



February 6, 2026

ENGROSSED

HOUSE BILL No. 1368

DIGEST OF HB 1368 (Updated February 5, 2026 12:26 pm - DI 101)

Citations Affected: IC 8-1; IC 14-8; IC 14-39; IC 35-52.

Synopsis: Carbon. Requires a utility to accept certain methods of payment from the department of natural resources (department) for utility service provided to a property owned by the department. Prohibits a utility from limiting or restricting the: (1) dollar amount; or (2) number of transactions allowed in a given period; with respect to a payment made by one of the specified payment methods. Provides that for any singular property owned by the department, a utility that provides utility service to the property shall provide the department with a singular invoice for the entire property. Requires the natural resources commission to obtain the primary enforcement authority from the United States Environmental Protection Agency to regulate Class VI underground injection wells. Grants the natural resources commission authority to adopt rules to regulate Class VI underground injection wells. Provides a mechanism and regulatory scheme for underground storage of carbon dioxide in Indiana but excludes the carbon sequestration pilot project from application of the new requirements. Specifies that the carbon sequestration pilot project's Class VI wells are not experimental.

Effective: Upon passage; July 1, 2026.

Soliday

(SENATE SPONSOR — KOCH)

January 8, 2026, read first time and referred to Committee on Utilities, Energy and Telecommunications.

January 20, 2026, amended, reported — Do Pass.

January 22, 2026, read second time, ordered engrossed.

January 23, 2026, engrossed.

January 28, 2026, read third time, passed. Yeas 58, nays 36.

SENATE ACTION

February 2, 2026, read first time and referred to Committee on Utilities.

February 5, 2026, amended, reported favorably — Do Pass.

EH 1368—LS 6866/DI 150



February 6, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1368

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-2-3.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: Sec. 3.5. (a) As used in this section, "department" refers
4 to the department of natural resources created by IC 14-9-1-1.
5 (b) As used in this section, "utility" means a person, however
6 organized, that provides utility service to customers in Indiana.
7 The term includes an agent acting on behalf of the person to accept
8 and process payments from customers.
9 (c) As used in this section, "utility service" means:
10 (1) electric;
11 (2) natural gas;
12 (3) water; or
13 (4) wastewater;
14 service that is provided at retail.
15 (d) A utility shall accept the following methods of payment from
16 the department for utility service provided to a property owned by
17 the department:

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(1) An electronic funds transfer, including by wire or Automated Clearing House (ACH).

(2) A payment by credit card or debit card.

(e) A utility may not limit or restrict the:

(1) dollar amount; or

(2) number of transactions allowed in a given period; with respect to a payment made by a method described in subsection (d).

(f) With respect to any singular property owned by the department, a utility that provides utility service to the property shall provide the department with a singular invoice for the entire property, regardless of the number of:

(1) meters;

(2) connections; or

(3) buildings or structures served; on the property, as applicable.

SECTION 2. IC 14-8-2-1.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.3. "Abandoned well", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-2.

SECTION 3. IC 14-8-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. **(a)** "Aquifer", for purposes of IC 14-25-7, has the meaning set forth in IC 14-25-7-1.

(b) "Aquifer", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-3.

SECTION 4. IC 14-8-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. "Area of review", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-3.5.

SECTION 5. IC 14-8-2-34.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34.1. "Carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-4.

SECTION 6. IC 14-8-2-34.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34.2. "Carbon dioxide injection well", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-5.

SECTION 7. IC 14-8-2-34.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34.3. "Carbon dioxide plume", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-6.

SECTION 8. JC 14-8-2-34.4 IS ADDED TO THE INDIANA CODE



1 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
2 **UPON PASSAGE]: Sec. 34.4. "Carbon dioxide stream", for**
3 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-7.**

4 SECTION 9. IC 14-8-2-34.5 IS ADDED TO THE INDIANA CODE
5 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
6 **UPON PASSAGE]: Sec. 34.5. "Carbon dioxide transmission**
7 **pipeline", for purposes of IC 14-39, has the meaning set forth in**
8 **IC 14-39-0.6-8.**

9 SECTION 10. IC 14-8-2-34.6 IS ADDED TO THE INDIANA
10 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
11 **[EFFECTIVE UPON PASSAGE]: Sec. 34.6. "Carbon**
12 **sequestration", for purposes of IC 14-39, has the meaning set forth**
13 **in IC 14-39-0.6-9.**

14 SECTION 11. IC 14-8-2-34.7 IS ADDED TO THE INDIANA
15 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
16 **[EFFECTIVE UPON PASSAGE]: Sec. 34.7. "Carbon sequestration**
17 **pilot project", for purposes of IC 14-39, has the meaning set forth**
18 **in IC 14-39-0.6-10.**

19 SECTION 12. IC 14-8-2-34.8 IS ADDED TO THE INDIANA
20 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
21 **[EFFECTIVE UPON PASSAGE]: Sec. 34.8. "Carbon sequestration**
22 **project", for purposes of IC 14-39, has the meaning set forth in**
23 **IC 14-39-0.6-11.**

24 SECTION 13. IC 14-8-2-50.5 IS ADDED TO THE INDIANA
25 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
26 **[EFFECTIVE UPON PASSAGE]: Sec. 50.5. "Confining zone", for**
27 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-12.**

28 SECTION 14. IC 14-8-2-58.5 IS ADDED TO THE INDIANA
29 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
30 **[EFFECTIVE UPON PASSAGE]: Sec. 58.5. "Corrective action", for**
31 **purposes of IC 14-39, has the meaning set forth in**
32 **IC 14-39-0.6-12.5.**

33 SECTION 15. IC 14-8-2-87.8 IS ADDED TO THE INDIANA
34 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
35 **[EFFECTIVE UPON PASSAGE]: Sec. 87.8. "Fault", for purposes of**
36 **IC 14-39, has the meaning set forth in IC 14-39-0.6-13.**

37 SECTION 16. IC 14-8-2-131.9 IS ADDED TO THE INDIANA
38 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
39 **[EFFECTIVE UPON PASSAGE]: Sec. 131.9. "Injection zone", for**
40 **purposes of IC 14-39, has the meaning set forth in**
41 **IC 14-39-0.6-13.5.**

42 SECTION 17. IC 14-8-2-152.5 IS ADDED TO THE INDIANA



1 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: **Sec. 152.5. "Lithology", for**
3 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-14.**

4 SECTION 18. IC 14-8-2-159.5 IS ADDED TO THE INDIANA
5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: **Sec. 159.5. "Mechanical integrity**
7 **test", for purposes of IC 14-39, has the meaning set forth in**
8 **IC 14-39-0.6-15.**

9 SECTION 19. IC 14-8-2-164.5 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE UPON PASSAGE]: **Sec. 164.5. "Mineral lessee", for**
12 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-16.**

13 SECTION 20. IC 14-8-2-164.7 IS ADDED TO THE INDIANA
14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: **Sec. 164.7. "Mineral owner", for**
16 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-17.**

17 SECTION 21. IC 14-8-2-196.5 IS ADDED TO THE INDIANA
18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: **Sec. 196.5. "Packer", for purposes**
20 **of IC 14-39, has the meaning set forth in IC 14-39-0.6-18.**

21 SECTION 22. IC 14-8-2-209.5 IS ADDED TO THE INDIANA
22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: **Sec. 209.5. "Pore space", for**
24 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-20.**

25 SECTION 23. IC 14-8-2-209.7 IS ADDED TO THE INDIANA
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
27 [EFFECTIVE UPON PASSAGE]: **Sec. 209.7. "Pore space owner",**
28 **for purposes of IC 14-39, has the meaning set forth in**
29 **IC 14-39-0.6-21.**

30 SECTION 24. IC 14-8-2-209.9 IS ADDED TO THE INDIANA
31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: **Sec. 209.9. "Post-injection site**
33 **care", for purposes of IC 14-39, has the meaning set forth in**
34 **IC 14-39-0.6-21.5.**

35 SECTION 25. IC 14-8-2-211.7 IS ADDED TO THE INDIANA
36 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
37 [EFFECTIVE UPON PASSAGE]: **Sec. 211.7. "Primacy", for**
38 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-22.**

39 SECTION 26. IC 14-8-2-240, AS AMENDED BY P.L.148-2020,
40 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 UPON PASSAGE]: **Sec. 240. (a) "Reservoir", for purposes of**
42 **IC 14-33-24, has the meaning set forth in IC 14-33-24-3.**



(b) "Reservoir", for purposes of IC 14-37, means an underground geological formation that contains oil or natural gas.

(c) "Reservoir", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-23.

SECTION 27. IC 14-8-2-242.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 242.3. "Responsible officer"**, for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-24.

SECTION 28. IC 14-8-2-266.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 266.9. "Storage facility", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-25.**

SECTION 29. IC 14-8-2-267.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 267.1. "Storage operator"**, for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-26.

SECTION 30. IC 14-8-2-267.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 267.3. "Stratum", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-27.

SECTION 31. IC 14-8-2-274.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 274.7. "Surface or subsurface property interest owner"**, for purposes of IC 14-39, has the meaning set forth in IC 14-39-0-6-28.

SECTION 32. IC 14-8-2-282.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 282.9. "Transporting carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-29.**

SECTION 33. IC 14-8-2-285.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 285.3. "UIC Class VI permit", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-30.

SECTION 34. IC 14-8-2-285.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 285.4. "UIC program", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0-6-31.**

SECTION 35 JC 14-8-2-287 3 IS ADDED TO THE INDIANA



1 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: **Sec. 287.3. "Underground source**
 3 **of drinking water", for purposes of IC 14-39, has the meaning set**
 4 **forth in IC 14-39-0.6-32.**

5 SECTION 36. IC 14-8-2-287.7 IS ADDED TO THE INDIANA
 6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 287.7. "Underground storage**
 8 **of carbon dioxide", for purposes of IC 14-39, has the meaning set**
 9 **forth in IC 14-39-0.6-33.**

10 SECTION 37. IC 14-39-0.5-1, AS ADDED BY P.L.158-2023,
 11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 1. The natural resources commission, **in**
 13 **coordination with the department**, shall adopt rules under IC 4-22-2
 14 to implement this article.

15 SECTION 38. IC 14-39-0.5-2, AS ADDED BY P.L.158-2023,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 2. The rules adopted by the commission under
 18 section 1 of this chapter:

19 (1) must include the provisions necessary to the department's
 20 discharge of the duties imposed upon the department under this
 21 article; **and**

22 **(2) must include the provisions necessary for the department**
 23 **to obtain the primary enforcement authority from the United**
 24 **States Environmental Protection Agency to regulate Class VI**
 25 **underground injection wells; and**

26 **(2) (3)** may establish fees for the administration and
 27 implementation of this article after review by the budget
 28 committee. In addition, the amount of the fee determined under
 29 this subdivision may not subsequently be increased unless the
 30 increase is reviewed by the budget committee.

31 SECTION 39. IC 14-39-0.6 IS ADDED TO THE INDIANA CODE
 32 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 33 UPON PASSAGE]:

34 **Chapter 0.6. Definitions**

35 **Sec. 1. The definitions in this chapter apply throughout this**
 36 **article and 312 IAC 30.**

37 **Sec. 2. "Abandoned well" refers to a well:**

38 **(1) whose use has been permanently discontinued; or**

39 **(2) which is in a state of disrepair;**

40 **such that it cannot be used for its intended purpose or for**
 41 **observation purposes.**

42 **Sec. 3. "Aquifer" means:**



1 **(1) a geologic formation;**
2 **(2) a group of formations; or**
3 **(3) part of a formation;**
4 **capable of yielding a significant amount of water to a well or**
5 **spring.**

6 Sec. 3.5. "Area of review" has the meaning set forth in 40 CFR
7 146.81.

8 **Sec. 4. "Carbon dioxide" means a fluid consisting of carbon**
9 **dioxide molecules.**

10 Sec. 5. "Carbon dioxide injection well" refers to a well that
11 meets the following criteria:

- (1) Is in compliance with a UIC Class VI permit.
- (2) Is used to inject carbon dioxide into a reservoir for carbon sequestration.
- (3) Is not experimental in nature.
- (4) Is used for geologic sequestration of carbon dioxide beneath the lowermost formation containing an underground source of drinking water.
- (5) Is used for geologic sequestration of carbon dioxide that has been granted a waiver of the injection depth requirements.
- (6) Is used for geologic sequestration of carbon dioxide that has received an expansion to the areal extent of an existing Class II enhanced oil recovery or enhanced gas recovery aquifer exemption.

26 Sec. 6. "Carbon dioxide plume" means the extent of an
27 underground three-dimensional injected carbon dioxide stream.

28 Sec. 7. (a) "Carbon dioxide stream" means carbon dioxide that:

- (1) has been captured from an emission source; and**
- (2) consists of:**
 - (A) incidental associated substances derived from the source materials and capture process; and**
 - (B) any substance added to the carbon dioxide stream to enable or improve the injection process.**

37 Sec. 8. "Carbon dioxide transmission pipeline" means the part
38 of a pipeline in Indiana, including:

- (1) appurtenant facilities;
- (2) property rights; and
- (3) easements;

42 used exclusively for the purpose of transporting carbon dioxide to



1 **a carbon management application, including sequestration,**
2 **enhanced oil recovery, and deep saline injection, within or outside**
3 **Indiana.**

4 **Sec. 9. (a) "Carbon sequestration" means the long term**
5 **containment of a:**

- 6 **(1) gaseous;**
- 7 **(2) liquid; or**
- 8 **(3) supercritical;**

9 **carbon dioxide stream in subsurface geologic formations.**

10 **(b) The term does not apply to carbon dioxide capture or**
11 **transport.**

12 **Sec. 10. "Carbon sequestration pilot project" refers to the pilot**
13 **project described in IC 14-39-1-3.5.**

14 **Sec. 11. (a) "Carbon sequestration project" refers to the long**
15 **term geologic sequestration of a:**

- 16 **(1) gaseous;**
- 17 **(2) liquid; or**
- 18 **(3) supercritical;**

19 **carbon dioxide stream in a subsurface geologic formation that**
20 **requires a UIC Class VI permit.**

21 **(b) The term does not apply to carbon dioxide capture or**
22 **transport.**

23 **(c) The term does not include the following:**

- 24 **(1) The subsurface three-dimensional extent of the carbon**
25 **dioxide plume.**
- 26 **(2) The subsurface three-dimensional associated area of**
27 **elevated pressure.**
- 28 **(3) The subsurface three-dimensional displaced fluids.**
- 29 **(4) The surface area above the delineated region described in**
30 **subdivisions (1) through (3).**

31 **Sec. 12. "Confining zone" means:**

- 32 **(1) a geologic formation;**
- 33 **(2) a group of geologic formations; or**
- 34 **(3) part of a geologic formation;**

35 **capable of limiting the movement of the carbon dioxide stream and**
36 **all fluids above an injection zone.**

37 **(b) For a carbon dioxide injection well permitted by a UIC Class**
38 **VI permit under an injection depth waiver, the term means a:**

- 39 **(1) geologic formation;**
- 40 **(2) group of geologic formations; or**
- 41 **(3) part of a geologic formation;**

42 **stratigraphically overlying and underlying the injection zone.**



1 **Sec. 12.5. "Corrective action" means action:**

2 (1) taken by the owner or operator of a permitted Class VI
3 carbon dioxide injection well; and

4 (2) approved by the director;

5 to ensure that a carbon dioxide injection well within the area of
6 review does not serve as conduits for the movement of fluids into
7 underground sources of drinking water.

8 **Sec. 13. "Fault" means a surface or zone or rock fracture along
9 which there has been displacement.**

10 **Sec. 13.5. "Injection zone" means a geological:**

11 (1) formation;

12 (2) group of formations; or

13 (3) part of a formation;

14 that is conducive to receiving carbon dioxide with a permitted
15 carbon sequestration project.

16 **Sec. 14. "Lithology" means the description of rocks on the basis
17 of their physical and chemical characteristics.**

18 **Sec. 15. "Mechanical integrity test" refers to a test performed
19 on a well permitted by a UIC Class VI permit that meets the
20 requirements established under 40 CFR 146.8.**

21 **Sec. 16. "Mineral lessee" means a lessee identified by the
22 records of the recorder of deeds for each county containing a
23 portion of the proposed reservoir who holds an interest in minerals
24 on real property that are located above, below, or within the
25 proposed reservoir that has been severed from the surface estate
26 by:**

27 (1) grant;

28 (2) exception;

29 (3) reservation;

30 (4) lease; or

31 (5) any other means.

32 **Sec. 17. "Mineral owner" means an owner identified by the
33 records of the recorder of deeds for each county containing a
34 portion of the proposed reservoir who holds an interest in minerals
35 on real property that are located above, below, or within the
36 proposed reservoir that has been severed from the surface estate
37 by:**

38 (1) grant;

39 (2) exception;

40 (3) reservation;

41 (4) lease; or

42 (5) any other means.



1 **Sec. 18. "Packer"** means a device lowered into a well to produce
 2 a fluid-tight seal.

3 **Sec. 19. "Person"** means:

- 4 (1) an individual;
- 5 (2) a legal entity;
- 6 (3) a government entity; or
- 7 (4) an employee of a:
- 8 (A) legal entity; or
- 9 (B) government entity.

10 **Sec. 20. "Pore space"** means a subsurface geological cavity or
 11 void that is of a sufficient areal extent, thickness, porosity, and
 12 permeability to receive and store carbon dioxide through a carbon
 13 sequestration project well.

14 **Sec. 21. "Pore space owner"** means:

- 15 (1) a person;
- 16 (2) a trust;
- 17 (3) a corporation; or
- 18 (4) another entity;

19 that has title to, a right to, or an interest in pore space.

20 **Sec. 21.5. "Post-injection site care"** refers to the requirements
 21 set forth in 40 CFR 146.93.

22 **Sec. 22. "Primacy"** means primary enforcement authority over
 23 Class VI wells under the Safe Drinking Water Act.

24 **Sec. 23. "Reservoir"** means a subsurface geological:

- 25 (1) sedimentary stratum;
- 26 (2) formation;
- 27 (3) saline aquifer;
- 28 (4) cavity; or
- 29 (5) void;

30 that is naturally or artificially created for the use of, or is capable
 31 of being made suitable for, injecting and storing carbon dioxide.

32 **Sec. 24. (a) "Responsible officer"** means a person who has the
 33 authority to legally obligate an entity to comply with federal law.

34 **(b) The term includes the following:**

- 35 (1) An authorized officer of a corporation.
- 36 (2) A manager of a limited liability company, or if the limited
 37 liability company is managed by another company, an
 38 authorized officer of the managing company.
- 39 (3) A partner in a general, limited, or limited liability
 40 partnership or, if the partner is an entity, an authorized
 41 officer of the general, limited, or limited liability partnership.
- 42 (4) An individual authorized as a permitted signatory by



another entity under federal regulations adopted by the department not included under subdivisions (1) through (3).

Sec. 25. "Storage facility" means the subsurface area consisting of the extent of a carbon dioxide plume which is required to be set forth on an approved UIC Class VI permit or an amendment to a UIC Class VI permit of a storage operator.

Sec. 26. "Storage operator" means:

- (1) a person;
- (2) a trust;
- (3) a corporation; or
- (4) another entity;

that owns or operates a carbon sequestration project.

Sec. 27. "Stratum" means a single sedimentary bed or layer, regardless of thickness, that consists of generally the same kind of rock material.

Sec. 28. "Surface or subsurface property interest holder" means a property interest owner identified by the records of the recorder of deeds for each county containing a portion of the proposed storage facility who holds a fee simple interest or other freehold interest in the surface or subsurface of the property, which may include mineral rights. The term does not include the owner of a right-of-way, an easement, or a leasehold.

Sec. 29. (a) "Transporting carbon dioxide" means the movement of carbon dioxide to a carbon dioxide injection well located outside the storage facility for which a certificate of authority for a carbon dioxide transmission pipeline is required.

(b) The term under subsection (a) includes a carbon dioxide transmission pipeline that crosses a parcel above pore space that is:

- (1) a public right-of-way; or
- (2) acquired by:
 - (A) eminent domain; or
 - (B) an integration order.

(c) The term under subsection (a) does not include movement of carbon dioxide to a carbon dioxide injection well inside the boundaries of contiguous property owned by an applicant or under IC 14-39-1-4.5.

Sec. 30. (a) "UIC Class VI permit" means a permit issued under the federal Safe Drinking Water Act's Underground Injection Control program that allows:

- (1) a person;
- (2) a trust;



- (3) a corporation; or
- (4) another entity;

to construct or operate a carbon dioxide injection well.

b) The term does not include a:

(1) draft permit;

(2) proposed permit; or

(3) permit that is not subject to final agency action.

(c) The term does not authorize the transportation of carbon dioxide.

Sec. 31, "UJC program" refers to the program carried out by:

(1) the United States Environmental Protection Agency; or

(2) an approved state or tribe;

under the Safe Drinking Water Act to regulate underground injection.

Sec. 32. "Underground source of drinking water" means an aquifer or its portion which:

(1) supplies any public water system; or

(2) contains a sufficient quantity of ground water to supply a public water system and:

- (A) currently supplies drinking water for human consumption; or
- (B) contains fewer than ten thousand (10,000) milligrams per liter of total dissolved solids;

and which is not an exempted aquifer.

Sec. 33. "Underground storage of carbon dioxide" means the injection and storage of carbon dioxide into underground strata and formations pursuant to at least one (1) UIC Class VI permit.

SECTION 40. IC 14-39-1-1 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. +. As used in this chapter, "carbon dioxide" means a fluid consisting of more than ninety percent (90%) carbon dioxide molecules.

SECTION 41. IC 14-39-1-2 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2. As used in this chapter, "carbon dioxide transmission pipeline" means the part of a pipeline in Indiana, including appurtenant facilities, property rights, and easements, that is used exclusively for the purpose of transporting carbon dioxide to a carbon management application, including sequestration, enhanced oil recovery, and deep saline injection, within or outside Indiana.

SECTION 42. IC 14-39-1-2.4 IS REPEALED [EFFECTIVE UPON PASSAGE]. See. 2.4. As used in this chapter, "carbon sequestration pilot project" refers to the pilot project described in section 3.5 of this chapter.



1 SECTION 43. IC 14-39-1-2.5 IS REPEALED [EFFECTIVE UPON
2 PASSAGE]. See: 2.5. As used in this chapter, "underground storage of
3 carbon dioxide" means the injection of carbon dioxide into, and storage
4 of carbon dioxide in, underground strata and formations at the site of
5 the carbon sequestration pilot project, as described in section 3.5 of this
6 chapter, pursuant to one (1) or more federal permits issued by the
7 United States Environmental Protection Agency.

8 SECTION 44. IC 14-39-1-2.6 IS REPEALED [EFFECTIVE UPON
9 PASSAGE]. See: 2.6. As used in this chapter, "person" includes a
10 political body, a corporate body, and the state of Indiana.

11 SECTION 45. IC 14-39-1-2.7 IS REPEALED [EFFECTIVE UPON
12 PASSAGE]. See: 2.7. As used in this chapter, "pore space" means
13 subsurface cavities or voids that can be used as a storage space for
14 carbon dioxide.

15 SECTION 46. IC 14-39-1-3.5, AS AMENDED BY P.L.53-2023,
16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 3.5. (a) This chapter authorizes the
18 establishment of a carbon sequestration pilot project:

19 (1) that will:

20 (A) capture carbon dioxide at the proposed ammonia plant to
21 be located at 444 West Sandford Avenue, West Terre Haute,
22 Indiana;

23 (B) construct, operate, or use not more than two (2) carbon
24 dioxide pipelines;

25 (C) maintain operations only in Vigo and Vermillion counties;
26 and

27 (D) inject the carbon dioxide underground through one (1) or
28 more injection wells pursuant to a Class VI well permit issued
29 by the United States Environmental Protection Agency; and

30 (2) that will employ the underground storage of carbon dioxide as
31 an alternative to releasing the carbon dioxide into the air.

32 (b) The director shall designate the operator of the carbon
33 sequestration pilot project according to the characteristics of the pilot
34 project set forth in subsection (a) not more than thirty (30) days after
35 the Class VI well permit referred to in subsection (a)(1)(D) is issued by
36 the United States Environmental Protection Agency.

37 (c) **The injection well issued a Class VI well permit by the**
38 **United States Environmental Protection Agency is not**
39 **experimental.**

40 (d) This section expires July 1, 2028, if the operator of the
41 carbon sequestration pilot project designated under subsection (b)
42 according to the characteristics set forth in subsection (a) is not issued



1 a Class VI permit by the United States Environmental Protection
 2 Agency under 40 CFR 146 subpart H by July 1, 2028.

3 SECTION 47. IC 14-39-1-11, AS AMENDED BY P.L.92-2025,
 4 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 11. A determination of the department under
 6 section 4(e)(2) of this chapter is subject to an administrative
 7 adjudication under IC 4-21.5.

8 SECTION 48. IC 14-39-1-19 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE UPON PASSAGE]: **Sec. 19. The department may**
 11 **establish siting and setback requirements for carbon dioxide**
 12 **transmission pipelines.**

13 SECTION 49. IC 14-39-2-1, AS ADDED BY P.L.163-2022,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 1. **(a) This chapter applies to primacy**
 16 **granted by the United States Environmental Protection Agency to**
 17 **the department over Class VI wells.**

18 **(b) This chapter and 312 IAC 30 govern carbon sequestration**
 19 **in the state and establish the criteria and standards necessary for**
 20 **the department to receive primacy from the United States**
 21 **Environmental Protection Agency for the UIC program for Class**
 22 **VI wells under the Safe Drinking Water Act.**

23 **(c) Except as otherwise provided in this chapter, this chapter:**

24 **(1) does not apply to extractable mineral resources;**

25 **(2) Except as otherwise provided in this chapter, this chapter**
 26 **does not preclude the exercise of rights provided by IC 14-37-9;**
 27 **and**

28 **(3) Except as otherwise provided in this chapter, this chapter**
 29 **applies to the underground storage of carbon dioxide.**

30 **(d) The rights and requirements of this chapter:**

31 **(1) are subordinate to the rights pertaining to oil, gas, and coal oil**
 32 **and gas resources; and**

33 **(2) may not adversely affect oil, gas, and coal oil and gas**
 34 **resources, except as is strictly necessary to construct and maintain**
 35 **a carbon sequestration project that will provide for the permanent**
 36 **storage of carbon dioxide.**

37 **(e) The department shall issue any additional rules or**
 38 **requirements essential to ensure the injection and storage of**
 39 **carbon dioxide stream in subsurface geologic formations does not**
 40 **endanger underground sources of drinking water.**

41 **(f) The department may enter into a memorandum of agreement**
 42 **to implement this article.**



1 SECTION 50. IC 14-39-2-1.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) **Carbon sequestration**
4 **projects are authorized in Indiana for the purposes of:**

5 (1) injecting carbon dioxide into the pore space of an
6 underground storage facility through at least one (1) carbon
7 dioxide injection well pursuant to a UIC Class VI permit; and
8 (2) employing the underground storage of carbon dioxide.

9 (b) The department has the authority to adopt regulations
10 consistent with:

11 (1) 40 CFR 141 through 146;
12 (2) the federal Safe Drinking Water Act (42 U.S.C.
13 300h(b)(1)); and
14 (3) any other federal regulation necessary;

15 to obtain primacy on behalf of the state of Indiana.

16 (c) A person may not operate a carbon sequestration project in
17 Indiana without a valid permit issued by the department.

18 (d) A permit for a carbon sequestration project may be
19 transferred or assigned from one storage operator to another
20 storage operator.

21 (e) All injection activities, including construction of an injection
22 well, are prohibited unless the owner or operator is authorized by
23 permit.

24 (f) A person operating a carbon sequestration project in Indiana
25 shall comply with the federal Safe Drinking Water Act (42 U.S.C.
26 300h(b)(1)) to prevent underground injection which endangers
27 drinking water sources.

28 (g) The department may, at a reasonable time, enter property
29 on which a carbon dioxide injection well or monitoring well for the
30 storage facility is located to inspect and maintain the well or
31 storage facility. Except in the event of an emergency, the
32 department shall provide advance notice to the owner of the
33 surface property of the date the department intends to enter the
34 property. The notice required by this subsection must be provided
35 at least five (5) business days before the department intends to
36 enter the property. The notice must be delivered by:

37 (1) United States mail;
38 (2) private courier;
39 (3) personal delivery; or
40 (4) any other manner agreed to in writing between the
41 department and the owner of the surface property.

42 SECTION 51. IC 14-39-2-2 IS REPEALED [EFFECTIVE UPON



1 PASSAGE]. See. 2. (a) The following definitions apply throughout this
 2 chapter:

- 3 (b) "Carbon dioxide" has the meaning set forth in IC 14-39-1-1.
- 4 (c) "Carbon dioxide injection well" refers to a well that is used to
 5 inject carbon dioxide into a reservoir for carbon sequestration pursuant
 6 to a UIC Class VI permit.
- 7 (d) "Carbon dioxide plume" means the extent of an underground
 8 three-dimensional injected carbon dioxide stream.
- 9 (e) "Carbon sequestration" means the underground storage of carbon
 10 dioxide in a reservoir.
- 11 (f) "Carbon sequestration project" means any project that involves
 12 the underground storage of carbon dioxide in a reservoir pursuant to at
 13 least one (f) UIC Class VI permit.
- 14 (g) "Mineral lessee" means a lessee identified by the records of the
 15 recorder of deeds for each county containing a portion of the proposed
 16 reservoir who holds an interest in minerals on real property that are
 17 located above, below, or within the proposed reservoir that has been
 18 severed from the surface estate by:
 - 19 (1) grant;
 - 20 (2) exception;
 - 21 (3) reservation;
 - 22 (4) lease; or
 - 23 (5) any other means.
- 24 (h) "Mineral owner" means an owner identified by the records of the
 25 recorder of deeds for each county containing a portion of the proposed
 26 reservoir who holds an interest in minerals on real property that are
 27 located above, below, or within the proposed reservoir that has been
 28 severed from the surface estate by:
 - 29 (1) grant;
 - 30 (2) exception;
 - 31 (3) reservation;
 - 32 (4) lease; or
 - 33 (5) any other means.
- 34 (i) "Pore space" means subsurface cavities or voids that can be used
 35 as a storage space for carbon dioxide.
- 36 (j) "Pore space owner" means:
 - 37 (1) a person;
 - 38 (2) a trust;
 - 39 (3) a corporation; or
 - 40 (4) another entity;
 41 that has title to, a right to, or an interest in pore space.
- 42 (k) "Reservoir" means a subsurface:



(1) sedimentary stratum;
(2) formation;
(3) aquifer;
(4) cavity; or
(5) void;

that is naturally or artificially created for the use of, or is capable of being made suitable for, injecting and storing carbon dioxide.

(f) "Storage facility" means the subsurface area consisting of the extent of a carbon dioxide plume which is required to be delineated on an approved UIC Class VI permit or an amendment to a UIC Class VI permit of a storage operator.

(m) "Storage operator" means:

- (1) a person;
- (2) a trust;
- (3) a corporation; or
- (4) another entity;

that operates a carbon sequestration project.

(n) "Surface or subsurface property interest owner" means a property interest owner identified by the records of the recorder of deeds for each county containing a portion of the proposed storage facility who holds a fee simple interest or other freehold interest in the surface or subsurface of the property, which may include mineral rights. The term does not include the owner of a right-of-way, an easement, or a leasehold.

(o) "UIC Class VI permit" means a permit issued under the federal Safe Drinking Water Act's Underground Injection Control program that allows:

- (1) a person;
- (2) a trust;
- (3) a corporation; or
- (4) another entity;

to construct or operate a carbon dioxide injection well.

(p) "Underground storage of carbon dioxide" means the injection and storage of carbon dioxide into underground strata and formations pursuant to at least one (1) UIC Class VI permit.



(b) If all of the owners of the pore space under subsection (a) do not agree to integrate their interests, the department may issue an order requiring the owners to integrate their interests and to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide to serve the public interest, prevent waste, protect correlative rights, and facilitate the efficient and effective use of natural resources subject to the findings under subsection (c).

(c) Before issuing an order under subsection (b), the department must make the following findings:

(1) That a storage operator:

(A) filed a complete application for a UIC Class VI permit or a complete application for an amended UIC Class VI permit; and

(B) submitted all the necessary information to the United States Environmental Protection Agency for the agency to process the storage operator's permit application.

(2) That the storage operator has made a good faith effort to obtain the consent of all pore space owners located within the proposed storage facility.

(3) That the storage operator has obtained the consent of the owners of the pore space underlying at least seventy percent (70%) of the surface area above the proposed storage facility or amended proposed storage facility.

(4) That all pore space owners who do not agree to integrate their interests to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide are equitably compensated.

(d) A right to pore space granted by this section does not confer a right to enter upon, or otherwise use, the surface of the land which is integrated under this section unless provided in an order requiring the owners to integrate their interests and to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide.

(e) An involuntary integration order issued by the department takes effect fifteen (15) days after the applicant is issued a UIC Class VI permit or an amended UIC Class VI permit, as applicable.

(f) Except by agreement of the parties, an involuntary integration order issued by the department may not be construed to result in a transfer of all or any part of the title of any property included in the involuntary integration order. All property included in the involuntary integration order is the property of the owner, not the person requesting the involuntary integration order.



1 SECTION 53. IC 14-39-2-5, AS AMENDED BY P.L.213-2025,
 2 SECTION 136, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Carbon sequestration
 4 projects are authorized in Indiana for the purposes of:
 5 (1) injecting carbon dioxide into the pore space of an underground
 6 storage facility through at least one (1) carbon dioxide injection
 7 well pursuant to a UIC Class VI permit; and
 8 (2) employing the underground storage of carbon dioxide.
 9 (b) A storage operator may not operate a carbon sequestration
 10 project in Indiana without:
 11 (1) a UIC Class VI permit; and
 12 (2) a valid permit issued by the department.
 13 (c) If a carbon sequestration project is owned by an entity other than
 14 the storage operator, the storage operator shall be responsible for
 15 obtaining a permit for a carbon sequestration project under subsection
 16 (b). A permit for a carbon sequestration project may be transferred or
 17 assigned from one (1) storage operator to another storage operator.
 18 (d) (a) An individual may apply to the department for a permit for
 19 a carbon sequestration project in a form and manner prescribed by the
 20 department.
 21 (e) (b) A single permit is issued in two (2) phases as follows:
 22 (1) A permit to construct and operate.
 23 (2) An authorization to inject.
 24 (c) An A complete application under subsection (d) this section
 25 must include the following:
 26 (1) A filing fee equal to the product of:
 27 (A) the given amount of metric tons of carbon dioxide
 28 proposed to be injected into the storage facility during the first
 29 ten (10) years of the permit for the carbon sequestration
 30 project; multiplied by
 31 (B) one cent (\$0.01).
 32 The filing fee amount determined under this subdivision shall be
 33 collected by the department and deposited in the carbon
 34 sequestration project program administrative fund established by
 35 section 10.5 of this chapter.
 36 (2) The applicant's: signature of the applicant.
 37 (A) name;
 38 (B) address;
 39 (C) telephone number;
 40 (D) electronic mail address;
 41 (E) ownership status;
 42 (F) status as a:



- (i) federal;
- (ii) state;
- (iii) private;
- (iv) public; or
- (v) other;

entity,
(G) signature: and

(H) signed copy of the certification described in 40 CFR 144.32(d).

10 (3) A statement verifying that the information submitted is true,
11 accurate, and complete to the best of applicant's knowledge.

12 (4) Information illustrating that the applicant has the financial,
13 managerial, and technical ability to construct, operate, and
14 maintain a carbon sequestration project.

15 (5) Information illustrating that the applicant or the contractors or
16 subcontractors of the applicant have the requisite expertise in
17 constructing, operating, and maintaining a carbon sequestration
18 project.

19 (6) Documentation to the department describing the scope of the
20 proposed carbon sequestration project.

21 (7) A statement describing how the applicant will construct,
22 operate, and maintain the proposed carbon sequestration project
23 in accordance with applicable local, state, and federal law,
24 including federal and state safety regulations and rules governing
25 the construction, operation, and maintenance of the carbon
26 sequestration project, and related facilities and equipment, to
27 ensure the safety of the carbon sequestration project employees
28 and the public.

29 (8) A statement that the interests of a mineral lessee or mineral
30 owner will not be adversely affected. If a mineral owner or
31 mineral lessee is adversely affected, the adversely affected
32 mineral owner or mineral lessee and the applicant may enter into
33 an agreement under section 4 of this chapter.

34 (9) A map showing the injection well for which a permit is
35 sought and the applicable areas of review consistent with
36 federal regulations. The map must show any known or
37 suspected faults. Within the area of review, the map must
38 show the number, name, and location of the following:

(A) Injection wells.

(B) Producing wells.

(C) Abandoned wells.

(D) Plugged wells or dry holes.



- (E) Deep stratigraphic boreholes.
- (F) State or United States Environmental Protection Agency approved subsurface cleanup sites.
- (G) Surface bodies of water.
- (H) Springs.
- (I) Surface and subsurface mines.
- (J) Quarries.
- (K) Water wells.
- (L) Other pertinent surface features, including structures intended for:
 - (i) human occupancy;
 - (ii) state, tribal, and territory boundaries; and
 - (iii) roads.

Only information of public record is required to be included in this map.

- (10) A list of contacts for those states, tribes, and territories identified within the area of review of the Class VI project based on the information required in this section.
- (11) Information on the geologic structure and hydrogeologic properties of the proposed storage site and overlying formations.
- (12) A tabulation of each well within the area of review that penetrates each injection zone or confining zone.
- (13) Maps and stratigraphic cross sections indicating:
 - (A) the general vertical and lateral limits of all:
 - (i) underground sources of drinking water; and
 - (ii) water wells and springs within the area of review;
 - (B) the position of any underground source of drinking water, water well, or spring relative to the positions of each injection zone; and
 - (C) directions of water movement, if known.
- (14) Baseline geochemical data on subsurface formations, including all underground sources of drinking water in the area of review.
- (15) Proposed operating data for the proposed geologic sequestration site.
- (16) A proposed preoperational formation testing program to obtain an analysis of the chemical and physical characteristics of the injection zones and confining zone and which meets the requirements of the department.
- (17) A proposed stimulation program, a description of stimulation fluids to be used, and a determination that



stimulation will not interfere with containment.

(18) A proposed procedure to outline steps necessary to conduct injection operation.

(19) Schematics or other appropriate drawings of the surface and subsurface construction details of the well.

(20) Injection well construction procedures that meet all requirements of the department.

(21) A proposed area of review and corrective action plan.

(22) Proof that financial responsibility requirements of the department are met.

(23) A proposed testing and monitoring plan.

(24) A well plugging plan.

(25) An emergency and remedial response plan.

(26) A post-injection site care and site closure plan or an alternative post-injection site care framework. At any time during the life of the project, a storage operator may modify and resubmit the post-injection site care and site closure plan for approval by the department at least thirty (30) days before the change is made. Upon ceasing injection, a storage operator must do the following:

(A) Submit an amended post-injection site care and site closure plan.

(B) Demonstrate through monitoring data and modeling results that an amendment is not needed. An amendment must be approved by the department, must be incorporated into the permit, and is subject to permit modification requirements.

(C) Submit evidence of managerial and technical ability to construct, operate, and maintain a carbon sequestration project.

(27) Each local, state, or federal permit obtained by the applicant.

(28) Any other information required by the department.

(f) (d) During the first ten (10) years of the permit for a carbon sequestration project, if the carbon sequestration project injects more metric tons of carbon dioxide into the storage facility than was proposed under the original application under subsection (e), (c), the storage operator shall pay the filing fee under subsection (e)(c) for the additional metric tons of carbon dioxide injected into the storage facility during the first ten (10) years of the permit for the carbon sequestration project.

(g) (e) A fee paid under this section is not refundable by the



1 department.

4 SECTION 54. IC 14-39-2-5.1 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: **Sec. 5.1. (a) A storage operator**
7 **must demonstrate to the satisfaction of the department that the**
8 **wells will be sited in areas with a suitable geologic formation. The**
9 **storage operator must demonstrate that the geologic formation is**
10 **composed of the following:**

14 (2) A confining zone free of transmissive faults or fractures
15 and of sufficient areal extent and integrity to contain the
16 injected carbon dioxide stream and displaced formation fluids
17 and allow injection at proposed maximum pressures and
18 volumes without initiating or propagating fractures in the
19 confining zone.

(b) The department may require a storage operator to identify and characterize additional injection zones that:

22 (1) will impede vertical fluid movement;
23 (2) are free of faults and fractures that may interfere with
24 containment;
25 (3) allow for pressure dissipation; and
26 (4) provide additional opportunities for:
27 (A) monitoring;
28 (B) mitigation; and
29 (C) remediation.

30 SECTION 55. IC 14-39-2-5.2 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: **Sec. 5.2. (a) A storage operator**
33 **must ensure that each Class VI well is constructed and completed**
34 **for the following:**

35 (1) To prevent the movement of fluids into or between
36 underground sources of drinking water or into any
37 unauthorized zones.

42 (b) Casing and cement or other materials used in the



1 **construction of each Class VI well must have sufficient structural**
2 **strength and be designed for the life of the geologic sequestration**
3 **project. All well materials must be compatible with fluids with**
4 **which the materials may be expected to come into contact and must**
5 **meet federal standards or be comparable to standards required by**
6 **the department.**

7 **(c) Tubing and packer materials used in the construction of each**
8 **Class VI well must be compatible with fluids with which the**
9 **materials may be expected to come into contact and must meet**
10 **federal standards or be comparable to standards required by the**
11 **department.**

12 **(d) The department shall adopt rules that mirror applicable**
13 **federal regulations to implement this section.**

14 **SECTION 56. IC 14-39-2-5.3 IS ADDED TO THE INDIANA**
15 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
16 **[EFFECTIVE UPON PASSAGE]: Sec. 5.3. During the drilling and**
17 **construction of a Class VI injection well, a storage operator must:**

- 18 **(1) perform appropriate logs;**
- 19 **(2) perform surveys and tests to determine or verify the:**
 - 20 **(A) depth;**
 - 21 **(B) thickness;**
 - 22 **(C) porosity;**
 - 23 **(D) permeability;**
 - 24 **(E) lithology; and**
 - 25 **(F) salinity;**

26 **of any formation fluids in all relevant geologic formations to**
27 **ensure conformance with the injection well construction**
28 **requirements of the department; and**

- 29 **(3) establish accurate baseline data against which future**
30 **measurements may be compared.**

31 **The storage operator must submit to the department a report**
32 **prepared by a log analyst that includes an interpretation of the**
33 **results of each log and test.**

34 **SECTION 57. IC 14-39-2-5.4 IS ADDED TO THE INDIANA**
35 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
36 **[EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) A storage operator**
37 **may apply to the department for a depth requirement waiver.**

38 **(b) An application under subsection (a) must include the**
39 **following:**

- 40 **(1) The depth of each proposed injection zone.**
- 41 **(2) The location of each injection well.**
- 42 **(3) The name and depth of all underground sources of**



drinking water within the area of review.

(4) A map of the area of review.

(5) The names of public water supplies:

(A) affected;

(B) reasonably likely to be affected; or

(C) served;

by underground sources of drinking water in the area of review.

(6) The results of an underground injection control and public water system supervision consultation of all states and tribes having jurisdiction over lands within the area of review of a well for which a waiver is sought.

(7) A supplemental report that meets the requirements set by the department that provides data as required by section 5.3 of this chapter.

(c) A storage operator that applies to the department for a depth requirement waiver must post public notice that a waiver application was submitted by publication in at least one (1) newspaper of general circulation in each county affected by the application. Notice under this subsection must include the information required under subsection (b).

(d) Following public notice under this section, the department shall provide all information provided in the application to the department of environmental management and the United States Environmental Protection Agency. The department of environmental management must concur or dissent in writing regarding the waiver. The department shall request feedback and a concurrence on the application from the United States Environmental Protection Agency.

(e) To make a decision whether to concur or dissent, the department of environmental management may do the following:

(1) Request that additional information be provided to support a decision.

(2) Require that public notice of new information be initiated.

(f) The department may not approve a waiver without a written concurrence from the:

(1) department of environmental management; and

(2) United States Environmental Protection Agency.

(g) If a waiver is issued, not later than thirty (30) days after the waiver is issued, the department and the department of environmental management shall post the following on their respective websites:





(b) Notice of the hearing must be published for two (2) consecutive weeks in a newspaper of general circulation in each county where the carbon sequestration project is proposed to be located. Publication deadlines must comply with department rules.

(c) Notice of the hearing must be given to each:

- (1) mineral lessee;
- (2) mineral owner; and
- (3) pore space owner;

within the carbon sequestration project and within one-half (1/2) mile of the reservoir's boundaries. Notice shall be completed by mail or third party commercial delivery and addressed to the last address of record for the individual or entity to be served.

(d) Notice of the hearing must be given to each surface owner of land overlying the carbon sequestration project and within one-half (1/2) mile of the reservoir's boundaries. Notice shall be completed by mail or third party commercial delivery and addressed to the last address of record for the individual or entity to be served.

(e) The department may provide notice of the hearing to any additional person the department deems necessary.

(f) Hearing notices required by this section must comply with deadlines set by the department and contain any additional information the department requires.

(g) An applicant for a permit shall pay the costs the department incurs in:

- (1) publishing the notice for a hearing; and
- (2) holding a hearing;

on a permit application.

(h) Following a public hearing under this section, the department must post the following on the website for the department:

- (1) Whether a permit application has been tentatively denied.
- (2) Whether a draft permit was prepared.
- (3) Whether any other hearings have been scheduled.
- (4) Whether an appeal was granted.

(i) Public notice is not required when a request for permit modification, revocation and reissuance, or termination is denied. The department must provide written notice of a denial to the requester and to the storage operator.

(j) The department must provide at least thirty (30) days for public comment.

(k) Notice of a public hearing must be given at least thirty (30)



1 **days before the public hearing.**

2 **(l) The department shall provide public notice of the public**
3 **comment period and public hearing as required by federal**
4 **regulations and rules adopted by the department. The department**
5 **may recuperate expenses for notice from the storage operator.**

6 **(m) A notice of the public comment period or public hearing**
7 **under this section must include the following information:**

8 **(1) The name and address of the office processing the permit**
9 **action for which notice is being given.**

10 **(2) The name and address of the permittee of the permit**
11 **applicant and, if different, of the facility or activity being**
12 **regulated by the permit.**

13 **(3) A brief description of the business conducted at the facility**
14 **or activity being described in the permit application or the**
15 **draft permit.**

16 **(4) The name, address, and telephone number of a person at**
17 **the department that an interested person may contact to**
18 **obtain information, including copies of the draft permit, fact**
19 **sheet, and the application.**

20 **(5) A brief description of the comment procedures required**
21 **by the department and the date, time, and place of a public**
22 **hearing that will be held, including information regarding**
23 **how to request a hearing and other procedures by which the**
24 **public may participate in the final permit decision.**

25 **(6) Reference to the date of previous public notices related to**
26 **the permit.**

27 **(7) The date, time, and place of the hearing.**

28 **(8) A brief description of the nature and purpose of the**
29 **hearing, including applicable rules and procedures.**

30 **(9) Any additional information required by the department.**

31 **(n) During a comment period, any interested person may submit**
32 **written comments on the draft permit and may request a public**
33 **hearing, if a hearing has not already been scheduled. A request for**
34 **a public hearing must:**

35 **(1) be in writing; and**

36 **(2) state the nature of the issues proposed to be raised in the**
37 **hearing.**

38 **All comments shall be considered by the department in making a**
39 **final decision as to whether to issue the permit and must be**
40 **answered as required under subsection (p).**

41 **(o) The department shall hold a public hearing whenever there**
42 **is a significant degree of public interest in a draft permit. The**



1 **department may hold a public hearing at the discretion of the**
 2 **department if the public hearing would clarify at least one (1) issue**
 3 **involved in the permit decision.**

4 **(p) At the time a final permit decision is issued, the department**
 5 **shall issue a response to comments. The response must:**

6 **(1) specify which provisions, if any, of the draft permit were**
 7 **changed in the final permit, and the reasons for each change;**
 8 **and**

9 **(2) briefly describe and respond to all substantive comments**
 10 **on the draft permit raised during the public comment period**
 11 **or during any hearing.**

12 **Response to comments must be made available to the public on the**
 13 **website for the department.**

14 **(q) The department shall adopt rules that mirror applicable**
 15 **federal regulations to implement this section.**

16 SECTION 60. IC 14-39-2-5.7 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 5.7. (a) **The department shall**
 19 **identify and protect all underground sources of drinking water and**
 20 **all aquifers and parts of aquifers that are underground sources of**
 21 **drinking water.**

22 (b) **If the United States Environmental Protection Agency**
 23 **determines there is an applicable aquifer exemption or an**
 24 **expansion to the areal extent of an existing Class II enhanced oil**
 25 **recovery or enhanced gas recovery aquifer exemption for the**
 26 **exclusive purpose of Class VI injection for geologic sequestration,**
 27 **then the department shall assist the United States Environmental**
 28 **Protection Agency in regulating the aquifer exemption.**

29 (c) **The department may not issue an aquifer exemption.**

30 (d) **Other than aquifer exemption expansions approved by the**
 31 **United States Environmental Protection Agency that meet the**
 32 **criteria set forth in 40 CFR 144.7, the department may not issue a**
 33 **new aquifer exemption for a Class VI injection well. This**
 34 **subsection applies regardless of whether an aquifer has been**
 35 **identified by the department as an underground source of drinking**
 36 **water.**

37 (e) **The department shall comply with 40 CFR 144.7 regarding**
 38 **aquifer exemptions.**

39 SECTION 61. IC 14-39-2-6, AS AMENDED BY P.L.213-2025,
 40 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **The department shall**
 42 **review an application submitted under section 5(d) 5(a) of this chapter.**



1 If the department determines that the application submitted under
2 section 5(+) 5(a) of this chapter is complete, the department shall notify
3 the applicant.

4 (b) The department shall return an application to the applicant if the
5 department determines that the application is incomplete, inaccurate,
6 or both.

7 (c) If the department returns an application to an applicant under
8 subsection (b), the department shall inform the applicant in writing that
9 the applicant may file a corrected application not more than sixty (60)
10 days after the receipt of the returned application.

11 (d) Upon receiving a complete application under this section, the
12 department shall review the application.

13 (e) Upon receiving notification that an application is complete, the
14 applicant shall:

15 (1) not more than sixty (60) days after receiving the notice under
16 this subsection:

17 (A) place for public inspection a copy of the application in a
18 public library located in each county in which the carbon
19 sequestration project is proposed to be located;

20 (B) publish under IC 5-3-1 in each county in which the carbon
21 sequestration project is proposed to be located notice of the
22 name and address of each library in which a copy of the
23 application is placed as required by clause (A); and

24 (C) provide notice to potentially affected parties under rules
25 adopted by the commission for carbon sequestration projects;
26 and

27 (2) provide to the department proof of publication of notice under
28 this subsection not more than thirty (30) days after the publication
29 or delivery of the notice.

30 (f) Not later than ~~ninety (90)~~ **one hundred eighty (180)** days after
31 receiving the proof of publication of notice under subsection (e), the
32 department shall notify the applicant in writing that:

33 (1) the department has approved the application; or
34 (2) the department has denied the application.

35 SECTION 62. IC 14-39-2-6.2 IS ADDED TO THE INDIANA
36 CODE AS A NEW SECTION TO READ AS FOLLOWS
37 [EFFECTIVE UPON PASSAGE]: Sec. 6.2. **(a) Before issuing a**
38 **permit, the department shall consult with the department of**
39 **environmental management and determine whether the carbon**
40 **sequestration project will cause pollution or create a nuisance.**

41 **(b) Before issuing a permit, the department shall make the**
42 **following findings or assess the following sources of information:**



- (1) That the storage operator is in compliance with all applicable laws governing the storage facility.
- (2) That the storage operator shows that the storage facility is reasonably expected to retain the carbon dioxide stored in the storage facility.
- (3) That the storage operator shows that the carbon dioxide in the storage facility is stable by showing that either:
 - (A) the stored carbon dioxide is essentially stationary; or
 - (B) if the stored carbon migrates, the migration is unlikely to cross the boundaries of the storage facility.
- (4) That the storage operator has made a good faith effort to secure the consent of all individuals who own the reservoir's pore space.
- (5) That the storage operator has made a good faith effort to obtain the consent of all pore space owners located within the proposed storage facility.
- (6) That the storage operator has obtained the consent of the pore space owners of the pore space underlying at least seventy percent (70%) of the surface area above the proposed storage facility or amended proposed storage facility.
- (7) That all pore space owners that do not agree to integrate their interests to develop the pore space as a proposed storage facility for the underground storage of carbon dioxide are equitably compensated.
- (8) That a carbon sequestration project will not adversely affect the interests of the mineral owners or mineral lessees or the interests have been addressed in an arrangement entered into by the mineral owners or mineral lessees and the storage operator.
- (9) That the proposed storage facility will not adversely affect surface waters or aquifers.
- (10) That the proposed storage reservoir will remain solid and the substances making up the storage reservoir will not mix or interact with the stored carbon dioxide.
- (11) That the storage facility will neither endanger human health nor endanger the environment.
- (12) That the storage facility is in the public interest.
- (13) That the horizontal and vertical boundaries of the storage reservoir are defined. These boundaries shall include buffer areas to ensure that the storage facility is operated safely and as contemplated.
- (14) That the storage operator will establish monitoring



1 **facilities and protocols to assess the location and migration of**
2 **carbon dioxide injected for storage and to ensure compliance**
3 **with all permit, statutory, and administrative requirements.**
4 **(15) The final area of review based on modeling, using data**
5 **obtained during logging and testing of the well and the**
6 **formation as required by the department.**
7 **(16) Any relevant updates, based on data obtained during**
8 **logging and testing of the well and the formation, to the**
9 **information on the geologic structure and hydrogeologic**
10 **properties of the proposed storage site and overlying**
11 **formations, submitted to satisfy the requirements of the**
12 **department.**
13 **(17) Information on the compatibility of the carbon dioxide**
14 **stream with fluids in each injection zone and minerals in both**
15 **the injection and each confining zone, based on the results of**
16 **the formation testing program, and with the materials used to**
17 **construct the well.**
18 **(18) The results of the formation testing program required by**
19 **the department.**
20 **(19) Final injection well construction procedures that meet the**
21 **requirements of the department.**
22 **(20) The status of corrective action on wells in the area of**
23 **review.**
24 **(21) All available logging and testing program data on the**
25 **well required by the department.**
26 **(22) A demonstration of a mechanical integrity test.**
27 **(23) Any updates to the:**
28 **(A) proposed area of review and corrective action plan;**
29 **(B) testing and monitoring plan;**
30 **(C) injection well plugging plan;**
31 **(D) post-injection site care and site closure plan; or**
32 **(E) emergency and remedial response plan;**
33 **resulting from testing performed during the application**
34 **process.**
35 **(24) That the proposed carbon sequestration project contains**
36 **the minimum requirements for an effective program to**
37 **prevent the underground injection of carbon from**
38 **endangering drinking water sources as prescribed by the**
39 **federal Safe Drinking Water Act (42 U.S.C. 300h(b)(1)).**
40 **(25) Any other information the department determines should**
41 **be reviewed.**
42 **(c) The department may include in a permit all things necessary**



1 **to:**

2 **(1) carry out the purposes of this chapter; and**
3 **(2) protect and adjust the respective rights and obligations of**
4 **individuals affected by a carbon sequestration project.**

5 SECTION 63. IC 14-39-2-7, AS AMENDED BY P.L.213-2025,
6 SECTION 138, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** If the department
8 approves an application under section 6 of this chapter, the department
9 shall issue to the applicant a carbon sequestration project permit.

10 **(b) When the department issues a permit, it shall also issue a**
11 **certificate that contains the following information:**

12 **(1) The date the permit was issued.**
13 **(2) A description of the area containing the carbon**
14 **sequestration project.**
15 **(3) Any additional information the department deems**
16 **appropriate.**

17 **(c) The department shall file a copy of the certificate with the**
18 **county recorder in the county or counties in which the storage**
19 **facility is located.**

20 SECTION 64. IC 14-39-2-7.1 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE UPON PASSAGE]: Sec. 7.1 **(a)** If a person wishes to
23 challenge a determination made by the department, the person
24 may request an informal hearing by the division of reclamation
25 prior to filing for a formal administrative hearing under IC 4-21.5.

26 **(b) If the challenging person requests to have an informal**
27 **hearing, the request must include the following:**

28 **(1) The name, address, telephone number, and electronic mail**
29 **address of the person requesting the informal hearing.**
30 **(2) The department decision for which the person is seeking**
31 **informal review.**
32 **(3) The names of other persons who are subject to the**
33 **determination made by the department and their addresses,**
34 **telephone numbers, and electronic mail addresses.**
35 **(4) The reason for the person's objection to the determination**
36 **made by the department.**
37 **(5) Evidence presented by the person in support of the reasons**
38 **the person believes the department made an improper**
39 **determination.**

40 **(c) Not later than thirty (30) days after receiving a request for**
41 **an informal hearing under this section, the department must**
42 **schedule an informal hearing and notify the requester and any**



1 **other person who is subject to the determination at issue of the**
 2 **informal hearing date by first class mail paid for by the requester.**
 3 **The date of the scheduled hearing must be at least thirty (30) days**
 4 **after the date of the notice.**

5 **(d) The department must post information regarding the date,**
 6 **time, and place of the public hearing on the department's website.**

7 **(e) An informal hearing under this section must follow the**
 8 **public access requirements of IC 5-14-1.5.**

9 **(f) A determination by the department under this section is**
 10 **subject to review and appeal under IC 4-21.5.**

11 SECTION 65. IC 14-39-2-11, AS AMENDED BY P.L.25-2025,
 12 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 11. (a) A mineral owner or mineral lessee
 14 shall provide written notice to a storage operator at least thirty-one (31)
 15 days prior to drilling a well if the mineral owner or mineral lessee
 16 wishes to drill a well not more than:

17 (1) three hundred thirty (330) feet from the surface location of a
 18 well pursuant to a UIC Class VI permit; or

19 (2) five hundred (500) feet from the uppermost confining zone of
 20 a carbon sequestration facility within the boundary of the storage
 21 facility pursuant to a UIC Class VI permit.

22 Drilling permitted by this subsection must be conducted in cooperation
 23 with a storage operator.

24 (b) A well drilled under subsection (a) must be drilled in
 25 compliance with the requirements of

26 (1) the department to preserve the integrity of the storage facility.

27 (2) a UIC Class VI permit; and

28 (3) any other applicable regulations.

29 SECTION 66. IC 14-39-2-11.5, AS AMENDED BY P.L.213-2025,
 30 SECTION 142, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 11.5. (a) A person may not:

32 (1) drill, deepen, or operate a nonproduction well drilled to
 33 investigate and obtain data on geological, structural, or
 34 hydrogeological stratigraphic intervals for the suitability of
 35 underground formations for carbon sequestration; or

36 (2) convert a well for oil and gas purposes (as defined by
 37 IC 14-8-2-317) for carbon dioxide investigations;

38 without first obtaining a permit **to create and operate an**
 39 **investigatory carbon dioxide well** issued by the department under this
 40 section.

41 (b) A person issued a permit under this section shall do the
 42 following:



(1) Comply with the conditions of the permit to the satisfaction of the department;

(2) Correct any adverse environmental impact that results from noncompliance with a permit.

(3) Provide for the proper operation and maintenance of all:

(A) facilities;

(B) treatment systems; and

(C) control and related appurtenances;

that are installed or used by the person to comply with the permit conditions.

(c) A permit issued under this section does not convey to the holder a property right or an exclusive privilege.

(d) An application for a permit under subsection (a) must include the following:

(1) The name, address, telephone number, and electronic mail address of the applicant.

(2) The signature of the applicant or the applicant's designee. The applicant must be the operator identified in the permit application.

(3) An identification of the plat of land or lease where the well is to be located, along with a description of the property boundaries, lease lines, and storage area tract boundary, including the acreage within the tract, as applicable.

(4) The location of the proposed well as certified by a professional surveyor registered under IC 25-21.5.

(5) The surface elevation of the proposed well and the method used for determining that elevation.

(6) The depth of the proposed well.

(7) Proof of a surface use agreement executed by the applicant and the surface owner, including an agreement specifying that in acting as authorized under a permit issued by the department under this section, the operator does not commit trespass with respect to the subsurface estate in any case in which the subsurface estate is separate from the surface estate.

(8) Any other information required by the department that is necessary to administer this section.

(e) An applicant shall submit the following with an application for a permit under this section:

(1) For each well included in the application, a cash bond of ten dollars (\$10) for each foot of well depth.

(2) A permit fee of two hundred fifty dollars (\$250) payable to the department.



1 subsection in the carbon sequestration project program administrative
2 fund established by section 10.5 of this chapter.

3 (f) The department shall incorporate in a permit issued under this
4 section the terms, conditions, and covenants the department considers
5 necessary to protect the public interest.

6 (g) Except as provided in subsection (h), the department shall issue
7 a permit under this section not later than fifteen (15) days after the
8 applicant:

9 (1) demonstrates compliance with all relevant:

10 (A) provisions of this article; and

11 (B) rules adopted under this article;

12 as determined by the department; and

13 (2) submits a complete permit application under this section to the
14 department;

15 unless the fifteen (15) day deadline prescribed by this subsection is
16 otherwise waived by the applicant.

17 (h) The department may deny a permit under this section if the
18 applicant, or an officer, a partner, or a director of the applicant:

19 (1) either:

20 (A) is in violation of this article at the time of the application;

21 or

22 (B) would be in violation if the permit were issued; or

23 (2) has previously demonstrated a pattern of willful violations of
24 this article.

25 (i) Except as provided in subsection (j), a permit issued by the
26 department under this section with respect to a particular well remains
27 in effect until any of the following occurs:

28 (1) The well is plugged and abandoned.

29 (2) The well is converted to another type of well.

30 (3) The permit is revoked by the department under subsection (k).

31 (j) A permit issued by the department under this section expires one
32 (1) year after the date of issuance if the drilling of a well for which the
33 permit has been issued has not commenced within that time.

34 (k) The department may revoke a permit issued under this section.

35 (l) Subject to subsection (m), a person holding a permit under this
36 section shall plug and abandon a well that is no longer in operation
37 under a permit, unless the well is converted to a carbon dioxide
38 injection or monitoring well under a UIC Class VI permit.

39 (m) A person holding a permit under this section may defer
40 plugging and abandoning a well while an application is pending to
41 convert the well into a UIC Class VI permit carbon dioxide injection or
42 monitoring well, as long as the well is temporarily capped and



maintained in the manner prescribed by the department in the permit.

(n) After a well is plugged and abandoned or transferred, the applicant who paid the cash bond under subsection (e) may request a total or partial bond release from the department. The director of the division of reclamation shall:

- (1) release the bond as requested; or
- (2) deny the bond release.

(o) A determination by the department under this section is subject to review and appeal under IC 4-21.5.

(p) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 67. IC 14-39-2-12.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.1. (a) Except during stimulation, a storage operator must ensure that injection pressure does not exceed ninety percent (90%) of the fracture pressure of an injection zone to ensure that the injection does not initiate new fractures or propagate existing fractures in the injection zone.

(b) Injection pressure may not initiate fractures in a confining zone or cause the movement of injection or formation fluids that endangers an underground source of drinking water.

(c) A stimulation program must be approved by the department as part of the permit application and incorporated into the permit.

(d) A storage operator shall meet injection well operating requirements established by the department.

(e) The department shall adopt rules that mirror applicable federal regulations to implement this section.

SECTION 68. IC 14-39-2-12.2 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION, TO READ AS FOLLOWS:

CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.2. (a) A UIC Class VI permit may be modified at the request of an interested person in writing or upon the directive of the department. The request must contain each fact or reason supporting the request and any other criteria established by the department.

(b) A UIC Class VI permit may be suspended, revoked and reissued, or terminated at the request of an interested person in writing or upon the directive of the department. The request must contain each fact or reason supporting the request.

SECTION 69. IC 14-39-2-12.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.3. (a) The department shall submit a memorandum of agreement that includes all of the**



1 information required under 40 CFR 145.25 to the Regional
 2 Administrator for the United States Environmental Protection
 3 Agency.

4 (b) The department shall prepare quarterly and annual reports
 5 as described in 40 CFR 144.8.

6 (c) The reports shall be submitted to the Regional Administrator
 7 for the United States Environmental Protection Agency and meet
 8 the requirements of federal regulations adopted by the department.

9 (d) Quarterly reports are due:

- 10 (1) May 31;
- 11 (2) August 31;
- 12 (3) November 30; and
- 13 (4) February 28;

14 following the quarter.

15 (e) Annual reports are due not more than sixty (60) days after
 16 the end of the calendar year.

17 (f) A storage operator shall submit the reports required under
 18 40 CFR 146.91 to the department within the time frames described
 19 in 40 CFR 146.91.

20 SECTION 70. IC 14-39-2-12.4 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: Sec. 12.4. The department shall
 23 provide in writing to a state, tribe, or territory included in an area
 24 of review for a project a map showing the injection well for which
 25 a permit is sought and the applicable areas of review.

26 SECTION 71. IC 14-39-2-12.5 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 12.5. The department may
 29 require, by written notice on a well by well basis, a storage
 30 operator to:

- 31 (1) establish and maintain records;
- 32 (2) make reports;
- 33 (3) conduct monitoring; and
- 34 (4) provide any other information required by the
 35 department;

36 to determine whether the storage operator acted, or is acting, in
 37 compliance with the Safe Drinking Water Act or other
 38 requirements of the department.

39 SECTION 72. IC 14-39-2-12.6 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: Sec. 12.6. (a) A storage operator
 42 that is injecting carbon dioxide for the primary purpose of long



1 **term storage into an oil and gas reservoir must apply for and**
 2 **obtain a Class VI geologic sequestration permit when there is an**
 3 **increased risk to underground sources of drinking water compared**
 4 **to Class II operations.**

5 **(b) In determining if there is an increased risk to underground**
 6 **sources of drinking water, a storage operator must consider the**
 7 **following factors:**

- 8 **(1) Increase in reservoir pressure within the injection zone.**
- 9 **(2) Increase in carbon dioxide injection rates.**
- 10 **(3) Decrease in reservoir production rates.**
- 11 **(4) Distance between the injection zone and underground**
 sources of drinking water.
- 12 **(5) Suitability of the Class II area of review delineation.**
- 13 **(6) Quality of abandoned well plugs within the area of review.**
- 14 **(7) A storage operator's plan for recovery of carbon dioxide**
 at the cessation of injection.
- 15 **(8) The source and properties of injected carbon dioxide.**
- 16 **(9) Any additional site specific factors as determined by the**
 department.

20 SECTION 73. IC 14-39-2-12.7 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: **Sec. 12.7. (a) The department shall**
 23 **determine when there is an increased risk to underground sources**
 24 **of drinking water and a UIC Class VI permit is required, rather**
 25 **than a Class II permit.**

26 **(b) To make this determination, the department must consider**
 27 **the following factors:**

- 28 **(1) Increase in reservoir pressure within an injection zone.**
- 29 **(2) Increase in carbon dioxide injection rates.**
- 30 **(3) Decrease in reservoir production rates.**
- 31 **(4) Distance between an injection zone and underground**
 sources of drinking water.
- 32 **(5) Suitability of the Class II area of review delineation.**
- 33 **(6) Quality of abandoned well plugs within the area of review.**
- 34 **(7) A storage operator's plan for recovery of carbon dioxide**
 at the cessation of injection.
- 35 **(8) The source and properties of injected carbon dioxide.**
- 36 **(9) Any other site specific factors required by the department.**

39 SECTION 74. IC 14-39-2-12.8 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 12.8. (a) Compliance with a**
 42 **UIC Class VI permit during the term of the UIC Class VI permit**



1 **constitutes compliance, for purposes of enforcement.**

2 **(b) The department may:**

3 **(1) modify;**

4 **(2) revoke;**

5 **(3) reissue; or**

6 **(4) terminate;**

7 **a UIC Class VI permit during its term for a violation of 40 CFR**
 8 **144.39 or 40 CFR 144.40.**

9 **(c) A UIC Class VI permit holder may not transfer a permit to**
 10 **another person except after notice to the department. The**
 11 **department may require:**

12 **(1) modification; or**

13 **(2) revocation and reissuance;**

14 **of a UIC Class VI permit to change the name of the permittee and**
 15 **incorporate other requirements required by this chapter or federal**
 16 **law.**

17 **(d) The issuance of a UIC Class VI permit does not convey any**
 18 **property rights of any sort, or any exclusive privilege.**

19 **(e) The issuance of a UIC Class VI permit does not authorize**
 20 **any injury to persons or property or invasion of other private**
 21 **rights, or any infringement of state or local law or regulations.**

22 **(f) The term of a UIC Class VI permit is during the operating**
 23 **life of the storage facility and the post-injection site care period.**

24 **(g) The department shall incorporate into a UIC Class VI**
 25 **permit conditions established by the department either expressly**
 26 **or by reference.**

27 **(h) The person issued a UIC Class VI permit by the department**
 28 **shall comply with federal regulations adopted by the department.**
 29 **The department may modify, revoke, reissue, or terminate a**
 30 **person's UIC Class VI permit that violates this article or federal**
 31 **regulations adopted by the department.**

32 **(i) The department shall adopt rules that mirror applicable**
 33 **federal regulations to implement this section.**

34 **SECTION 75. IC 14-39-2-13, AS AMENDED BY P.L.213-2025,**
 35 **SECTION 143, IS AMENDED TO READ AS FOLLOWS**
 36 **[EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A certificate of project**
 37 **completion shall be issued upon application by the storage operator if**
 38 **the department finds that the storage operator does the following:**

39 **(1) The storage operator is in compliance with all applicable laws**
 40 **governing the storage facility.**

41 **(2) The storage operator shows that the storage facility is**
 42 **reasonably expected to retain the carbon dioxide stored in the**



storage facility.

(3) The storage operator shows that the carbon dioxide in the storage facility is stable by showing that either:

- (A) the stored carbon dioxide is essentially stationary; or
- (B) if the stored carbon migrates, the migration is unlikely cross the boundaries of the storage facility.

(4) The storage operator shows that all wells, equipment, and facilities used after the closure period are in good condition and retain mechanical integrity.

(5) The storage operator shows that injection wells have been plugged.

(6) The storage operator shows that equipment and facilities, not including fixed structures and long term monitoring equipment and wells, have been removed.

(7) The storage operator proves that the reclamation work required by the department where the project ceases to inject carbon dioxide is completed.

(8) The following with respect to site closure:

(A) The storage operator has provided a notice of intent for site closure to the United States Environmental Protection Agency.

(B) The United States Environmental Protection Agency has authorized site closure.

(C) The storage operator has provided:

- (i) the site closure report required under 40 CFR 146.93(f) (as in effect January 1, 2022) to the United States Environmental Protection Agency; or
- (ii) a comparable report to the state regulatory body if the state assumes primacy for UIC Class VI permitting.

(b) The department shall issue a certificate of project completion not later than one hundred eighty (180) days after receiving an application from the storage operator. If the department determines that the application for a certificate of project completion is incomplete, inaccurate, or both, the department shall return the application to the storage operator.

(c) If the department returns the application to the storage operator under subsection (b), the department shall inform the storage operator, in writing, of the deficiencies of the submitted application and inform the storage operator of the right to file a corrected application with the department.

(d) Once a certificate of completion is issued, the following apply:

(1) Except as provided in subsection (e), the state will assume



1 ownership of and responsibility for the storage facility.
2 (2) The state will assume responsibility for all regulatory
3 requirements associated with the storage facility, and the storage
4 operator and the owner of the storage facility are released from
5 responsibility for all regulatory requirements associated with the
6 storage facility.
7 (3) The state will assume any potential liability associated with
8 the storage facility.
9 (4) The department may, at a reasonable time, enter property on
10 which a carbon dioxide injection well or monitoring well for the
11 storage facility is located to inspect and maintain the well or
12 storage facility. Except in the event of an emergency, the
13 department shall provide advance notice to the owner of the
14 surface property of the date the department intends to enter the
15 property. The notice required by this subdivision must be
16 provided at least five (5) business days before the department
17 intends to enter the property. The notice must be delivered by:
18 (A) United States mail;
19 (B) private courier;
20 (C) personal delivery; or
21 (D) any other manner agreed to in writing between the
22 department and the owner of the surface property.
23 (e) The state may:
24 (1) assume ownership of and responsibility for; or
25 (2) accept transfer of;
26 a storage facility with respect to which an interest in or rights to
27 property are conveyed by a lease agreement only if the lessor and
28 lessee agree in the lease agreement to transfer the storage facility to the
29 state. In a transfer described in this subsection, the state assumes
30 ownership of and responsibility for the storage facility only and does
31 not assume any other ownership interest, responsibility, or liability
32 under any other provisions of the lease agreement.
33 (f) Unless there is documentation to the contrary, the storage
34 operator has title to the carbon dioxide injected into and stored in a
35 storage facility, and the storage operator holds title until the department
36 issues a certificate of completion.
37 (g) **A storage operator shall notify the department in writing at
38 least one hundred twenty (120) days before site closure. At this
39 time, if changes were made to the original post-injection site care
40 and site closure plan, the storage operator must provide the revised
41 plan to the department.**
42 (h) **A storage operator shall monitor the site following injection**



1 ceasing to show the position of the carbon dioxide plume and
2 pressure front and demonstrate that underground sources of
3 drinking water are not endangered.

4 (i) Following the cessation of injection, the storage operator
5 shall continue to conduct monitoring as specified in the department
6 approved post-injection site care and site closure plan for at least
7 fifty (50) years, unless an alternative time frame is approved by the
8 department as described in subsection (j).

9 (j) If a storage operator can demonstrate to the satisfaction of
10 the department that the carbon sequestration project no longer
11 endangers underground sources of drinking water before the
12 minimum of fifty (50) years required under subsection (i) has
13 elapsed, the department may approve an alternative time frame for
14 the post-injection site care and site closure plan to reduce the
15 frequency of monitoring or to authorize site closure before the end
16 of the period, when there is substantial evidence that the carbon
17 sequestration project no longer poses a risk of endangering
18 underground sources of drinking water. An alternative time frame
19 approved by the department must meet the requirements
20 established in 40 CFR 146.93. The monitoring must continue until
21 the:

22 (1) carbon sequestration project no longer endangers
23 underground sources of drinking water; and

24 (2) department approves a demonstration submitted by the
25 owner and operator of the carbon dioxide injection well in the
26 manner prescribed by 40 CFR 146.93.

27 (k) Before authorization for site closure, the storage operator
28 must submit to the department for review and approval a
29 demonstration, based on monitoring and other site specific data,
30 that no additional monitoring is needed to ensure that the carbon
31 sequestration project does not endanger underground sources of
32 drinking water.

33 (l) If the storage operator cannot demonstrate that the carbon
34 sequestration project does not endanger underground sources of
35 drinking water at the end of the fifty (50) year period, or the
36 approved alternative time frame, or the department does not
37 approve the demonstration, the storage operator must submit to
38 the department a plan to continue post-injection site care until a
39 demonstration can be made and approved by the department.

40 (m) After the department authorizes site closure, the storage
41 operator shall plug all monitoring wells to ensure there is not
42 movement of injection or formation fluids that endanger an



1 **underground source of drinking water.**

2 **(n) Not more than ninety (90) days before the site closure, the**
3 **storage operator shall submit a site closure report to the**
4 **department that is retained by the department for at least ten (10)**
5 **years.**

6 **(o) Each storage operator shall record a notation on the deed to**
7 **the facility property or any other document that is normally**
8 **examined during a title search that will, in perpetuity, provide any**
9 **potential purchaser of the property the following information:**

10 **(1) The fact that the land has been used to sequester carbon**
11 **dioxide.**

12 **(2) The name of the state agency, local authority, or tribe with**
13 **which the survey plat was filed, as well as the address of the**
14 **Environmental Protection Agency regional office to which it**
15 **was submitted.**

16 **(3) The volume of fluid injected, the injection zone or zones**
17 **into which it was injected, and the period over which injection**
18 **occurred.**

19 **(p) The storage operator shall retain, for at least ten (10) years**
20 **following site closure, records collected during the post-injection**
21 **site care period. The storage operator shall deliver the records to**
22 **the department at the conclusion of the retention period, and the**
23 **department must retain the records at a location designated by the**
24 **department for that purpose.**

25 **(q) A storage operator shall comply with any other**
26 **post-injection site care and site closure requirements established**
27 **by the department.**

28 SECTION 76. IC 14-39-2-14.5 IS ADDED TO THE INDIANA
29 CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE UPON PASSAGE]: Sec. 14.5. **(a) The following**
31 **activities are prohibited:**

32 **(1) Injection without a UIC Class VI permit.**

33 **(2) Movement of fluid into underground sources of drinking**
34 **water.**

35 **(3) Experimental Class VI wells for carbon sequestration.**

36 **(4) Any action that endangers underground sources of**
37 **drinking water.**

38 **(5) Any additional activity prohibited under:**

39 **(A) the federal Safe Drinking Water Act (42 U.S.C. 300f et**
40 **seq.); or**

41 **(B) 40 CFR 142, 40 CFR 144, 40 CFR 146, and 40 CFR**
42 **148.**



(b) Other violations of this article include the following:

- (1) Making clerical errors or mistakes in reporting requirements.**
- (2) Failure to meet basic operation and facility management requirements.**
- (3) Failure to meet maintenance requirements that may cause damage to property.**
- (4) Creating harmful environmental conditions or hazardous conditions.**
- (5) Taking an action that likely results in environmental damage.**
- (6) Taking an action that could result in harm to persons or death.**

(c) Mitigating factors that may affect a violation received by a storage operator under this article are as follows:

- (1) Whether the storage operator made a good faith effort to abate a violation.**
- (2) The ability of the storage operator to abate the violation.**
- (3) The cost to the department to enforce the violation.**
- (4) Whether there was an economic benefit to the storage operator for committing the violation.**
- (5) Any other factor that may warrant a reduction of a civil penalty assessed for a violation.**

SECTION 77. IC 14-39-2-15, AS AMENDED BY P.L.213-2025, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 15. (a) A person that violates a requirement under this article is subject to a civil penalty under this section.

(b) Except as provided in subsection (d), a person that violates a requirement under this article shall pay to the department a civil penalty as follows:

- (1) One thousand dollars (\$1,000) Two thousand five hundred dollars (\$2,500) each day** for a first violation.
- (2) Five thousand dollars (\$5,000) each day** for a second violation.
- (3) Ten thousand dollars (\$10,000) each day** for a third and each subsequent violation.

(c) If a person issued a civil penalty under subsection (b) for a violation of a requirement under this article does not remedy the violation in the time prescribed by the department, the person is subject to a cessation order issued by the department. A person that is issued a cessation order under this section must pay a civil penalty of seven



1 hundred fifty dollars (\$750) per day, for not more than thirty (30) days,
2 for each day the violation remains unremedied.

3 (d) If a person does not obtain from the department a certificate or
4 permit required under this article:

5 (1) the person shall pay to the department a civil penalty of ten
6 thousand dollars (\$10,000); and

7 (2) the department shall issue to the person a cessation order in
8 accordance with subsection (c).

9 (e) **A person who knowingly and intentionally violates this**
10 **article commits a Class A misdemeanor. Each violation under this**
11 **subsection:**

12 (1) **is assessable individually; and**

13 (2) **will result in an assessed penalty of at least five thousand**
14 **dollars (\$5,000) each day based on the:**

15 (A) **severity of the violation;**

16 (B) **risk to:**

17 (i) **the environment;**

18 (ii) **individuals; or**

19 (iii) **property; and**

20 (C) **actions of the violator to abate the violation.**

21 (f) **The department shall provide for public participation in the**
22 **enforcement process for a violation under this article.**

23 (e) (g) A civil penalty or cessation order assessed or issued under
24 this section is subject to review and appeal under IC 4-21.5.

25 (f) (h) The department shall deposit civil penalties collected under
26 this chapter in the carbon dioxide storage facility trust fund established
27 by section 10 of this chapter.

28 SECTION 78. IC 14-39-2-15.5 IS ADDED TO THE INDIANA
29 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
30 [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. If any part of this article**
31 **or 312 IAC 30 is found to be invalid, the remainder of this article**
32 **or 312 IAC 30, as applicable, is upheld.**

33 SECTION 79. IC 35-52-14-52 IS ADDED TO THE INDIANA
34 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
35 [EFFECTIVE JULY 1, 2026]: **Sec. 52. IC 14-39-2-15 defines a crime**
36 **concerning carbon sequestration.**

37 SECTION 80. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities, Energy and Telecommunications, to which was referred House Bill 1368, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, delete lines 30 through 32, begin a new paragraph and insert:

"Sec. 5. "Carbon dioxide injection well" refers to a well that meets the following criteria:

- (1) Is in compliance with a UIC Class VI permit.**
- (2) Is used to inject carbon dioxide into a reservoir for carbon sequestration.**
- (3) Is not experimental in nature.**
- (4) Is used for geologic sequestration of carbon dioxide beneath the lowermost formation containing an underground source of drinking water.**
- (5) Is used for geologic sequestration of carbon dioxide that has been granted a waiver of the injection depth requirements.**
- (6) Is used for geologic sequestration of carbon dioxide that has received an expansion to the areal extent of an existing Class II enhanced oil recovery or enhanced gas recovery aquifer exemption."**

Page 6, delete lines 36 through 37, begin a new line block indented and insert:

"(1) has been captured from an emission source; and".

Page 7, line 2, delete "as defined by" and insert **"under 40 CFR 261."**

Page 7, line 3, delete "IC 13-11-2-99(c)".

Page 7, delete lines 13 through 14, begin a new paragraph and insert:

"Sec. 9. (a) "Carbon sequestration" means the long term containment of a:

- (1) gaseous;**
- (2) liquid; or**
- (3) supercritical;**

carbon dioxide stream in subsurface geologic formations.

(b) The term does not apply to carbon dioxide capture or transport."

Page 7, delete lines 17 through 19, begin a new paragraph and insert:



"Sec. 11. (a) "Carbon sequestration project" means a carbon dioxide injection well that requires a UIC Class VI permit to carry out carbon sequestration.

(b) The term does not include the following:

- (1) The subsurface three-dimensional extent of the carbon dioxide plume.**
- (2) The subsurface three-dimensional associated area of elevated pressure.**
- (3) The subsurface three-dimensional displaced fluids.**
- (4) The surface area above that delineated region described in subdivisions (1) through (3).".**

Page 7, delete lines 20 through 25, begin a new paragraph and insert:

"Sec. 12. (a) "Confining zone" means:

- (1) a geologic formation;**
- (2) a group of geologic formations; or**
- (3) a part of a geologic formation;**

stratigraphically overlying an injection zone that acts as a barrier to fluid movement.

(b) For a carbon dioxide injection well permitted by a UIC Class VI permit under an injection depth waiver, the term means a:

- (1) geologic formation;**
- (2) group of geologic formations; or**
- (3) part of a geologic formation;**

stratigraphically overlying and underlying the injection zone.".

Page 7, delete lines 30 through 37, begin a new paragraph and insert:

"Sec. 15. "Mechanical integrity test" means a test performed on a well permitted by a UIC Class VI permit and required under federal regulations adopted by the department.".

Page 8, delete lines 22 through 23, begin a new paragraph and insert:

"(b) The term includes a political body, a corporate body, a tribe, a municipality, and a federal or state agency.".

Page 9, delete lines 8 through 10, begin a new line block indented and insert:

"(4) An individual authorized as a permitted signatory by another entity under federal regulations adopted by the department not included under subdivisions (1) through (3).".

Page 11, delete lines 34 through 42.

Page 12, delete line 1.

Page 12, line 2, delete "(d)" and insert "(c)".



Page 12, line 9, reset in roman "(d)".

Page 12, line 9, delete "(e)".

Page 12, line 16, delete "(f)" and insert "(e)".

Page 12, line 24, after "a" insert "UIC Class VI".

Page 12, delete lines 26 through 42, begin a new paragraph and insert:

"(b) The department has the authority to adopt regulations consistent with:

- (1) 40 CFR 1422;**
- (2) 40 CFR 1425; and**
- (3) any other federal regulation necessary;**

to obtain primacy on behalf of the state of Indiana.".

Page 13, delete lines 1 through 3.

Page 17, line 9, delete "name, address, telephone number, electronic mail" and insert ":".

Page 17, line 10, delete "address, and".

Page 17, line 10, strike "signature of the applicant.", begin a new line double block indented and insert:

- (A) name;**
- (B) address;**
- (C) telephone number;**
- (D) electronic mail address;**
- (E) ownership status;**
- (F) status as a:**
 - (i) federal;**
 - (ii) state;**
 - (iii) private;**
 - (iv) public; or**
 - (v) other;**

entity; and
- (G) signature of the applicant.".**

Page 17, delete lines 35 through 36, begin a new line block indented and insert:

"(9) A map showing the injection well for which a permit is sought and the applicable areas of review consistent with federal regulations. The map must show any known or suspected faults. Within the area of review, the map must show the number, name, and location of the following:

- (A) Injection wells.**
- (B) Producing wells.**
- (C) Abandoned wells.**
- (D) Plugged wells or dry holes.**



- (E) Deep stratigraphic boreholes.**
- (F) State or United States Environmental Protection Agency approved subsurface cleanup sites.**
- (G) Surface bodies of water.**
- (H) Springs.**
- (I) Surface and subsurface mines.**
- (J) Quarries.**
- (K) Water wells.**
- (L) Other pertinent surface features, including structures intended for:**
 - (i) human occupancy;**
 - (ii) state, tribal, and territory boundaries; and**
 - (iii) roads.**

Only information of public record is required to be included in this map.".

Page 22, delete lines 39 through 42, begin a new paragraph and insert:

"(c) Within seven (7) days after receiving the completed application, the department shall prepare and provide to the applicant a project decision schedule that specifies target dates by which the department intends to:

- (1) prepare a draft permit;**
- (2) give public notice;**
- (3) complete the public comment period, including any public hearing; and**
- (4) issue a final permit."**

Page 24, delete lines 6 through 35, begin a new paragraph and insert:

"(I) The department shall provide public notice of the public comment period and public hearing as required by federal regulations and rules adopted by the department. The department may recuperate expenses for notice from the storage operator.".

Page 26, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 55. IC 14-39-2-5.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.7. (a) Except as provided in subsection (b), the department shall identify and protect all underground sources of drinking water and all aquifers and parts of aquifers that are underground sources of drinking water.

(b) If:

- (1) the department;**



- (2) the United States Environmental Protection Agency; or**
- (3) both the department and United States Environmental Protection Agency;**

determine there is an applicable aquifer exemption or an expansion to the areal extent of an existing Class II enhanced oil recovery or enhanced gas recovery aquifer exemption for the exclusive purpose of Class VI injection for geologic sequestration, then the department does not have to carry out the duty described in subsection (a).

(c) Except for an approved aquifer exemption expansion that meets criteria established by the department, a new aquifer exemption may not be issued for Class VI injection wells. This subsection includes if an aquifer has not been identified by the department as an underground source of drinking water.".

Page 33, between lines 36 and 37, begin a new paragraph and insert:

"(d) A storage operator shall meet injection well operating requirements established by the department."

Page 33, delete lines 37 through 42, begin a new paragraph and insert:

"SECTION 63. IC 14-39-2-12.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.2. (a) A UIC Class VI permit may be modified at the request of an interested person in writing or upon the directive of the department. The request must contain each fact or reason supporting the request and any other criteria established by the department.".

Page 34, line 10, after "Agency" delete "." and insert "**and meet the requirements of federal regulations adopted by the department.**".

Page 35, delete line 6 and insert "**following factors:**

- (1) Increase in reservoir pressure within the injection zone.**
- (2) Increase in carbon dioxide injection rates.**
- (3) Decrease in reservoir production rates.**
- (4) Distance between the injection zone and underground sources of drinking water.**
- (5) Suitability of the Class II area of review delineation.**
- (6) Quality of abandoned well plugs within the area of review.**
- (7) The owner's or operator's plan for recovery of carbon dioxide at the cessation of injection.**
- (8) The source and properties of injected carbon dioxide.**
- (9) Any additional site-specific factors as determined by the department.**

Page 36, between lines 1 and 2, begin a new paragraph and insert:



"(f) The department shall incorporate into a UIC Class VI permit conditions established by the department either expressly or by reference.".

Page 39, between lines 28 and 29, begin a new paragraph and insert:

"(q) A storage operator shall comply with any other post-injection site care and site closure requirements established by the department.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1368 as introduced.)

SOLIDAY

Committee Vote: yeas 10, nays 2.

COMMITTEE REPORT

Mr. President: The Senate Committee on Utilities, to which was referred House Bill No. 1368, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 3. IC 14-8-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. "Area of review", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-3.5."

Page 3, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 14. IC 14-8-2-58.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 58.5. "Corrective action", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-12.5."

Page 3, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 15. IC 14-8-2-131.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 131.9. "Injection zone", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-13.5."



Page 4, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 21. IC 14-8-2-209.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 209.9. "Post-injection site care", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-21.5."

Page 6, delete lines 28 through 29, begin a new paragraph and insert:

"Sec. 3.5. "Area of review" has the meaning set forth in 40 CFR 146.81.

Sec. 4. "Carbon dioxide" means a fluid consisting of carbon dioxide molecules."

Page 7, delete lines 6 through 15, begin a new paragraph and insert:

"Sec. 7. (a) "Carbon dioxide stream" means carbon dioxide that:

(1) has been captured from an emission source; and

(2) consists of:

(A) incidental associated substances derived from the source materials and capture process; and

(B) any substance added to the carbon dioxide stream to enable or improve the injection process.

(b) The term does not include a carbon dioxide stream that is considered hazardous waste under 40 CFR 261."

Page 7, delete lines 35 through 42, begin a new paragraph and insert:

"Sec. 11. (a) "Carbon sequestration project" refers to the long term geologic sequestration of a:

(1) gaseous;

(2) liquid; or

(3) supercritical;

carbon dioxide stream in a subsurface geologic formation that requires a UIC Class VI permit.

(b) The term does not apply to carbon dioxide capture or transport.

(c) The term does not include the following:

(1) The subsurface three-dimensional extent of the carbon dioxide plume.

(2) The subsurface three-dimensional associated area of elevated pressure.

(3) The subsurface three-dimensional displaced fluids.

(4) The surface area above the delineated region described in subdivisions (1) through (3)."



Page 8, delete lines 1 through 9, begin a new paragraph and insert:

"Sec. 12. "Confining zone" means:

- (1) a geologic formation;
- (2) a group of geologic formations; or
- (3) part of a geologic formation;

capable of limiting the movement of the carbon dioxide stream and all fluids above an injection zone.".

Page 8, between lines 15 and 16, begin a new paragraph and insert:

"Sec. 12.5. "Corrective action" means action:

- (1) taken by the owner or operator of a permitted Class VI carbon dioxide injection well; and
- (2) approved by the director;

to ensure that a carbon dioxide injection well within the area of review does not serve as conduits for the movement of fluids into underground sources of drinking water.".

Page 8, between lines 17 and 18, begin a new paragraph and insert:

"Sec. 13.5. "Injection zone" means a geological:

- (1) formation;
- (2) group of formations; or
- (3) part of a formation;

that is conducive to receiving carbon dioxide with a permitted carbon sequestration project.".

Page 8, delete lines 20 through 22, begin a new paragraph and insert:

"Sec. 15. "Mechanical integrity test" refers to a test performed on a well permitted by a UIC Class VI permit that meets the requirements established under 40 CFR 146.8.".

Page 9, delete lines 5 through 10, begin a new paragraph and insert:

"Sec. 19. "Person" means:

- (1) an individual;
- (2) a legal entity;
- (3) a government entity; or
- (4) an employee of a:
 - (A) legal entity; or
 - (B) government entity.

Sec. 20. "Pore space" means a subsurface geological cavity or void that is of a sufficient areal extent, thickness, porosity, and permeability to receive and store carbon dioxide through a carbon sequestration project well.".

Page 9, between lines 16 and 17, begin a new paragraph and insert:

"Sec. 21.5. "Post-injection site care" refers to the requirements set forth in 40 CFR 146.93.".



Page 9, delete lines 19 through 37, begin a new paragraph and insert:

"Sec. 23. "Reservoir" means a subsurface geological:

- (1) sedimentary stratum;
- (2) formation;
- (3) saline aquifer;
- (4) cavity; or
- (5) void;

that is naturally or artificially created for the use of, or is capable of being made suitable for, injecting and storing carbon dioxide.

Sec. 24. (a) "Responsible officer" means a person who has the authority to legally obligate an entity to comply with federal law.

(b) The term includes the following:

- (1) An authorized officer of a corporation.
- (2) A manager of a limited liability company, or if the limited liability company is managed by another company, an authorized officer of the managing company.
- (3) A partner in a general, limited, or limited liability partnership or, if the partner is an entity, an authorized officer of the general, limited, or limited liability partnership.
- (4) An individual authorized as a permitted signatory by another entity under federal regulations adopted by the department not included under subdivisions (1) through (3).".

Page 9, delete line 42, begin new paragraph and insert:

"Sec. 26. "Storage operator" means:

- (1) a person;
- (2) a trust;
- (3) a corporation; or
- (4) another entity;

that owns or operates a carbon sequestration project."

Page 10, delete lines 1 through 5.

Page 10, delete lines 31 through 38, begin a new paragraph and insert:

"Sec. 30. (a) "UIC Class VI permit" means a permit issued under the federal Safe Drinking Water Act's Underground Injection Control program that allows:

- (1) a person;
- (2) a trust;
- (3) a corporation; or
- (4) another entity;

to construct or operate a carbon dioxide injection well.

(b) The term does not include a:



- (1) draft permit;**
- (2) proposed permit; or**
- (3) permit that is not subject to final agency action.**
- (c) The term does not authorize the transportation of carbon dioxide."**

Page 12, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 42. IC 14-39-1-3.5, AS AMENDED BY P.L.53-2023, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This chapter authorizes the establishment of a carbon sequestration pilot project:

- (1) that will:**

(A) capture carbon dioxide at the proposed ammonia plant to be located at 444 West Sandford Avenue, West Terre Haute, Indiana;

(B) construct, operate, or use not more than two (2) carbon dioxide pipelines;

(C) maintain operations only in Vigo and Vermillion counties; and

(D) inject the carbon dioxide underground through one (1) or more injection wells pursuant to a Class VI well permit issued by the United States Environmental Protection Agency; and

- (2) that will employ the underground storage of carbon dioxide as an alternative to releasing the carbon dioxide into the air.**

(b) The director shall designate the operator of the carbon sequestration pilot project according to the characteristics of the pilot project set forth in subsection (a) not more than thirty (30) days after the Class VI well permit referred to in subsection (a)(1)(D) is issued by the United States Environmental Protection Agency.

(c) The injection well issued a Class VI well permit by the United States Environmental Protection Agency is not experimental.

(d) This section expires July 1, 2028, if the operator of the carbon sequestration pilot project designated under subsection (b) according to the characteristics set forth in subsection (a) is not issued a Class VI permit by the United States Environmental Protection Agency under 40 CFR 146 subpart H by July 1, 2028."

Page 12, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 44. IC 14-39-2-1, AS ADDED BY P.L.163-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a) This chapter applies to primacy granted by the United States Environmental Protection Agency to**



the department over Class VI wells.

(b) This chapter and 312 IAC 30 govern carbon sequestration in the state and establish the criteria and standards necessary for the department to receive primacy from the United States Environmental Protection Agency for the UIC program for Class VI wells under the Safe Drinking Water Act.

(a) (c) Except as otherwise provided in this chapter, this chapter:

(1) does not apply to extractable mineral resources;

(b) (2) Except as otherwise provided in this chapter, this chapter does not preclude the exercise of rights provided by IC 14-37-9; and

(c) (3) Except as otherwise provided in this chapter, this chapter applies to the underground storage of carbon dioxide.

(d) The rights and requirements of this chapter:

(1) are subordinate to the rights pertaining to oil, gas, and coal oil and gas resources; and

(2) may not adversely affect oil, gas, and coal oil and gas resources, except as is strictly necessary to construct and maintain a carbon sequestration project that will provide for the permanent storage of carbon dioxide.

(e) The department shall issue any additional rules or requirements essential to ensure the injection and storage of carbon dioxide stream in subsurface geologic formations does not endanger underground sources of drinking water.

(f) The department may enter into a memorandum of agreement to implement this article.

SECTION 45. IC 14-39-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. **(a) Carbon sequestration projects are authorized in Indiana for the purposes of:**

(1) injecting carbon dioxide into the pore space of an underground storage facility through at least one (1) carbon dioxide injection well pursuant to a UIC Class VI permit; and

(2) employing the underground storage of carbon dioxide.

(b) The department has the authority to adopt regulations consistent with:

(1) 40 CFR 141 through 146;

(2) the federal Safe Drinking Water Act (42 U.S.C. 300h(b)(1)); and

(3) any other federal regulation necessary;

to obtain primacy on behalf of the state of Indiana.

(c) A person may not operate a carbon sequestration project in



Indiana without a valid permit issued by the department.

(d) A permit for a carbon sequestration project may be transferred or assigned from one storage operator to another storage operator.

(e) All injection activities, including construction of an injection well, are prohibited unless the owner or operator is authorized by permit.

(f) A person operating a carbon sequestration project in Indiana shall comply with the federal Safe Drinking Water Act (42 U.S.C. 300h(b)(1)) to prevent underground injection which endangers drinking water sources.

(g) The department may, at a reasonable time, enter property on which a carbon dioxide injection well or monitoring well for the storage facility is located to inspect and maintain the well or storage facility. Except in the event of an emergency, the department shall provide advance notice to the owner of the surface property of the date the department intends to enter the property. The notice required by this subsection must be provided at least five (5) business days before the department intends to enter the property. The notice must be delivered by:

- (1) United States mail;
- (2) private courier;
- (3) personal delivery; or
- (4) any other manner agreed to in writing between the department and the owner of the surface property.".

Page 13, delete lines 1 through 17.

Page 16, line 42, delete "compete" and insert "complete".

Page 17, line 12, after "The" delete ":" and insert "applicant's:".

Page 17, line 24, delete "and".

Page 17, delete line 25, begin a new line double block indented and insert:

- "(G) signature; and**
- (H) signed copy of the certification described in 40 CFR 144.32(d).".**

Page 18, delete lines 40 through 42, begin a new line block indented and insert:

- "(13) Maps and stratigraphic cross sections indicating:**
- (A) the general vertical and lateral limits of all:**
- (i) underground sources of drinking water; and**
- (ii) water wells and springs within the area of review;".**

Page 19, delete line 1.

Page 19, line 2, delete "(C)" and insert "(B)".



Page 19, line 5, delete "(D)" and insert "(C)".

Page 19, line 16, after "used" insert ",".

Page 20, between lines 17 and 18, begin a new paragraph and insert:

"(f) The department shall adopt rules that mirror applicable federal regulations to implement this section."

Page 21, between lines 25 and 26, begin a new paragraph and insert:

"(d) The department shall adopt rules that mirror applicable federal regulations to implement this section."

Page 22, delete lines 34 through 42, begin a new paragraph and insert:

"(d) Following public notice under this section, the department shall provide all information provided in the application to the department of environmental management and the United States Environmental Protection Agency. The department of environmental management must concur or dissent in writing regarding the waiver. The department shall request feedback and a concurrence on the application from the United States Environmental Protection Agency.

(e) To make a decision whether to concur or dissent, the department of environmental management may do the following:

(1) Request that additional information be provided to support a decision.

(2) Require that public notice of new information be initiated.

(f) The department may not approve a waiver without a written concurrence from the:

(1) department of environmental management; and

(2) United States Environmental Protection Agency."

Page 23, delete lines 1 through 4.

Page 23, after line 42, begin a new paragraph and insert:

"(d) The department may not deny an application without a public comment period and hearing.

(e) The department shall adopt rules that mirror applicable federal regulations to implement this section."

Page 25, delete lines 20 through 22, begin a new line block indented and insert:

"(4) The name, address, and telephone number of a person at the department that an interested person may contact to obtain information, including copies of the draft permit, fact sheet, and the application."

Page 25, line 42, after "decision" insert "as to".

Page 26, delete lines 2 through 6, begin a new paragraph and insert:

"(o) The department shall hold a public hearing whenever there



is a significant degree of public interest in a draft permit. The department may hold a public hearing at the discretion of the department if the public hearing would clarify at least one (1) issue involved in the permit decision.".

Page 26, line 13, delete "being".

Page 26, delete lines 17 through 38, begin a new paragraph and insert:

"(q) The department shall adopt rules that mirror applicable federal regulations to implement this section.

SECTION 55. IC 14-39-2-5.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.7. **(a) The department shall identify and protect all underground sources of drinking water and all aquifers and parts of aquifers that are underground sources of drinking water.**

(b) If the United States Environmental Protection Agency determines there is an applicable aquifer exemption or an expansion to the areal extent of an existing Class II enhanced oil recovery or enhanced gas recovery aquifer exemption for the exclusive purpose of Class VI injection for geologic sequestration, then the department shall assist the United States Environmental Protection Agency in regulating the aquifer exemption.

(c) The department may not issue an aquifer exemption.

(d) Other than aquifer exemption expansions approved by the United States Environmental Protection Agency that meet the criteria set forth in 40 CFR 144.7, the department may not issue a new aquifer exemption for a Class VI injection well. This subsection applies regardless of whether an aquifer has been identified by the department as an underground source of drinking water.

(e) The department shall comply with 40 CFR 144.7 regarding aquifer exemptions."

Page 27, line 30, strike "ninety (90)" and insert "**one hundred eighty (180)**".

Page 28, delete lines 32 through 35, begin a new line block indented and insert:

"(10) That the proposed storage reservoir will remain solid and the substances making up the storage reservoir will not mix or interact with the stored carbon dioxide.

(11) That the storage facility will neither endanger human health nor endanger the environment."

Page 29, delete lines 34 through 35, begin a new line block indented



and insert:

"(24) That the proposed carbon sequestration project contains the minimum requirements for an effective program to prevent the underground injection of carbon from endangering drinking water sources as prescribed by the federal Safe Drinking Water Act (42 U.S.C. 300h(b)(1)).

(25) Any other information the department determines should be reviewed."

Page 34, between lines 19 and 20, begin a new paragraph and insert:

"(e) The department shall adopt rules that mirror applicable federal regulations to implement this section."

Page 34, delete lines 31 through 42, begin a new paragraph and insert:

"SECTION 64. IC 14-39-2-12.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.3. (a) The department shall submit a memorandum of agreement that includes all of the information required under 40 CFR 145.25 to the Regional Administrator for the United States Environmental Protection Agency.

(b) The department shall prepare quarterly and annual reports as described in 40 CFR 144.8.

(c) The reports shall be submitted to the Regional Administrator for the United States Environmental Protection Agency and meet the requirements of federal regulations adopted by the department.

(d) Quarterly reports are due:

- (1) May 31;**
- (2) August 31;**
- (3) November 30; and**
- (4) February 28;**

following the quarter.

(e) Annual reports are due not more than sixty (60) days after the end of the calendar year.

(f) A storage operator shall submit the reports required under 40 CFR 146.91 to the department within the time frames described in 40 CFR 146.91."

Page 35, delete lines 1 through 3.

Page 35, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 67. IC 14-39-2-12.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.6. (a) A storage operator



that is injecting carbon dioxide for the primary purpose of long term storage into an oil and gas reservoir must apply for and obtain a Class VI geologic sequestration permit when there is an increased risk to underground sources of drinking water compared to Class II operations.

(b) In determining if there is an increased risk to underground sources of drinking water, a storage operator must consider the following factors:

- (1) Increase in reservoir pressure within the injection zone.
- (2) Increase in carbon dioxide injection rates.
- (3) Decrease in reservoir production rates.
- (4) Distance between the injection zone and underground sources of drinking water.
- (5) Suitability of the Class II area of review delineation.
- (6) Quality of abandoned well plugs within the area of review.
- (7) A storage operator's plan for recovery of carbon dioxide at the cessation of injection.
- (8) The source and properties of injected carbon dioxide.
- (9) Any additional site specific factors as determined by the department.".

Page 36, delete lines 1 through 3.

Page 36, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 69. IC 14-39-2-12.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.8. (a) Compliance with a UIC Class VI permit during the term of the UIC Class VI permit constitutes compliance, for purposes of enforcement.

(b) The department may:

- (1) modify;
- (2) revoke;
- (3) reissue; or
- (4) terminate;

a UIC Class VI permit during its term for a violation of 40 CFR 144.39 or 40 CFR 144.40.

(c) A UIC Class VI permit holder may not transfer a permit to another person except after notice to the department. The department may require:

- (1) modification; or
- (2) revocation and reissuance;

of a UIC Class VI permit to change the name of the permittee and incorporate other requirements required by this chapter or federal



law.

(d) The issuance of a UIC Class VI permit does not convey any property rights of any sort, or any exclusive privilege.

(e) The issuance of a UIC Class VI permit does not authorize any injury to persons or property or invasion of other private rights, or any infringement of state or local law or regulations.

(f) The term of a UIC Class VI permit is during the operating life of the storage facility and the post-injection site care period.

(g) The department shall incorporate into a UIC Class VI permit conditions established by the department either expressly or by reference.

(h) The person issued a UIC Class VI permit by the department shall comply with federal regulations adopted by the department. The department may modify, revoke, reissue, or terminate a person's UIC Class VI permit that violates this article or federal regulations adopted by the department.

(i) The department shall adopt rules that mirror applicable federal regulations to implement this section.".

Page 37, delete line 1.

Page 39, delete lines 14 through 30, begin a new paragraph and insert:

"(i) Following the cessation of injection, the storage operator shall continue to conduct monitoring as specified in the department approved post-injection site care and site closure plan for at least fifty (50) years, unless an alternative time frame is approved by the department as described in subsection (j)."

(j) If a storage operator can demonstrate to the satisfaction of the department that the carbon sequestration project no longer endangers underground sources of drinking water before the minimum of fifty (50) years required under subsection (i) has elapsed, the department may approve an alternative time frame for the post-injection site care and site closure plan to reduce the frequency of monitoring or to authorize site closure before the end of the period, when there is substantial evidence that the carbon sequestration project no longer poses a risk of endangering underground sources of drinking water. An alternative time frame approved by the department must meet the requirements established in 40 CFR 146.93. The monitoring must continue until the:

- (1) carbon sequestration project no longer endangers underground sources of drinking water; and**
- (2) department approves a demonstration submitted by the**



owner and operator of the carbon dioxide injection well in the manner prescribed by 40 CFR 146.93."

Page 40, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 71. IC 14-39-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) The following activities are prohibited:

- (1) Injection without a UIC Class VI permit.**
- (2) Movement of fluid into underground sources of drinking water.**
- (3) Experimental Class VI wells for carbon sequestration.**
- (4) Any action that endangers underground sources of drinking water.**
- (5) Any additional activity prohibited under:**
 - (A) the federal Safe Drinking Water Act (42 U.S.C. 300f et seq.); or**
 - (B) 40 CFR 142, 40 CFR 144, 40 CFR 146, and 40 CFR 148.**

(b) Other violations of this article include the following:

- (1) Making clerical errors or mistakes in reporting requirements.**
- (2) Failure to meet basic operation and facility management requirements.**
- (3) Failure to meet maintenance requirements that may cause damage to property.**
- (4) Creating harmful environmental conditions or hazardous conditions.**
- (5) Taking an action that likely results in environmental damage.**
- (6) Taking an action that could result in harm to persons or death."**

Page 41, delete lines 1 through 6.

Page 42, line 2, delete "intentional" and insert "intentionally".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1368 as printed January 20, 2026.)

KOCH, Chairperson

Committee Vote: Yeas 5, Nays 3.

EH 1368—LS 6866/DI 150

