsection (b) (Section 1-70(c)(2) of the Act);
 - 2) Stationary *fueling tanks* shall be subject to the setback requirements of Section 245.400 (Section 1-70(c)(2) of the Act);
 - 3) Stationary *fueling tank filling operations* shall be supervised at the *fueling truck and at the tank if the tank is not visible to the fueling operator from the truck* (Section 1-70(c)(3) of the Act); and
 - 4) *Troughs, drip pads, or drip pans* are required beneath the fill port of a stationary *fueling tank* during filling operations if the fill port is not within the *secondary containment* required by subsection (b) (Section 1-70(c)(4) of the Act).

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- e) *Fresh water may be stored in tanks or pits at the election of the permittee (Section 1-75(c)(3) of the Act).*
- f) Any tank, structure, measure or device intended or used for storage of hydraulic fracturing fluid, hydraulic fracturing flowback, or produced water, unless demonstrated to be outside the regulatory floodplain, shall be considered a construction subject to 17 Ill. Adm. Code 3706.240 and 3706.630 and constructed to the standards set forth in 17 Ill. Adm. 3706.530(b) or (c), as applicable. No above-ground tanks or secondary containment structure, measure or device containing or intended to contain hydraulic fracturing fluid, hydraulic fracturing flowback, or produced water, whether for storage or otherwise, may be located in the regulatory floodway (17 Ill. Adm. Code 3706.420) unless the applicant first secures the necessary permits and completes any mitigation measures required by any permitting agency.

Section 245.830 Reserve Pits

- a) *In accordance with the hydraulic fracturing fluids and flowback plan required by Section 245.210(a)(11) and the containment plan required pursuant to Section 245.210(a)(13), and as approved by the Department, the use of a reserve pit is allowed for the temporary storage of hydraulic fracturing flowback. The reserve pit shall be used only in the event of a lack of capacity for tank storage due to higher than expected volume or rate of hydraulic fracturing flowback, or other unanticipated flowback occurrence. (Section 1-75(c)(2) of the Act)*
- b) *All reserve pits must comply with the following construction standards and liner specifications (Section 1-75(c)(2) of the Act):*
 - 1) *the synthetic liner material shall have a minimum thickness of 24 mils with high puncture and tear strength and be impervious and resistant to deterioration (Section 1-75(c)(2)(A) of the Act);*
 - 2) *the pit lining system shall be designed to have a capacity at least equivalent to 110% of the maximum volume of hydraulic fracturing flowback anticipated to be recovered (Section 1-75(c)(2)(B) of the Act);*
 - 3) *the lined pit shall be constructed, installed, and maintained in accordance with the manufacturers' specifications and good engineering practices to prevent overflow during any use (Section 1-75(c)(2)(C) of the Act);*

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- 4) *the liner shall have sufficient elongation to cover the bottom and interior sides of the pit with the edges secured with at least a 12 inch deep anchor trench around the pit perimeter to prevent any slippage or destruction of the liner materials (Section 1-75(c)(2)(D) of the Act);*
 - 5) *the foundation for the liner shall be free of rock and constructed with soil having a minimum thickness of 12 inches after compaction covering the entire bottom and interior sides of the pit (Section (c)(2)(E) of the Act);*
and
 - 6) if located in the regulatory floodway, the reserve pit shall be considered a construction subject to 17 Ill. Adm. Code 3706.240 and 3706.630 and, in addition to the requirements of subsections (b)(1) through (b)(5), shall be constructed to the standards set forth in 17 Ill. Adm. Code 3706.530(b) or (c), or a successor rule, as applicable. No reserve pits may be located in the regulatory floodway or the flood fringe (17 Ill. Adm. Code 3706.420 and 3706.520(b)), unless the applicant first secures the necessary permits and completes any mitigation measures required by any permitting agency.
- c) Hydraulic fracturing flowback reserve pit liners shall be disposed of in an Agency-permitted special waste landfill.

Section 245.835 Mechanical Integrity Monitoring

- a) *During high volume horizontal hydraulic fracturing operations, all sealed annulus pressures, the injection pressure, and the rate of injection shall be continuously monitored and recorded. The records of the monitoring shall be maintained by the permittee in the well file and shall be provided to the Department upon request at any time during the period up to and including 5 years after the well is permanently plugged or abandoned. (Section 1-75(b)(4) of the Act)*
- b) *During high volume horizontal hydraulic fracturing operations:*
 - 1) *The pressure test values established for the internal mechanical integrities of the cemented casings pursuant to Section 245.540 and of the hydraulic fracturing string pursuant to Section 245.805 shall not be exceeded. If any*

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of these pressures decline more than 5% or if there are other indications of a leak, including but not limited to an increase in pressure in the annulus, exceeding the minimum internal yield in the casing string, or a visible leak at the surface, corrective action shall be taken before conducting further high volume horizontal hydraulic fracturing operations. (Section 1-70(d)(16) of the Act)

- 2) *The pressure exerted on treating equipment, including valves (includes hydraulic fracturing string relief valve; see Section 245.805(b) of this Part and Section 1-70(d)(17) of the Act), lines, manifolds, hydraulic fracturing head or tree, casing and hydraulic fracturing string, if used, and any other wellhead component or connection, must not exceed 95% of the working pressure rating of the weakest component (Section 1-75(b)(2) and (b)(3) of the Act).*
- 3) The relief valve installed pursuant to Section 245.560(o) should be set so that the pressure exerted on the casing does not exceed the mechanical integrity test pressure of the casing established pursuant to Section 245.240.
- 4) *The actual hydraulic fracturing treatment pressure during HVHFF operations must not, at any time, exceed the mechanical integrity test pressures of the casings established pursuant to Section 245.540 (Section 1-70(d)(18) of the Act).*
- c) *High volume horizontal hydraulic fracturing operations must be immediately suspended if the permittee or Department inspector determines that any anomalous pressure or flow condition or any other anticipated pressure or flow condition is occurring in a way that indicates the mechanical integrity of the well has been compromised and continued operations pose a risk to public health, public safety, property, wildlife, aquatic life or the environment. Remedial action shall be immediately undertaken. (Section 1-75(b)(5) of the Act)*
- d) *The permittee shall notify the Department inspector and the Department's District Office by phone and electronic mail within 1 hour after suspending operations for any matters relating to the mechanical integrity of the well or risk to the environment. (Section 1-75(b)(5) of the Act)*

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- e) Operations shall not resume until the appropriate pressure tests referenced in Sections 245.805 and 245.810 have been successfully repeated.

Section 245.840 Hydraulic Fracturing Fluid and Flowback Confinement

- a) *Hydraulic fracturing fluid shall be confined to the targeted formation designated in the permit.*
- b) *If the hydraulic fracturing fluid or hydraulic fracturing flowback migrate into a fresh water zone or to the surface from the well in question or from other wells, the permittee shall immediately notify the Department and the county and certified local public health department (if any) and shut in the well until remedial action that prevents the fluid migration is completed. The permittee shall obtain the approval of the Department prior to resuming operations. (Section 1-75(d) of the Act)*
- c) Permittee shall be responsible for damages caused by the migration of hydraulic fracturing fluid or hydraulic fracturing flowback outside the targeted formation.

Section 245.845 Management of Gas and Produced Hydrocarbons During Flowback

For wells regulated by this Part, *permittees shall be responsible for managing natural gas and hydrocarbon fluids produced during the flowback period to ensure no direct release to the atmosphere or environment as follows:*

- a) Except for wells covered by subsection (f), *recovered hydrocarbon fluids* shall be:
 - 1) *Routed to one or more storage vessels; or*
 - 2) *Injected into a permitted Class II UIC well as described in Section 245.300(c)(7); or*
 - 3) *Used for another lawful and useful purpose that a purchased fuel or raw material would serve, with no direct release to the environment.*
- b) Except for wells covered by subsection (e), *recovered natural gas* shall be:
 - 1) *Routed into a flow line or collection system; or*

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- 2) *Injected into* a permitted Class II UIC well as described in Section 245.300(c)(7); or
 - 3) *Used as an on-site fuel source; or*
 - 4) *Used for another lawful and useful purpose that a purchased fuel or raw material would serve, with no direct release to the atmosphere.* (Section 1-75(e)(2) of the Act)
- c) *If it is technically infeasible or economically unreasonable to minimize emissions associated with the venting of hydrocarbon fluids and natural gas during the flowback period using the methods specified in subsections (a) and (b), the Department, in consultation with the Agency as the Department deems appropriate, shall require the permittee to capture and direct the emissions to a completion combustion device, except:*
- 1) *When conditions may result in a fire hazard or explosion; or*
 - 2) *Where high heat emissions from a completion combustion device may negatively impact waterways.*
- d) In order to establish technical infeasibility under subsection (c), the permittee must demonstrate to the Department's satisfaction that the technology listed in subsections (a) and (b) does not exist, cannot be installed at the well site, will not achieve the result intended, or is otherwise unavailable or ineffective. The permittee claiming economic unreasonableness shall provide the Department with the following:
- 1) The method the applicant used to determine it is economically unreasonable to implement the methods specified in subsection (a) or (b);
 - 2) Applicant's experience in implementing the methods specified in subsection (a) or (b);
 - 3) Estimated costs of implementing the methods specified in subsection (a) or (b), and sources for those estimates;
 - 4) Anticipated rates (by day) and amounts (total for well) of fluids and/or gas to be directed to the completion combustion device; and

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- 5) Any other information requested by the Department or that documents the economic unreasonableness claimed.
- e) *Completion combustion devices must be equipped with an auto-igniter and a reliable continuous ignition source over the duration of the flowback period.* (Section 1-75(e)(3) of the Act)
- f) *For each wildcat well, delineation well, or low pressure well, permittees shall be responsible for minimizing the emissions associated with venting of hydrocarbon fluids and natural gas during the flowback period by capturing and directing the emissions to a completion combustion device during the flowback period, except in conditions that may result in a fire hazard or explosion, or where high heat emissions from a completion combustion device may negatively impact waterways. Completion combustion devices shall be equipped with a reliable continuous ignition source over the duration of the flowback period.* (Section 1-75(e)(8) of the Act)

Section 245.850 Hydraulic Fracturing Fluid and Hydraulic Fracturing Flowback Storage, Disposal or Recycling, Transportation and Reporting Requirements

The permittee shall notify the Department of the date when HVHHF operations are completed and shall dispose of or recycle hydraulic fracturing fluids and hydraulic fracturing flowback pursuant to the requirements of this Section.

- a) Completion of HVHHF operations occurs when the flowback period begins after the last stage of HVHHF operations. The permittee shall notify the Department's District Office by phone and electronic mail within 24 hours after HVHHF operations are completed.
- b) *Hydraulic fracturing fluids and hydraulic fracturing flowback must be removed from the well site within 60 days after completion of high volume horizontal fracturing operations, except as provided in subsection (c)* (Section 1-75(c)(5) of the Act).
- c) *Any excess hydraulic fracturing flowback captured for temporary storage in a reserve pit as provided in Section 245.825 must be either removed from the well site or transferred to storage in above-ground tanks for later disposal or recycling within 7 days after the fluid is first deposited into the reserve pit* (Section 1-

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75(c)(5) of the Act). Excess hydraulic fracturing flowback cannot be removed from the well site until the hydraulic fracturing flowback is tested and the analytical results are provided pursuant to subsection (d).

- d) Testing of hydraulic fracturing flowback shall be completed as follows:
- 1) *Hydraulic fracturing flowback must be tested for the presence of volatile organic chemicals, semi-volatile organic chemicals, inorganic chemicals, heavy metals, and naturally occurring radioactive material before removal from the well site, including specifically:*
 - A) pH;
 - B) total dissolved solids, dissolved methane, dissolved propane, dissolved ethane, alkalinity and specific conductance;
 - C) chloride, sulfate, arsenic, barium, calcium, chromium, iron, magnesium, selenium, cadmium, lead, manganese, mercury and silver;
 - D) BTEX; and
 - E) gross alpha and beta particles to determine the presence of any naturally occurring radioactive materials.
 - 2) Testing shall be completed on a composited sample of the hydraulic fracturing flowback.
 - 3) *Testing shall occur once per well site at an Agency-accredited or -certified independent laboratory. When no laboratory has been accredited or certified by the Agency to analyze a particular substance requested in this subsection (d), results will be considered only if they have been analyzed by a laboratory accredited or certified by another State agency or an agency of the federal government, if the standards used for the accreditation or certification of that laboratory are substantially equivalent to the accreditation standard under Section 4(o) of the Illinois Environmental Protection Act [415 ILCS 5].*

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- 4) *The analytical results shall be filed with the Department and the Agency, and provided to the liquid oilfield waste transportation and disposal operators at or before the time of pickup. (Section 1-75(c)(7) of the Act)*
- e) *Before plugging and site restoration required by Section 245.1030, the ground adjacent to the storage tanks and any hydraulic fracturing flowback reserve pit must be measured for radioactivity (Section 1-75(c)(7) of the Act).*
- f) *Surface discharge of hydraulic fracturing fluids or hydraulic fracturing flowback onto the ground or into any surface water or water drainage way at the well site or any other location is prohibited (Sections 1-75(c)(9) and 1-25(c) of the Act).*
- g) *Except for recycling allowed by subsection (i), hydraulic fracturing flowback may only be disposed of by injection into a Class II injection disposal well that is below interface between fresh water and naturally occurring Class IV groundwater (Sections 1-75(c)(8) and 1-25(c) of the Act). The Class II injection disposal well must be equipped with an electronic flowmeter and approved by the Department.*
- h) *Fluid transfer operations from tanks to tanker trucks for transportation offsite must be supervised at the truck and at the tank if the tank is not visible to the truck operator from the truck. During transfer operations, all interconnecting piping must be supervised if not visible to transfer personnel at the truck and tank. (Section 1-75(c)(6) of the Act)*
- i) *Hydraulic fracturing flowback may be treated and recycled for use in hydraulic fracturing fluid for high volume horizontal hydraulic fracturing operations. (Section 1-75(c)(8) of the Act)*
- j) *Transport of all hydraulic fracturing fluids and hydraulic fracturing flowback by vehicle for disposal or recycling must be undertaken by a liquid oilfield waste hauler permitted by the Department under Section 8c of the Illinois Oil and Gas Act. The liquid oilfield waste hauler transporting hydraulic fracturing fluids or hydraulic fracturing flowback under this Part shall comply with all laws, rules, and regulations concerning liquid oilfield waste. (Section 1-75(c)(10) of the Act)*
- k) *A fluid handling report on the transportation and disposal or recycling of the hydraulic fracturing fluids and hydraulic fracturing flowback shall be prepared*

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by the permittee on a form prescribed by the Department *and included in the well file*.

- 1) Each report must include:
 - A) *the amount of hydraulic fracturing fluids* or hydraulic fracturing flowback *transported*;
 - B) *identification of the company that transported the hydraulic fracturing fluids* or hydraulic fracturing flowback;
 - C) the date the hydraulic fracturing fluids or hydraulic fracturing flowback were picked up from the well site (see Section 1-75(c)(14) of the Act);
 - D) *the destination of the hydraulic fracturing fluids* or hydraulic fracturing flowback, including the name, address and type of facility accepting the hydraulic fracturing fluids or hydraulic fracturing flowback;
 - E) *the method of disposal* (Section 1-75(c)(14) of the Act) or recycling; and
 - F) a copy of the analytical results of the testing required pursuant to subsection (d).
- 2) The permittee shall prepare 4 copies of each fluid handling report for distribution as follows:
 - A) one copy for the permittee's records;
 - B) two copies for the liquid oilfield waste hauler upon pick-up of the liquids as follows:
 - i) one copy for the waste hauler's records; and
 - ii) one copy to be provided to the permittee of the Class II UIC well, to the operator of the storage location where the

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liquids will be disposed of, or to the operator of the storage location where liquids will be recycled; and

- C) one copy for the Department. A set of all fluid handling reports shall be submitted to the Department within 90 days after the completion of all HVVHF operations.
- 3) All copies of the fluid handling reports shall be retained for at least 5 years.

Section 245.855 Spills and Remediation

- a) *Any release of hydraulic fracturing fluid, hydraulic fracturing additive, hydraulic fracturing flowback, or produced water, used or generated during or after high volume horizontal hydraulic fracturing operation, shall be immediately cleaned up and remediated pursuant to requirements of the Illinois Oil and Gas Act and the administrative rules promulgated under the Act.*
- b) *Any release of hydraulic fracturing fluid or hydraulic fracturing flowback in excess of one barrel, shall be reported to the Department.*
- c) *Any release of produced water in excess of 5 barrels shall be cleaned up, remediated, and reported pursuant to requirements of the Illinois Oil and Gas Act and the administrative rules promulgated under that Act.*
- d) *Any release of a hydraulic fracturing additive shall be reported to IEMA in accordance with the appropriate reportable quantity thresholds established under the federal Emergency Planning and Community Right-to-Know Act as published at 40 CFR 355, 370, and 372, the federal Comprehensive Environmental Response, Compensation, and Liability Act as published in 40 CFR 302, and Section 112(r) of the Federal Clean Air Act as published at 40 CFR 68. (Section 1-75(c)(12) of the Act)*

Section 245.860 High Volume Horizontal Hydraulic Fracturing Operations Completion Report

- a) *Within 60 calendar days after the conclusion of high volume horizontal hydraulic fracturing operations, the permittee shall file a high volume horizontal hydraulic*

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fracturing operations completion report with the Department in hard copy and electronic format (PDF).

- b) *A copy of each completion report submitted to the Department shall be provided by the Department to the Illinois State Geological Survey in electronic format.*
- c) *Completion reports shall be made available on the Department's website no later than 30 days after receipt by the Department. (Section 1-75(f) of the Act)*
- d) *The high volume horizontal hydraulic fracturing operations completion report shall contain the following information (Section 1-75(f) of the Act):*
 - 1) *the permittee's name as listed in the permit application (Section 1-75(f)(1) of the Act);*
 - 2) *the dates of the high volume horizontal hydraulic fracturing operations (Section 1-75(f)(2) of the Act);*
 - 3) *the county where the well is located (Section 1-75(f)(3) of the Act);*
 - 4) *the well name and Department reference number (Section 1-75(f)(4) of the Act);*
 - 5) *the total water volume used in each stage and the total used in the high volume horizontal hydraulic fracturing operations of the well, and the type and total volume of the base fluid used if something other than water (Section 1-75(f)(5) of the Act);*
 - 6) *each source from which the water used in the high volume horizontal hydraulic fracturing operations was drawn, and the specific location of each source, including, but not limited to, the name of the county and latitude and longitude coordinates (Section 1-75(f)(6) of the Act);*
 - 7) *the quantity of hydraulic fracturing flowback recovered from the well and the time period for flowback recovery (Section 1-75(f)(7) of the Act);*
 - 8) *a description of how hydraulic fracturing flowback recovered from the well was disposed or recycled (Section 1-75(f)(8) of the Act);*

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- 9) *a chemical disclosure report identifying each chemical and proppant used in hydraulic fracturing fluid for each stage of the high volume horizontal hydraulic fracturing operations including the following* (Section 1-75(f)(9) of the Act):
- A) *the total volume of water used in the high volume horizontal hydraulic fracturing treatment of the well or the type and total volume of the base fluid used in the high volume horizontal hydraulic fracturing treatment, if something other than water* (Section 1-75(f)(9)(A) of the Act);
 - B) *each hydraulic fracturing additive used in the hydraulic fracturing fluid, including the trade name, vendor, a brief descriptor of the intended use or function of each hydraulic fracturing additive, and the Material Safety Data Sheet (MSDS), if applicable* (Section 1-75(f)(9)(B) of the Act);
 - C) *each chemical intentionally added to the base fluid, including, for each chemical, the Chemical Abstracts Service number, if applicable* (Section 1-75(f)(9)(C) of the Act); and
 - D) *the actual concentration in the base fluid, in percent by mass, of each chemical intentionally added to the base fluid* (Section 1-75(f)(9)(D) of the Act);
- 10) a copy of the hydraulic fracturing string pressure test conducted pursuant to Section 245.805(e), if applicable;
- 11) *all pressures recorded during the high volume horizontal hydraulic fracturing operations* in accordance with Section 245.835 (Section 1-75(f)(10) of the Act);
- 12) plans for how produced water will be disposed of or recycled as required by Section 245.940 (see Section 1-75(c)(8) of the Act). If produced water is to be disposed of, the names and locations of Class II injection wells to be used. All Class II injection wells to be used for disposal of produced water must be shown to be in compliance with 62 Ill. Adm. Code 240.360 at the time of the issuance of the high volume horizontal hydraulic fracturing permit; and

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- 13) *any other reasonable or pertinent information related to the conduct of the high volume horizontal hydraulic fracturing operations the Department may request or require* (Section 1-75(f)(11) of the Act).
- e) The HVHHF operations completion report must be approved and signed and certified by a licensed professional engineer, licensed profession geologist or the permittee.

Section 245.870 Use of Diesel in High Volume Horizontal Hydraulic Fracturing Operations is Prohibited

It is unlawful to perform any high volume horizontal hydraulic fracturing operations by knowingly or recklessly injecting diesel (Section 1-25(d) of the Act).

**SUBPART I: HIGH VOLUME HORIZONTAL
HYDRAULIC FRACTURING PRODUCTION****Section 245.900 Managing Natural Gas and Hydrocarbon Fluids During Production**

For wells regulated by this Part, *permittees shall be responsible for minimizing the emissions associated with venting of hydrocarbon fluids and natural gas during the production phase to safely maximize resource recovery and minimize releases to the environment* (Section 1-75(e)(4) of the Act).

- a) Except for wells covered by subsection (i), *sand traps, surge vessels, separators, and tanks* must be employed *as soon as practicable during cleanout operations to safely maximize resource recovery and minimize releases to the environment.* (Section 1-75(e)(4)(B) of the Act)
- b) Except for wells covered by subsection (i), *recovered hydrocarbon fluids* must be routed *into storage vessels.* (Section 1-75(e)(4)(A) of the Act)
- c) Except for wells covered by subsection (i), recovered natural gas must be:
 - 1) *routed into a gas gathering line or collection system, or to a generator for onsite energy generation;*

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- 2) provided *to the surface landowner of the well site for use for heat or energy generation; or*
- 3) used for a lawful and useful purpose other than venting or flaring. (Section 1-75(e)(4)(A))
- d) *If the permittee establishes that it is technically infeasible or economically unreasonable to minimize emissions associated with the venting of hydrocarbon fluids and natural gas during production using the methods specified in subsections (b) and (c), the Department, in consultation with the Agency as the Department deems appropriate, shall require the permittee to capture and direct any natural gas produced during the production phase to a flare.*
- e) *In order to establish technical infeasibility under subsection (d), the permittee must demonstrate to the Department's satisfaction, for each well site on an annual basis, that taking the actions listed in subsections (b) and (c) are not cost effective based on a well site-specific analysis, and that the technology listed in subsections (b) and (c) does not exist, cannot be installed at the well site, will not achieve the result intended, or is otherwise unavailable or ineffective. The permittee claiming economic unreasonableness shall provide the Department with the following:*
 - 1) The method the applicant used to determine it is economically unreasonable to implement the methods specified in subsection (b) or (c);
 - 2) Applicant's experience in implementing the methods specified in subsection (b) or (c);
 - 3) Estimated costs of implementing the methods specified in subsection (b) or (c) and sources for those estimates;
 - 4) Anticipated rates (by day) and amounts (total for well) of fluids and/or gas to be directed to the flare; and
 - 5) Any other information requested by the Department or that documents the economic unreasonableness claimed.
- f) *Any flare used pursuant to this Section shall be equipped with an auto-igniter and a reliable continuous ignition source over the duration of production. The*

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manufacturer's specifications for all flares must be provided to the Department before operation of the flare begins, and the Department shall post the specifications to its website.

- g) *Permittees that use a flare during the production phase for operations other than emergency conditions shall visually inspect or monitor the flare on a regular basis to insure it is operating properly. The permittee shall file an updated well site-specific analysis annually with the Department on a form prescribed by the Department in consultation with the Agency. The analysis shall:*
- 1) *be due one year from the date of the previous submission;*
 - 2) *report the dates and duration of any period during which the flare is not operating properly; and*
 - 3) *detail whether any changes have occurred that alter the technical infeasibility or economic unreasonableness of the permittee to reduce emissions in accordance with subsections (b) and (c). (Section 1-75(e)(5) of the Act)*
- h) *On or after July 1, 2015, all flares used under this Section shall:*
- 1) *operate with a combustion efficiency of at least 98% and in accordance with 40 CFR 60.18;*
 - 2) *be certified by the manufacturer of the device; and*
 - 3) *be maintained and operated in accordance with manufacturer specifications. (Section 1-75(e)(9) of the Act)*
- i) *For each wildcat well, delineation well, or low pressure well, permittees shall be responsible for minimizing the emissions associated with venting of hydrocarbon fluids and natural gas during the production phase by capturing and directing the emissions to a flare during the production phase, except in conditions that may result in a fire hazard or explosion, or where high heat emissions from a flare may negatively impact waterways. Flares shall be used during the production phase. (Section 1-75(e)(8) of the Act)*

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Section 245.910 Uncontrolled Emissions from Storage Tanks Containing Natural Gas and Hydrocarbon Fluids

- a) In addition to the requirements of Section 245.900, *uncontrolled emissions exceeding 6 tons per year from storage tanks containing natural gas or hydrocarbon fluids shall be recovered and routed to a flare that is designed in accordance with 40 CFR 60.18 and is certified by the manufacturer of the device.* Permittees shall calculate whether uncontrolled emissions from storage tanks exceed 6 tons per year by using a generally accepted model or calculation methodology based on the maximum average daily throughput determined for a 30 day period of production prior to the applicable emission determination deadline, pursuant to 40 CFR 60.5365(e).
- b) *The permittee shall maintain and operate the flare in accordance with the manufacturer's specifications.*
- c) *Any flare used under this Section must be equipped with an auto-igniter and a reliable continuous ignition source over the duration of production pursuant to the requirements of Section 245.900(h). (Section 1-75(e)(6) of the Act) The manufacturer's specifications for all flares must be provided to the Department before operation of the flare begins, and the Department shall post the specifications to its website.*

Section 245.920 Flaring Waiver

For wells regulated by this Part:

- a) *The Department, in consultation with the Agency as the Department deems appropriate, may approve an exemption request made in writing that waives the flaring requirements of Sections 245.900 and 245.910 only if the permittee demonstrates to the Department's satisfaction that the use of the flare will pose a significant risk of injury or property damage and that alternative methods of collection will not threaten harm to public health, public safety, property, wildlife, aquatic life or the environment (Section 1-75(e)(7) of the Act).*
- b) *In determining whether to approve a waiver, the Department, in consultation with the Agency as the Department deems appropriate, shall consider the quantity of casinghead gas produced, the topographical and climatological features at the*

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well site, and the proximity of agricultural structures, crops, inhabited structures, public buildings, and public roads and railways (Section 1-75(e)(7) of the Act).

- c) The Department, in consultation with the Agency as the Department deems appropriate, shall provide the permittee with a written decision.

Section 245.930 Annual Flaring Reports

Pursuant to Sections 245.900 and 245.910, *permittees shall record the amount of gas flared or vented from each high volume horizontal hydraulic fracturing well or storage tank on at least a weekly basis* (Section 1-75(e)(11) of the Act). Every 12 months from the date of permit issuance under this Part, permittees shall report the total amount of gas flared or vented from each well during the previous 12 months, by week, to the Department. The Department will post the reports on the Department's website.

Section 245.940 Produced Water Disposal or Recycling, Transportation and Reporting Requirements

The permittee shall dispose of or recycle produced water in accordance with the requirements of this Section:

- a) *Surface discharge of produced water onto the ground or into any surface water or water drainage way is prohibited* (Sections 1-75(c)(9) and 1-25(c) of the Act).
- b) Except for recycling allowed under subsection (d), *produced water may only be disposed of by injection into a Class II injection well that is below interface between fresh water and naturally occurring Class IV groundwater* (Sections 1-75(c)(8) and 1-25(c) of the Act). Unless used for enhanced oil recovery, the Class II injection well must be equipped with an electronic flowmeter and approved by the Department.
- c) *Produced water transfer operations from tanks to tanker trucks for transportation offsite must be supervised at the truck and at the tank if the tank is not visible to the truck operator from the truck. During transfer operations, all interconnecting piping must be supervised if not visible to transfer personnel at the truck and tank.* (Section 1-75(c)(6) of the Act)

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- d) *Produced water may be treated and recycled for use in hydraulic fracturing fluid for high volume horizontal hydraulic fracturing operations (Section 1-75(c)(8) of the Act).*
- e) *Transport of produced water by vehicle for disposal or recycling must be undertaken by a liquid oilfield waste hauler permitted by the Department under Section 8c of the Illinois Oil and Gas Act. The liquid oilfield waste hauler transporting produced water under this Part shall comply with all laws, rules, and regulations concerning liquid oilfield waste. (Section 1-75(c)(10) of the Act)*
- f) *Permittees must submit an annual produced water report to the Department detailing the management of any produced water associated with the permitted well.*
 - 1) *The produced water report shall be due to the Department no later than April 30 of each year and shall provide information on the operator's management of any produced water for the prior calendar year and the anticipated management for the next calendar year; and*
 - 2) *The produced water report shall contain information relative to the amount of produced water from the well, the method by which the produced water was transported and disposed of or recycled, the destination where the produced water was disposed of (Section 1-75(c)(15) of the Act) or recycled.*

SUBPART J: PLUGGING AND RESTORATION

Section 245.1000 Plugging and Restoration Requirements

- a) *The permittee shall perform and complete plugging of the well and restoration of the well site in accordance with the Illinois Oil and Gas Act and any and all rules adopted under that Act (62 Ill. Adm. Code 240.Subpart K). The permittee shall bear all costs related to plugging of the well and reclamation of the well site.*
- b) *If the permittee fails to plug the well in accordance with this Section, the owner of the well shall be responsible for complying with this Section. (Section 1-95(a) of the Act)*
- c) **Special Plugging Requirement**

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If the permittee stimulates the geologic formation in accordance with the permit using a high volume horizontal hydraulic fracturing process, then once commercial production ceases from the well and it is time to plug the well, in addition to all the other requirements, the permittee shall initiate the plugging process using a circulation method starting at the top of the geologic formation stimulated installing a cement plug at least 100 feet above the top of the geologic formation.

- d) Upon completion of the requirements of this Subpart J, the Department will release the permit in accordance with Section 245.350.

Section 245.1010 Plugging Previously Abandoned Unplugged or Insufficiently Plugged Wells

- a) The permittee shall plug any abandoned *unplugged*, or insufficiently plugged, *well bores within 750 feet of any part of the horizontal well bore that penetrated within 400 vertical feet of the geologic formation that will be stimulated as part of the permittee's proposed high volume horizontal hydraulic fracturing operations* (Section 1-95 of the Act). In determining whether a well has been sufficiently plugged, the Department will consider, but is not limited to, well completion reports, cementing records, well construction records, cement bond logs, tracer surveys, oxygen activation logs and plugging records. The permittee shall complete this plugging before the permittee conducts any HVVHF operations.
- b) This pre-HVVHF operations plugging obligation shall be performed in accordance with 62 Ill. Adm. Code 240.1110.
- 1) If the permittee does not have authority to plug an abandoned well within the Plugging and Restoration Fund Program, the Department will give the permittee authority to enter upon the land, plug the well, and restore the well site consistent with 62 Ill. Adm. Code 240.1610(e).
 - 2) If the permittee does not have authority to plug an abandoned well that is not within the Plugging and Restoration Fund Program, either:
 - A) the Department will initiate abandoned well proceedings pursuant to Section 19.1 of the Illinois Oil and Gas Act and 62 Ill. Adm. Code 240.1610, in order to grant the permittee authority to plug the abandoned well; or

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- B) the permittee will work with the landowner and the person responsible for the abandoned well to arrange for plugging and restoration.
- c) If the permittee is unable to locate an abandoned unplugged well or insufficiently plugged well identified by the Department for plugging before HVHHF operations begin, the permittee may receive a waiver of the plugging requirement from the Department after demonstrating a diligent effort to locate the abandoned unplugged well or insufficiently plugged well in the field.
- d) Before proceeding with any HVHHF operations, the permittee shall receive written approval from the Department that all wells under the permit within 750 feet of any part of the horizontal well bore that appear to penetrate within 400 vertical feet of the formation that the permittee intends to stimulate have been plugged, or that the plugging requirements have been met.
- e) If, during or after performing HVHHF operations, there is any evidence of fluids leaking at the surface from abandoned wells, unpermitted wells, or previously plugged wells within 750 feet of any part of the horizontal well bore:
- 1) the permittee shall immediately stop hydraulic fracturing operations, notify the Department, and shut in the well;
 - 2) the permittee shall plug those wells and restore the well sites in accordance with 62 Ill. Adm. Code 240.870, 240.875 and 240.1110; and
 - 3) the permittee shall obtain the approval of the Department prior to resuming operations.
- f) If, during or after performing HVHHF operations, there is any evidence of damage from the permittee's HVHHF operations to a producing well within 750 feet of any part of the horizontal well bore, the permittee shall be responsible for all repairs to the well construction or the costs of plugging the damaged well.

Section 245.1020 Restoration of Lands Other than the Well Site and Production Facility

The permittee shall restore any lands used by the permittee other than the well site and production facility to a condition as closely approximating the pre-drilling conditions that

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existed before the land was disturbed by site preparation activities, drilling, or high volume horizontal hydraulic fracturing operations.

- a) *Restoration shall be commenced within 6 months after completion of the well site and shall be completed within 12 months.*
- b) *Restoration shall include, but is not limited to:*
 - 1) *repair of tile lines to a condition as closely approximating the conditions that existed before the land was disturbed by drilling activities, with reference to the Illinois Drainage Guide, Circular 1226, Cooperative Extension Service, College of Agriculture, University of Illinois at Urbana-Champaign (1984) – drainage tile installations;*
 - 2) *repair of fences and barriers;*
 - 3) *mitigation of soil compaction and rutting;*
 - 4) *application of fertilizer or lime to restore the fertility of disturbed soil; and*
 - 5) *repair of soil conservation practices such as terraces and grassed waterways with reference to local County Soil and Water Conservation District specifications for soil restoration and conservation methods (Section 1-95(c) of the Act).*

Section 245.1030 Restoration of the Well Site and Production Facility

Unless contractually agreed to the contrary by the permittee and surface landowner, the permittee shall restore the well site and production facility to a condition as closely approximating the conditions that existed before the land was disturbed for any stage of site preparation activities, drilling and HVHFF operations.

- a) Restoration shall include:
 - 1) all of the requirements set forth in Section 245.1020(b);
 - 2) *removal of all equipment and materials involved in site preparation, drilling, and high volume horizontal hydraulic fracturing operations, including tank batteries, rock and concrete pads, oil field debris, injection*

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and flow lines at or above the surface, electric power lines and poles extending on or above the surface, tanks, fluids, pipes at or above the surface, secondary containment measures, rock or concrete bases, drilling equipment and supplies, and any and all other equipment, facilities, or materials used during any stage of site preparation work, drilling, or high volume horizontal hydraulic fracturing operations at the well site; and

- 3) all of the requirements of 62 Ill. Adm. Code 240.1180 and 240.1181;
- b) *Restoration and work on the removal of equipment and materials at the well site shall begin within 6 months after plugging the final well on the well site and be completed no later than 12 months after the last producing well on the well site has been plugged; and*
- c) *Roads installed as part of the oil and gas operation may only be left in place if provided in the lease or pursuant to agreement with the landowner, as applicable. (Section 1-95(d) of the Act)*

SUBPART K: ENFORCEMENT

Section 245.1100 Suspension, Revocation, Remediation and Administrative Penalties

The Department may, through the enforcement process set forth in this Subpart, suspend or revoke a high volume horizontal hydraulic fracturing permit, order actions to remediate, or issue administrative penalties for one or more of the following causes:

- a) *providing misleading, or materially untrue information in a permit application process or in any document or information provided to the Department (Section 1-60(a)(1) of the Act);*
- b) *violating any condition of the permit (Section 1-60(a)(2) of the Act);*
- c) *violating any provision of or any regulation adopted under the Act or the Illinois Oil and Gas Act (Section 1-60(a)(3) of the Act);*
- d) *using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere (Section 1-60(a)(4) of the Act);*

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- e) *having a high volume horizontal hydraulic fracturing permit, or its equivalent, revoked in any other state, province, district, or territory for incurring a material or major violation or using fraudulent or dishonest practices (Section 1-60(a)(5) of the Act);*
- f) *the existence of an emergency condition under which the conduct of high volume horizontal hydraulic fracturing operations would pose a significant hazard to public health, aquatic life, wildlife, or the environment (Section 1-60(a)(6) of the Act); or*
- g) *a determination of pollution or diminution made pursuant to an investigation under Section 245.610 (Section 1-83(d) of the Act).*

Section 245.1110 Notice of Violation

- a) When the Department determines to suspend or revoke a permit issued pursuant to this Part, orders actions to remediate, or issues administrative penalties under this Subpart, a Notice of Violation shall be completed and delivered to the Permittee and to the Director or the Director's designee.
- b) The Notice of Violation shall contain:
 - 1) The name and permit number for the well at issue;
 - 2) The provision of Section 245.1100 that applies, a statement specifying the factual nature of the violation, the action the Department will be taking and, as applicable, a citation to the specific permit condition alleged to have been violated or to the specific Section of this Part, the Act, the Illinois Oil and Gas Act or the administrative rules promulgated under that Act alleged to have been violated;
 - 3) A statement as to whether a remedial action is needed to address the violation and, if so, identification of the remedial action and the time within which the remedial action is required to be completed;
 - 4) A statement as to whether probationary or permanent modification or conditions on the permit will be recommended and, if so, the substance of the recommended probationary or permanent modification or conditions; and

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- 5) Any factors known to the person completing the Notice of Violation in aggravation or mitigation of the violation and the existence of any factors indicating that the permit should be conditioned or modified.
- c) The permittee charged with the Notice of Violation may provide the Department, in writing, any information in mitigation of the Notice of Violation within 14 days after the date of receiving the Notice of Violation. The written information may include a proposed alternative to the Department's suggested remedial action needed to address the violation.
- d) If a Notice of Violation includes an immediate permit suspension, the suspension *may be stayed*, at any time, by the Department, *if requested by the permittee and evidence is submitted demonstrating that there is no significant threat to the public health, aquatic life, wildlife, or the environment if the operation is allowed to continue* (Section 1-60(d) of the Act). Requests for stay must be made in writing to the Department and shall provide the basis for the requested stay and be accompanied by any supporting documents. All requests for stay shall be delivered to the Department's Office of Oil and Gas Resource Management located in Springfield, Illinois or mailed to the Department at Illinois Department of Natural Resources, Attention: Office of Oil and Gas Resource Management, One Natural Resources Way, Springfield IL 62702. A request for stay shall be decided by the Director or the Director's designee within 5 business days after its receipt.

Section 245.1120 Director's Decision

- a) Upon receipt of a Notice of Violation, the Director or Director's designee shall conduct an investigation and may affirm, vacate or modify the Notice of Violation. In determining whether to affirm, vacate or modify the Notice of Violation, the Director shall consider:
 - 1) whether the facts support the violation set forth in the Notice of Violation;
 - 2) the seriousness of the violation, including any harm to public health, public safety, aquatic life, wildlife or the environment or damage to property;
 - 3) the permittee's history of previous violations, including violations at other

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locations and under other permits.

- A) A violation shall not be counted if the Notice of Violation or Director's Decision is the subject of pending administrative review by the Department under Section 245.1130, or judicial review under the Administrative Review Law and the rules adopted under that Law, or if the time to request a review has not expired, and thereafter it shall be counted for only 5 years after the date of the Department's final administrative decision or a final judicial decision affirming the Department's decision.
 - B) No violation for which the Notice of Violation or Director's Decision has been vacated shall be counted;
- 4) the degree of culpability of the permittee;
 - 5) whether the remedial action to address the violation set forth in the Notice of Violation is completed within the time set forth in the Notice of Violation; and
 - 6) the existence of any additional conditions or factors in aggravation or mitigation of the violation, including information provided by any person or by the permittee.
- b) Modification to the Notice of Violation may include:
- 1) any different or additional remedial actions required to address the violation and the time within which the remedial actions must be completed;
 - 2) assessment of administrative penalties not to exceed \$5,000 a day for each and every act of violation, not to exceed \$50,000;
 - 3) probationary or permanent modification or conditions on the permit, which may include special monitoring or reporting requirements;
 - 4) suspension of the permit; and
 - 5) revocation of the permit.

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- c) The Director shall determine whether to assess administrative penalties based on the factors set forth in subsection (a). If an administrative penalty is assessed by the Department, the administrative penalty shall be computed as follows, but shall not exceed \$5,000 per day for each and every act of violation:
- 1) Administrative violations are violations of any submission, reporting or notification requirements of this Part, including, but not limited to, providing incorrect, misleading, incomplete or materially untrue information regarding permittee registration, permit application, permit modification, permit transfer, or permit bonding, and failing to properly comply with the reporting and Department notification requirements set forth in the construction, operation, monitoring, disclosure or production requirements of this Part or of the permit, and shall be assessed on a permittee-specific basis. The Department may assess a penalty for an administrative violation as follows:
 - A) No previous violation of the same rule: \$500.
 - B) One previous violation of the same rule: \$1,000.
 - C) Two previous violations of the same rule: \$1,500.
 - D) Three previous violations of the same rule: \$2,000.
 - E) Four or more previous violations of the same rule: \$5,000.
 - 2) Operating violations are violations of all other requirements of this Part not covered by subsection (c)(1), including, but not limited to, operating a well required to be permitted under the Act without first obtaining a proper permit from the Department, constructing or operating a well in violation of the construction, operation, monitoring, disclosure or production requirements of this Part or of the permit. The Department may assess a penalty for an operating violation by considering elements of subsections (c)(2)(A), (B) and (C) as follows:
 - A) History of Violations:
 - i) No previous violation of the same rule: \$1,000.

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- ii) One previous violation of the same rule: \$2,500.
 - iii) Two previous violations of the same rule: \$5,000.
 - iv) Three previous violations of the same rule: \$7,500.
 - v) Four previous violations of the same rule: \$10,000.
 - vi) Five or more previous violations of the same rule: \$25,000.
- B) Seriousness:
- i) If the violation had a high degree of probability to cause environmental damage to soil and/or land surface, vegetation or crops, surface water, groundwater, livestock or wildlife: add \$2,500; or, if the violation caused environmental damage to soil and/or land surface, vegetation or crops, surface water, groundwater, livestock or wildlife: add \$10,000.
 - ii) If the violation created a hazard to the safety of any person: add \$20,000.
- C) Permittee's Actions:
- i) If the permittee was previously notified of the violation using a routine inspection report (Form OG-22) in accordance with Section 245.1110 or correspondence from the Department and failed to comply: add \$5,000.
 - ii) If the violation occurred as a result of the permittee's deliberate conduct, including lack of reasonable maintenance of equipment: add \$5,000.
 - iii) If the violation involves a failure of surface casing or cement of surface casing: add up to \$50,000, but no less than \$5,000.

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- d) The Director or Director's designee shall serve the permittee with his or her decision at the conclusion of the investigation. The Director's Decision shall be served either *personally or by certified mail, receipt return requested, to the permittee* (Section 1-60(b) of the Act). The Director's Decision shall provide that the permittee has the right to request a hearing to contest the Director's Decision in accordance with Section 245.1130.
- e) The Director's Decision shall take effect upon issuance.
- f) The permittee may contest the Director's Decision by submitting *a request, in writing, within 30 days after the date of receiving the Director's Decision, for a hearing in accordance with Section 245.1130. Except as provided under Section 245.1130(d)(2), in the event a hearing is requested, the Director's Decision shall remain in effect until a final order is entered pursuant to the hearing.* (Section 1-60(c) of the Act)
- g) Failure of the permittee to timely request a hearing, or if a civil penalty has been assessed, to timely tender the assessed civil penalty, shall constitute a failure to exhaust all administrative remedies and a waiver of all legal rights to contest the Director's Decision, including the amount of the civil penalty.
- h) The permittee may, within 30 days from the date of receiving the Director's Decision, submit to the Department, in writing, any mitigating factors that permittee believes to be relevant to the violation cited in the Director's Decision.
- i) Upon further investigation, the Director may enter into a settlement agreement, issue an amended Director's Decision, or issue a replacement Director's Decision.
 - 1) A settlement agreement shall be issued to:
 - A) extend the amount of time provided to complete remedial action necessary to address a violation set forth in the Director's Decision; or
 - B) increase or reduce the civil penalty assessed in the Director's Decision; or
 - C) allow new permits or the transfer of existing permits to be issued during the term of the settlement agreement.

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- 2) An amended Director's Decision shall be issued to:
 - A) extend the amount of time provided to complete remedial action necessary to address a violation set forth in the Director's Decision;
or
 - B) reduce the civil penalty assessed in the Director's Decision.
- 3) A replacement Director's Decision shall be issued to correct an administrative error contained in the Director's Decision or the Notice of Violation.
- 4) The permittee shall have no right to administrative hearing associated with the issuance of a settlement agreement or an amended Director's Decision.
- j) If the Director's Decision includes the assessment of an administrative penalty and the permittee named in the Director's Decision does not request a hearing in accordance with Section 245.1130, the administrative penalty assessed shall be paid to the Department in full within 30 days after receiving the Director's Decision.
- k) *All administrative penalties assessed and paid to the Department shall be deposited in the Mines and Minerals Regulatory Fund (Section 1-35(e) of the Act).*

Section 245.1130 Director's Decision Hearings

- a) A permittee shall have 30 days from the date of receiving the Director's Decision to submit a written request for hearing to contest the Director's Decision. The written request for hearing shall provide the basis for contesting the Director's Decision and be accompanied by any documents evidencing the basis for contesting the Director's Decision. A permittee seeking to contest any Director's Decision in which a civil penalty has been assessed shall submit the assessed amount to the Department, by cashier's check or money order, together with a timely written request for hearing. The assessed amount shall be deposited by the Department pending the outcome of the hearing. The assessed amount, or applicable portion thereof, shall be ordered refunded to the permittee at the conclusion of the hearing if the Department does not prevail. All requests for

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hearing shall be delivered to the Department's Office of Oil and Gas Resource Management located in Springfield, Illinois or mailed to the Department at Illinois Department of Natural Resources, Attention: Office of Oil and Gas Resource Management, One Natural Resources Way, Springfield IL 62702.

- b) Upon receipt of a request for hearing submitted in accordance with all requirements of subsection (a), the Department shall provide an opportunity for a formal hearing upon not less than 5 days' written notice mailed to the permittee or person submitting the hearing request. All hearings under this Section shall be conducted in the Department's offices located in Springfield, Illinois.
- c) The hearing shall be conducted by a Hearing Officer designated by the Director. The Hearing Officer shall have all powers necessary to conduct the hearing, including, but not limited to, *the power to administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of books, papers, correspondence, and other records or information that he or she considers relevant or material* (Section 1-60(e) of the Act).
- d) The hearing shall be conducted in accordance with the following procedures:
 - 1) Pre-Hearing Conference
 - A) A pre-hearing conference shall be scheduled within 60 days after the request for hearing:
 - i) to define the factual and legal issues to be litigated at the administrative hearing;
 - ii) to determine the timing and scope of discovery available to the parties;
 - iii) to set a date for the parties to exchange all documents they intend to introduce into evidence during the hearing, a list of all witnesses the parties intend to have testify and a summary of the testimony of each witness;
 - iv) to schedule a date for the administrative hearing; and
 - v) to arrive at an equitable settlement of the hearing request, if

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possible.

- B) Pre-hearing conferences under this Section may be conducted via telephone conference if that procedure is acceptable to all parties to the hearing. In the event that a telephone conference is not acceptable to all parties, the pre-hearing conference shall be conducted at the Department's offices located in Springfield, Illinois, or a place designated by the Hearing Officer.
- 2) Stays of Suspension or Revocation. *The order of suspension or revocation of a permit based on Section 245.1000(f) may be stayed*, at any time, by the Hearing Officer, *if requested by the permittee by appropriate motion and evidence is submitted demonstrating that there is no significant threat to the public health, public safety, property, aquatic life, wildlife, or the environment if the operation is allowed to continue* (Section 1-60(d) of the Act). The Hearing Officer shall issue an order granting or denying a motion to stay within 5 business days after it is heard.
- 3) Either party may file motions for default judgment, motions for summary judgment, motions for protective orders and motions for orders compelling discovery. The Hearing Officer shall issue an order granting or denying motions filed within 15 days after service or, if applicable, after hearing. Any order granting a motion for default judgment or a motion for summary judgment shall constitute the Department's final administrative decision as to the matter being contested.
- 4) If a settlement agreement is entered into at any stage of the hearing process, the person to whom the notice of violation or cessation order was issued will be deemed to have waived all right to further review of the violation or administrative penalty in question, except as otherwise expressly provided for in the settlement agreement. The settlement agreement shall contain a waiver clause to this effect. All settlement agreements shall be executed by the Hearing Officer and shall constitute the Department's final administrative decision as to the matter being contested.
- 5) All hearings, under this Section shall be conducted in accordance with Article 10 of the Illinois Administrative Procedure Act [5 ILCS 100/Art. 10].

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- 6) At the hearing, the Department shall have the burden of proving the facts of the violation alleged in the notice of violation at issue. The amount of any administrative penalty assessed shall be presumed to be proper; however, the permittee may offer evidence to rebut this presumption. The standard of proof shall be a preponderance of the evidence. The permittee shall have the right to challenge the Hearing Officer if the person or permittee believes the Hearing Officer is prejudiced against him or her or has a conflict of interest. If the Hearing Officer disqualifies himself or herself, the Director shall designate a new Hearing Officer. The Hearing Officer shall conduct the hearing and hear the evidence. The Hearing Officer, at the conclusion of the hearing, shall have 30 days to issue recommended findings of fact, recommended conclusions of law and recommendations as to the disposition of the case.
 - 7) The Director or the Director's designee shall review the administrative record in conjunction with the Hearing Officer's recommended findings of fact, recommended conclusions of law and recommendations as to the disposition of the case. Within 15 days after receiving the Hearing Officer's recommendations, the Department shall issue a final administrative decision.
- e) All Department final administrative decisions set forth in this Section are subject to judicial review under the Administrative Review Law and the rules adopted under that Law.
 - f) *The costs associated with the administrative hearing shall be borne by the permittee* (Section 1-60(f) of the Act), except that all parties shall be responsible for their own attorneys' fees.

Section 245.1140 Alternative Enforcement

- a) All persons, owners and permittees regulated under the Act and this Part are also subject to, and required to comply with, the Illinois Oil and Gas Act and 62 Ill. Adm. Code 240.
- b) Any violation of this Part may also include violations of the permittee's Oil and Gas permit related to the same well, the Illinois Oil and Gas Act, and regulations adopted under that Act.

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- c) All violations related to the same well may be brought as one case at the discretion of the Department.
- d) Failure to meet the burden of proof required for revocation or suspension of a permit under the Act, this Part, the Illinois Oil and Gas Act, or the regulations promulgated under that Act, does not mean that the Department necessarily failed to prove other violations under the Act, this Part, the Illinois Oil and Gas Act, or the regulations promulgated under that Act.
- e) Knowing violations of this Part may be a criminal offense as defined in Section 1-100 of the Act, which will be, in addition to any administrative action taken by the Department, referred to the State's Attorney in the county where the violation occurred or the Attorney General's Office.
- f) Regulatory enforcement under this Part does not preclude the recovery of civil penalties by civil action before a circuit court pursuant to Section 1-101 of the Act, which will be in addition to any administrative action taken by the Department.

SUBPART L: MEDIUM VOLUME HORIZONTAL HYDRAULIC FRACTURING
OPERATIONS COMPLETION REPORTS**Section 245.1200 Medium Volume Horizontal Hydraulic Fracturing Completion Reports**

- a) *For any horizontal hydraulic fracturing operations where all combined stages of a stimulation treatment of a horizontal well are by the pressurized application of more than 80,000 gallons but less than 300,001 gallons of hydraulic fracturing fluid and proppant to initiate or propagate fractures in a geologic formation to enhance extraction or production of oil or gas, reporting under subsection (c) is required (Section 1-98(a) of the Act).*
- b) Permittees with a high volume horizontal hydraulic fracturing permit are not required to report under subsection (c).
- c) *Within 60 calendar days after the conclusion of horizontal hydraulic fracturing operations identified in subsection (a), the permittee shall file a medium volume horizontal hydraulic fracturing operations completion report with the Department. The medium volume horizontal hydraulic fracturing operations*

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completion report shall contain the following information (Section 1-98(b) of the Act):

- 1) *the name and location of the well* (Section 1-98(b)(1) of the Act). The well location shall be surveyed by an Illinois licensed land surveyor or Illinois registered professional engineer and the description of the surveyed well location shall also include the legal description, the GPS latitude and longitude location, and ground elevation of the well. The GPS location shall be recorded as degrees and decimal degrees recorded to 6 decimal places in the North American Datum 1983 projection and shall be accurate to within 3 feet. The reported GPS location is required to be an actual GPS field measurement and not a calculated or conversion measurement;
- 2) the permittee number and well reference number issued pursuant to the Illinois Oil and Gas Act;
- 3) *the total and per-stage gallons of hydraulic fracturing fluid used at the well* (Section 1-98(b)(2) of the Act), the quantity recovered during the flowback period, and what the permittee did to dispose of, reuse or recycle the flowback;
- 4) *depth of the wellbore (including both total vertical depth and total measured depth)* (Section 1-98(b)(3) of the Act);
- 5) *length of horizontal wellbore* (Section 1-98(b)(4) of the Act);
- 6) *the maximum surface treating pressure used* (Section 1-98(b)(5) of the Act);
- 7) *the formation targeted* (Section 1-98(b)(6) of the Act);
- 8) *the number of hydraulic fracturing stages* (Section 1-98(b)(7) of the Act);
and
- 9) *total perforated interval and individual perforation intervals* (Section 1-98(b)(8) of the Act).

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- 1) Heading of the Part: Food, Drug and Cosmetic Code
- 2) Code Citation: 77 Ill. Adm. Code 720
- 3)

<u>Section Numbers</u> :	<u>Adopted Action</u> :
720.10	Amendment
720.20	Amendment
720.25	New Section
720.35	New Section
- 4) Statutory Authority: Illinois Food, Drug and Cosmetic Act [410 ILCS 620]
- 5) Effective Date of Rule: November 14, 2014
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 38 Ill. Reg. 10815; May 23, 2014
- 10) Has JCAR issued a State of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version: None
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? No changes were requested.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: The Department has issued Certificates of Free Sale for all product items (food, drugs, and cosmetics) under the Illinois Food, Drug and Cosmetic Act for a \$10 fee to include an unlimited number of items. This rulemaking develops new rules for issuance of Certificates of Free Sale to only Illinois Food and Dairy Manufacturers, Processors, Warehouseurs and Packers, or those facilities which the

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Department inspects, permits or surveys. In addition, the rulemaking states that a certificate of free sale will include no more than five items. Section 720.10 is being added to update the statutory citation and to make other technical corrections. A new Section is being added to list referenced materials.

- 16) Information and questions regarding this adopted rule shall be directed to:

Susan Meister
Division of Legal Services
Illinois Department of Public Health
535 W. Jefferson St., 5th floor
Springfield IL 62761

217/782-2043
e-mail: dph.rules@illinois.gov

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED AMENDMENTS

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER m: FOOD, DRUGS AND COSMETICS

PART 720

~~THE ILLINOIS~~ FOOD, DRUG AND COSMETIC ~~CODE~~ACT

Section

720.10	General Regulations
720.20	Definitions
<u>720.25</u>	<u>Referenced Materials</u>
720.30	Prohibited Acts and Penalties
<u>720.35</u>	<u>Certificate of Free Sale</u>
720.40	Food
720.50	Drugs and Devices
720.60	Cosmetics

AUTHORITY: Implementing and authorized by the Illinois Food, Drug and Cosmetic Act [410 ILCS 620].

SOURCE: Filed October 29, 1968; codified at 8 Ill. Reg. 16339; amended at 38 Ill. Reg. 22215, effective November 14, 2014.

Section 720.10 General Regulations

- a) The provisions of ~~this Part~~regulations promulgated under the Illinois Food, Drug and Cosmetic Act (the Act) (Ill. Rev. Stat. 1983, ch. 56½, pars. 501 et seq.) with respect to the ~~commission~~doing of any act shall be applicable also to the causing of ~~thesuch~~ act to be done.
- b) The definitions and interpretations of terms contained in Section 2 of the Act shall be applicable also to ~~thosesuch~~ terms when used in ~~this Part~~regulations promulgated under the Act.

(Source: Amended at 38 Ill. Reg. 22215, effective November 14, 2014)

Section 720.20 Definitions

Act – the Illinois Food, Drug and Cosmetic Act.

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Apostille – a document that certifies the validity of an Illinois notary public, county clerk, circuit clerk or local registrar.

Certificate of Free Sale – a document issued to Illinois food and dairy manufacturers, processors, packers or warehousemen that are inspected by the Department, verifying that the specified items are freely marketed in the United States and eligible for export to any foreign country as long as that particular manufacturer, processor, packer or warehouseman has no unresolved enforcement actions pending before the Department in accordance with this Part, the Act, the Grade A Pasteurized Milk and Milk Products Act and Grade A Pasteurized Milk and Milk Products administrative rules, the Manufactured Dairy Products Code, and the Manufacturing, Processing, Packing or Holding of Food Code. A Certificate of Free Sale may be issued as an equivalent certificate to include a Certificate of Origin, Certificate of Good Manufacturing Practices, or Certificate of Sanitation.

Certificate of Good Manufacturing Practices – equivalent to a certificate of free sale that certifies that the items were made using good manufacturing practices in an Illinois manufacturing facility.

Certificate of Origin – equivalent to a certificate of free sale to certify that the items were manufactured in Illinois.

Certificate of Sanitation – equivalent to a certificate of free sale to certify that the food items manufactured in Illinois meet applicable food sanitation standards.

Difference of Opinion Among Experts – the existence of a difference of opinion, among experts qualified by scientific training and experience, as to whether the truth of a representation made or suggested in the labeling is a fact (among other facts), the failure to reveal which may render the labeling misleading, if there is a material weight of opinion contrary to the representation.

FDA – United States Food and Drug Administration.

Item – each single unit listed on the Certificate of Free Sale request form.

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Labeling – all written, printed or graphic matter accompanying an article at any time while the article is for sale or delivery, held for sale or offered for sale in Illinois.

Single-service Plant – an Illinois facility that manufactures single-service containers and closures for milk and milk products in accordance with the Grade A Pasteurized Milk and Milk Products Code and FDA Pasteurized Milk Ordinance (PMO) Appendix J.

- a) Labeling Definition:
~~Labeling includes all written, printed or graphic matter accompanying an article at any time while such article is for sale, delivery, held for sale or offered for sale in the State of Illinois.~~
- b) Difference of Opinion Among Experts:
~~The existence of a difference of opinion, among experts qualified by scientific training and experience, as to the truth of a representation made or suggested in the labeling is a fact (among other facts) the failure to reveal which may render the labeling misleading, if there is a material weight of opinion contrary to such representation.~~

(Source: Amended at 38 Ill. Reg. 22215, effective November 14, 2014)

Section 720.25 Referenced Materials

- a) The following Illinois statutes are referenced in this Part:
- 1) Illinois Food, Drug and Cosmetic Act [410 ILCS 620]
 - 2) Grade A Pasteurized Milk and Milk Products Act [410 ILCS 635]
- b) The following federal statutes are referenced in this Part:
- Food, Drug and Cosmetic Act (21 USC 352)
- c) The following Illinois administrative rules are referenced in this Part:
- 1) Grade A Pasteurized Milk and Milk Products (77 Ill. Adm. Code 775)

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- 2) [Manufactured Dairy Products Code \(77 Ill. Adm. Code 785\)](#)
- 3) [Manufacturing, Processing, Packing or Holding of Food Code \(77 Ill. Adm. Code 73\)](#)

(Source: Added at 38 Ill. Reg. 22215, effective November 14, 2014)

Section 720.35 Certificate of Free Sale

- a) [Requirements for Issuance of Certificate of Free Sale](#)
 - 1) [The Department will approve issuance of a certificate of free sale only for items that are from Illinois food and dairy manufacturers, processors, packers or warehouseurs or an Illinois single-service plant that manufactures single-service containers and closures and is approved for the listing of certified single-service manufacturers in the current publication of the FDA Interstate Milk Shippers \(IMS\) List.](#)
 - 2) [The Department is authorized, but is not required, upon request, to issue certificates of free sale to Illinois dairy, drug, cosmetic, or medical device manufacturers, processors, packers, or warehouseurs \(Section 21.3 of the Act\). The Department will not approve a certificate of free sale for medical equipment, devices, drugs, cosmetics, vitamins, and dietary supplements as defined in the Act, even if manufactured, processed, packaged or stored in Illinois.](#)
 - 3) [The Department will not issue a certificate of free sale to a business, corporation or entity that is only headquartered in Illinois but manufactures, processes, packs or warehouseurs in another state.](#)
 - 4) [The Department will not modify the language on the certificate of free sale from the original wording.](#)
 - 5) [The certificate of free sale covers only existing conditions of the items and shall not be interpreted as a guarantee, explicit or implied, for all items of the company at all times in the future.](#)
 - 6) [The issuance of a certificate of free sale does not preclude the Department from taking enforcement action against a food or dairy manufacturer.](#)

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processor, packer or warehouse in the future in accordance with this Part, the Act, the Grade A Pasteurized Milk and Milk Products Act, and Grade A Pasteurized Milk and Milk Products administrative rules, the Manufactured Dairy Products Code, and the Manufacturing, Processing, Packing or Holding of Food Code.

b) Application Process for the Certificate of Free Sale

- 1) The applicant shall complete and submit the Department certificate of free sale request form and payment per the instructions. The request form will be located on the Department website (www.idph.state.il.us).
- 2) A certificate of free sale will only be made available in English or Spanish. If the applicant needs the certificate of free sale in any other language or dialect, the applicant shall pay the cost of the Department's hiring of a translator to create the requested foreign language certificate of free sale.
- 3) On the application, the applicant shall provide the Illinois State Identification Number or Illinois Permit Number that has been issued to the Illinois manufacturer, processor, packer, distributor or warehouse upon inspection by the Department.
- 4) Along with the application, the applicant shall submit a fee to the Department for the certificate of free sale. A certificate of free sale will include no more than five items. The fee for each certificate of free sale will be \$10.
- 5) Certificates of free sale issued by the Department will be notarized by a certified State of Illinois notary public. If the applicant requires a certificate of authority for the signing notary public or requires an apostille to certify the Illinois notary public, then the applicant shall include a cover letter with its application stating the request and a check payable to the "Secretary of State" in an amount in accordance with the Illinois Secretary of State Notary Services found at <http://www.cyberdriveillinois.com/departments/index/notary/home.html>.

(Source: Added at 38 Ill. Reg. 22215, effective November 14, 2014)

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NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Lawn Irrigation Contractor and Lawn Sprinkler System Registration Code
- 2) Code Citation: 77 Ill. Adm. Code 892
- 3)

<u>Section Numbers</u> :	<u>Adopted Action</u> :
892.10	Amendment
892.15	New Section
892.20	Amendment
892.25	New Section
892.40	Amendment
892.50	Amendment
892.60	Amendment
892.70	Amendment
892.80	Amendment
- 4) Statutory Authority: Illinois Plumbing License Law [225 ILCS 320]
- 5) Effective Date of Rule: November 12, 2014
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposed published in the *Illinois Register*: April 25, 2014; 38 Ill. Reg. 8756
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version:

The following changes were made in response to comments received during the first notice or public comment period:

1. In Section 892.15, the following were added and existing "b" was re-labeled to "d":

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- "b) Illinois Environmental Protection Act [415 ILCS 5]
- c) Water Well Construction Code [414 ILCS 30]"

2. In Section 892.50, a new subsection (c) was added and existing subsections were relabeled.

3. In Section 892.50 (d)(2), "as defined by Section 3.365 of the Illinois Environmental Protection Act, or water" was added after "system,;" "as defined by Section 3(e) of the Water Well Construction Code or any alternative" was added after "well,;" "other" was stricken; "with a copy of the prior approval from the Department, described in subsection (c)" was added after "water source,;" and "such as a pond" was stricken.

4. In Section 892.70, subsection (b) was added and the existing text was labeled as "a)": " b) The fee for a dishonored negotiable instrument, including, but not limited to, returned checks or insufficient payment, shall be \$200."

The following changes were made in response to comments and suggestions of JCAR:

- 1. In Section 892.25, a list of topics for the curriculum offered by a training program was added in subsection (e)
- 2. In Section 892.50(d), "shall submit the contractor's test provided by the Department to the Department" was changed to "shall complete the contractor's test certificate provided by the Department and return the certificate to the Department".

In addition, various typographical, grammatical, and form changes were made in response to the comments from JCAR.

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No

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15) Summary and Purpose of Rulemaking: Changes to these rules include amendments to the existing irrigation contractor and lawn sprinkler system registration fees recommended by the Plumbing Code Advisory Council to reflect the progressive cost increase that the Department has incurred for over a decade and the progressive cost increase that the Department will incur in the near future for the administration and coordination of registration. Minor modifications to format are being made to increase uniformity between the Part and the required codification system established by the Secretary of State.

16) Information and questions regarding this adopted rule shall be directed to:

Susan Meister
Division of Legal Services
Department of Public Health
535 West Jefferson, 5th Floor
Springfield IL 62761

217/782-2043
dph.rules@illinois.gov

The full text of the Adopted Amendments begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER r: WATER AND SEWAGEPART 892
LAWN IRRIGATION CONTRACTOR AND LAWN SPRINKLER
SYSTEM REGISTRATION CODE

Section

892.10	Definitions
892.15	Referenced Materials
892.20	Registration Requirements for Irrigation Contractors
892.25	Providers of Lawn Sprinkler Design and Installation Courses
892.30	Licensed Plumbers Responsible for Installation of Lawn Sprinkler System
892.40	Waiver of Licensed Plumber Requirement
892.50	Inspection, Testing, and Registration of Lawn Sprinkler Systems
892.60	Civil Penalties for Unregistered Irrigation Contractors
892.70	Fees for Irrigation Contractors
892.80	Expiration of Registration Program

AUTHORITY: Authorized by and implementing the Illinois Plumbing License Law [225 ILCS 320].

SOURCE: Emergency rules adopted at 24 Ill. Reg. 4224, effective March 1, 2000, for a maximum of 150 days; adopted at 24 Ill. Reg. 11964, effective July 27, 2000; amended at 38 Ill. Reg. 22222, effective November 12, 2014.

Section 892.10 Definitions**[In this Part:](#)**

"Installation" means:

fabrication of a lawn sprinkler system using components that include piping, fittings, valves, sprinkler heads, and pumps;

replacement, repair, alteration, or maintenance of lawn sprinkler system components; or

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lawn sprinkler system site preparation, including digging, trenching and vibratory plow operation.

"Irrigation contractor" means a person, other than a licensed plumber or licensed apprentice plumber, who installs or supervises the installation of lawn sprinkler systems subject to Section 2.5 of ~~the Law~~ the Illinois Plumbing License Law. (Section 2 of the Law)

"Irrigation employee" means a person, other than a licensed plumber or licensed apprentice plumber, who is employed by a registered irrigation contractor or a licensed plumber, and who designs, repairs, alters, maintains, or installs lawn sprinkler systems that are subject to Section 2.5 of the Law. ~~"Irrigation employee" means a person, other than a licensed plumber or licensed apprentice plumber, who is employed by an irrigation contractor or a licensed plumber and who installs or supervises the installation of lawn sprinkler systems subject to Section 2.5 of the Illinois Plumbing License Law.~~

"Law" means the Illinois Plumbing License Law [225 ILCS 320].

"Lawn sprinkler system" means any underground irrigation system of lawn, shrubbery and other vegetation from any potable water sources; and from any water sources, whether or not potable, ~~in any county with a population of 3,000,000 or more; any county with a population of 275,000 or more which is contiguous in whole or in part to a county with a population of 3,000,000 or more; or any county with a population of 37,000 or more but less than 150,000 which is contiguous to 2 or more counties with respective populations in excess of 275,000.~~ "Lawn sprinkler system" includes without limitation the water supply piping, valves, control systems, low voltage wiring, ~~and~~ sprinkler heads or other irrigation outlets, and moisture or rainfall sensing equipment, but does not include the backflow prevention device or final connection of the lawn sprinkler system to the backflow prevention device ~~or final connection of the lawn sprinkler system to the backflow prevention device.~~ "Lawn sprinkler system" does not include an irrigation system used primarily for agricultural purposes. (Section 2 of the Law) "Lawn sprinkler system" does not include extension, relocation, or modification of ~~"Lawn sprinkler system" does not include extension, relocation, or modification of~~ up to 200 linear yards of an existing lawn sprinkler system installed at a golf course prior to January 26, 2000. ~~installed at a golf course prior to January 26, 2000.~~ (Section 2.6 of the Law)

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(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.15 Referenced Materials

The following materials are referenced in this Part:

- a) Illinois Plumbing License Law [225 ILCS 320]
- b) Illinois Environmental Protection Act [415 ILCS 5]
- c) Water Well Construction Code [415 ILCS 30]
- d) Illinois Plumbing Code (77 Ill. Adm. Code 890)

(Source: Added at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.20 Registration Requirements for Irrigation Contractors

- a) Irrigation Contractor Registration. Subject to Section ~~2.516.1~~ of the Law, each irrigation contractor doing business in Illinois shall register annually with the Department. Registration shall be submitted on forms available from the Department's website (<http://www.idph.state.il.us/envhealth/plumbing.htm>) ~~Department~~ and shall include the following information:
 - 1) The irrigation contractor's full name, date of birth, height, weight, home telephone number; business name, full address of the business, business telephone and fax numbers, name of principal, Federal Employer Identification Number (FEIN), a certificate of insurance and workers' compensation insurance, as well as an indemnification bond or letter of credit; whether the business is a sole proprietorship, partnership, or corporation; and the name of the registered agent, if the contractor is a corporation.
 - 2) The names and license numbers of all licensed plumbers that the irrigation contractor employs or with whom the irrigation contractor enters into a contract for lawn sprinkler connection and inspection services (see Section 892.40).
 - 3) A licensed plumber who is also in the business of lawn sprinkler system

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installation shall register annually as an irrigation contractor, if the licensed plumber employs persons other than licensed plumbers or licensed apprentice plumbers to install or provide on-site supervision for the installation of lawn sprinkler systems.

- b) Irrigation Employee Registration. Subject to Section ~~2.516.1~~ of the Law, each irrigation contractor doing business in Illinois shall register annually with the Department all irrigation employees who install or provide on-site supervision for the installation of lawn sprinkler systems.
- 1) Registration shall be submitted on forms available from the Department's website (<http://www.idph.state.il.us/envhealth/plumbing.htm>) Department and shall include each irrigation employee's full name, home address, home phone, date of birth, height, and weight; and the employer's name, business name, address, telephone number, and irrigation contractor registration number.
 - 2) Upon request, the irrigation contractor shall provide to the Department additional business information, including payroll records, time sheets, and W2 forms. The Department may request this information if necessary to determine the irrigation contractor's compliance with the registration requirements of this subsection (b).
 - 3) Irrigation contractors shall provide, on forms provided by the Department on its website (<http://www.idph.state.il.us/envhealth/plumbing.htm>), the following:
 - A) Proof that at least one irrigation employee *has completed and passed an approved class in the design and installation of lawn sprinkler systems*;
 - B) The names of employees who have successfully completed an approved course on the installation of lawn sprinkler systems; and
 - C) Proof that the course taken by the employees was successfully completed and that their continuing education is also being completed. (Section 2.5(a) and (f) of the Law)
- c) Registration Expiration and Renewal. All registrations issued under this Section

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shall expire on February 28 of each year, except that initial registrations issued after January 15 shall expire one year after the next February 28. Registration may be renewed for a period of one year from each succeeding March 1 upon submission by the irrigation contractor of new contractor and employee registration forms and fee payment prior to that March 1.

- d) Reporting Changes in Registration. Irrigation contractors shall report to the Department when registered irrigation employees are no longer employed by the contractor and when new employees are hired.
- 1) The irrigation contractor shall submit a notice of cancellation of employee, accompanied by a nonrefundable ~~\$20~~^{\$10} fee, to the Department within 10 days after a registered irrigation employee is terminated. A notice of cancellation is not required for registered employees who are terminated in the period on or after January 31 and before February 28 of the same year.
 - 2) After the contractor's initial or renewal registration has been submitted to the Department, the irrigation contractor shall submit an irrigation employee registration application form to the Department before any additional employees are hired.
 - 3) When the addition of irrigation employees places the irrigation contractor in a category that requires a higher fee and additional licensed plumbers, the irrigation contractor shall submit the difference in the fee amount between the ~~two~~² categories and the names and license numbers of additional licensed plumbers to the Department. Fee payment and the information required shall be submitted before additional employees are allowed to install lawn sprinkler systems.

(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.25 Providers of Lawn Sprinkler Design and Installation Courses

- a) *A college, university, trade school, vocational school, or association that has established a program providing a course of instruction in lawn sprinkler design and installation may submit a letter to the Department requesting approval of its program or course of instruction. (Section 2.5(f) of the Law)*

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- b) The letter shall be obtained by downloading the letter from the Department's website (<http://www.idph.state.il.us/envhealth/plumbing.htm>).
- c) The letter shall be submitted to the Illinois Department of Public Health, 525 West Jefferson Street, 3rd Floor, Springfield, Illinois 62761.
- d) The request for approval shall include information on the curriculum offered by the program and the qualifications of the organization. The course shall consist of a minimum of 2 days of classroom education and an exam and shall include a provision for continuing education. (Section 2.5(f) of the Law) The curriculum offered by the program shall minimally consist of the following topics and the amount of time proposed to be devoted to each topic:
- 1) Basic principles of irrigation systems;
 - 2) Planning and designing an irrigation system, including estimating, installation, repair and maintenance;
 - 3) Alteration, extension and dismantling of irrigation systems;
 - 4) Irrigation system components, materials and equipment;
 - 5) Joints and connections;
 - 6) Inspection and testing of an irrigation system;
 - 7) Sciences of pneumatics and hydraulics as they apply to irrigation systems;
 - 8) Plastics and thermoplastic materials utilized in irrigation systems;
 - 9) Installation practices, including site and worker safety;
 - 10) Use and care of tools and equipment;
 - 11) Source water for irrigation systems; and
 - 12) Electric controls and control systems for irrigation systems.

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- e) *The Department shall evaluate the curriculum and organization before making a determination to approve or deny a request for approval. (Section 2.5(f) of the Law)*

(Source: Added at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.40 Waiver of Licensed Plumber Requirement

A written request for a temporary waiver shall be submitted to the Department when the number of licensed plumbers employed by the irrigation contractor or with whom the contractor has a contractual agreement for the installation or inspection of lawn sprinkler systems is below the number of licensed plumbers required in Section 892.30.

- a) The written waiver request shall specify the steps taken by the irrigation contractor to maintain the required number of licensed plumbers. A waiver will not be issued unless the irrigation contractor provides documentation of the steps taken to employ or contract with the required number of licensed plumbers. This information shall include one or more of the following items:
- 1) Copy of advertising by the irrigation contractor soliciting the services of licensed plumbers.
 - 2) Copies of letters to unions, trade organizations or other groups that represent plumbers, requesting referral of licensed plumbers to the irrigation contractor.
 - 3) Copies of letters to plumbing contractors soliciting the services of licensed plumbers.
 - 4) Copies of responses to the irrigation contractor from the organizations and businesses contacted by the irrigation contractor to obtain the services of licensed plumbers.
- b) The waiver request shall be submitted within 10 days after the number of licensed plumbers goes below the number required for the irrigation contractor, as specified in Section 892.30.
- c) The Department ~~will~~shall review the waiver request and notify the contractor if approval of the waiver request is issued.

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- d) A temporary waiver ~~will~~shall be granted for a period not to exceed ~~three~~3 consecutive months after the date the waiver is issued. A temporary waiver will not be granted to an irrigation contractor for more than a total of six months in a two-year period.
- 1) ~~Upon expiration of the initial temporary waiver, the irrigation contractor may apply for an extension of the waiver, which shall not exceed an additional 3 months.~~
- 2) ~~In no case shall a temporary waiver be granted to an irrigation contractor for more than a total of 6 months in a two-year period.~~
- e) ~~An~~In no case shall an irrigation contractor ~~shall ensure~~be relieved of the responsibility for ensuring that a licensed plumber ~~inspects~~shall inspect every sprinkler system installed by an irrigation contractor to ensure that the provisions of the ~~Law~~Act have been met and that the system works mechanically. ~~An~~In no case shall an irrigation contractor ~~shall ensure~~be relieved of the responsibility for ensuring that a licensed plumber makes the physical connection between a sprinkler system and the backflow prevention device.
- f) An irrigation contractor to whom a waiver has been issued may request the services of a State plumbing inspector to inspect a lawn irrigation system after installation has been completed. A non-refundable fee of ~~\$500~~\$250 will be charged for inspection services by a State plumbing inspector.

(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.50 Inspection, Testing, and Registration of Lawn Sprinkler Systems

All lawn sprinkler systems installed in Illinois ~~on or after the effective date of this rulemaking~~ shall be registered with the Department on forms provided by the Department.

- a) Inspection and Testing of Lawn Sprinkler Systems. Upon completion of installation of a lawn sprinkler system, a licensed plumber representing the irrigation contractor shall inspect and test the system to ensure that the provisions of Section 2.5 of the Law have been met and that the system works mechanically. The property owner or a representative shall witness the inspection and testing. Any defects in the installation determined during the inspection and testing shall

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be corrected before the test is considered complete.

- b) *No person shall attach to a lawn sprinkler system any fixture intended to supply water for human consumption. No person shall attach to a lawn sprinkler system any fixture other than the backflow prevention device, sprinkler heads, valves, and other parts integral to the operation of the system, unless the fixture is clearly marked as being for non-potable use only.* (Section 2.5(e) of the Law)
- c) No person shall cause the installation of a lawn sprinkler system by attaching any fixture to any water source except from a public water system, as defined by Section 3.365 of the Illinois Environmental Protection Act, or a water well, as defined by Section 3(e) of the Water Well Construction Code, without prior written approval from the Department. An irrigation contractor or licensed plumber may request written approval for using an alternative water source by providing a written request to the Department and by submitting written plans and specifications, sealed by an Illinois Registered Architect or Licensed Professional Engineer.
- d)e) Registration of Lawn Sprinkler Systems. ~~The contractor's test certificate provided by the Department shall be submitted by the~~ irrigation contractor or licensed plumber responsible for the installation of the lawn sprinkler system shall complete the contractor's test certificate provided by the Department and return the certificate to the Department within 30 days after completion of the inspection and test and shall include all of the following information:
- 1) Name of the owner of the property at which the lawn sprinkler system is located, address of the property, and date that the installation was completed.
 - 2) Information on the installation of lawn sprinklers:
 - A) Make, model, and quantity of sprinklers installed;
 - B) Static pressure;
 - C) Gallons per minute (gpm) per largest zone;
 - D) Water source (public water system, as defined by Section 3.365 of the Illinois Environmental Protection Act, or water well, as defined

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by Section 3(e) of the Water Well Construction Code or any alternative ~~other~~ water source, with a copy of the prior approval from the Department, described in subsection (c) ~~such as a pond~~;

- E) Type of pipe used in installation (copper, PVC, polyethylene);
 - F) Manufacturer~~manufacturer~~; type, and size of pump used in installation; and;
 - G) Type, size, serial number and inspection date ~~inspected~~ of backflow prevention device (RPZ valve) to which the lawn sprinkler system is connected.
- 3) Name, registration number, and signature of the irrigation contractor or licensed plumber responsible for the installation of the lawn sprinkler system.
 - 4) Name and license number of the licensed plumber responsible for the physical connection between the lawn sprinkler system and the backflow prevention device.
 - 5) Date that a licensed plumber inspected the lawn sprinkler system ~~was inspected by a licensed plumber~~ to ensure compliance with the Illinois Plumbing License Law ~~[225 ILCS 320]~~ and Illinois Plumbing Code ~~(77 Ill. Adm. Code 890)~~.
- ed) A ~~\$25~~\$15 nonrefundable registration fee shall be submitted with each registration of a lawn sprinkler system.
- f) All automatically operated lawn sprinkler systems shall have furnished and installed technology that inhibits or interrupts operation of the landscape irrigation system during periods of sufficient moisture or rainfall.
- 1) The technology must be adjustable either by the end user or the irrigation contractor. This subsection (f) does not apply to systems operating on golf courses or agricultural lands.
 - 2) The requirements of this subsection (f) apply to all landscape irrigation systems installed after January 1, 2009. (Section 2.5(g) of the Law)

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(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.60 Civil Penalties for Unregistered Irrigation Contractors

- a) A person who practices, offers to practice, or holds himself or herself out to practice as an irrigation contractor without being registered under the provisions of the LawAct shall be issued a civil penalty under the following criteria:
- 1) First Offense
 - A) WhenWhere no violations of the Illinois Plumbing Code (~~77 Ill. Adm. Code 890~~) are found, the person:
 - i) Shall pay a civil penalty of \$1,000; ~~and 1000~~.
 - ii) May be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAct.
 - B) WhenWhere violations of the Illinois Plumbing Code are found, the person:
 - i) Shall pay a civil penalty of \$3,000~~3000~~. This amount may be reduced to \$1,000 upon the condition that the unregistered person pays for a licensed plumber who is acceptable to the other party to the original contract or agreement to correct the violations of the Illinois Plumbing Code; ~~and, The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.~~
 - ii) May be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAct.
 - 2) Second Offense
 - A) WhenWhere no violations of the Illinois Plumbing Code are found,

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the person:

- i) Shall pay a civil penalty of ~~\$3,000; and~~3000.
- ii) May be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAct.

B) ~~When~~Where violations of the Illinois Plumbing Code are found, the person:

- i) Shall pay a civil penalty of \$5,000. This amount may be reduced to ~~\$3,000~~3000 upon the condition that the unregistered person pays for a licensed plumber who is acceptable to the other party to the original contract or agreement to correct the violations of the Illinois Plumbing Code; ~~and. The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.~~
- ii) May be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAct.

3) Third and Subsequent Offenses. The person:

- A) Shall pay a civil penalty of ~~\$5,000; and~~5000.
- B) Shall be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAct.

b) A registered irrigation contractor, firm, corporation, partnership, or association, who directs, authorizes or allows a person to practice, offer to practice, attempt to practice, or hold himself or herself out to practice as an irrigation employee without being registered under the provisions of the LawAct, shall be issued a civil penalty under the following criteria:

1) First Offense. The person:

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- A) Shall pay a civil penalty of ~~\$5,000;~~5000.
- B) Shall be required to pay for a licensed plumber who is acceptable to the other party to the original contract or agreement to correct any violations of the Illinois Plumbing Code;~~;- The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.~~
- C) Shall have his or her plumbing license suspended; ~~and;~~
- D) May be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAet.
- 2) Second Offense. The person:
- A) Shall pay a civil penalty of ~~\$5,000;~~5000.
- B) Shall be required to pay for a licensed plumber who is acceptable to the other party to the original contract or agreement to correct any violations of the Illinois Plumbing Code;~~;- The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.~~
- C) Shall have his or her plumbing license revoked; ~~and;~~
- D) Shall be referred to the State's Attorney of the County or to the Attorney General for prosecution under Section 29 of the LawAet.

(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.70 Fees for Irrigation Contractors

- a) The following non-refundable annual registration fees shall be submitted to the Department by each registered irrigation contractor:

Number of Employees Authorized to Install or Supervise the Installation of Lawn Sprinkler Systems	Annual Fee for Irrigation Contractor Registration
7 or fewer <u>less</u>	\$400 <u>\$300</u>

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8-12	\$600
13-20	\$900
21-28	\$1,200 \$1200
29 or more	\$1,500 \$1500

- b) The fee for a dishonored negotiable instrument, including, but not limited to, returned checks or insufficient payment, shall be \$200.

(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

Section 892.80 Expiration of Registration Program

This Part and the registrations issued under this Part are subject to expiration January 1, ~~2024~~2003, as provided under Section 2.5 of the Law.

(Source: Amended at 38 Ill. Reg. 22222, effective November 12, 2014)

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- 1) Heading of the Part: Plumbing Contractor Registration Code
- 2) Code Citation: 77 Ill. Adm. Code 894
- 3) Section Numbers: Adopted Action:
894.10 Amendment
894.15 New Section
894.20 Amendment
894.40 Amendment
894.50 Amendment
894.70 Amendment
894.80 Amendment
- 4) Statutory Authority: Illinois Plumbers Licensing Law [225 ILCS 320]
- 5) Effective Date of Rule: November 12, 2014
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: April 25, 2014; 38 Ill. Reg. 8772
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version:

The following changes were made in response to comments received during the first notice or public comment period:

In Section 894.20(a)(7)(C), "Name" was changed to "Name"; "the Department as the sole beneficiary" was stricken and "the sole beneficiary" was added; and "(Section 2.5 of the Act)" was added after the semi-colon.

In Section 894.80, the following was inserted:

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- "c) The fee for a dishonored negotiable instrument, including, but not limited to, returned checks or insufficient payment, shall be \$200."

In addition, various typographical, grammatical, and form changes were made in response to the comments from JCAR.

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: Changes to these rules include amendments to the existing plumbing contractors' registration fees recommended by the Plumbing Code Advisory Council to reflect the progressive cost increase that the Department has incurred for over a decade and the progressive cost increase that the Department will incur in the future for administration and coordination of plumbing contractor registration. Minor modifications to format are being made to increase uniformity between the Part and the required codification system established by the Secretary of State.
- 16) Information and questions regarding this adopted rule shall be directed to:

Susan Meister
Division of Legal Services
Department of Public Health
535 West Jefferson, 5th Floor
Springfield IL 62761

217/782-2043
dph.rules@illinois.gov

The full text of the Adopted Amendments begins on the next page:

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TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER r: WATER AND SEWAGEPART 894
PLUMBING CONTRACTOR REGISTRATION CODE

Section

894.10	Definitions
894.15	Referenced Materials
894.20	Registration Requirements for Plumbing Contractors
894.30	Certificates of Insurance
895.40	Insurance and Surety Bond Coverage
894.50	Hearings
894.60	Registered Plumbing Contractor Violations
894.70	Civil Penalties for Unregistered Plumbing Contractors
894.80	Fees for Plumbing Contractors

AUTHORITY: Authorized by and implementing the Illinois Plumbing License Law [225 ILCS 320].

SOURCE: Emergency rule adopted at 26 Ill. Reg. 5186, effective March 21, 2002, for a maximum of 150 days; emergency modified in response to an objection of the Joint Committee on Administrative Rules at 26 Ill. Reg. 8480, not to exceed the 150-day limit of the original rulemaking; emergency expired August 17, 2002; adopted at 27 Ill. Reg. 3063, effective February 10, 2003; amended at 38 Ill. Reg. 22239, effective November 12, 2014.

Section 894.10 Definitions**[In this Part:](#)**

"Act" means the Illinois Plumbing License Law [225 ILCS 320].

"Business maintenance staff" means one or more licensed plumbers or apprentice plumbers who perform plumbing, as defined in the Act, solely in commercial business facilities owned by the business that employs the plumber or plumbers.

"Department" means the Illinois Department of Public Health.

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"Plumbing contractor" means any person who performs plumbing, as defined in the Act, for another person for hire. "Plumbing contractor" shall not include licensed plumbers and licensed apprentice plumbers who either are employed by persons engaged in the plumbing business or are employed by another person for the performance of plumbing solely for that other person, including, but not limited to, a hospital, university, or business maintenance staff. (Section 2 of the Act)

(Source: Amended at 38 Ill. Reg. 22239, effective November 12, 2014)

Section 894.15 Referenced Materials

The following materials are referenced in this Part:

- a) [Illinois Plumbing License Law \[225 ILCS 320\]](#)
- b) [Practice and Procedure in Administrative Hearings \(77 Ill. Adm. Code 100\)](#)
- c) [Illinois Plumbing Code \(77 Ill. Adm. Code 890\)](#)

(Source: Added at 38 Ill. Reg. 22239, effective November 12, 2014)

Section 894.20 Registration Requirements for Plumbing Contractors

- a) Plumbing Contractor Registration. Subject to Section 13.1 of the Act, each plumbing contractor doing business in Illinois shall register annually with the Department. Registration shall be submitted on forms available from the Department and shall include the following information:
 - 1) The plumbing contractor's full name, business name, [address and telephone number](#), full address of the business, business telephone and fax numbers; Federal Employer Identification Number (FEIN); whether the business is a sole proprietorship, partnership, or corporation; and the name of the registered agent, if the contractor is a corporation.
 - 2) If the plumbing contractor is a corporation, annual certification from the Illinois Secretary of State that the corporation is in good standing in the State of Illinois as either a domestic or foreign corporation and has not been dissolved.

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- 3) The name, address, telephone and plumber's license number of the licensed plumber of record for the plumbing contractor.
 - 4) A copy of the valid plumber's license for the licensed plumber of record.
 - 5) The annual registration fee specified in Section 894.70.
 - 6) *An original certificate of insurance documenting that the plumbing contractor carries general liability insurance with a minimum of \$100,000 per occurrence, ~~a minimum of \$300,000 aggregate for~~ bodily injury insurance with a minimum of \$300,000 per occurrence, property damage insurance with a minimum of \$50,000 ~~or a minimum of \$300,000 combined single limit~~, and worker's compensation insurance with a minimum of \$500,000 ~~employer's liability~~.* (Section 13.1 of the Act)- Sole proprietorships and partnerships with no employees are exempt from the worker's compensation insurance requirement.
 - 7) *On a form provided by the Department, an indemnification bond in the amount of \$20,000 or an irrevocable letter of credit from a financial institution guaranteeing that funds shall be available only to the Department and shall be released upon written notification by the Department in the same amount for plumbing work performed by the registered plumbing contractor.* (Section 13.1 of the Act)- The letter of credit shall:
 - A) ~~Be~~ printed on the letterhead of the issuing financial institution;
 - B) ~~Be~~ signed by an officer of the same financial institution;
 - C) ~~Name the Department as the sole beneficiary~~~~name the Department as the sole beneficiary~~ (Section 2.5 of the Act); and
 - D) ~~Expire~~expire on April 30 of each year.
- b) Registration Expiration and Renewal. All registrations issued under this Section shall expire on April 30 of each year, except that initial registrations issued after January 30 shall expire one year after the next April 30. Registration may be renewed for a period of one year from each succeeding May 1 upon submission

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by the plumbing contractor of a renewal registration form, all documents required in subsections (a)(5) and (6) ~~of this Section~~, and fee payment prior to that May 1.

- c) Reporting Changes in Registration-
- 1) Plumbing contractors shall report to the Department 15 days in advance of the change:
 - A) Any changes in the business structure, name, or location;
 - B) Any changes in ownership of the registered plumbing contractor;
 - C) Any changes in the licensed plumber of record listed on the registration application.
 - 2) Operation under new ownership shall not commence until the Department has issued a new registration.

(Source: Amended at 38 Ill. Reg. 22239, effective November 12, 2014)

Section 894.40 Insurance and Surety Bond Coverage

- a) A registered plumbing contractor ~~shall~~ may not perform services excluded from the contractor's liability insurance coverage. The insurance policy shall cover all services performed by the registered contractor.
- b) The insurance policy and coverage shall be in effect at all times during the license year. Any interruption in insurance coverage (i.e., any instance when the liability insurance coverage fails to meet the requirements of the Act or this Part) shall result in an immediate termination of plumbing activities. Plumbing activities shall ~~only~~ be reinstated ~~only~~ after the Department has received a certificate of insurance that includes refereneing the limits of liability in accordance with Section 13.1 of the Act and Section 894.20 of this Part ~~has been received by the Department~~.
- c) Upon request by the Department, the applicant or licensee shall provide a duplicate copy of the insurance policy.
- d) ~~The public liability coverages as described on the Certificate of Insurance must be~~

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~~valid and in effect at the time the Department issues registration as a plumbing contractor to the holder of such insurance. Upon receipt of a written notice of intent to cancel insurance, the Department will issue to the contractor a notice of intent to revoke registration. If the Department receives written notice from the insurance company that the policy had been reinstated prior to the expiration date, the notice of intent to revoke the contractor's registration will be rescinded. A \$25 non-refundable processing fee shall be required of the contractor before the Department will rescind the notice of intent to revoke. If the Department does not receive written notice from the insurance company that the policy had been reinstated by the expiration date, the contractor's registration will be revoked. Once a registration is revoked, the contractor must submit a registration application in accordance with Section 894.20.~~

- e) ~~The surety bond and irrevocable letter of credit must be valid and in effect at the time the Department issues registration as a plumbing contractor. Upon receipt of a written notice of intent to cancel a surety bond and irrevocable letter of credit, the Department will issue to the contractor a notice of intent to revoke registration. If the Department receives written notice from the entity issuing the surety bond and irrevocable letter of credit that these documents were reinstated prior to the expiration date, the notice of intent to revoke the contractor's registration will be rescinded. A \$25 non-refundable processing fee shall be required of the contractor before the Department will rescind the notice of intent to revoke. If the Department does not receive written notice from the company that the surety bond and irrevocable letter of credit have been reinstated by the expiration date, the contractor's registration will be revoked. Once a registration is revoked, the contractor must submit a new registration application in accordance with Section 894.20.~~

(Source: Amended at 38 Ill. Reg. 22239, effective November 12, 2014)

Section 894.50 Hearings

All hearings held pursuant to this Part shall be in accordance with the Act and the Department's ~~Rules of Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100).~~

(Source: Amended at 38 Ill. Reg. 22239, effective November 12, 2014)

Section 894.70 Civil Penalties for Unregistered Plumbing Contractors

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- a) A person who practices, offers to practice, or holds himself or herself out to practice as a plumbing contractor without being registered under the provisions of the Act shall be issued a civil penalty under the following criteria:
- 1) First Offense
 - A) ~~When~~~~Where~~ no violations of the Illinois Plumbing Code (77 Ill. Adm. Code 890) are found, the person:
 - i) Shall pay a civil penalty of \$1,000.
 - ii) May be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.
 - B) ~~When~~~~Where~~ violations of the Illinois Plumbing Code are found, the person:
 - i) Shall pay a civil penalty of \$3,000. This amount may be reduced to \$1,000 upon the condition that the unregistered person pays for a licensed plumber to correct the violations of the Illinois Plumbing Code. The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.
 - ii) May be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.
 - 2) Second Offense
 - A) ~~When~~~~Where~~ no violations of the Illinois Plumbing Code are found, the person:
 - i) Shall pay a civil penalty of \$3,000.
 - ii) May be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.

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- B) ~~When~~Where violations of the Illinois Plumbing Code are found, the person:
- i) Shall pay a civil penalty of \$5,000. This amount may be reduced to \$3,000 upon the condition that the unregistered person pays for a licensed plumber to correct the violations of the Illinois Plumbing Code. The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.
 - ii) May be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.
- 3) Third and Subsequent Offenses. The person:
- A) Shall pay a civil penalty of \$5,000.
 - B) Shall be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.
- b) A registered plumbing contractor, firm, corporation, partnership, or association, who directs, authorizes or allows a person to practice, offer to practice, attempt to practice, or hold himself or herself out to practice as a plumbing employee without being licensed under the provisions of the Act, shall be issued a civil penalty under the following criteria:
- 1) First Offense. The person:
 - A) Shall pay a civil penalty of \$5,000.
 - B) Shall be required to pay for a licensed plumber to correct any violations of the Illinois Plumbing Code. The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.
 - C) Shall have his or her plumbing license suspended.

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- D) May be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.
- 2) Second Offense. The person:
- A) Shall pay a civil penalty of \$5,000.
 - B) Shall be required to pay for a licensed plumber to correct any violations of the Illinois Plumbing Code. The licensed plumber correcting the violations must be acceptable to the other party to the original contract or agreement.
 - C) Shall have his or her plumbing license revoked.
 - D) Shall be referred to the State's Attorney of the County or Attorney General for prosecution under Section 29 of the Act.

(Source: Amended at 38 Ill. Reg. 22239, effective November 12, 2014)

Section 894.80 Fees for Plumbing Contractors

- a) Each registered plumbing contractor shall submit a non-refundable annual registration fee of ~~\$150~~\$100 ~~shall be submitted~~ to the Department ~~by each registered plumbing contractor~~.
- b) A non-refundable registration reinstatement fee of ~~\$100~~\$25 shall be paid to reinstate a plumbing contractor's registration.
- c) The fee for a dishonored negotiable instrument, including, but not limited to, returned checks or insufficient payment, shall be \$200.

(Source: Amended at 38 Ill. Reg. 22239, effective November 12, 2014)

DEPARTMENT OF EMPLOYMENT SECURITY

NOTICE OF EMERGENCY AMENDMENTS

- 1) Heading of the Part: Notices, Records, Reports
- 2) Code Citation: 56 Ill. Adm. Code 2760
- 3)

<u>Section Numbers</u> :	<u>Emergency Action</u> :
2760.140	Amendment
2760.141	New Section
2760.150	Amendment
- 4) Statutory Authority: Implementing and authorized by Sections 204, 234, 245, 300, 302, 700, 1400, 1400.2, 1401, 1402, 1404, 1405, 1507, 1700, 1701, 1706, 1800, 1801, 2201 and 2208 of the Unemployment Insurance Act [820 ILCS 405/204, 234, 245, 300, 302, 700, 1400, 1400.2, 1401, 1402, 1404, 1405, 1507, 1700, 1701, 1706, 1800, 1801, 2201 and 2208
- 5) Effective Date of Rule: November 17, 2014
- 6) If this emergency rulemaking is to expire before the end of the 150-day period, please specify the date on which it is to expire: This rulemaking has no earlier expiration date specified.
- 7) Date Filed with the Index Department: November 14, 2014
- 8) A copy of the adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Reason for Emergency: The Medicaid reform law required that employers submit wage reports monthly if the Department's rules required them to submit those reports electronically. Shortly after enactment of the law, the Department adopted rulemaking to lower the threshold for mandatory electronic reporting. The rulemaking also phased in the monthly reporting requirement through July 2014, based on the size of the employer's workforce, but did not phase in the expansion of the electronic reporting requirement. Despite the Department's outreach efforts, a number of employers and payroll services were operating under an honest misunderstanding that the monthly reporting requirement and expansion of the electronic reporting requirement were being phased in on the same schedule. Additionally, some employers and payroll services operating in good faith experienced challenges transitioning to monthly reporting. Employers incurred penalties as a result of those issues. The Department believes those penalties would be unnecessarily punitive for employers who were proceeding in good faith. The

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NOTICE OF EMERGENCY AMENDMENTS

Department believes that this situation reasonably constitutes a threat to the public interest and that emergency rulemaking is appropriate to remedy the situation.

- 10) A Complete Description of the Subjects and Issues Involved: The Medicaid reform law required that employers submit wage reports monthly if the Department's rules required them to submit those reports electronically. Shortly after enactment of the law, the Department adopted rulemaking to lower the threshold for mandatory electronic reporting. The rulemaking also phased in the monthly reporting requirement through July 2014, based on the size of the employer's workforce, but did not phase in the expansion of the electronic reporting requirement. Despite the Department's outreach efforts, a number of employers and payroll services were operating under an honest misunderstanding that the monthly reporting requirement and expansion of the electronic reporting requirement were being phased in on the same schedule. Additionally, some employers and payroll services operating in good faith experienced challenges transitioning to monthly reporting. Employers incurred penalties as a result of those issues. The Department believes those penalties would be unnecessarily punitive for employers who were proceeding in good faith.

The rule changes to Part 2760 would:

Retroactively establish the same phase-in for electronic reporting that existed for monthly reporting.

Apply the electronic/monthly reporting requirement on a state fiscal year basis rather than a calendar year basis – e.g., if an employer's 2014 headcount equals or exceeds 25, the employer will be required to report electronically/monthly for the period from July 1, 2015, through June 30, 2016. This change will ensure that, when an employer's headcount for a calendar year brings it within the scope of the electronic/monthly reporting requirement, there will be sufficient opportunity for the employer to be notified before the requirement applies.

Clarify that any employer credit resulting from the changes to this Part or the accompanying changes to Part 2765 will only be refunded if it cannot be applied as an adjustment against other liabilities by January 31, 2016.

- 11) Are there any rulemakings to this Part pending? No

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- 12) Statement of Statewide Policy Objective: The changes to Part 2760 would provide employers subject to the expanded electronic reporting requirement relief from penalties incurred in transitioning to the new requirement.
- 13) Information and questions regarding this emergency rule shall be directed to:

Gregory J. Ramel, Deputy Legal Counsel
Illinois Department of Employment Security
33 South State Street – Room 937
Chicago IL 60603

312/793-4240
fax: 312/793-5645
e-mail: Gregory.Ramel@illinois.gov

The full text of the Emergency Amendments begins on the next page:

DEPARTMENT OF EMPLOYMENT SECURITY

NOTICE OF EMERGENCY AMENDMENTS

TITLE 56: LABOR AND EMPLOYMENT
CHAPTER IV: DEPARTMENT OF EMPLOYMENT SECURITY
SUBCHAPTER c: RIGHTS AND DUTIES OF EMPLOYERSPART 2760
NOTICES, RECORDS, REPORTS

SUBPART A: GENERAL OBLIGATIONS

Section

- 2760.1 Posting And Maintaining Notices
2760.5 Identification Of Workers Covered By The Act
2760.10 Filing By Mail

SUBPART B: REPORTS AND RECORDS

Section

- 2760.100 Reports and the Report for Household Employers
2760.105 Reports Of Employing Units As To Their Status
2760.110 Employing Unit Terminating Business
2760.115 Records With Respect To Employment
2760.120 Employer's Contribution and Wage Report and Report for Household Employers
2760.125 Employer's Wage Report
2760.128 Wage Report Filing for Employers that Employ Household Workers and Elect to Report Their Wages on an Annual Basis
2760.130 Reporting "Excess" Wages
2760.135 Remittance of Contributions Due and Use of Transmittal Form
2760.140 Use of Electronic Data Processing Media for ~~Monthly or~~ Quarterly Reporting
EMERGENCY
2760.141 Use of Electronic Data Processing Media for Monthly or Quarterly Reporting
EMERGENCY
2760.145 Correcting the Employer's Contribution and Wage Report or Report for Household Employers
2760.150 Consequences of an Error in the Preparation of the Employer's Contribution and Wage Report or Report for Household Employers or of the Waiver or Elimination of Certain Penalties
EMERGENCY

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AUTHORITY: Implementing and authorized by Sections 204, 234, 245, 300, 302, 700, 1400, 1400.2, 1401, 1402, 1404, 1405, 1507, 1700, 1701, 1706, 1800, 1801, 2201 and 2208 of the Unemployment Insurance Act [820 ILCS 405/204, 234, 245, 300, 302, 700, 1400, 1400.2, 1401, 1402, 1404, 1405, 1507, 1700, 1701, 1706, 1800, 1801, 2201 and 2208].

SOURCE: Department of Labor, Bureau of Employment Security Regulations 4, 7 and 8, filed as amended May 3, 1977, effective May 13, 1977; Regulation 11 filed as amended May 4, 1977, effective May 14, 1977; Regulations 5 and 32 filed as amended June 23, 1977, effective July 3, 1977; Regulations 6 and 12 filed as amended September 12, 1977, effective September 12, 1977; rules repealed by operation of law on October 1, 1984; new rules adopted at 10 Ill. Reg. 6939, effective April 15, 1986; emergency amendment at 12 Ill. Reg. 222, effective January 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 13604, effective August 4, 1988; amended at 12 Ill. Reg. 16070, effective September 23, 1988; amended at 16 Ill. Reg. 3993, effective February 27, 1992; emergency amendment at 17 Ill. Reg. 13798, effective August 4, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 261, effective December 27, 1993; emergency amendment at 18 Ill. Reg. 2631, effective February 3, 1994, for a maximum of 150 days; emergency amendment modified at 18 Ill. Reg. 7492; emergency expired July 3, 1994; amended at 18 Ill. Reg. 14942, effective September 27, 1994; amended at 29 Ill. Reg. 1917, effective January 24, 2005; emergency amendment at 29 Ill. Reg. 6783, effective April 25, 2005, for a maximum of 150 days; emergency expired September 25, 2005; amended at 33 Ill. Reg. 9652, effective July 1, 2009; amended at 35 Ill. Reg. 6136, effective March 25, 2011; emergency amendment at 36 Ill. Reg. 18947, effective December 17, 2012 through June 30, 2013; amended at 37 Ill. Reg. 7451, effective May 14, 2013; emergency amendment at 38 Ill. Reg. 22249, effective November 17, 2014, for a maximum of 150 days.

SUBPART B: REPORTS AND RECORDS

Section 2760.140 Use of Electronic Data Processing Media for ~~Monthly or Quarterly~~ Reporting
EMERGENCY

- a) Except as provided in subsections (g) and (h), ~~effective with the reports due for the first month of 2013~~, the reports required by Sections 2760.120 and 2760.125 ~~for a quarter beginning prior to calendar year 2013~~ must be filed by the use of an electronic data processing medium that meets the approval of the Director. The Director shall approve the use of electronic data processing media for reporting if he finds that:
 - 1) All of the data required by the Director for ~~monthly or quarterly~~ reporting;

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~~as the case may be,~~ are also provided by the employer on the electronic data processing medium; and

- 2) The employer's electronically data processed reports are compatible and readable by the electronic data processing equipment used by the Director without the need for any programming adjustment by the Director.
- 3) ~~In addition to any other requirements regarding electronic filing pursuant to this Section,~~
 - A) ~~reports submitted pursuant to this Section for any quarter ending after December 31, 2012, shall be submitted only through a file transfer protocol or through manual entry or a file import or upload onto an online system used by the Department; and~~
 - B) ~~reports submitted pursuant to this Section for any month after December 31, 2012, shall be submitted only through a file upload onto an online system used by the Department.~~

- b) Subsection (a) shall only apply to an employer for a calendar year if the employer had ~~25025~~ or more individuals in its employ (though not necessarily at the same time) during the prior calendar year.

EXAMPLE: During ~~20112012~~, the employer has no more than ~~22520~~ individuals in its employ at any one time. However, during the year, ~~307~~ of these individuals leave the employ of the employer and are replaced by ~~307~~ other individuals. Though the employer's labor force never exceeds ~~22520~~ individuals at any one time, the employer had ~~25527~~ individuals in its employ during ~~20112012~~ and, therefore, is subject to subsection (a) for ~~20122013~~.

- c) The failure of an employer that is subject to subsection (a) to report in the manner required by that subsection shall subject the employer to the penalties set forth in Section 1402 of the Act.

EXAMPLE: ~~On October 20, 2012, an~~An employer subject to the reporting requirements of subsection (a) ~~mails beginning in 2013 files a paper version of the report due only in compliance with Section 2760.125, but not in compliance with this Section,~~ for the third quarter of 2012

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~~instead of filing it as required by subsection (a) July of that year on August 20, 2013.~~ On ~~November~~September 1, ~~2012~~2013, if that employer has not yet complied with subsection (a), it is delinquent in the filing of its ~~July 2013~~ report ~~for the third quarter of 2012~~, the penalty set forth in Section 1402 of the Act shall be imposed, and any payment it ultimately submits for the third quarter of ~~2012~~2013 shall be reallocated in accordance with ~~56 Ill. Adm. Code~~Section 2765.45 to reflect the payment of the penalty and a delinquency in contributions due. If the requirements of subsection (a) have still not been complied with before ~~December~~October 1, ~~2012~~2013 and the maximum penalty has not yet been imposed, the penalty will be increased on that date and the employer's payment again reallocated to reflect payment of the increased penalty and an additional delinquency.

- d) When not required by subsection (a), the reports required by Sections 2760.120 and 2760.125 may be made by the use of an electronic data processing medium that meets the prior approval of the Director. The Director shall approve the use of an electronic data processing medium for reporting if it meets the requirements of subsection (a) of this Section and if the employer agrees to file both reports by the use of ~~such an~~ electronic data processing medium.
- e) Any employer that was authorized by the Director, before December 27, 1993, to submit both of its quarterly reports on an electronic data processing medium may continue to do so without further approval by the Director, on the condition that the medium continues to meet the requirements of subsection (a) of this Section. The employer is, however, subject to the requirements of subsection (f) of this Section.
- f) The first report submitted electronically pursuant to this Section for any calendar year must be accompanied by a certification, on a form provided for this purpose by the Director, signed by the owner, partner or authorized officer or official, that the information submitted is true and correct to the best of his knowledge and belief and that no part of the contribution reported was or is to be deducted from the worker's wages. This subsection (f) does not apply if the method of electronic submission being used includes the certification described in this subsection (f) as part of the report.
- g) ~~Where~~The Director shall waive the reporting requirements of this Section for an employer with respect to reports covering the subsequent calendar year when the

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employer demonstrates that the Commissioner of the Internal Revenue Service: ~~1)~~
~~has~~ Has waived the electronic reporting requirements of Treasury Regulation
301.6011-2 (26 CFR 301.6011-2), as in effect on January 1, ~~2012~~2013, for the
employer with respect to documents covering a calendar year the Director shall
waive the reporting requirements of this Section for an employer with respect to
reports covering the subsequent calendar year.~~;~~~~or~~

- ~~2)~~ ~~Would have waived those requirements for the employer had they~~
~~otherwise been applicable.~~

EXAMPLE: In February ~~2012~~2013, the Commissioner of the Internal
Revenue Service notifies an employer that the requirements of Treasury
Regulation 301.6011-2 (26 CFR 301.6011-2), have been waived with
respect to Form W-2 data covering calendar year ~~2011~~2012, meaning that
the employer will not be required to submit the data electronically in
~~2012~~2013. If the employer demonstrates the waiver to the Director, the
Director will waive the requirements of subsection (a) with respect to
reports covering ~~2012~~2013.

~~EXAMPLE: The electronic reporting requirements of Treasury Regulation~~
~~301.6011-2 do not apply to the employer because the employer had fewer~~
~~than 250 individuals in its employ in the prior year. If the employer~~
~~believes, however, that it would otherwise qualify for a waiver of the~~
~~Regulation's requirements, the employer may apply for a waiver from the~~
~~Director, who will grant the waiver if the Director determines that the~~
~~conditions for granting a waiver under the Regulation have been met.~~

- h) When an employer was not subject to the mandatory electronic reporting
requirements of this Section for any ~~month or~~ quarter of the prior calendar year
but is subject to those requirements for the current calendar year, the employer
may, for any period through the second quarter of the current calendar year, file
its quarterly reports by mailing paper versions of the reports in compliance with
Sections 2760.120 and 2760.125.

Example: The employer had, in total, 240 individuals in its employ during
calendar year ~~2010~~2011. In calendar year ~~2011~~2012, the employer had, in
total, 260 individuals in its employ. The employer will not be required to
report electronically for any period through the second quarter of calendar
year ~~2012~~2013 but will be required to report electronically for at least all

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~~months during~~ the third and fourth quarters of that year.

(Source: Amended by emergency rulemaking at 38 Ill. Reg. 22249, effective November 17, 2014, for a maximum of 150 days)

Section 2760.141 Use of Electronic Data Processing Media for Monthly or Quarterly Reporting
EMERGENCY

- a) Except as otherwise provided in this subsection or subsection (d), an employer shall file the reports required by Sections 2760.120 and 2760.125 by the use of an electronic data processing medium that meets the approval of the Director: for the period commencing on February 1, 2013, and continuing through June 30, 2015, if the employer had 250 or more individuals in its employ (though not necessarily at the same time) during calendar years 2011 and 2012; for the period commencing on July 1, 2013, and continuing through June 30, 2015, if the employer had 100 or more individuals in its employ (though not necessarily at the same time) during calendar year 2012 but fewer than 250 during calendar year 2011; for the period commencing on January 1, 2014, and continuing through June 30, 2015, if the employer had 50 or more, but fewer than 100, individuals in its employ (though not necessarily at the same time) during calendar year 2012; for the period commencing on July 1, 2014, and continuing through June 30, 2015, if the employer had 25 or more, but fewer than 50, individuals in its employ (though not necessarily at the same time) during calendar year 2012; and after June 30, 2015, for any one-year period commencing on July 1 of a calendar year and continuing through June 30 of the immediately succeeding calendar year, if the employer had 25 or more individuals in its employ (though not necessarily at the same time) during the last calendar year completed immediately prior to the July 1 on which the period commenced. Notwithstanding any other provision to the contrary, this subsection (a) shall not apply for the period commencing January 1, 2014, through June 30, 2015, with respect to any employer that did not have at least 25 individuals in its employ (whether or not at the same time) during calendar year 2013. The Director shall approve the use of electronic data processing media for reporting if he finds that:
- 1) All of the data required by the Director for monthly or quarterly reporting, as the case may be, are also provided by the employer on the electronic data processing medium; and

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- 2) The employer's electronically data processed reports are compatible and readable by the electronic data processing equipment used by the Director without the need for any programming adjustment by the Director.
- 3) In addition to any other requirements regarding electronic filing pursuant to this Section:
- A) reports submitted pursuant to this Section for any quarter ending after December 31, 2012, shall be submitted only through a file transfer protocol or through manual entry or a file import or upload onto an online system used by the Department; and
- B) reports submitted pursuant to this Section for any month after December 31, 2012, shall be submitted only through a file upload onto an online system used by the Department.

EXAMPLE: During 2012, the employer has no more than 90 individuals in its employ at any one time. However, during the year, 11 of these individuals leave the employ of the employer and are replaced by 11 other individuals. Though the employer's labor force never exceeds 90 individuals at any one time, the employer had 101 individuals in its employ during 2012 for purposes of subsection (a).

EXAMPLE: During 2014, the employer has no more than 20 individuals in its employ at any one time. However, during the year, 7 of these individuals leave the employ of the employer and are replaced by 7 other individuals. Though the employer's labor force never exceeds 20 individuals at any one time, the employer had 27 individuals in its employ during 2014 and, therefore, is subject to subsection (a) for the one-year period commencing July 1, 2015, and continuing through June 30, 2016.

- b) The failure of an employer that is subject to subsection (a) to report in the manner required by that subsection shall subject the employer to the penalties set forth in Section 1402 of the Act.

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EXAMPLE: On August 20, 2015, an employer subject to the reporting requirements of subsection (a) for July 2015, attempts to mail a paper version of the report due for that month instead of filing it as required by subsection (a). The Department, however, does not accept paper versions of reports covering the first 2 months of a calendar quarter. On September 1, 2015, if that employer has not yet complied with subsection (a), it is delinquent in the filing of its July 2015 report, the penalty set forth in Section 1402 of the Act shall be imposed, and any payment it ultimately submits for the third quarter of 2015 shall be reallocated in accordance with 56 Ill. Adm. Code 2765.45 to reflect the payment of the penalty and a delinquency in contributions due. If the requirements of subsection (a) have still not been complied with before October 1, 2015, and the maximum penalty has not yet been imposed, the penalty will be increased on that date and the employer's payment again reallocated to reflect payment of the increased penalty and an additional delinquency.

- c) When not required by subsection (a), the reports required by Sections 2760.120 and 2760.125 may be made by the use of an electronic data processing medium if it meets the requirements of subsection (a) of this Section and if the employer agrees to file both reports by the use of such electronic data processing medium.
- d) When the employer demonstrates that the Commissioner of the Internal Revenue Service:
- 1) has waived the electronic reporting requirements of Treasury Regulation 301.6011-2 (26 CFR 301.6011-2), as in effect on January 1, 2014, for the employer with respect to documents covering a calendar year; or
 - 2) would have waived those requirements for the employer had they otherwise been applicable, the Director shall waive the reporting requirements of this Section for the employer with respect to reports covering any month commencing in the subsequent calendar year.

EXAMPLE: In February 2015, the Commissioner of the Internal Revenue Service notifies an employer that the requirements of Treasury Regulation 301.6011-2 (26 CFR 301.6011-2) have been waived with respect to Form W-2 data covering calendar year 2014,

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meaning that the employer will not be required to submit the data electronically in 2015. If the employer demonstrates the waiver to the Director, the Director will waive the requirements of subsection (a) with respect to reports covering any month commencing during calendar year 2015. However, unless the employer also demonstrates to the Director that the Commissioner has waived those requirements with respect to documents covering calendar year 2015, the Director will not waive the reporting requirements of this Section with respect to any month commencing during calendar year 2016.

EXAMPLE: The electronic reporting requirements of Treasury Regulation 301.6011-2 do not apply to the employer because the employer had fewer than 250 individuals in its employ in the prior year. If the employer believes, however, that it would otherwise qualify for a waiver of the Regulation's requirements, the employer may apply for a waiver from the Director, who will grant the waiver if the Director determines that the conditions for granting a waiver under the Regulation have been met.

(Source: Added by emergency rulemaking at 38 Ill. Reg. 22249, effective November 17, 2014, for a maximum of 150 days)

Section 2760.150 Consequences of an Error in the Preparation of the Employer's Contribution and Wage Report or Report for Household Employers or of the Waiver or Elimination of Certain Penalties
EMERGENCY

- a) If an error in the preparation of the Employer's Contribution and Wage Report or Report for Household Employers results in an underreporting of contributions due, the employer shall be liable for any penalty and the delinquent contributions plus interest, calculated in accordance with Section 1401 of the Act [820 ILCS 405/1401], from the date that the original report was due.
- b) Except as provided in subsection (c), if an error in the preparation of the Employer's Contribution and Wage Report or Report for Household Employers resulted in an overpayment of contributions, the employer may file a claim for an adjustment or refund. The claim must be filed within the period provided in Section 2201 of the Act. The request shall be filed on a form entitled Employer's

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Claim for Adjustment/Refund. The forms may be obtained by writing to the Department of Employment Security, Revenue Division, 33 S. State St., 10th Floor, Chicago IL 60603 or on-line from the Agency's website, www.ides.state.il.us. On the form, the employer must provide certain identifying information (name, account number, address and telephone number), its computation of the amount of its claim and the basis for its claim. This form must be signed by the owner, a partner, an officer of a corporation or its authorized agent who states that the information contained in the form is true and correct to the best knowledge and belief of the signer.

- c) Except as otherwise provided in subsection (d), in~~in~~ the event that the employer is mailed a Statement of Account that indicates the employer's account has a credit balance and the employer wishes to obtain a cash refund, the employer may file for the refund within the period provided in Section 2201 of the Act, on the form, Employer Request for Refund – Statement of Account. The form may be obtained and shall be completed in the same manner as provided in subsection (b).
- d) Except as otherwise provided in this subsection (d), in the event that the employer has overpaid a penalty as the result of Section 2760.141 or 56 Ill. Adm. Code 2765.62, the Agency shall apply the credit as an adjustment against other liabilities of the employer under the Act. The Agency shall grant a refund of any credit resulting from Section 2760.141 or 56 Ill. Adm. Code 2765.62 if the credit has not been used as an adjustment by January 31, 2016.

(Source: Amended by emergency rulemaking at 38 Ill. Reg. 22249, effective November 17, 2014, for a maximum of 150 days)

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- 1) Heading of the Part: Payment Of Unemployment Contributions, Interest And Penalties
- 2) Code Citation: 56 Ill. Adm. Code 2765
- 3)

<u>Section Numbers:</u>	<u>Emergency Action:</u>
2765.62	Amendment
2765.68	Amendment
- 4) Statutory Authority: Implementing and authorized by Sections 212, 302, 500, 601, 602, 603, 612, 701, 1400, 1401, 1402, 1403, 1404, 1405, 1502.1, 1503, 1507, 1508, 1509, 1700, 1701 and 2600 of the Unemployment Insurance Act [820 ILCS 405/212, 302, 500, 601, 602, 603, 612, 701, 1400, 1401, 1402, 1403, 1404, 1405, 1502.1, 1503, 1507, 1508, 1509, 1700, 1701 and 2600]
- 5) Effective Date of Rule: November 17, 2014
- 6) If this emergency rulemaking is to expire before the end of the 150-day period, please specify the date on which it is to expire: This rulemaking has no earlier expiration date specified.
- 7) Date Filed with the Index Department: November 14, 2014
- 8) A copy of the emergency rulemaking, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Reason for Emergency: The Medicaid reform law required that employers submit wage reports monthly if the Department's rules required them to submit those reports electronically. Shortly after enactment of the law, the Department adopted rulemaking to lower the threshold for mandatory electronic reporting. The rulemaking also phased in the monthly reporting requirement through July 2014, based on the size of the employer's workforce, but did not phase in the expansion of the electronic reporting requirement. Despite the Department's outreach efforts, a number of employers and payroll services were operating under an honest misunderstanding that the monthly reporting requirement and expansion of the electronic reporting requirement were being phased in on the same schedule. Additionally, some employers and payroll services operating in good faith experienced challenges transitioning to monthly reporting. Employers incurred penalties as a result of those issues. The Department believes those penalties would be unnecessarily punitive for employers who were proceeding in good faith. The

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Department believes that this situation reasonably constitutes a threat to the public interest and that emergency rulemaking is appropriate to remedy the situation.

- 10) A Complete Description of the Subjects and Issues Involved: The Medicaid reform law required that employers submit wage reports monthly if the Department's rules required them to submit those reports electronically. Shortly after enactment of the law, the Department adopted rulemaking to lower the threshold for mandatory electronic reporting. The rulemaking also phased in the monthly reporting requirement through July 2014, based on the size of the employer's workforce, but did not phase in the expansion of the electronic reporting requirement. Despite the Department's outreach efforts, a number of employers and payroll services were operating under an honest misunderstanding that the monthly reporting requirement and expansion of the electronic reporting requirement were being phased in on the same schedule. Additionally, some employers and payroll services operating in good faith experienced challenges transitioning to monthly reporting. Employers incurred penalties as a result of those issues. The Department believes those penalties would be unnecessarily punitive for employers who were proceeding in good faith.

The changes to Part 2765 would waive penalties for the first four months, through November 2014, that an employer who was required to report monthly failed to do so, as long as the employer submitted timely reports for the quarters including those months. A month for which a penalty was waived pursuant to the emergency rule would not count as a month for which the employer filed late, for purposes of another penalty waiver - the current "one-in-20 waiver."

- 11) Are there any proposed rulemakings to this Part pending? No
- 12) Statement of Statewide Policy Objectives: The changes to Part 2765 will provide employers subject to the Medicaid reform law's monthly-wage-reporting requirement relief from penalties incurred in transitioning to the new requirement.
- 13) Information and questions regarding this emergency rule shall be directed to:

Gregory J. Ramel, Deputy Legal Counsel
Illinois Department of Employment Security
33 South State Street – Room 937
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DEPARTMENT OF EMPLOYMENT SECURITY

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The full text of the Emergency Amendments begins on the next page:

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TITLE 56: LABOR AND EMPLOYMENT
CHAPTER IV: DEPARTMENT OF EMPLOYMENT SECURITY
SUBCHAPTER c: RIGHTS AND DUTIES OF EMPLOYERS

PART 2765

PAYMENT OF UNEMPLOYMENT CONTRIBUTIONS, INTEREST AND PENALTIES

SUBPART A: GENERAL PROVISIONS

Section

- 2765.1 Unemployment Contributions Not Deductible From Wages
- 2765.5 Definitions
- 2765.10 Payment Of Contributions
- 2765.11 Employers Who Employ Household Workers and Pay Contributions on an Annual Basis
- 2765.15 Liability For The Entire Year
- 2765.18 Liability Of A Third Party Purchaser Or Transferee For The Due And Unpaid Contributions, Interest And Penalties Of The Seller Or Transferor's Seller or Transferor
- 2765.20 Contributions Of Employers By Election
- 2765.25 Payments In Lieu Of Contributions
- 2765.30 When Payments In Lieu Of Contributions Payable
- 2765.35 Payments When Reimbursable Employer Becomes Contributory
- 2765.40 Payments When Contributory Employer Becomes Reimbursable
- 2765.44 Fee For Not Sufficient Funds (NSF) Checks
- 2765.45 Application Of Payment
- 2765.50 Accrual Of Interest
- 2765.55 Imposition Of Penalty
- 2765.56 Imposition of Late Reporting Penalty for Employers Who Employ Household Workers and Elect to File Reports on an Annual Basis
- 2765.60 Payment Or Filing By Mail
- 2765.61 Waiver of Interest and Penalty for Employers Who Employ Household Workers and Who File Reports and Pay Contributions on an Annual Basis (Repealed)
- 2765.62 Temporary Waivers of Penalty ~~for Employers with More than 25 but Fewer than 250 Individuals in Their Employ~~
- EMERGENCY
- 2765.63 When Payment Due And Consequences Of Upward Revision In Employer's Contribution Rate
- 2765.64 Consequences Where An Employee Leasing Company Has Erroneously Reported

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Wages And Paid Contributions Which Wages Should Have Been Reported And Contributions Paid By Its Client

2765.65 Waiver Of Interest Or Penalty

2765.66 Waiver Of Interest Accruing Because Of Certain Types Of Employees For Periods Prior To January 1, 1988

2765.67 Partial Waiver Of Interest Where An Employer Has Erroneously Reported Wages To The Wrong State

2765.68 Waiver Of Penalty For Certain Employers For 1987 And Thereafter Wage Reports

EMERGENCY

2765.69 Partial Waiver Of Interest Where An Employer Has Erroneously Paid Its Federal Unemployment Tax Act (FUTA) Tax In Full But Has Failed To Pay Its Illinois Unemployment Insurance Contributions

2765.70 Waiver Of Interest For Certain Nonprofit Organizations or Local Governmental Entities

2765.71 Waiver of Interest Accruing Due To A Delay In The Issuance Of A Decision On A Protested Determination And Assessment

2765.73 Waiver Of Interest For Certain Nonprofit Hospitals

2765.74 Time For Paying Or Filing Delayed Payment Or Report

2765.75 Application for Waiver

2765.80 Approval Of Application For Waiver

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- 2765.332 Effect Of Ineligibility Under Section 602(B) On Chargeability Under Section 1502.1 Of The Act
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- 2765.334 Effect Of Ineligibility Under Section 614 On Chargeability Under Section 1502.1 Of The Act
- 2765.335 Procedural Requirements And Right Of Appeal

AUTHORITY: Implementing and authorized by Sections 212, 302, 500, 601, 602, 603, 612, 701, 1400, 1401, 1402, 1403, 1404, 1405, 1502.1, 1503, 1507, 1508, 1509, 1700, 1701 and 2600 of the Unemployment Insurance Act [820 ILCS 405/212, 302, 500, 601, 602, 603, 612, 701, 1400, 1401, 1402, 1403, 1404, 1405, 1502.1, 1503, 1507, 1508, 1509, 1700, 1701 and 2600].

SOURCE: Adopted at 6 Ill. Reg. 3863, effective March 31, 1982; amended at 7 Ill. Reg. 13266, effective September 28, 1983; recodified at 8 Ill. Reg. 15027; amended at 11 Ill. Reg. 3972, effective February 23, 1987; amended at 11 Ill. Reg. 11743, effective June 26, 1987; amended at 11 Ill. Reg. 12882, effective July 22, 1987; emergency amendment at 12 Ill. Reg. 225, effective January 1, 1988, for a maximum of 150 days; emergency expired May 30, 1988; amended at 12 Ill. Reg. 11740, effective July 5, 1988; amended at 12 Ill. Reg. 17342, effective October 12, 1988; amended at 12 Ill. Reg. 20484, effective November 28, 1988; emergency amendment at 13 Ill. Reg. 11911, effective July 1, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 17410, effective October 30, 1989; amended at 14 Ill. Reg. 6218, effective April 16, 1990; amended at 14 Ill. Reg. 19886, effective November 29, 1990; amended at 15 Ill. Reg. 185, effective December 28, 1990; amended at 15 Ill. Reg. 11122, effective July 19, 1991; amended at 16 Ill. Reg. 2131, effective January 27, 1992; amended at 16 Ill. Reg. 12165, effective July 20,

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1992; amended at 17 Ill. Reg. 308, effective December 28, 1992; amended at 17 Ill. Reg. 614, effective January 4, 1993; amended at 17 Ill. Reg. 10275, effective June 29, 1993; emergency amendment at 17 Ill. Reg. 13801, effective August 20, 1993, for a maximum of 150 days; emergency expired January 1, 1994; amended at 18 Ill. Reg. 14952, effective September 27, 1994; emergency amendment at 19 Ill. Reg. 16113, effective November 13, 1995, for a maximum of 150 days; amended at 20 Ill. Reg. 4307, effective February 29, 1996; amended at 25 Ill. Reg. 2011, effective January 18, 2001; emergency amendment at 29 Ill. Reg. 6788, effective April 25, 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 13988, effective September 1, 2005; amended at 33 Ill. Reg. 9658, effective July 1, 2009; emergency amendment at 36 Ill. Reg. 18968, effective December 17, 2012 through June 30, 2013; emergency amendment at 37 Ill. Reg. 2506, effective February 11, 2013 through June 30, 2013; amended at 37 Ill. Reg. 7471, effective May 14, 2013; emergency amendment at 38 Ill. Reg. 22262, effective November 17, 2014, for a maximum of 150 days.

SUBPART A: GENERAL PROVISIONS

Section 2765.62 Temporary Waivers of Penalty ~~for Employers with More than 25 but Fewer than 250 Individuals in Their Employ~~
EMERGENCY

- a) Subject to the limitations set forth in subsection (b), the penalties for failure to file a report as required by 56 Ill. Adm. Code 2760.125(a)(1) for either or both of the first 2 months of a calendar quarter in compliance with 56 Ill. Adm. Code 2760.141(a) shall be waived where the employer timely files the report required for the third month of that quarter as required by 56 Ill. Adm. Code 2760.125(a)(1), in compliance with 56 Ill. Adm. Code 2760.141.
- b) Subsection (a) shall not apply for months following the first 2 quarters that include months for which penalties have been waived pursuant to subsection (a) or for any months beginning after November 30, 2014.
- a) ~~For January and February of 2013 and for April and May of 2013, subject to subsection (d), the penalties set forth in Section 1402 of the Act shall be conditionally waived for an employer who had 25 or more but fewer than 250 individuals in its employ in 2012, as determined in accordance with 56 Ill. Adm. Code 2760.140(b).~~
- 1) ~~EXAMPLE: During 2012, the employer had 250 or more individuals in its employ, as determined in accordance with 56 Ill. Adm. Code 2760.140(b).~~

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~~The employer is not eligible for a conditional waiver pursuant to this subsection (a).~~

- 2) ~~EXAMPLE: During 2012, the employer had 125 individuals in its employ, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). The penalties set forth in Section 1402 of the Act are conditionally waived for January and February of 2013 and for April and May of 2013.~~
- b) ~~For July and August of 2013 and for October and November of 2013, subject to subsection (d), the penalties set forth in Section 1402 of the Act shall be conditionally waived for an employer who had 25 or more but fewer than 100 individuals in its employ in 2012, as determined in accordance with 56 Ill Adm. Code 2760.140(b).~~
 - 1) ~~EXAMPLE: During 2012, the employer had 125 individuals in its employ, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). The employer is not eligible for a conditional waiver pursuant to this subsection (b).~~
 - 2) ~~EXAMPLE: During 2012, the employer had 90 individuals in its employ, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). The penalties set forth in Section 1402 of the Act are conditionally waived for July and August of 2013 and for October and November of 2013.~~
- e) ~~For January and February of 2014 and for April and May of 2014, subject to subsection (d), the penalties set forth in Section 1402 of the Act shall be conditionally waived for an employer who had 25 or more but fewer than 50 individuals in its employ in 2012, as determined in accordance with 56 Ill. Adm. Code 2760.140(b).~~
 - 1) ~~EXAMPLE: During 2012, the employer had 52 individuals in its employ, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). The employer is not eligible for a conditional waiver pursuant to this subsection (c).~~
 - 2) ~~EXAMPLE: During 2012, the employer had 25 individuals in its employ, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). The penalties set forth in Section 1402 of the Act are conditionally waived for January and February of 2014 and for April and May of 2014.~~

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- d) ~~The Director shall waive a penalty that has been conditionally waived for the first 2 months of a calendar quarter pursuant to subsection (a), (b) or (c), if the employer timely submits the report required pursuant to 56 Ill. Adm. Code 2760.125(a)(1) for the third month of the quarter in compliance with 56 Ill. Adm. Code 2760.140. It is not necessary for the employer to apply for a waiver pursuant to this subsection (d).~~
- 1) ~~EXAMPLE: Employer Smith had 27 individuals in its employ during 2012, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). Employer Smith fails to file its required reports for January or February 2013. Employer Smith, however, files its required report for March 2013 prior to May 1, 2013, in an electronic form approved by the Director. Employer Smith does not have to apply for a waiver of penalties for January or February 2013, and the Director shall waive all late reporting penalties for those months as long as Employer Smith's report for March 2013 is in accordance with 56 Ill. Adm. Code 2760.125(a)(1).~~
- 2) ~~EXAMPLE: Employer Jones had 27 individuals in its employ during 2012, as determined in accordance with 56 Ill. Adm. Code 2760.140(b). Employer Jones fails to file its required reports for January or February 2013. Employer Jones fails to file its required report for March 2013 prior to May 1, 2013, in an electronic form approved by the Director. Employer Jones is subject to the penalties set forth in Section 1402 of the Act for failing to file the January, February and March 2013 reports as required. The minimum penalty for failing to file timely is \$50 for each of the 3 months.~~

(Source: Amended by emergency rulemaking at 38 Ill. Reg. 22262, effective November 17, 2014, for a maximum of 150 days)

Section 2765.68 Waiver of Penalty For Certain Employers For 1987 And Thereafter Wage Reports**EMERGENCY**

- a) Notwithstanding any other provisions of this Part to the contrary, the Director shall waive the reporting penalty provided in Section 1402 of the Act for 1987 and for any reports of wages paid in calendar year 1987 and any calendar year thereafter, if the employer, within 30 working days of the date of mailing of the

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notice from the Agency that its report is delinquent, shows that:

- 1) The total amount of contributions due for the calendar quarter of such report is less than \$500; and,

Example: Employer A is required to file two reports for a quarter pursuant to 56 Ill. Adm. Code 2760.120. The total amount of contributions attributable to the first report is \$400. The total amount of contributions attributable to the second report is \$200. Employer A will not be entitled to waiver of penalty under this Section with respect to either report because the total amount of contributions due for the quarter is more than \$500.

- 2) This delinquent report is the employer's first such late report during the last 20 calendar quarters, including such quarters during which the employer was not required to file reports under the Act.
- b) The employer's application for this waiver shall be made in the form provided in Section 2765.75, except that it need not be sworn and instead of stating the "good cause applicable," the employer shall state that it met the requirements of subsections (a)(1) and (2) of this Section. In support of its statement that it met the requirements of subsection (a)(1) above, the employer shall attach a copy of its Contribution and Wage Report for such calendar quarter.
 - c) If the employer is required to file two reports pursuant to 56 Ill. Adm. Code 2760.120 and both reports are filed untimely, for the purposes of subsection (a)(2) above, both reports will be deemed to be a single delinquent report.
 - d) For purposes of subsection (a), a month for which the late filing penalty has been waived pursuant to Section 2765.62 shall not be considered a month for which the employer filed a late report.

(Source: Amended by emergency rulemaking at 38 Ill. Reg. 22262, effective November 17, 2014 for a maximum of 150 days)

JOINT COMMITTEE ON ADMINISTRATIVE RULES

NOTICE OF PUBLICATION ERROR

- 1) Heading of the Part: Hospital Financial Assistance Under the Fair Patient Billing Act
- 2) Code Citation: 77 Ill. Adm. Code 4500
- 3) Register citation of adopted rulemaking and other pertinent action: 38 Ill. Reg. 20263; October 24, 2014
- 4) Explanation: When published, the header stated this was the rulemaking of the Department of Human Services. The correct header should have stated the Office of the Attorney General. JCAR regrets the error.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received during the period of November 11, 2014 through November 17, 2014. The rulemakings are scheduled for review at the Committee's December 16, 2014 meeting. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start Of First Notice</u>	<u>JCAR Meeting</u>
12/24/14	<u>Pollution Control Board</u> , General Rules (35 Ill. Adm. Code 101)	6/20/14 38 Ill. Reg. 12685	12/16/14
12/24/14	<u>Pollution Control Board</u> , Regulatory and Informational Hearing and Proceedings (35 Ill. Adm. Code 102)	6/20/14 38 Ill. Reg. 12740	12/16/14
12/24/14	<u>Pollution Control Board</u> , Enforcement (35 Ill. Adm. Code 103)	6/20/14 38 Ill. Reg. 12757	12/16/14
12/24/14	<u>Pollution Control Board</u> , Regulatory Relief Mechanisms (35 Ill. Adm. Code 104)	6/20/14 38 Ill. Reg. 12766	12/16/14
12/24/14	<u>Pollution Control Board</u> , Appeals of Final Decisions of State Agencies (35 Ill. Adm. Code 105)	6/20/14 38 Ill. Reg. 12779	12/16/14
12/24/14	<u>Pollution Control Board</u> , Proceedings Pursuant to Specific Rules or Statutory Provisions (35 Ill. Adm. Code 106)	6/20/14 38 Ill. Reg. 12785	12/16/14
12/24/14	<u>Pollution Control Board</u> , Petition to Review Pollution Control Facility Siting Decisions (35 Ill. Adm. Code 107)	6/20/14 38 Ill. Reg. 12802	12/16/14

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

12/24/14	<u>Pollution Control Board</u> , Administrative Citations (35 Ill. Adm. Code 108)	6/20/14 38 Ill. Reg. 12809	12/16/14
12/24/14	<u>Pollution Control Board</u> , Tax Certifications (35 Ill. Adm. Code 125)	6/20/14 38 Ill. Reg. 12814	12/16/14
12/24/14	<u>Pollution Control Board</u> , Identification and Protection of Trade Secrets and Other Non-Disclosable Information (35 Ill. Adm. Code 130)	6/20/14 38 Ill. Reg. 12821	12/16/14
12/24/14	<u>Department of Insurance</u> , Medical Liability Insurance Rules and Rate Filings (50 Ill. Adm. Code 929)	1/31/14 38 Ill. Reg. 3281	12/16/14

ILLINOIS ADMINISTRATIVE CODE
Issue Index - With Effective Dates

Rules acted upon in Volume 38, Issue 48 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquiries about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

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