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TITLE 312 NATURAL RESOURCES COMMISSION

LSA Document #05-248(F)

DIGEST

Amends 312 IAC 16-5-4 to authorize the director of the Department of Natural Resources to grant a variance from the requirement to install an intermediate string of casing as a result of amendments to IC 14-37-7-3 (P.L. 80-2005, SECTION 6), which requires the running of an intermediate string of casing, whether drilled through a pillar or not, to 50 feet below the base of a commercially mineable coal resource for any oil and gas well drilled on lands underlain by an inactive underground mine or on lands within the permit boundaries of and active underground mine permitted under IC 14-34, and which variance is authorized under specific circumstances upon receipt of a written application for such variance, and to outline the provisions necessary for consideration of a variance request that includes well drilling in a manner that maintains structural integrity, is protective of the environment, and for which written consent from the coal operator of the underground mine has been granted. Amends 312 IAC 16-5-5 to correct an administrative code citation. Effective 30 days after filing with the Secretary of State.

312 IAC 16-5-4

312 IAC 16-5-5

SECTION 1. 312 IAC 16-5-4 IS AMENDED TO READ AS FOLLOWS:

312 IAC 16-5-4 Protection of coal resources

Authority: IC 14-37-3-11

Affected: IC 4-21.5; IC 14-34; IC 14-37-7

Sec. 4. (a) **Except as provided in subsection (b)**, if a well for oil and gas purposes is proposed to be drilled on lands:

(1) underlain by an inactive underground mine; or ~~on lands~~

(2) within the permit boundaries of an active underground mine permitted under IC 14-34;

and if the well is completed as a well for oil and gas purposes, an owner or operator shall run an intermediate string of casing from the surface to a point at least fifty (50) feet below the base of the commercially mineable coal resources or the mine floor, whether drilled through a pillar or not.

(b) Upon written application to the director by a person that proposes to drill a well described in subsection (a), the director may grant a variance from the requirements of subsection (a) if, with respect to a proposed well on land described in:

(1) subsection (a)(1), written consent to the variance is given by:

(A) the permittee under IC 14-34; or

(B) the person that has the right to develop the coal resource; or

(2) subsection (a)(2), written consent to the variance is given by the coal mine operator under IC 14-34.

(c) If a variance is granted under subsection (b), the well must be completed as follows:

(1) In the manner required under this article.

(2) In a manner that prevents the following:

(A) Waste.

(B) Fresh water pollution.

(C) Blowouts.

(D) Cavings.

(E) Seepages.

(F) Fires.

(G) Unreasonably detrimental effects upon fish, wildlife, and botanical resources.

~~(b)~~ **(d) A person engaged in the production of commercially mineable coal resources may file with the division a dated mine plan**

showing the workable limits of a proposed underground mine on lands for which the person has title or a legal interest, but for which an intermediate string is not required under subsection (a). The person may file amendments to its proposed underground mine.

~~(e)~~ (e) If a well is drilled and completed as a well for oil and gas purposes:

(1) through a commercially mineable coal resource; and

(2) within an area for which a mine plan is filed under subsection ~~(b)~~; (d);

an owner or operator shall set a production string of casing, properly centralized and cemented, as documented by a sonic cement bond-variable density log.

~~(f)~~ (f) An owner or operator shall provide at least forty-eight (48) hours notice to the division and to the person who filed the mine plan before commencing logging operations under subsection ~~(e)~~; (e). The person who filed the mine plan is entitled to:

(1) be present during logging operations; and ~~to~~

(2) examine the log.

~~(g)~~ (g) The division shall determine the adequacy of cement bonding, and, in the event of a bonding failure between fifty (50) feet below and one hundred (100) feet above the commercially mineable coal resource, an owner or operator must perform remedial action, as ordered by the commission, that results in adequate bonding.

~~(h)~~ (h) Within thirty (30) days of commencing logging operations, an owner or operator must provide the division and the person who filed the mine plan with a copy of the sonic cement bond-variable density log.

~~(i)~~ (i) Preparation of the log required under subsection ~~(e)~~ (e) and any remedial action required under subsection ~~(g)~~ (g) are at the expense of the owner or operator.

~~(j)~~ (j) If a well is drilled and completed as a well for oil and gas purposes through a commercially mineable coal resource, except a coal resource identified in subsection (a) or subsections ~~(b)~~ (d) through ~~(g)~~ (i), that resource shall be protected by a properly cemented, centralized production string of casing.

~~(k)~~ (k) The division shall notify a permit applicant if the application is within the permit boundaries of an underground mine:

(1) permitted under IC 14-34; ~~or~~

(2) for which a mine plan has been filed as provided in subsections ~~(b)~~ (d) through ~~(g)~~ (i); or

(3) which contains commercially mineable coal resources as set forth in section 5 of this rule.

No permit may be issued except under IC 4-21.5 and 312 IAC 3.

~~(l)~~ (l) Nothing in this section shall be construed to relieve an owner or operator from compliance with sections 19 and 20 of this rule. (*Natural Resources Commission; 312 IAC 16-5-4; filed Feb 23, 1998, 11:30 a.m.: 21 IR 2338; readopted filed Nov 17, 2004, 11:00 a.m.: 28 IR 1315; filed May 12, 2006, 10:28 a.m.: 29 IR 3343*)

SECTION 2. 312 IAC 16-5-5 IS AMENDED TO READ AS FOLLOWS:

312 IAC 16-5-5 Identification of commercially mineable coal resources

Authority: IC 14-37-3-11

Affected: IC 4-21.5; IC 14-37

Sec. 5. (a) The location of known commercially mineable coal resources is set forth in Cementing Depths for Mineable Coals, 1984 edition, as prepared by the Indiana geological survey. Upon receipt of a permit application under IC 14-37 and this article, the division shall determine whether the application is for an area known to contain a commercially mineable coal resource.

(b) A person may seek to revise Cementing Depths of Mineable Coals by filing a written request for an informal hearing under ~~310 IAC 16-2-3~~. **312 IAC 16-2-3.**

(c) The location of commercially mineable coal resources referenced in Cementing Depths for Mineable Coals is presumed to be complete and accurate, but the presumption may be rebutted by an affected person under IC 4-21.5 and 312 IAC 3-1. (*Natural Resources Commission; 312 IAC 16-5-5; filed Feb 23, 1998, 11:30 a.m.: 21 IR 2339; readopted filed Nov 17, 2004, 11:00 a.m.: 28 IR 1315; filed May 12, 2006, 10:28 a.m.: 29 IR 3343*)

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