



Reprinted
February 11, 2026

ENGROSSED HOUSE BILL No. 1368

DIGEST OF HB 1368 (Updated February 10, 2026 3:16 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 to less than \$10,000; or (2) number of allowable payment transactions for a singular invoice to less than five; with respect to a payment made by
(Continued next page)

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.

February 10, 2026, read second time, amended, ordered engrossed.

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Digest Continued

one of the specified payment methods. Provides that for any singular property owned by the department, the department may request from a utility a consolidated bill for the property. Requires a utility that receives such a request to provide the department with a singular invoice for the entire property, unless the utility is unable to do so because of billing limitations or other operational constraints. Requires the natural resources commission to obtain 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.



Reprinted
February 11, 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 (1) An electronic funds transfer, including by wire or
 2 Automated Clearing House (ACH).
 3 (2) A payment by credit card or debit card, if the payment
 4 amount does not exceed ten thousand dollars (\$10,000).
 5 (e) A utility may not limit or restrict the:
 6 (1) dollar amount to less than ten thousand dollars (\$10,000)
 7 with respect to a payment that is made by either:
 8 (A) an electric funds transfer, including by wire or
 9 Automated Clearinghouse (ACH); or
 10 (B) a credit card or debit card; or
 11 (2) number of allowable payment transactions for a singular
 12 invoice to less than five (5) transactions, by either:
 13 (A) an electric funds transfer, including by wire or
 14 Automated Clearinghouse (ACH); or
 15 (B) a credit card or debit card.
 16 (f) With respect to any singular property owned by the
 17 department, the department may request a consolidated bill for the
 18 property from a utility that provides utility service to the property.
 19 A utility that receives a request from the department under this
 20 subsection shall provide the department with a singular invoice for
 21 the entire property, regardless of the number of:
 22 (1) meters;
 23 (2) connections; or
 24 (3) buildings or structures served;
 25 on the property, as applicable. However, if the utility is unable to
 26 provide one (1) invoice for the property because of billing
 27 limitations or other operational constraints, the utility shall
 28 consolidate billing for the property to the greatest extent possible
 29 and issue the fewest number of invoices necessary.
 30 SECTION 2. IC 14-8-2-1.3 IS ADDED TO THE INDIANA CODE
 31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 1.3. "Abandoned well", for purposes of
 33 IC 14-39, has the meaning set forth in IC 14-39-0.6-2.
 34 SECTION 3. IC 14-8-2-13 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) "Aquifer",
 36 for purposes of IC 14-25-7, has the meaning set forth in IC 14-25-7-1.
 37 (b) "Aquifer", for purposes of IC 14-39, has the meaning set
 38 forth in IC 14-39-0.6-3.
 39 SECTION 4. IC 14-8-2-14.5 IS ADDED TO THE INDIANA CODE
 40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 14.5. "Area of review", for purposes of
 42 IC 14-39, has the meaning set forth in IC 14-39-0.6-3.5.



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

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

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

13 SECTION 8. IC 14-8-2-34.4 IS ADDED TO THE INDIANA CODE
14 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]: **Sec. 34.4. "Carbon dioxide stream", for**
16 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-7.**

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

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

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

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

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

41 SECTION 14. IC 14-8-2-58.5 IS ADDED TO THE INDIANA
42 CODE AS A **NEW SECTION** TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: **Sec. 58.5. "Corrective action", for**
2 **purposes of IC 14-39, has the meaning set forth in**
3 **IC 14-39-0.6-12.5.**

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

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

13 SECTION 17. IC 14-8-2-152.5 IS ADDED TO THE INDIANA
14 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
15 [EFFECTIVE UPON PASSAGE]: **Sec. 152.5. "Lithology", for**
16 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-14.**

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

36 SECTION 31. IC 14-8-2-274.7 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE UPON PASSAGE]: **Sec. 274.7. "Surface or subsurface**
39 **property interest owner", for purposes of IC 14-39, has the**
40 **meaning set forth in IC 14-39-0.6-28.**

41 SECTION 32. IC 14-8-2-282.9 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: **Sec. 282.9. "Transporting carbon**
 2 **dioxide", for purposes of IC 14-39, has the meaning set forth in**
 3 **IC 14-39-0.6-29.**

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

9 SECTION 34. IC 14-8-2-285.4 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: **Sec. 285.4. "UIC program", for**
 12 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-31.**

13 SECTION 35. IC 14-8-2-287.3 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE UPON PASSAGE]: **Sec. 287.3. "Underground source**
 16 **of drinking water", for purposes of IC 14-39, has the meaning set**
 17 **forth in IC 14-39-0.6-32.**

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

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

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

32 (1) must include the provisions necessary to the department's
 33 discharge of the duties imposed upon the department under this
 34 article; **and**

35 **(2) must include the provisions necessary for the department**
 36 **to obtain the primary enforcement authority from the United**
 37 **States Environmental Protection Agency to regulate Class VI**
 38 **underground injection wells; and**

39 ~~(2)~~ **(3)** may establish fees for the administration and
 40 implementation of this article after review by the budget
 41 committee. In addition, the amount of the fee determined under
 42 this subdivision may not subsequently be increased unless the



1 increase is reviewed by the budget committee.
 2 SECTION 39. IC 14-39-0.6 IS ADDED TO THE INDIANA CODE
 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]:

5 **Chapter 0.6. Definitions**

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

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

- 9 (1) whose use has been permanently discontinued; or
 10 (2) which is in a state of disrepair;

11 such that it cannot be used for its intended purpose or for
 12 observation purposes.

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

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

17 capable of yielding a significant amount of water to a well or
 18 spring.

19 **Sec. 3.5. "Area of review" has the meaning set forth in 40 CFR**
 20 **146.81.**

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

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

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

39 **Sec. 6. "Carbon dioxide plume" means the extent of an**
 40 **underground three-dimensional injected carbon dioxide stream.**

41 **Sec. 7. (a) "Carbon dioxide stream" means carbon dioxide that:**
 42 (1) has been captured from an emission source; and



- 1 (2) consists of:
- 2 (A) incidental associated substances derived from the
- 3 source materials and capture process; and
- 4 (B) any substance added to the carbon dioxide stream to
- 5 enable or improve the injection process.
- 6 (b) The term does not include a carbon dioxide stream that is
- 7 considered hazardous waste under 40 CFR 261.
- 8 Sec. 8. "Carbon dioxide transmission pipeline" means the part
- 9 of a pipeline in Indiana, including:
- 10 (1) appurtenant facilities;
- 11 (2) property rights; and
- 12 (3) easements;
- 13 used exclusively for the purpose of transporting carbon dioxide to
- 14 a carbon management application, including sequestration,
- 15 enhanced oil recovery, and deep saline injection, within or outside
- 16 Indiana.
- 17 Sec. 9. (a) "Carbon sequestration" means the long term
- 18 containment of a:
- 19 (1) gaseous;
- 20 (2) liquid; or
- 21 (3) supercritical;
- 22 carbon dioxide stream in subsurface geologic formations.
- 23 (b) The term does not apply to carbon dioxide capture or
- 24 transport.
- 25 Sec. 10. "Carbon sequestration pilot project" refers to the pilot
- 26 project described in IC 14-39-1-3.5.
- 27 Sec. 11. (a) "Carbon sequestration project" refers to the long
- 28 term geologic sequestration of a:
- 29 (1) gaseous;
- 30 (2) liquid; or
- 31 (3) supercritical;
- 32 carbon dioxide stream in a subsurface geologic formation that
- 33 requires a UIC Class VI permit.
- 34 (b) The term does not apply to carbon dioxide capture or
- 35 transport.
- 36 (c) The term includes the following:
- 37 (1) The subsurface three-dimensional extent of the carbon
- 38 dioxide plume.
- 39 (2) The subsurface three-dimensional associated area of
- 40 elevated pressure.
- 41 (3) The subsurface three-dimensional displaced fluids.
- 42 (4) The surface area above the delineated region described in



- 1 subdivisions (1) through (3).
 2 **Sec. 12. "Confining zone" means:**
 3 (1) a geologic formation;
 4 (2) a group of geologic formations; or
 5 (3) part of a geologic formation;
 6 capable of limiting the movement of the carbon dioxide stream and
 7 all fluids above an injection zone.
 8 (b) For a carbon dioxide injection well permitted by a UIC Class
 9 VI permit under an injection depth waiver, the term means a:
 10 (1) geologic formation;
 11 (2) group of geologic formations; or
 12 (3) part of a geologic formation;
 13 stratigraphically overlying and underlying the injection zone.
 14 **Sec. 12.5. "Corrective action" means action:**
 15 (1) taken by the owner or operator of a permitted Class VI
 16 carbon dioxide injection well; and
 17 (2) approved by the director;
 18 to ensure that a carbon dioxide injection well within the area of
 19 review does not serve as conduits for the movement of fluids into
 20 underground sources of drinking water.
 21 **Sec. 13. "Fault" means a surface or zone or rock fracture along**
 22 **which there has been displacement.**
 23 **Sec. 13.5. "Injection zone" means a geological:**
 24 (1) formation;
 25 (2) group of formations; or
 26 (3) part of a formation;
 27 that is conducive to receiving carbon dioxide with a permitted
 28 carbon sequestration project.
 29 **Sec. 14. "Lithology" means the description of rocks on the basis**
 30 **of their physical and chemical characteristics.**
 31 **Sec. 15. "Mechanical integrity test" refers to a test performed**
 32 **on a well permitted by a UIC Class VI permit that meets the**
 33 **requirements established under 40 CFR 146.8.**
 34 **Sec. 16. "Mineral lessee" means a lessee identified by the**
 35 **records of the recorder of deeds for each county containing a**
 36 **portion of the proposed reservoir who holds an interest in minerals**
 37 **on real property that are located above, below, or within the**
 38 **proposed reservoir that has been severed from the surface estate**
 39 **by:**
 40 (1) grant;
 41 (2) exception;
 42 (3) reservation;



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- (4) lease; or
 - (5) any other means.
- Sec. 17. "Mineral owner" means an owner identified by the records of the recorder of deeds for each county containing a portion of the proposed reservoir who holds an interest in minerals on real property that are located above, below, or within the proposed reservoir that has been severed from the surface estate by:**
- (1) grant;
 - (2) exception;
 - (3) reservation;
 - (4) lease; or
 - (5) any other means.
- Sec. 18. "Packer" means a device lowered into a well to produce a fluid-tight seal.**
- 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.**
- Sec. 21. "Pore space owner" means:**
- (1) a person;
 - (2) a trust;
 - (3) a corporation; or
 - (4) another entity;
- that has title to, a right to, or an interest in pore space.**
- Sec. 21.5. "Post-injection site care" refers to the requirements set forth in 40 CFR 146.93.**
- Sec. 22. "Primacy" means primary enforcement authority over Class VI wells under the Safe Drinking Water Act.**
- Sec. 23. "Reservoir" means a subsurface geological:**
- (1) sedimentary stratum;
 - (2) formation;
 - (3) saline aquifer;
 - (4) cavity; or
 - (5) void;



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

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

5 (b) The term includes the following:

6 (1) An authorized officer of a corporation.

7 (2) A manager of a limited liability company, or if the limited
8 liability company is managed by another company, an
9 authorized officer of the managing company.

10 (3) A partner in a general, limited, or limited liability
11 partnership or, if the partner is an entity, an authorized
12 officer of the general, limited, or limited liability partnership.

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

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

20 Sec. 26. "Storage operator" means:

21 (1) a person;

22 (2) a trust;

23 (3) a corporation; or

24 (4) another entity;

25 that owns or operates a carbon sequestration project.

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

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

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

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



1 (1) a public right-of-way; or
2 (2) acquired by:
3 (A) eminent domain; or
4 (B) an integration order.
5 (c) The term under subsection (a) does not include movement of
6 carbon dioxide to a carbon dioxide injection well inside the
7 boundaries of contiguous property owned by an applicant or under
8 IC 14-39-1-4.5.
9 Sec. 30. (a) "UIC Class VI permit" means a permit issued under
10 the federal Safe Drinking Water Act's Underground Injection
11 Control program that allows:
12 (1) a person;
13 (2) a trust;
14 (3) a corporation; or
15 (4) another entity;
16 to construct or operate a carbon dioxide injection well.
17 (b) The term does not include a:
18 (1) draft permit;
19 (2) proposed permit; or
20 (3) permit that is not subject to final agency action.
21 (c) The term does not authorize the transportation of carbon
22 dioxide.
23 Sec. 31. "UIC program" refers to the program carried out by:
24 (1) the United States Environmental Protection Agency; or
25 (2) an approved state or tribe;
26 under the Safe Drinking Water Act to regulate underground
27 injection.
28 Sec. 32. "Underground source of drinking water" means an
29 aquifer or its portion which:
30 (1) supplies any public water system; or
31 (2) contains a sufficient quantity of ground water to supply a
32 public water system and:
33 (A) currently supplies drinking water for human
34 consumption; or
35 (B) contains fewer than ten thousand (10,000) milligrams
36 per liter of total dissolved solids;
37 and which is not an exempted aquifer.
38 Sec. 33. "Underground storage of carbon dioxide" means the
39 injection and storage of carbon dioxide into underground strata
40 and formations pursuant to at least one (1) UIC Class VI permit.
41 SECTION 40. IC 14-39-1-1 IS REPEALED [EFFECTIVE UPON
42 PASSAGE]. Sec. †. As used in this chapter, "carbon dioxide" means a



1 fluid consisting of more than ninety percent (90%) carbon dioxide
2 molecules.

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

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

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

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

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

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

32 (1) that will:

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

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

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

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



1 (2) that will employ the underground storage of carbon dioxide as
 2 an alternative to releasing the carbon dioxide into the air.
 3 (b) The director shall designate the operator of the carbon
 4 sequestration pilot project according to the characteristics of the pilot
 5 project set forth in subsection (a) not more than thirty (30) days after
 6 the Class VI well permit referred to in subsection (a)(1)(D) is issued by
 7 the United States Environmental Protection Agency.
 8 **(c) The injection well issued a Class VI well permit by the**
 9 **United States Environmental Protection Agency is not**
 10 **experimental.**
 11 ~~(c)~~ (d) This section expires July 1, 2028, if the operator of the
 12 carbon sequestration pilot project designated under subsection (b)
 13 according to the characteristics set forth in subsection (a) is not issued
 14 a Class VI permit by the United States Environmental Protection
 15 Agency under 40 CFR 146 subpart H by July 1, 2028.
 16 SECTION 47. IC 14-39-1-11, AS AMENDED BY P.L.92-2025,
 17 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 11. A determination of the department under
 19 ~~section 4(c)(2)~~ of this chapter is subject to an administrative
 20 adjudication under IC 4-21.5.
 21 SECTION 48. IC 14-39-1-19 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: **Sec. 19. The department may**
 24 **establish siting and setback requirements for carbon dioxide**
 25 **transmission pipelines.**
 26 SECTION 49. IC 14-39-2-1, AS ADDED BY P.L.163-2022,
 27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 1. **(a) This chapter applies to primacy**
 29 **granted by the United States Environmental Protection Agency to**
 30 **the department over Class VI wells.**
 31 **(b) This chapter and 312 IAC 30 govern carbon sequestration**
 32 **in the state and establish the criteria and standards necessary for**
 33 **the department to receive primacy from the United States**
 34 **Environmental Protection Agency for the UIC program for Class**
 35 **VI wells under the Safe Drinking Water Act.**
 36 ~~(a)~~ (c) Except as otherwise provided in this chapter, this chapter:
 37 (1) does not apply to extractable mineral resources;
 38 ~~(b) (2) Except as otherwise provided in this chapter, this chapter~~
 39 ~~does not preclude the exercise of rights provided by IC 14-37-9;~~
 40 **and**
 41 ~~(c) (3) Except as otherwise provided in this chapter, this chapter~~
 42 ~~applies to the underground storage of carbon dioxide.~~



1 (d) The rights and requirements of this chapter:

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

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

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

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

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

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

21 (2) **employing the underground storage of carbon dioxide.**

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

24 (1) **40 CFR 141 through 146;**

25 (2) **the federal Safe Drinking Water Act (42 U.S.C.**
26 **300h(b)(1)); and**

27 (3) **any other federal regulation necessary;**

28 **to obtain primacy on behalf of the state of Indiana.**

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

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

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

37 (f) **A person operating a carbon sequestration project in Indiana**
38 **shall comply with the federal Safe Drinking Water Act (42 U.S.C.**
39 **300h(b)(1)) to prevent underground injection which endangers**
40 **drinking water sources.**

41 (g) **The department may, at a reasonable time, enter property**
42 **on which a carbon dioxide injection well or monitoring well for the**



1 storage facility is located to inspect and maintain the well or
 2 storage facility. Except in the event of an emergency, the
 3 department shall provide advance notice to the owner of the
 4 surface property of the date the department intends to enter the
 5 property. The notice required by this subsection must be provided
 6 at least five (5) business days before the department intends to
 7 enter the property. The notice must be delivered by:

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

13 SECTION 51. IC 14-39-2-2 IS REPEALED [EFFECTIVE UPON
 14 PASSAGE]. Sec. 2: (a) The following definitions apply throughout this
 15 chapter:

16 (b) "Carbon dioxide" has the meaning set forth in IC 14-39-1-1.

17 (c) "Carbon dioxide injection well" refers to a well that is used to
 18 inject carbon dioxide into a reservoir for carbon sequestration pursuant
 19 to a UIC Class VI permit.

20 (d) "Carbon dioxide plume" means the extent of an underground
 21 three-dimensional injected carbon dioxide stream.

22 (e) "Carbon sequestration" means the underground storage of carbon
 23 dioxide in a reservoir.

24 (f) "Carbon sequestration project" means any project that involves
 25 the underground storage of carbon dioxide in a reservoir pursuant to at
 26 least one (1) UIC Class VI permit.

27 (g) "Mineral lessee" means a lessee identified by the records of the
 28 recorder of deeds for each county containing a portion of the proposed
 29 reservoir who holds an interest in minerals on real property that are
 30 located above, below, or within the proposed reservoir that has been
 31 severed from the surface estate by:

- 32 (1) grant;
- 33 (2) exception;
- 34 (3) reservation;
- 35 (4) lease; or
- 36 (5) any other means.

37 (h) "Mineral owner" means an owner identified by the records of the
 38 recorder of deeds for each county containing a portion of the proposed
 39 reservoir who holds an interest in minerals on real property that are
 40 located above, below, or within the proposed reservoir that has been
 41 severed from the surface estate by:

- 42 (1) grant;



- 1 (2) exception;
 2 (3) reservation;
 3 (4) lease; or
 4 (5) any other means.
 5 (i) "Pore space" means subsurface cavities or voids that can be used
 6 as a storage space for carbon dioxide.
 7 (j) "Pore space owner" means:
 8 (1) a person;
 9 (2) a trust;
 10 (3) a corporation; or
 11 (4) another entity;
 12 that has title to; a right to; or an interest in pore space:
 13 (k) "Reservoir" means a subsurface:
 14 (1) sedimentary stratum;
 15 (2) formation;
 16 (3) aquifer;
 17 (4) cavity; or
 18 (5) void;
 19 that is naturally or artificially created for the use of; or is capable of
 20 being made suitable for; injecting and storing carbon dioxide.
 21 (l) "Storage facility" means the subsurface area consisting of the
 22 extent of a carbon dioxide plume which is required to be delineated on
 23 an approved UIC Class VI permit or an amendment to a UIC Class VI
 24 permit of a storage operator.
 25 (m) "Storage operator" means:
 26 (1) a person;
 27 (2) a trust;
 28 (3) a corporation; or
 29 (4) another entity;
 30 that operates a carbon sequestration project.
 31 (n) "Surface or subsurface property interest owner" means a
 32 property interest owner identified by the records of the recorder of
 33 deeds for each county containing a portion of the proposed storage
 34 facility who holds a fee simple interest or other freehold interest in the
 35 surface or subsurface of the property, which may include mineral
 36 rights. The term does not include the owner of a right-of-way, an
 37 easement; or a leasehold.
 38 (o) "UIC Class VI permit" means a permit issued under the federal
 39 Safe Drinking Water Act's Underground Injection Control program that
 40 allows:
 41 (1) a person;
 42 (2) a trust;



1 (3) a corporation; or
 2 (4) another entity;
 3 to construct or operate a carbon dioxide injection well.
 4 (p) "Underground storage of carbon dioxide" means the injection
 5 and storage of carbon dioxide into underground strata and formations
 6 pursuant to at least one (1) UIC Class VI permit.
 7 SECTION 52. IC 14-39-2-4, AS AMENDED BY P.L.213-2025,
 8 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If at least two (2) pore
 10 space owners own pore space located within a proposed carbon dioxide
 11 storage area of a storage facility, the owners may agree to integrate
 12 their interests to develop the pore space as a proposed storage facility
 13 for the underground storage of carbon dioxide.
 14 (b) If all of the owners of the pore space under subsection (a) do not
 15 agree to integrate their interests, the department may issue an order
 16 requiring the owners to integrate their interests and to develop the pore
 17 space as a proposed storage facility for the underground storage of
 18 carbon dioxide to serve the public interest, prevent waste, protect
 19 correlative rights, and facilitate the efficient and effective use of natural
 20 resources subject to the findings under subsection (c).
 21 (c) Before issuing an order under subsection (b), the department
 22 must make the following findings:
 23 (1) That a storage operator:
 24 (A) filed a complete application for a UIC Class VI permit or
 25 a complete application for an amended UIC Class VI permit;
 26 and
 27 (B) submitted all the necessary information to the United
 28 States Environmental Protection Agency for the agency to
 29 process the storage operator's permit application.
 30 (2) That the storage operator has made a good faith effort to
 31 obtain the consent of all pore space owners located within the
 32 proposed storage facility.
 33 (3) That the storage operator has obtained the consent of the
 34 owners of the pore space underlying at least seventy percent
 35 (70%) of the surface area above the proposed storage facility or
 36 amended proposed storage facility.
 37 (4) That all pore space owners who do not agree to integrate their
 38 interests to develop the pore space as a proposed storage facility
 39 for the underground storage of carbon dioxide are equitably
 40 compensated.
 41 (d) A right to pore space granted by this section does not confer a
 42 right to enter upon, or otherwise use, the surface of the land which is



1 integrated under this section unless provided in an order requiring the
 2 owners to integrate their interests and to develop the pore space as a
 3 proposed storage facility for the underground storage of carbon
 4 dioxide.

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

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

14 SECTION 53. IC 14-39-2-5, AS AMENDED BY P.L.213-2025,
 15 SECTION 136, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Carbon sequestration
 17 projects are authorized in Indiana for the purposes of:

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

21 (2) employing the underground storage of carbon dioxide.

22 (b) A storage operator may not operate a carbon sequestration
 23 project in Indiana without:

24 (1) a UIC Class VI permit; and

25 (2) a valid permit issued by the department.

26 (c) If a carbon sequestration project is owned by an entity other than
 27 the storage operator, the storage operator shall be responsible for
 28 obtaining a permit for a carbon sequestration project under subsection

29 (b). A permit for a carbon sequestration project may be transferred or
 30 assigned from one (1) storage operator to another storage operator.

31 (d) (a) An individual may apply to the department for a permit for
 32 a carbon sequestration project in a form and manner prescribed by the
 33 department.

34 (e) (b) A single permit is issued in two (2) phases as follows:

35 (1) A permit to construct and operate.

36 (2) An authorization to inject.

37 (c) ~~An~~ A complete application under subsection (d) this section
 38 must include the following:

39 (1) A filing fee equal to the product of:

40 (A) the given amount of metric tons of carbon dioxide
 41 proposed to be injected into the storage facility during the first
 42 ten (10) years of the permit for the carbon sequestration



- 1 project; multiplied by
- 2 (B) one cent (\$0.01).
- 3 The filing fee amount determined under this subdivision shall be
- 4 collected by the department and deposited in the carbon
- 5 sequestration project program administrative fund established by
- 6 section 10.5 of this chapter.
- 7 (2) The **applicant's: signature of the applicant:**
- 8 (A) **name;**
- 9 (B) **address;**
- 10 (C) **telephone number;**
- 11 (D) **electronic mail address;**
- 12 (E) **ownership status;**
- 13 (F) **status as a:**
- 14 (i) **federal;**
- 15 (ii) **state;**
- 16 (iii) **private;**
- 17 (iv) **public; or**
- 18 (v) **other;**
- 19 **entity;**
- 20 (G) **signature; and**
- 21 (H) **signed copy of the certification described in 40 CFR**
- 22 **144.32(d).**
- 23 (3) A statement verifying that the information submitted is true,
- 24 accurate, and complete to the best of applicant's knowledge.
- 25 (4) Information illustrating that the applicant has the financial,
- 26 managerial, and technical ability to construct, operate, and
- 27 maintain a carbon sequestration project.
- 28 (5) Information illustrating that the applicant or the contractors or
- 29 subcontractors of the applicant have the requisite expertise in
- 30 constructing, operating, and maintaining a carbon sequestration
- 31 project.
- 32 (6) Documentation to the department describing the scope of the
- 33 proposed carbon sequestration project.
- 34 (7) A statement describing how the applicant will construct,
- 35 operate, and maintain the proposed carbon sequestration project
- 36 in accordance with applicable local, state, and federal law,
- 37 including federal and state safety regulations and rules governing
- 38 the construction, operation, and maintenance of the carbon
- 39 sequestration project, and related facilities and equipment, to
- 40 ensure the safety of the carbon sequestration project employees
- 41 and the public.
- 42 (8) A statement that the interests of a mineral lessee or mineral



owner will not be adversely affected. If a mineral owner or mineral lessee is adversely affected, the adversely affected mineral owner or mineral lessee and the applicant may enter into an agreement under section 4 of this chapter.

(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.

(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



- 1 injection zone; and
 2 (C) directions of water movement, if known.
 3 (14) Baseline geochemical data on subsurface formations,
 4 including all underground sources of drinking water in the
 5 area of review.
 6 (15) Proposed operating data for the proposed geologic
 7 sequestration site.
 8 (16) A proposed preoperational formation testing program to
 9 obtain an analysis of the chemical and physical characteristics
 10 of the injection zones and confining zone and which meets the
 11 requirements of the department.
 12 (17) A proposed stimulation program, a description of
 13 stimulation fluids to be used, and a determination that
 14 stimulation will not interfere with containment.
 15 (18) A proposed procedure to outline steps necessary to
 16 conduct injection operation.
 17 (19) Schematics or other appropriate drawings of the surface
 18 and subsurface construction details of the well.
 19 (20) Injection well construction procedures that meet all
 20 requirements of the department.
 21 (21) A proposed area of review and corrective action plan.
 22 (22) Proof that financial responsibility requirements of the
 23 department are met.
 24 (23) A proposed testing and monitoring plan.
 25 (24) A well plugging plan.
 26 (25) An emergency and remedial response plan.
 27 (26) A post-injection site care and site closure plan or an
 28 alternative post-injection site care framework. At any time
 29 during the life of the project, a storage operator may modify
 30 and resubmit the post-injection site care and site closure plan
 31 for approval by the department at least thirty (30) days before
 32 the change is made. Upon ceasing injection, a storage operator
 33 must do the following:
 34 (A) Submit an amended post-injection site care and site
 35 closure plan.
 36 (B) Demonstrate through monitoring data and modeling
 37 results that an amendment is not needed. An amendment
 38 must be approved by the department, must be
 39 incorporated into the permit, and is subject to permit
 40 modification requirements.
 41 (C) Submit evidence of managerial and technical ability to
 42 construct, operate, and maintain a carbon sequestration



- 1 **project.**
- 2 **(27) Each local, state, or federal permit obtained by the**
- 3 **applicant.**
- 4 **(28) Any other information required by the department.**
- 5 ~~(f)~~ **(d)** During the first ten (10) years of the permit for a carbon
- 6 sequestration project, if the carbon sequestration project injects more
- 7 metric tons of carbon dioxide into the storage facility than was
- 8 proposed under the original application under subsection ~~(e)~~; **(c)**, the
- 9 storage operator shall pay the filing fee under subsection ~~(e)~~ **(c)** for the
- 10 additional metric tons of carbon dioxide injected into the storage
- 11 facility during the first ten (10) years of the permit for the carbon
- 12 sequestration project.
- 13 ~~(g)~~ **(e)** A fee paid under this section is not refundable by the
- 14 department.
- 15 **(f) The department shall adopt rules that mirror applicable**
- 16 **federal regulations to implement this section.**
- 17 SECTION 54. IC 14-39-2-5.1 IS ADDED TO THE INDIANA
- 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 19 [EFFECTIVE UPON PASSAGE]: **Sec. 5.1. (a) A storage operator**
- 20 **must demonstrate to the satisfaction of the department that the**
- 21 **wells will be sited in areas with a suitable geologic formation. The**
- 22 **storage operator must demonstrate that the geologic formation is**
- 23 **composed of the following:**
- 24 **(1) An injection zone of sufficient areal extent, thickness,**
- 25 **porosity, and permeability to receive the total anticipated**
- 26 **volume of the carbon dioxide stream.**
- 27 **(2) A confining zone free of transmissive faults or fractures**
- 28 **and of sufficient areal extent and integrity to contain the**
- 29 **injected carbon dioxide stream and displaced formation fluids**
- 30 **and allow injection at proposed maximum pressures and**
- 31 **volumes without initiating or propagating fractures in the**
- 32 **confining zone.**
- 33 **(b) The department may require a storage operator to identify**
- 34 **and characterize additional injection zones that:**
- 35 **(1) will impede vertical fluid movement;**
- 36 **(2) are free of faults and fractures that may interfere with**
- 37 **containment;**
- 38 **(3) allow for pressure dissipation; and**
- 39 **(4) provide additional opportunities for:**
- 40 **(A) monitoring;**
- 41 **(B) mitigation; and**
- 42 **(C) remediation.**



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

6 (1) To prevent the movement of fluids into or between
 7 underground sources of drinking water or into any
 8 unauthorized zones.

9 (2) To permit the use of appropriate testing devices and
 10 workover tools.

11 (3) To permit continuous monitoring of the annulus space
 12 between the injection tubing and long string casing.

13 (b) Casing and cement or other materials used in the
 14 construction of each Class VI well must have sufficient structural
 15 strength and be designed for the life of the geologic sequestration
 16 project. All well materials must be compatible with fluids with
 17 which the materials may be expected to come into contact and must
 18 meet federal standards or be comparable to standards required by
 19 the department.

20 (c) Tubing and packer materials used in the construction of each
 21 Class VI well must be compatible with fluids with which the
 22 materials may be expected to come into contact and must meet
 23 federal standards or be comparable to standards required by the
 24 department.

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

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

31 (1) perform appropriate logs;

32 (2) perform surveys and tests to determine or verify the:

33 (A) depth;

34 (B) thickness;

35 (C) porosity;

36 (D) permeability;

37 (E) lithology; and

38 (F) salinity;

39 of any formation fluids in all relevant geologic formations to
 40 ensure conformance with the injection well construction
 41 requirements of the department; and

42 (3) establish accurate baseline data against which future



- 1 **measurements may be compared.**
 2 **The storage operator must submit to the department a report**
 3 **prepared by a log analyst that includes an interpretation of the**
 4 **results of each log and test.**
 5 SECTION 57. IC 14-39-2-5.4 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 5.4. (a) A storage operator**
 8 **may apply to the department for a depth requirement waiver.**
 9 **(b) An application under subsection (a) must include the**
 10 **following:**
 11 **(1) The depth of each proposed injection zone.**
 12 **(2) The location of each injection well.**
 13 **(3) The name and depth of all underground sources of**
 14 **drinking water within the area of review.**
 15 **(4) A map of the area of review.**
 16 **(5) The names of public water supplies:**
 17 **(A) affected;**
 18 **(B) reasonably likely to be affected; or**
 19 **(C) served;**
 20 **by underground sources of drinking water in the area of**
 21 **review.**
 22 **(6) The results of an underground injection control and public**
 23 **water system supervision consultation of all states and tribes**
 24 **having jurisdiction over lands within the area of review of a**
 25 **well for which a waiver is sought.**
 26 **(7) A supplemental report that meets the requirements set by**
 27 **the department that provides data as required by section 5.3**
 28 **of this chapter.**
 29 **(c) A storage operator that applies to the department for a**
 30 **depth requirement waiver must post public notice that a waiver**
 31 **application was submitted by publication in at least one (1)**
 32 **newspaper of general circulation in each county affected by the**
 33 **application. Notice under this subsection must include the**
 34 **information required under subsection (b).**
 35 **(d) Following public notice under this section, the department**
 36 **shall provide all information provided in the application to the**
 37 **department of environmental management and the United States**
 38 **Environmental Protection Agency. The department of**
 39 **environmental management must concur or dissent in writing**
 40 **regarding the waiver. The department shall request feedback and**
 41 **a concurrence on the application from the United States**
 42 **Environmental Protection Agency.**



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

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

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

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

8 (1) department of environmental management; and

9 (2) United States Environmental Protection Agency.

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

14 (1) The depth of each proposed injection zone.

15 (2) The location of each injection well.

16 (3) The name and depth of each underground source of
17 drinking water within the area of review.

18 (4) A map of the area of review.

19 (5) The names of each public water supply affected,
20 reasonably likely to be affected, or served by underground
21 sources of drinking water in the area of review.

22 (6) The date the waiver was issued.

23 (h) Upon receiving a waiver under this section, the storage
24 operator must comply with any modified construction
25 requirements or other requirements resulting from the waiver.

26 SECTION 58. IC 14-39-2-5.5 IS ADDED TO THE INDIANA
27 CODE AS A NEW SECTION TO READ AS FOLLOWS
28 [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) Upon determining
29 that an application is complete, the department must decide
30 whether to:

31 (1) prepare a draft permit for the public comment process; or

32 (2) deny the application.

33 The department shall notify the applicant of the decision.

34 (b) If the department decides to prepare a draft permit, the
35 permit must contain the following:

36 (1) Conditions of the permit.

37 (2) Compliance schedules.

38 (3) Monitoring requirements.

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



- 1 (1) prepare a draft permit;
 2 (2) give public notice;
 3 (3) complete the public comment period, including any public
 4 hearing; and
 5 (4) issue a final permit.
- 6 (d) The department may not deny an application without a
 7 public comment period and hearing.
- 8 (e) The department shall adopt rules that mirror applicable
 9 federal regulations to implement this section.
- 10 SECTION 59. IC 14-39-2-5.6 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) The department shall
 13 hold a public hearing before issuing a permit.
- 14 (b) Notice of the hearing must be published for two (2)
 15 consecutive weeks in a newspaper of general circulation in each
 16 county where the carbon sequestration project is proposed to be
 17 located. Publication deadlines must comply with department rules.
- 18 (c) Notice of the hearing must be given to each:
 19 (1) mineral lessee;
 20 (2) mineral owner; and
 21 (3) pore space owner;
 22 within the carbon sequestration project and within one-half (1/2)
 23 mile of the reservoir's boundaries. Notice shall be completed by
 24 mail or third party commercial delivery and addressed to the last
 25 address of record for the individual or entity to be served.
- 26 (d) Notice of the hearing must be given to each surface owner of
 27 land overlying the carbon sequestration project and within
 28 one-half (1/2) mile of the reservoir's boundaries. Notice shall be
 29 completed by mail or third party commercial delivery and
 30 addressed to the last address of record for the individual or entity
 31 to be served.
- 32 (e) The department may provide notice of the hearing to any
 33 additional person the department deems necessary.
- 34 (f) Hearing notices required by this section must comply with
 35 deadlines set by the department and contain any additional
 36 information the department requires.
- 37 (g) An applicant for a permit shall pay the costs the department
 38 incurs in:
 39 (1) publishing the notice for a hearing; and
 40 (2) holding a hearing;
 41 on a permit application.
- 42 (h) Following a public hearing under this section, the



1 department must post the following on the website for the
2 department:

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

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

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

13 (k) Notice of a public hearing must be given at least thirty (30)
14 days before the public hearing.

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

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

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

23 (2) The name and address of the permittee of the permit
24 applicant and, if different, of the facility or activity being
25 regulated by the permit.

26 (3) A brief description of the business conducted at the facility
27 or activity being described in the permit application or the
28 draft permit.

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

33 (5) A brief description of the comment procedures required
34 by the department and the date, time, and place of a public
35 hearing that will be held, including information regarding
36 how to request a hearing and other procedures by which the
37 public may participate in the final permit decision.

38 (6) Reference to the date of previous public notices related to
39 the permit.

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

41 (8) A brief description of the nature and purpose of the
42 hearing, including applicable rules and procedures.



- 1 **(9) Any additional information required by the department.**
- 2 **(n) During a comment period, any interested person may submit**
- 3 **written comments on the draft permit and may request a public**
- 4 **hearing, if a hearing has not already been scheduled. A request for**
- 5 **a public hearing must:**
- 6 **(1) be in writing; and**
- 7 **(2) state the nature of the issues proposed to be raised in the**
- 8 **hearing.**
- 9 **All comments shall be considered by the department in making a**
- 10 **final decision as to whether to issue the permit and must be**
- 11 **answered as required under subsection (p).**
- 12 **(o) The department shall hold a public hearing whenever there**
- 13 **is a significant degree of public interest in a draft permit. The**
- 14 **department may hold a public hearing at the discretion of the**
- 15 **department if the public hearing would clarify at least one (1) issue**
- 16 **involved in the permit decision.**
- 17 **(p) At the time a final permit decision is issued, the department**
- 18 **shall issue a response to comments. The response must:**
- 19 **(1) specify which provisions, if any, of the draft permit were**
- 20 **changed in the final permit, and the reasons for each change;**
- 21 **and**
- 22 **(2) briefly describe and respond to all substantive comments**
- 23 **on the draft permit raised during the public comment period**
- 24 **or during any hearing.**
- 25 **Response to comments must be made available to the public on the**
- 26 **website for the department.**
- 27 **(q) The department shall adopt rules that mirror applicable**
- 28 **federal regulations to implement this section.**
- 29 **SECTION 60. IC 14-39-2-5.7 IS ADDED TO THE INDIANA**
- 30 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
- 31 **[EFFECTIVE UPON PASSAGE]: Sec. 5.7. (a) The department shall**
- 32 **identify and protect all underground sources of drinking water and**
- 33 **all aquifers and parts of aquifers that are underground sources of**
- 34 **drinking water.**
- 35 **(b) If the United States Environmental Protection Agency**
- 36 **determines there is an applicable aquifer exemption or an**
- 37 **expansion to the areal extent of an existing Class II enhanced oil**
- 38 **recovery or enhanced gas recovery aquifer exemption for the**
- 39 **exclusive purpose of Class VI injection for geologic sequestration,**
- 40 **then the department shall assist the United States Environmental**
- 41 **Protection Agency in regulating the aquifer exemption.**
- 42 **(c) The department may not issue an aquifer exemption.**



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

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

10 SECTION 61. IC 14-39-2-6, AS AMENDED BY P.L.213-2025,
 11 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall
 13 review an application submitted under section ~~5(d)~~ **5(a)** of this chapter.
 14 If the department determines that the application submitted under
 15 section ~~5(d)~~ **5(a)** of this chapter is complete, the department shall notify
 16 the applicant.

17 (b) The department shall return an application to the applicant if the
 18 department determines that the application is incomplete, inaccurate,
 19 or both.

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

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

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

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

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

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

37 (C) provide notice to potentially affected parties under rules
 38 adopted by the commission for carbon sequestration projects;
 39 and

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



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

- 4 (1) the department has approved the application; or
 5 (2) the department has denied the application.

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

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

- 14 (1) That the storage operator is in compliance with all
 15 applicable laws governing the storage facility.
 16 (2) That the storage operator shows that the storage facility
 17 is reasonably expected to retain the carbon dioxide stored in
 18 the storage facility.
 19 (3) That the storage operator shows that the carbon dioxide
 20 in the storage facility is stable by showing that either:
 21 (A) the stored carbon dioxide is essentially stationary; or
 22 (B) if the stored carbon migrates, the migration is unlikely
 23 to cross the boundaries of the storage facility.
 24 (4) That the storage operator has made a good faith effort to
 25 secure the consent of all individuals who own the reservoir's
 26 pore space.
 27 (5) That the storage operator has made a good faith effort to
 28 obtain the consent of all pore space owners located within the
 29 proposed storage facility.
 30 (6) That the storage operator has obtained the consent of the
 31 pore space owners of the pore space underlying at least
 32 seventy percent (70%) of the surface area above the proposed
 33 storage facility or amended proposed storage facility.
 34 (7) That all pore space owners that do not agree to integrate
 35 their interests to develop the pore space as a proposed storage
 36 facility for the underground storage of carbon dioxide are
 37 equitably compensated.
 38 (8) That a carbon sequestration project will not adversely
 39 affect the interests of the mineral owners or mineral lessees or
 40 the interests have been addressed in an arrangement entered
 41 into by the mineral owners or mineral lessees and the storage
 42 operator.



- 1 (9) That the proposed storage facility will not adversely affect
2 surface waters or aquifers.
- 3 (10) That the proposed storage reservoir will remain solid and
4 the substances making up the storage reservoir will not mix or
5 interact with the stored carbon dioxide.
- 6 (11) That the storage facility will neither endanger human
7 health nor endanger the environment.
- 8 (12) That the storage facility is in the public interest.
- 9 (13) That the horizontal and vertical boundaries of the storage
10 reservoir are defined. These boundaries shall include buffer
11 areas to ensure that the storage facility is operated safely and
12 as contemplated.
- 13 (14) That the storage operator will establish monitoring
14 facilities and protocols to assess the location and migration of
15 carbon dioxide injected for storage and to ensure compliance
16 with all permit, statutory, and administrative requirements.
- 17 (15) The final area of review based on modeling, using data
18 obtained during logging and testing of the well and the
19 formation as required by the department.
- 20 (16) Any relevant updates, based on data obtained during
21 logging and testing of the well and the formation, to the
22 information on the geologic structure and hydrogeologic
23 properties of the proposed storage site and overlying
24 formations, submitted to satisfy the requirements of the
25 department.
- 26 (17) Information on the compatibility of the carbon dioxide
27 stream with fluids in each injection zone and minerals in both
28 the injection and each confining zone, based on the results of
29 the formation testing program, and with the materials used to
30 construct the well.
- 31 (18) The results of the formation testing program required by
32 the department.
- 33 (19) Final injection well construction procedures that meet the
34 requirements of the department.
- 35 (20) The status of corrective action on wells in the area of
36 review.
- 37 (21) All available logging and testing program data on the
38 well required by the department.
- 39 (22) A demonstration of a mechanical integrity test.
- 40 (23) Any updates to the:
- 41 (A) proposed area of review and corrective action plan;
- 42 (B) testing and monitoring plan;



1 (C) injection well plugging plan;
 2 (D) post-injection site care and site closure plan; or
 3 (E) emergency and remedial response plan;
 4 resulting from testing performed during the application
 5 process.

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

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

13 (c) The department may include in a permit all things necessary
 14 to:

- 15 (1) carry out the purposes of this chapter; and
 16 (2) protect and adjust the respective rights and obligations of
 17 individuals affected by a carbon sequestration project.

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

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

- 25 (1) The date the permit was issued.
 26 (2) A description of the area containing the carbon
 27 sequestration project.
 28 (3) Any additional information the department deems
 29 appropriate.

30 (c) The department shall file a copy of the certificate with the
 31 county recorder in the county or counties in which the storage
 32 facility is located.

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

39 (b) If the challenging person requests to have an informal
 40 hearing, the request must include the following:

- 41 (1) The name, address, telephone number, and electronic mail
 42 address of the person requesting the informal hearing.



- 1 **(2) The department decision for which the person is seeking**
- 2 **informal review.**
- 3 **(3) The names of other persons who are subject to the**
- 4 **determination made by the department and their addresses,**
- 5 **telephone numbers, and electronic mail addresses.**
- 6 **(4) The reason for the person's objection to the determination**
- 7 **made by the department.**
- 8 **(5) Evidence presented by the person in support of the reasons**
- 9 **the person believes the department made an improper**
- 10 **determination.**

11 **(c) Not later than thirty (30) days after receiving a request for**
 12 **an informal hearing under this section, the department must**
 13 **schedule an informal hearing and notify the requester and any**
 14 **other person who is subject to the determination at issue of the**
 15 **informal hearing date by first class mail paid for by the requester.**
 16 **The date of the scheduled hearing must be at least thirty (30) days**
 17 **after the date of the notice.**

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

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

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

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

- 30 (1) three hundred thirty (330) feet from the surface location of a
- 31 well pursuant to a UIC Class VI permit; or
- 32 (2) five hundred (500) feet from the uppermost confining zone of
- 33 a carbon sequestration facility within the boundary of the storage
- 34 facility pursuant to a UIC Class VI permit.

35 Drilling permitted by this subsection must be conducted in cooperation
 36 with a storage operator.

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

- 39 (+) the department to preserve the integrity of the storage facility.
- 40 (2) a UIC Class VI permit; and
- 41 (3) any other applicable regulations.

42 SECTION 66. IC 14-39-2-11.5, AS AMENDED BY P.L.213-2025,



1 SECTION 142, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: Sec. 11.5. (a) A person may not:

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

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

9 without first obtaining a permit **to create and operate an**
10 **investigatory carbon dioxide well** issued by the department under this
11 section.

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

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

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

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

19 (A) facilities;

20 (B) treatment systems; and

21 (C) control and related appurtenances;

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

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

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

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

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

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

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

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

40 (6) The depth of the proposed well.

41 (7) Proof of a surface use agreement executed by the applicant
42 and the surface owner, including an agreement specifying that in



1 acting as authorized under a permit issued by the department
 2 under this section, the operator does not commit trespass with
 3 respect to the subsurface estate in any case in which the
 4 subsurface estate is separate from the surface estate.

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

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

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

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

13 The department shall deposit all amounts collected under this
 14 subsection in the carbon sequestration project program administrative
 15 fund established by section 10.5 of this chapter.

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

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

22 (1) demonstrates compliance with all relevant:

23 (A) provisions of this article; and

24 (B) rules adopted under this article;

25 as determined by the department; and

26 (2) submits a complete permit application under this section to the
 27 department;

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

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

32 (1) either:

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

34 or

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

36 (2) has previously demonstrated a pattern of willful violations of
 37 this article.

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

41 (1) The well is plugged and abandoned.

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



- 1 (3) The permit is revoked by the department under subsection (k).
 2 (j) A permit issued by the department under this section expires one
 3 (1) year after the date of issuance if the drilling of a well for which the
 4 permit has been issued has not commenced within that time.
 5 (k) The department may revoke a permit issued under this section.
 6 (l) Subject to subsection (m), a person holding a permit under this
 7 section shall plug and abandon a well that is no longer in operation
 8 under a permit, unless the well is converted to a carbon dioxide
 9 injection or monitoring well under a UIC Class VI permit.
 10 (m) A person holding a permit under this section may defer
 11 plugging and abandoning a well while an application is pending to
 12 convert the well into a UIC Class VI permit carbon dioxide injection or
 13 monitoring well, as long as the well is temporarily capped and
 14 maintained in the manner prescribed by the department in the permit.
 15 (n) After a well is plugged and abandoned or transferred, the
 16 applicant who paid the cash bond under subsection (e) may request a
 17 total or partial bond release from the department. The director of the
 18 division of reclamation shall:
 19 (1) release the bond as requested; or
 20 (2) deny the bond release.
 21 (o) A determination by the department under this section is subject
 22 to review and appeal under IC 4-21.5.
 23

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

 25 SECTION 67. IC 14-39-2-12.1 IS ADDED TO THE INDIANA
 26 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 27 **[EFFECTIVE UPON PASSAGE]: Sec. 12.1. (a) Except during**
 28 **stimulation, a storage operator must ensure that injection pressure**
 29 **does not exceed ninety percent (90%) of the fracture pressure of an**
 30 **injection zone to ensure that the injection does not initiate new**
 31 **fractures or propagate existing fractures in the injection zone.**
 32 **(b) Injection pressure may not initiate fractures in a confining**
 33 **zone or cause the movement of injection or formation fluids that**
 34 **endangers an underground source of drinking water.**
 35 **(c) A stimulation program must be approved by the department**
 36 **as part of the permit application and incorporated into the permit.**
 37 **(d) A storage operator shall meet injection well operating**
 38 **requirements established by the department.**
 39 **(e) The department shall adopt rules that mirror applicable**
 40 **federal regulations to implement this section.**
 41 SECTION 68. IC 14-39-2-12.2 IS ADDED TO THE INDIANA
 42 CODE AS A **NEW SECTION TO READ AS FOLLOWS**



1 [EFFECTIVE UPON PASSAGE]: **Sec. 12.2. (a) A UIC Class VI**
 2 **permit may be modified at the request of an interested person in**
 3 **writing or upon the directive of the department. The request must**
 4 **contain each fact or reason supporting the request and any other**
 5 **criteria established by the department.**

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

10 SECTION 69. IC 14-39-2-12.3 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: **Sec. 12.3. (a) The department shall**
 13 **submit a memorandum of agreement that includes all of the**
 14 **information required under 40 CFR 145.25 to the Regional**
 15 **Administrator for the United States Environmental Protection**
 16 **Agency.**

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

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

22 (d) Quarterly reports are due:

- 23 (1) May 31;
- 24 (2) August 31;
- 25 (3) November 30; and
- 26 (4) February 28;

27 following the quarter.

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

30 (f) A storage operator shall submit the reports required under
 31 40 CFR 146.91 to the department within the time frames described
 32 in 40 CFR 146.91.

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

39 SECTION 71. IC 14-39-2-12.5 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 12.5. The department may**
 42 **require, by written notice on a well by well basis, a storage**



- 1 operator to:
- 2 (1) establish and maintain records;
- 3 (2) make reports;
- 4 (3) conduct monitoring; and
- 5 (4) provide any other information required by the
- 6 department;

7 to determine whether the storage operator acted, or is acting, in

8 compliance with the Safe Drinking Water Act or other

9 requirements of the department.

10 SECTION 72. IC 14-39-2-12.6 IS ADDED TO THE INDIANA

11 CODE AS A NEW SECTION TO READ AS FOLLOWS

12 [EFFECTIVE UPON PASSAGE]: **Sec. 12.6. (a)** A storage operator

13 that is injecting carbon dioxide for the primary purpose of long

14 term storage into an oil and gas reservoir must apply for and

15 obtain a Class VI geologic sequestration permit when there is an

16 increased risk to underground sources of drinking water compared

17 to Class II operations.

18 (b) In determining if there is an increased risk to underground

19 sources of drinking water, a storage operator must consider the

20 following factors:

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

33 SECTION 73. IC 14-39-2-12.7 IS ADDED TO THE INDIANA

34 CODE AS A NEW SECTION TO READ AS FOLLOWS

35 [EFFECTIVE UPON PASSAGE]: **Sec. 12.7. (a)** The department shall

36 determine when there is an increased risk to underground sources

37 of drinking water and a UIC Class VI permit is required, rather

38 than a Class II permit.

39 (b) To make this determination, the department must consider

40 the following factors:

- 41 (1) Increase in reservoir pressure within an injection zone.
- 42 (2) Increase in carbon dioxide injection rates.



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

10 SECTION 74. IC 14-39-2-12.8 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: **Sec. 12.8. (a) Compliance with a**
 13 **UIC Class VI permit during the term of the UIC Class VI permit**
 14 **constitutes compliance, for purposes of enforcement.**

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

- 16 **(1) modify;**
- 17 **(2) revoke;**
- 18 **(3) reissue; or**
- 19 **(4) terminate;**

20 **a UIC Class VI permit during its term for a violation of 40 CFR**
 21 **144.39 or 40 CFR 144.40.**

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

- 25 **(1) modification; or**
- 26 **(2) revocation and reissuance;**

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

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

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

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

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

40 **(h) The person issued a UIC Class VI permit by the department**
 41 **shall comply with federal regulations adopted by the department.**
 42 **The department may modify, revoke, reissue, or terminate a**



1 **person's UIC Class VI permit that violates this article or federal**
 2 **regulations adopted by the department.**

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

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

10 (1) The storage operator is in compliance with all applicable laws
 11 governing the storage facility.

12 (2) The storage operator shows that the storage facility is
 13 reasonably expected to retain the carbon dioxide stored in the
 14 storage facility.

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

17 (A) the stored carbon dioxide is essentially stationary; or

18 (B) if the stored carbon migrates, the migration is unlikely to
 19 cross the boundaries of the storage facility.

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

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

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

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

31 (8) The following with respect to site closure:

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

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

37 (C) The storage operator has provided:

38 (i) the site closure report required under 40 CFR 146.93(f)
 39 (as in effect January 1, 2022) to the United States
 40 Environmental Protection Agency; or

41 (ii) a comparable report to the state regulatory body if the
 42 state assumes primacy for UIC Class VI permitting.



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

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

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

13 (1) Except as provided in subsection (e), the state will assume
14 ownership of and responsibility for the storage facility.

15 (2) The state will assume responsibility for all regulatory
16 requirements associated with the storage facility, and the storage
17 operator and the owner of the storage facility are released from
18 responsibility for all regulatory requirements associated with the
19 storage facility.

20 (3) The state will assume any potential liability associated with
21 the storage facility.

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

31 (A) United States mail;

32 (B) private courier;

33 (C) personal delivery; or

34 (D) any other manner agreed to in writing between the
35 department and the owner of the surface property.

36 (e) The state may:

37 (1) assume ownership of and responsibility for; or

38 (2) accept transfer of;

39 a storage facility with respect to which an interest in or rights to
40 property are conveyed by a lease agreement only if the lessor and
41 lessee agree in the lease agreement to transfer the storage facility to the
42 state. In a transfer described in this subsection, the state assumes



1 ownership of and responsibility for the storage facility only and does
2 not assume any other ownership interest, responsibility, or liability
3 under any other provisions of the lease agreement.

4 (f) Unless there is documentation to the contrary, the storage
5 operator has title to the carbon dioxide injected into and stored in a
6 storage facility, and the storage operator holds title until the department
7 issues a certificate of completion.

8 (g) **A storage operator shall notify the department in writing at
9 least one hundred twenty (120) days before site closure. At this
10 time, if changes were made to the original post-injection site care
11 and site closure plan, the storage operator must provide the revised
12 plan to the department.**

13 (h) **A storage operator shall monitor the site following injection
14 ceasing to show the position of the carbon dioxide plume and
15 pressure front and demonstrate that underground sources of
16 drinking water are not endangered.**

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

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

35 (1) **carbon sequestration project no longer endangers
36 underground sources of drinking water; and**

37 (2) **department approves a demonstration submitted by the
38 owner and operator of the carbon dioxide injection well in the
39 manner prescribed by 40 CFR 146.93.**

40 (k) **Before authorization for site closure, the storage operator
41 must submit to the department for review and approval a
42 demonstration, based on monitoring and other site specific data,**



1 that no additional monitoring is needed to ensure that the carbon
2 sequestration project does not endanger underground sources of
3 drinking water.

4 (l) If the storage operator cannot demonstrate that the carbon
5 sequestration project does not endanger underground sources of
6 drinking water at the end of the fifty (50) year period, or the
7 approved alternative time frame, or the department does not
8 approve the demonstration, the storage operator must submit to
9 the department a plan to continue post-injection site care until a
10 demonstration can be made and approved by the department.

11 (m) After the department authorizes site closure, the storage
12 operator shall plug all monitoring wells to ensure there is not
13 movement of injection or formation fluids that endanger an
14 underground source of drinking water.

15 (n) Not more than ninety (90) days before the site closure, the
16 storage operator shall submit a site closure report to the
17 department that is retained by the department for at least ten (10)
18 years.

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

23 (1) The fact that the land has been used to sequester carbon
24 dioxide.

25 (2) The name of the state agency, local authority, or tribe with
26 which the survey plat was filed, as well as the address of the
27 Environmental Protection Agency regional office to which it
28 was submitted.

29 (3) The volume of fluid injected, the injection zone or zones
30 into which it was injected, and the period over which injection
31 occurred.

32 (p) The storage operator shall retain, for at least ten (10) years
33 following site closure, records collected during the post-injection
34 site care period. The storage operator shall deliver the records to
35 the department at the conclusion of the retention period, and the
36 department must retain the records at a location designated by the
37 department for that purpose.

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

41 SECTION 76. IC 14-39-2-14.5 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) The following
2 activities are prohibited:

- 3 (1) Injection without a UIC Class VI permit.
4 (2) Movement of fluid into underground sources of drinking
5 water.
6 (3) Experimental Class VI wells for carbon sequestration.
7 (4) Any action that endangers underground sources of
8 drinking water.
9 (5) Any additional activity prohibited under:
10 (A) the federal Safe Drinking Water Act (42 U.S.C. 300f et
11 seq.); or
12 (B) 40 CFR 142, 40 CFR 144, 40 CFR 146, and 40 CFR
13 148.

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

- 15 (1) Making clerical errors or mistakes in reporting
16 requirements.
17 (2) Failure to meet basic operation and facility management
18 requirements.
19 (3) Failure to meet maintenance requirements that may cause
20 damage to property.
21 (4) Creating harmful environmental conditions or hazardous
22 conditions.
23 (5) Taking an action that likely results in environmental
24 damage.
25 (6) Taking an action that could result in harm to persons or
26 death.

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

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

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

42 (b) Except as provided in subsection (d), a person that violates a



1 requirement under this article shall pay to the department a civil
2 penalty as follows:

3 (1) ~~One thousand dollars (\$1,000)~~ **Two thousand five hundred**
4 **dollars (\$2,500) each day** for a first violation.

5 (2) Five thousand dollars (\$5,000) **each day** for a second
6 violation.

7 (3) Ten thousand dollars (\$10,000) **each day** for a third and each
8 subsequent violation.

9 (c) If a person issued a civil penalty under subsection (b) for a
10 violation of a requirement under this article does not remedy the
11 violation in the time prescribed by the department, the person is subject
12 to a cessation order issued by the department. A person that is issued
13 a cessation order under this section must pay a civil penalty of seven
14 hundred fifty dollars (\$750) per day, for not more than thirty (30) days,
15 for each day the violation remains unremedied.

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

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

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

22 **(e) A person who knowingly and intentionally violates this**
23 **article commits a Class A misdemeanor. Each violation under this**
24 **subsection:**

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

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

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

29 **(B) risk to:**

30 **(i) the environment;**

31 **(ii) individuals; or**

32 **(iii) property; and**

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

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

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

38 ~~(f)~~ **(h)** The department shall deposit civil penalties collected under
39 this chapter in the carbon dioxide storage facility trust fund established
40 by section 10 of this chapter.

41 SECTION 78. IC 14-39-2-15.5 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. If any part of this article**
2 **or 312 IAC 30 is found to be invalid, the remainder of this article**
3 **or 312 IAC 30, as applicable, is upheld.**
4 SECTION 79. IC 35-52-14-52 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2026]: **Sec. 52. IC 14-39-2-15 defines a crime**
7 **concerning carbon sequestration.**
8 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:

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"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:

"(l) 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."

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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.

~~(c)~~ **(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



SENATE MOTION

Mr. President: I move that Engrossed House Bill 1368 be amended to read as follows:

Page 8, line 23, delete "does not include" and insert "**includes**".

(Reference is to EHB 1368 as printed February 6, 2026.)

KOCH

 SENATE MOTION

Mr. President: I move that Engrossed House Bill 1368 be amended to read as follows:

Page 2, line 3, delete "card." and insert "**card, if the payment amount does not exceed ten thousand dollars (\$10,000).**".

Page 2, line 5, delete "amount; or" and insert "**amount to less than ten thousand dollars (\$10,000) with respect to a payment that is made by either:**

- (A) **an electric funds transfer, including by wire or Automated Clearinghouse (ACH); or**
- (B) **a credit card or debit card; or**
- (2) **number of allowable payment transactions for a singular invoice to less than five (5) transactions, by either:**
 - (A) **an electric funds transfer, including by wire or Automated Clearinghouse (ACH); or**
 - (B) **a credit card or debit card.**

Page 2, delete lines 6 through 8.

Page 2, line 10, delete "a utility that provides utility service to the property" and insert "**the department may request a consolidated bill for the property from a utility that provides utility service to the property. A utility that receives a request from the department under this subsection**".

Page 2, line 16, after "applicable." insert "**However, if the utility is unable to provide one (1) invoice for the property because of billing limitations or other operational constraints, the utility shall consolidate billing for the property to the greatest extent possible and issue the fewest number of invoices necessary.**".

(Reference is to EHB 1368 as printed February 6, 2026.)

KOCH

