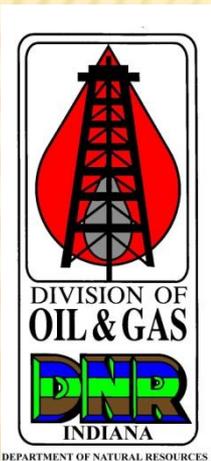


Division of Oil and Gas

PROPOSED OIL AND GAS RULES – 312 IAC 29



Herschel McDivitt, Director

Patoka River Planning Area Meeting
July 14, 2016

Our Mission: *To encourage the responsible development of Indiana's oil and natural gas resources in a manner that is protective of human health and safety, and the environment*

PROPOSED CHANGES TO OIL AND GAS RULES

- ✘ The Division of Oil and Gas has proposed new comprehensive rules (LSA #16-230) governing oil and gas well activities under IC 14-37 by adding a new 312 IAC 29. The proposed rules were approved for preliminary adoption by the Natural Resources Commission (NRC) on May 12, 2016. This action also proposes to repeal existing rules at 312 IAC 16.
- ✘ Information about the rule including a timeline for various actions necessary before the rule becomes final may be viewed under the “Rulemaking Docket” heading at <http://www.in.gov/nrc/2377.htm>. You may need to scroll through the list of actions in the Rulemaking Docket to find information for “Oil & Gas (312 IAC 29)”.
- ✘ The timeline is anticipatory and subject to change. Updates regarding anticipated dates for: publishing the proposed rules in the Indiana Register; the scheduling of any public hearings; and instructions and deadlines for filing comments to the NRC on the proposed rules are also included at that location. Interested persons are encouraged to visit the Rulemaking Docket on the NRC’s website periodically to stay current on changes which may occur.
- ✘ Comments on the rule may be submitted through the “Rulemaking Docket” by selecting the “comment on this rule” link or by regular mail to the following address:

Natural Resources Commission
Division of Hearings
Indiana Government Center North, Room N501
100 North Senate Avenue
Indianapolis, IN 46204

NRC'S RULEMAKING DOCKET

[NRC: Rulemaking Docket](#) | [DNR: Oil & Gas](#) | [Oracle | PeopleSoft Enter...](#) | [Indiana DNR Oil and Gas](#)

[www.in.gov/nrc/2377.htm](#)

[Conservative News](#) | [Birding](#) | [Diet and Health](#) | [DNR](#) | [Dog Breeders](#) | [Financial](#) | [Firearms](#) | [Fishing](#) | [Gardening](#) | [Genealogy](#) | [Work Home Pages](#) | [Google Stuff](#) | [Health and Medical](#) | [Homesteading](#) | [Home Inspections](#) | [Native Plants](#) | [Power Stroke Stuff](#) | [Other bookmarks](#)

[MENU](#) | **IN.gov** | [BUSINESS & AGRICULTURE](#) | [RESIDENTS](#) | [GOVERNMENT](#) | [EDUCATION](#) | [TAXES & FINANCE](#) | [VISITING & PLAYING](#) | [FAMILY & HEALTH](#)

Governor Mike Pence

to the proper rule proposal, comments will not be accepted until the Legislative Services Agency has published a "Notice of Intent to Adopt a Rule" ("NOI") in the *Indiana Register* or the Commission has directed the posting of the proposed rule language given preliminary adoption to the rulemaking docket.

- Final Commission Action:** To the extent practical, the Commission will take final action on proposed rule amendments at its next scheduled meeting following the date of the last public hearing. The timeline in the rulemaking docket below is subject to change, but will be periodically updated as the rule adoption process proceeds.

NOTE: Use Firefox, Chrome, Safari or Internet Explorer 10/11 [with compatibility view off](#).

Click on "Rule Name" to arrange list in alphabetical order.

Fish and Wildlife: Permit & License: Dog Training Grounds. See pages 20-23 of the proposed rule. FINAL ACTION ON PORTIONS OF THE RULE PACKAGE WAS TAKEN AT THE NRC'S JULY 21, 2015 MEETING. SEE POSTED MINUTES. EFFECTIVE DATE WAS 10/14/2015.	(LSA #14-477B) Amends 312 IAC 9-10-16 governing the dog training ground permit.	View Rule	View NOI	View PH Info	View Other Info	View Timeline	Comment period closed.
Conservation Officer Prerequisite [COMMENT PERIOD ENDED MIDNIGHT, APRIL 4, 2016.]	(LSA #15-343) Amends 312 IAC 4-5-2 to clarify that a conservation officer applicant's four years of full-time active duty United States military service with honorable discharge satisfies as a prerequisite.	View Rule	View NOI	View PH Info	View Other Info	View Timeline	Comment period closed.
Entomology & Plant Pathology Rule Section Repeals [COMMENT PERIOD ENDED MIDNIGHT, MAY 20, 2016.]	(LSA #15-383) Repeals 312 IAC 18-3-12 and 312 IAC 18-3-15 governing the quarantine of larger pine about beetle and emerald ash borer, respectively. Repeals 312 IAC 18-3-20 governing the regulation of Brazilian elodea.	View Rule	View NOI	View PH Info	View Other Info	View Timeline	Comment period closed.
Readoption: Public Use of Natural and Recreational Areas (312 IAC 8)	(LSA #15-151) Readoption of 312 IAC 8, which applies to use by a person of any DNR property. Readoption of 312 IAC 8 is without amendment. A link to the existing language has been added to the "Proposed Rule" column for review.	View Rule	View NOI			View Timeline	Comment period closed.
Readoption: Research, Collections, Quotas & Sales of Plants (312 IAC 19)	(LSA #16-152) Readoption of 312 IAC 19, which governs ginseng. Readoption of 312 IAC 19 is without amendment. A link to the existing language has been added to the "Proposed Rule" column for review.	View Rule	View NOI			View Timeline	Comment period closed.
Readoption: Grant Programs (312 IAC 26)	(LSA #16-147) Readoption of 312 IAC 26) Readoption of 312 IAC 26, which establishes standards, requirements, and procedures applicable to a grant for a projects. Readoption of 312 IAC 26 is without amendment. A link to the existing language has been added to the "Proposed Rule" column for review.	View Rule	View NOI			View Timeline	Comment period closed.
Oil & Gas (312 IAC 29)	(LSA #16-230) Adds 312 IAC 29 to govern oil and gas well activities that are controlled by IC 14-37. Repeals 312 IAC 16.	View Rule	View NOI	View Other Info		View Timeline	Comment on this rule

Records 1-7 of 7

WHY PROPOSE NEW RULES?

1. Much of the language in our current rules was retained.
2. Matters previously governed by Non-Rule Policy: Oil and Gas Horizontal Drilling, Oil and Gas Karst Drilling.
3. Areas previously regulated through Emergency or Temporary Rules: Hydraulic Fracturing Rule, Coal Seam Protection Rule, Well Plugging and Abandonment Rule.
4. Federal UIC Program Additions: Matters previously dealt with by policy have been incorporated into the rules.
5. STRONGER (State Review of Oil and Natural Gas Environmental Regulations, Inc.) review of Indiana's Oil and Gas Regulatory Program: April 2005.
6. New Technologies: *Extended Horizontal Well Drilling, High Volume Hydraulic Fracturing.*
7. Other Improvements: *25-years since last major revision, increased awareness and expectations of the public, production reporting, H2S rules, underground gas and petroleum storage facility permitting and operations,* and other changes identified by division director as needing improvement.
8. Having comprehensive, up-to-date regulations is important for future growth and development of oil and gas resources in that they bring an element of certainty into our program which is important not only for existing operators but also new operators looking to invest in drilling and production operations in Indiana. They see up front how we regulate oil and gas operations and what they can expect if they move into Indiana.

RULE INDEX

- × **Rule 1. Application and administration**
- × **Rule 2. Definitions**
- × **Rule 3. General provisions**
- × **Rule 4. Permits and transfer procedures – all wells**
- × **Rule 5. Additional permit requirements for Class II wells**
- × **Rule 6. Additional permit requirements for coal bed methane wells**
- × **Rule 7. Additional permit requirements for noncommercial wells**
- × *Rule 8. Additional permit requirements for underground gas storage facilities*
- × *Rule 9. Additional permit requirements for underground petroleum storage facilities*
- × **Rule 10. Additional permit requirements for geological and structure test wells**
- × **Rule 11. Drilling in karst prone areas**
- × **Rule 12. Annual well fee and bonding**

RULE INDEX

- × **Rule 13. Location of wells, drilling units and well spacing**
- × **Rule 14. Drilling unit and well spacing for directional well**
- × **Rule 15. Drilling unit and well spacing for horizontal wells**
- × **Rule 16. Underground sources of drinking water**
- × **Rule 17. Protection of commercially minable coal resources**
- × **Rule 18. Protection of underground gas and underground petroleum storage reservoirs**
- × **Rule 19. Integration of interests**
- × **Rule 20. Well drilling, construction and completion requirements**
- × **Rule 21. Well drilling pits and completion pits**
- × **Rule 22. Well stimulation treatments**
- × **Rule 23. Well workover requirements**
- × **Rule 24. Tank Batteries**

RULE INDEX

- + **Rule 25. Facility operating requirements**
- + **Rule 26. Petroleum production reporting**
- + **Rule 27. Operation of wells in hydrogen sulfide (H₂S) areas**
- + **Rule 28. Operating and reporting requirements for Class II UIC wells**
- + *Rule 29. Operating and reporting requirement for underground gas storage facilities*
- + *Rule 30. Operating and reporting requirement for underground petroleum storage facilities*
- + **Rule 31. Management of wastes and on-site remediation**
- + **Rule 32. Management of naturally occurring radioactive material (NORM)**
- + **Rule 33. Temporary abandonment of wells and well plugging requirements**
- + **Rule 34. Inspections and enforcement**

FOCUS ON PREVENTION AND PROTECTION

- ✘ Rule 20 Well drilling, construction and completion requirements
 - + 29-20-2 Access roads, lease roads, well locations, and other construction activities . . . 48
 - + 29-20-12 Well control equipment . . . 52
- ✘ Rule 21 Well drilling pits and completion pits
 - + 29-21-1 General drilling and completion pit requirements . . . 54
 - + 29-21-2 Handling and storage of saltwater-based or oil-based drilling fluid . . . 54
 - + 29-21-3 Drilling and completion fluid disposal and pit closure requirements . . . 55
 - + 29-21-4 Land application of water based drilling and completion fluids and drill cuttings . . . 56
- ✘ Rule 22 Well stimulation treatments
 - + 29-22-2 Baseline groundwater monitoring for well stimulation treatments exceeding 5,000 barrels . . . 57
 - + 29-22-3 Spill prevention and containment during well stimulation treatment operations . . . 58
 - + 29-22-4 Spill prevention, containment and response plan for sites with storage capacity exceeding 5,000 barrels . . . 58
 - + 29-22-5 Protection of wellhead equipment and casing during hydraulic fracture stimulation operations . . . 59
 - + 29-22-6 Well stimulation treatment plans for operations using 5,000 barrels or more of total fluid . . . 60
 - + 29-22-7 Notification requirements to the oil and gas inspector . . . 61
 - + 29-22-8 Reporting of hydraulic fracturing information . . . 61
- ✘ Rule 23 Well workover requirements
 - + 29-23-1 Workover pits . . . 62
 - + 29-23-2 Workover fluid disposal and pit closure requirements . . . 62
 - + 29-23-3 Reporting requirements following significant workover operation . . . 63
- ✘ Rule 24 Tank batteries
 - + 29-24-1 Registration of tank batteries . . . 63

FOCUS ON PREVENTION AND PROTECTION

- + 29-24-2 Operating requirements for tank battery facilities . . . 64
- + 29-24-3 Tank batteries in areas subject to periodic flooding . . . 65
- + 29-24-4 Enforcement associated with tank batteries . . . 65
- × Rule 25 Facility operating requirements
 - + 29-25-1 Lease and well identification signs . . . 66
 - + 29-25-2 Spill prevention, response and reporting . . . 66
 - + 29-25-3 Reporting of fires and blow-outs . . . 69
 - + 29-25-4 Management and disposal of contaminated soils . . . 70
 - + 29-25-5 Remediation of contaminated soils . . . 70
 - + 29-25-6 Oiling of lease roads and county roads . . . 70
 - + 29-25-7 Flowlines . . . 71
 - + 29-25-8 Powerlines . . . 72
 - + 29-25-9 General oilfield wastes . . . 72
 - + 29-25-10 Equipment storage . . . 72
 - + 29-25-11 Maintenance of well heads, fittings and equipment . . . 72
 - + 29-25-12 Reporting and correcting casing failures . . . 73
 - + 29-25-13 Registration of existing concrete production fluid storage structures . . . 73
 - + 29-25-14 Registration and approval of new concrete production fluid storage structures . . . 73
 - + 29-25-15 Location, construction, and operating requirements for concrete production fluid storage structures . . . 74
 - + 29-25-16 Abandonment of concrete production fluid storage structures . . . 75
 - + 29-25-17 Registration of existing production fluid storage pits . . . 76
 - + 29-25-18 Registration and approval of new production fluid storage pits . . . 76
 - + 29-25-19 Location, construction, and operating requirements for production fluid storage pits . . . 77

FOCUS ON PREVENTION AND PROTECTION

- + 29-25-20 Abandonment of production fluid storage pits . . . 78
- + 29-25-21 Production wells with uncirculated production casing . . . 78
- + 29-25-22 Open burning of solid or liquid waste . . . 79
- + 29-25-23 Protection of waterfowl and flying mammals . . . 79
- × Rule 26 Production reporting
- × Rule 27 Operation of wells in hydrogen sulfide (H₂S) areas
 - + 29-27-2 Storage tank requirements in hydrogen sulfide (H₂S) areas . . . 81
 - + 29-27-3 Warning signs . . . 81
 - + 29-27-4 Notification to local governments . . . 81
- × Rule 31 Management of wastes and on-site remediation
 - + 29-31-2 Management, treatment, and disposal options for commonly encountered oil and gas waste materials . . . 86
- × Rule 32 Management of naturally occurring radioactive material (NORM)
 - + 29-32-1 Identification of NORM-contaminated equipment . . . 87
 - + 29-32-2 Management and disposal of NORM-contaminated equipment . . . 87
 - + 29-32-3 Prohibited disposal . . . 88
 - + 29-32-4 Authorized disposal methods . . . 88
 - + 29-32-5 Permit for injection into Class II well . . . 89
 - + 29-32-6 Recordkeeping . . . 90
- × Rule 33 Temporary abandonment of wells and well plugging requirements
 - + 29-33-11 Management and storage of plugging wastes and plugging pits . . . 94
 - + 29-33-12 Plugging fluid disposal and pit closure requirements . . . 94
 - + 29-33-24 Final well site abandonment and reclamation . . . 99