
HOUSE BILL No. 1368

AM136801 has been incorporated into introduced printing.

Synopsis: Carbon.

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2026

IN 1368—LS 6866/DI 150



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Introduced

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.

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**



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from the department for utility service provided to a property owned by the department:

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

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

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

(1) dollar amount; or

(2) number of transactions allowed in a given period;

with respect to a payment made by a method described in subsection (d).

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

(1) meters;

(2) connections; or

(3) buildings or structures served;

on the property, as applicable.

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

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

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

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

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

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

SECTION 7. IC 14-8-2-34.4 IS ADDED TO THE INDIANA



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

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

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

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

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

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

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

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

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

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

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

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

SECTION 19. IC 14-8-2-209.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 209.5. "Pore space", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-20.**

SECTION 20. IC 14-8-2-209.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 209.7. "Pore space owner", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-21.**

SECTION 21. IC 14-8-2-211.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 211.7. "Primacy", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-22.**

SECTION 22. IC 14-8-2-240, AS AMENDED BY P.L.148-2020, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 240. (a) "Reservoir", for purposes of IC 14-33-24, has the meaning set forth in IC 14-33-24-3.**

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

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

SECTION 23. IC 14-8-2-242.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 242.3. "Responsible officer", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-24.**

SECTION 24. IC 14-8-2-266.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 266.9. "Storage facility", for**

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purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-25.

SECTION 25. IC 14-8-2-267.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 267.1. "Storage operator", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-26.**

SECTION 26. IC 14-8-2-267.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 267.3. "Stratum", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-27.**

SECTION 27. IC 14-8-2-274.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 274.7. "Surface or subsurface property interest owner", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-28.**

SECTION 28. IC 14-8-2-282.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 282.9. "Transporting carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-29.**

SECTION 29. IC 14-8-2-285.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 285.3. "UIC Class VI permit", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-30.**

SECTION 30. IC 14-8-2-285.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 285.4. "UIC program", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-31.**

SECTION 31. IC 14-8-2-287.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 287.3. "Underground source of drinking water", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-32.**

SECTION 32. IC 14-8-2-287.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 287.7. "Underground storage of carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-33.**

SECTION 33. IC 14-39-0.5-1, AS ADDED BY P.L.158-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 1. The natural resources commission, **in coordination with the department**, shall adopt rules under IC 4-22-2 to implement this article.

SECTION 34. IC 14-39-0.5-2, AS ADDED BY P.L.158-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The rules adopted by the commission under section 1 of this chapter:

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

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

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

SECTION 35. IC 14-39-0.6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 0.6. Definitions

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

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

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

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

Sec. 3. "Aquifer" means:

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

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

Sec. 4. "Carbon dioxide" means a fluid consisting of more than ninety percent (90%) carbon dioxide molecules.

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.

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

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 to enable or improve the injection process.

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

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

(1) appurtenant facilities;

(2) property rights; and

(3) easements;

used exclusively for the purpose of transporting carbon dioxide to a carbon management application, including sequestration, enhanced oil recovery, and deep saline injection, within or outside Indiana.

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.



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

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

6 **(b) The term does not include the following:**

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

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

11 **(3) The subsurface three-dimensional displaced fluids.**

12 **(4) The surface area above that delineated region described**
 13 **in subdivisions (1) through (3).**

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

15 **(1) a geologic formation;**

16 **(2) a group of geologic formations; or**

17 **(3) a part of a geologic formation;**

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

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

23 **(1) geologic formation;**

24 **(2) group of geologic formations; or**

25 **(3) part of a geologic formation;**

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

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

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

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

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. (a) "Person" has the meaning set forth in IC 14-8-2-202(a).

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

Sec. 20. "Pore space" means subsurface cavities or voids that can be used as a storage space for carbon dioxide.

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

Sec. 23. "Reservoir" means a subsurface:

(1) sedimentary stratum;

(2) formation;

(3) aquifer;

(4) cavity; or

(5) void;

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

Sec. 24. "Responsible officer" 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.

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(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).

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

Sec. 26. "Storage operator" means:

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

that operates a carbon sequestration project.

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

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

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

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

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

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



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

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

8 **to construct or operate a carbon dioxide injection well.**

9 **Sec. 31. "UIC program" refers to the program carried out by:**

- 10 (1) the United States Environmental Protection Agency; or
 11 (2) an approved state or tribe;

12 **under the Safe Drinking Water Act to regulate underground**
 13 **injection.**

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

- 16 (1) supplies any public water system; or
 17 (2) contains a sufficient quantity of ground water to supply
 18 a public water system and:

19 (A) currently supplies drinking water for human
 20 consumption; or

21 (B) contains fewer than ten thousand (10,000)
 22 milligrams per liter of total dissolved solids;

23 **and which is not an exempted aquifer.**

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

27 SECTION 36. IC 14-39-1-1 IS REPEALED [EFFECTIVE UPON
 28 PASSAGE]. Sec. 1: As used in this chapter, "carbon dioxide" means a
 29 fluid consisting of more than ninety percent (90%) carbon dioxide
 30 molecules.

31 SECTION 37. IC 14-39-1-2 IS REPEALED [EFFECTIVE UPON
 32 PASSAGE]. Sec. 2: As used in this chapter, "carbon dioxide
 33 transmission pipeline" means the part of a pipeline in Indiana,
 34 including appurtenant facilities, property rights, and easements, that is
 35 used exclusively for the purpose of transporting carbon dioxide to a
 36 carbon management application, including sequestration, enhanced oil
 37 recovery, and deep saline injection, within or outside Indiana.

38 SECTION 38. IC 14-39-1-2.4 IS REPEALED [EFFECTIVE
 39 UPON PASSAGE]. Sec. 2.4: As used in this chapter, "carbon
 40 sequestration pilot project" refers to the pilot project described in
 41 section 3.5 of this chapter.

42 SECTION 39. IC 14-39-1-2.5 IS REPEALED [EFFECTIVE



UPON PASSAGE]. Sec. 2.5: As used in this chapter, "underground storage of carbon dioxide" means the injection of carbon dioxide into, and storage of carbon dioxide in, underground strata and formations at the site of the carbon sequestration pilot project, as described in section 3.5 of this chapter, pursuant to one (1) or more federal permits issued by the United States Environmental Protection Agency.

SECTION 40. IC 14-39-1-2.6 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2.6: As used in this chapter, "person" includes a political body, a corporate body, and the state of Indiana.

SECTION 41. IC 14-39-1-2.7 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2.7: As used in this chapter, "pore space" means subsurface cavities or voids that can be used as a storage space for carbon dioxide.

SECTION 42. IC 14-39-1-11, AS AMENDED BY P.L.92-2025, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. A determination of the department under section 4(e)(2) of this chapter is subject to an administrative adjudication under IC 4-21.5.

SECTION 43. IC 14-39-1-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19. The department may establish siting and setback requirements for carbon dioxide transmission pipelines.**

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 over Class VI wells.**

(b) This chapter and 312 IAC 30 contain criteria and standards 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 resources; and

(2) may not adversely affect oil, gas, and coal 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 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 1422;

(2) 40 CFR 1425; 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) If the owner of the storage facility is not the person that will be the storage operator, the person that will be the storage operator must apply for the permit.

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

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

SECTION 46. IC 14-39-2-2 IS REPEALED [EFFECTIVE UPON PASSAGE]. **Sec. 2: (a) The following definitions apply throughout this chapter:**

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

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

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

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



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

(g) "Mineral lessee" means a lessee 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.

(h) "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.

(i) "Pore space" means subsurface cavities or voids that can be used as a storage space for carbon dioxide.

(j) "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.

(k) "Reservoir" means a subsurface:

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

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

(l) "Storage facility" means the subsurface area consisting of the extent of a carbon dioxide plume which is required to be delineated on

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1 an approved UIC Class VI permit or an amendment to a UIC Class VI
2 permit of a storage operator:

3 (m) "Storage operator" means:

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

8 that operates a carbon sequestration project:

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

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

- 19 (1) a person;
- 20 (2) a trust;
- 21 (3) a corporation; or
- 22 (4) another entity;

23 to construct or operate a carbon dioxide injection well:

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

27 SECTION 47. IC 14-39-2-4, AS AMENDED BY P.L.213-2025,
28 SECTION 135, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If at least two (2) pore
30 space owners own pore space located within a proposed carbon dioxide
31 storage area of a storage facility, the owners may agree to integrate
32 their interests to develop the pore space as a proposed storage facility
33 for the underground storage of carbon dioxide.

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

41 (c) Before issuing an order under subsection (b), the department

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must make the following findings:

(1) That a storage operator:

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

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

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

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

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

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

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

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

SECTION 48. IC 14-39-2-5, AS AMENDED BY P.L.213-2025, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 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:~~



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

- (1) a UIC Class VI permit; and
- (2) a valid permit issued by the department.

(c) If a carbon sequestration project is owned by an entity other than the storage operator, the storage operator shall be responsible for obtaining a permit for a carbon sequestration project under subsection (b). A permit for a carbon sequestration project may be transferred or assigned from one (1) storage operator to another storage operator.

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

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

- (1) A permit to construct and operate.
- (2) An authorization to inject.

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

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

- (A) the given amount of metric tons of carbon dioxide proposed to be injected into the storage facility during the first ten (10) years of the permit for the carbon sequestration project; multiplied by
- (B) one cent (\$0.01).

The filing fee amount determined under this subdivision shall be collected by the department and deposited in the carbon sequestration project program administrative fund established by section 10.5 of this chapter.

(2) The: ~~signature of the applicant:~~

- (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.

(3) A statement verifying that the information submitted is true,



accurate, and complete to the best of applicant's knowledge.

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

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

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

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

(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:

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- (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 the general vertical and lateral limits of all:

- (A) underground sources of drinking water;
- (B) water wells and springs within the area of review;
- (C) the position of any underground source of drinking water, water well, or spring relative to the positions of each injection zone; and
- (D) directions of water movement, if known.

(14) Baseline geochemical data on subsurface formations, including all underground sources of drinking water in the area of review.

(15) Proposed operating data for the proposed geologic sequestration site.

(16) A proposed preoperational formation testing program to obtain an analysis of the chemical and physical characteristics of the injection zones and confining zone and which meets the requirements of the department.

(17) A proposed stimulation program, a description of stimulation fluids to be used and a determination that stimulation will not interfere with containment.

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

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

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

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

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

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(23) A proposed testing and monitoring plan.

(24) A well plugging plan.

(25) An emergency and remedial response plan.

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

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

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

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

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

(28) Any other information required by the department.

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

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

SECTION 49. IC 14-39-2-5.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.1. (a) A storage operator must demonstrate to the satisfaction of the department that the wells will be sited in areas with a suitable geologic formation. The storage operator must demonstrate that the geologic formation is composed of the following:

(1) An injection zone of sufficient areal extent, thickness, porosity, and permeability to receive the total anticipated



1 volume of the carbon dioxide stream.

2 (2) A confining zone free of transmissive faults or fractures
3 and of sufficient areal extent and integrity to contain the
4 injected carbon dioxide stream and displaced formation
5 fluids and allow injection at proposed maximum pressures
6 and volumes without initiating or propagating fractures in
7 the confining zone.

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

- 10 (1) will impede vertical fluid movement;
11 (2) are free of faults and fractures that may interfere with
12 containment;
13 (3) allow for pressure dissipation; and
14 (4) provide additional opportunities for:
15 (A) monitoring;
16 (B) mitigation; and
17 (C) remediation.

18 SECTION 50. IC 14-39-2-5.2 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE UPON PASSAGE]: Sec. 5.2. (a) A storage operator
21 must ensure that each Class VI well is constructed and completed
22 for the following:

- 23 (1) To prevent the movement of fluids into or between
24 underground sources of drinking water or into any
25 unauthorized zones.
26 (2) To permit the use of appropriate testing devices and
27 workover tools.
28 (3) To permit continuous monitoring of the annulus space
29 between the injection tubing and long string casing.

30 (b) Casing and cement or other materials used in the
31 construction of each Class VI well must have sufficient structural
32 strength and be designed for the life of the geologic sequestration
33 project. All well materials must be compatible with fluids with
34 which the materials may be expected to come into contact and must
35 meet federal standards or be comparable to standards required by
36 the department.

37 (c) Tubing and packer materials used in the construction of
38 each Class VI well must be compatible with fluids with which the
39 materials may be expected to come into contact and must meet
40 federal standards or be comparable to standards required by the
41 department.

42 SECTION 51. IC 14-39-2-5.3 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 5.3. During the drilling and construction of a Class VI injection well, a storage operator must:**

- (1) perform appropriate logs;
- (2) perform surveys and tests to determine or verify the:
 - (A) depth;
 - (B) thickness;
 - (C) porosity;
 - (D) permeability;
 - (E) lithology; and
 - (F) salinity;

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

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

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

SECTION 52. IC 14-39-2-5.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 5.4. (a) A storage operator may apply to the department for a depth requirement waiver.**

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

- (1) The depth of each proposed injection zone.
- (2) The location of each injection well.
- (3) The name and depth of all underground sources of drinking water within the area of review.
- (4) A map of the area of review.
- (5) The names of public water supplies:
 - (A) affected;
 - (B) reasonably likely to be affected; or
 - (C) served;

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

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

- (7) A supplemental report that meets the requirements set by the department that provides data as required by section 5.3



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1 of this chapter.

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

8 (d) Following public notice under this section, the department
9 shall provide all information provided in the application to the
10 department of environmental management. The department of
11 environmental management must concur or dissent in writing
12 regarding the waiver.

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

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

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

19 (f) The department may not approve a waiver without a
20 written concurrence from the department of environmental
21 management issued in conformance with this section.

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

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

27 (2) The location of each injection well.

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

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

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

34 (6) The date the waiver was issued.

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

38 SECTION 53. IC 14-39-2-5.5 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) Upon determining
41 that an application is complete, the department must decide
42 whether to:

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

or

(2) deny the application.

The department shall notify the applicant of the decision.

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

(1) Conditions of the permit.

(2) Compliance schedules.

(3) Monitoring requirements.

(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.

SECTION 54. IC 14-39-2-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) The department shall hold a public hearing before issuing a permit.

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

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

(1) mineral lessee;

(2) mineral owner; and

(3) pore space owner;

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

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

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



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

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

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

8 on a permit application.

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

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

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

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

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

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

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

- 30 (1) The name and address of the office processing the permit
31 action for which notice is being given.
- 32 (2) The name and address of the permittee of the permit
33 applicant and, if different, of the facility or activity being
34 regulated by the permit.
- 35 (3) A brief description of the business conducted at the
36 facility or activity being described in the permit application
37 or the draft permit.
- 38 (4) The name, address, and telephone number of a person
39 that is interested in obtaining information, including copies
40 of the draft permit, fact sheet, and the application.
- 41 (5) A brief description of the comment procedures required
42 by the department and the date, time, and place of a public



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hearing that will be held, including information regarding how to request a hearing and other procedures by which the public may participate in the final permit decision.

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

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

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

(9) Any additional information required by the department.

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

(1) be in writing; and

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

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

(o) The department shall hold a public hearing whenever, based on the number of requests, there is a significant degree of public interest in a draft permit. The department may also 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.

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

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

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

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

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.

SECTION 56. IC 14-39-2-6, AS AMENDED BY P.L.213-2025, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall review an application submitted under section ~~5(d)~~ **5(a)** of this chapter. If the department determines that the application submitted under section ~~5(d)~~ **5(a)** of this chapter is complete, the department shall notify the applicant.

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

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

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

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

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

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

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



and

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

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

(f) Not later than ninety (90) days after receiving the proof of publication of notice under subsection (e), the department shall notify the applicant in writing that:

(1) the department has approved the application; or

(2) the department has denied the application.

SECTION 57. IC 14-39-2-6.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.2. (a) Before issuing a permit, the department shall consult with the department of environmental management and determine whether the carbon sequestration project will cause pollution or create a nuisance.**

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

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

(2) That the storage operator shows that the storage facility is reasonably expected to retain the carbon dioxide stored in the storage facility.

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

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

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

(4) That the storage operator has made a good faith effort to secure the consent of all individuals who own the reservoir's pore space.

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

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

(7) That all pore space owners that do not agree to integrate



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1 their interests to develop the pore space as a proposed
2 storage facility for the underground storage of carbon
3 dioxide are equitably compensated.

4 (8) That a carbon sequestration project will not adversely
5 affect the interests of the mineral owners or mineral lessees
6 or the interests have been addressed in an arrangement
7 entered into by the mineral owners or mineral lessees and
8 the storage operator.

9 (9) That the proposed storage facility will not adversely
10 affect surface waters or aquifers.

11 (10) That substances that compromise the storage reservoir
12 will not enter into the stored carbon dioxide.

13 (11) That the storage facility will neither endanger human
14 health nor unduly endanger the environment.

15 (12) That the storage facility is in the public interest.

16 (13) That the horizontal and vertical boundaries of the
17 storage reservoir are defined. These boundaries shall include
18 buffer areas to ensure that the storage facility is operated
19 safely and as contemplated.

20 (14) That the storage operator will establish monitoring
21 facilities and protocols to assess the location and migration
22 of carbon dioxide injected for storage and to ensure
23 compliance with all permit, statutory, and administrative
24 requirements.

25 (15) The final area of review based on modeling, using data
26 obtained during logging and testing of the well and the
27 formation as required by the department.

28 (16) Any relevant updates, based on data obtained during
29 logging and testing of the well and the formation, to the
30 information on the geologic structure and hydrogeologic
31 properties of the proposed storage site and overlying
32 formations, submitted to satisfy the requirements of the
33 department.

34 (17) Information on the compatibility of the carbon dioxide
35 stream with fluids in each injection zone and minerals in
36 both the injection and each confining zone, based on the
37 results of the formation testing program, and with the
38 materials used to construct the well.

39 (18) The results of the formation testing program required
40 by the department.

41 (19) Final injection well construction procedures that meet
42 the requirements of the department.



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(20) The status of corrective action on wells in the area of review.

(21) All available logging and testing program data on the well required by the department.

(22) A demonstration of a mechanical integrity test.

(23) Any updates to the:

(A) proposed area of review and corrective action plan;

(B) testing and monitoring plan;

(C) injection well plugging plan;

(D) post-injection site care and site closure plan; or

(E) emergency and remedial response plan;

resulting from testing performed during the application process.

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

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

(1) carry out the purposes of this chapter; and

(2) protect and adjust the respective rights and obligations of individuals affected by a carbon sequestration project.

SECTION 58. IC 14-39-2-7, AS AMENDED BY P.L.213-2025, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) If the department approves an application under section 6 of this chapter, the department shall issue to the applicant a carbon sequestration project permit.

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

(1) The date the permit was issued.

(2) A description of the area containing the carbon sequestration project.

(3) Any additional information the department deems appropriate.

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

SECTION 59. IC 14-39-2-7.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.1 (a) If a person wishes to challenge a determination made by the department, the person may request an informal hearing by the division of reclamation prior to filing for a formal administrative hearing under IC 4-21.5.

(b) If the challenging person requests to have an informal



hearing, the request must include the following:

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

(2) The department decision for which the person is seeking informal review.

(3) The names of other persons who are subject to the determination made by the department and their addresses, telephone numbers, and electronic mail addresses.

(4) The reason for the person's objection to the determination made by the department.

(5) Evidence presented by the person in support of the reasons the person believes the department made an improper determination.

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

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

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

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

SECTION 60. IC 14-39-2-11, AS AMENDED BY P.L.25-2025, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A mineral owner or mineral lessee shall provide written notice to a storage operator at least thirty-one (31) days prior to drilling a well if the mineral owner or mineral lessee wishes to drill a well not more than:

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

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

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

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

(†) the department to preserve the integrity of the storage



1 facility.

2 ~~(2) a UIC Class VI permit; and~~

3 ~~(3) any other applicable regulations.~~

4 SECTION 61. IC 14-39-2-11.5, AS AMENDED BY
5 P.L.213-2025, SECTION 142, IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.5. (a) A person
7 may not:

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

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

14 without first obtaining a permit **to create and operate an**
15 **investigatory carbon dioxide well** issued by the department under this
16 section.

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

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

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

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

24 (A) facilities;

25 (B) treatment systems; and

26 (C) control and related appurtenances;

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

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

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

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

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

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

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- 1 (4) The location of the proposed well as certified by a
- 2 professional surveyor registered under IC 25-21.5.
- 3 (5) The surface elevation of the proposed well and the method
- 4 used for determining that elevation.
- 5 (6) The depth of the proposed well.
- 6 (7) Proof of a surface use agreement executed by the applicant
- 7 and the surface owner, including an agreement specifying that in
- 8 acting as authorized under a permit issued by the department
- 9 under this section, the operator does not commit trespass with
- 10 respect to the subsurface estate in any case in which the
- 11 subsurface estate is separate from the surface estate.
- 12 (8) Any other information required by the department that is
- 13 necessary to administer this section.
- 14 (e) An applicant shall submit the following with an application for
- 15 a permit under this section:
- 16 (1) For each well included in the application, a cash bond of ten
- 17 dollars (\$10) for each foot of well depth.
- 18 (2) A permit fee of two hundred fifty dollars (\$250) payable to
- 19 the department.
- 20 The department shall deposit all amounts collected under this
- 21 subsection in the carbon sequestration project program administrative
- 22 fund established by section 10.5 of this chapter.
- 23 (f) The department shall incorporate in a permit issued under this
- 24 section the terms, conditions, and covenants the department considers
- 25 necessary to protect the public interest.
- 26 (g) Except as provided in subsection (h), the department shall
- 27 issue a permit under this section not later than fifteen (15) days after
- 28 the applicant:
- 29 (1) demonstrates compliance with all relevant:
- 30 (A) provisions of this article; and
- 31 (B) rules adopted under this article;
- 32 as determined by the department; and
- 33 (2) submits a complete permit application under this section to
- 34 the department;
- 35 unless the fifteen (15) day deadline prescribed by this subsection is
- 36 otherwise waived by the applicant.
- 37 (h) The department may deny a permit under this section if the
- 38 applicant, or an officer, a partner, or a director of the applicant:
- 39 (1) either:
- 40 (A) is in violation of this article at the time of the
- 41 application; or

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- 1 (B) would be in violation if the permit were issued; or
 2 (2) has previously demonstrated a pattern of willful violations of
 3 this article.
- 4 (i) Except as provided in subsection (j), a permit issued by the
 5 department under this section with respect to a particular well remains
 6 in effect until any of the following occurs:
- 7 (1) The well is plugged and abandoned.
 8 (2) The well is converted to another type of well.
 9 (3) The permit is revoked by the department under subsection
 10 (k).
- 11 (j) A permit issued by the department under this section expires
 12 one (1) year after the date of issuance if the drilling of a well for which
 13 the permit has been issued has not commenced within that time.
- 14 (k) The department may revoke a permit issued under this section.
- 15 (l) Subject to subsection (m), a person holding a permit under this
 16 section shall plug and abandon a well that is no longer in operation
 17 under a permit, unless the well is converted to a carbon dioxide
 18 injection or monitoring well under a UIC Class VI permit.
- 19 (m) A person holding a permit under this section may defer
 20 plugging and abandoning a well while an application is pending to
 21 convert the well into a UIC Class VI permit carbon dioxide injection or
 22 monitoring well, as long as the well is temporarily capped and
 23 maintained in the manner prescribed by the department in the permit.
- 24 (n) After a well is plugged and abandoned or transferred, the
 25 applicant who paid the cash bond under subsection (e) may request a
 26 total or partial bond release from the department. The director of the
 27 division of reclamation shall:
- 28 (1) release the bond as requested; or
 29 (2) deny the bond release.
- 30 (o) A determination by the department under this section is subject
 31 to review and appeal under IC 4-21.5.
- 32 ~~(p) The commission may adopt rules under IC 4-22-2 to~~
 33 ~~implement this section.~~
- 34 SECTION 62. IC 14-39-2-12.1 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE UPON PASSAGE]: **Sec. 12.1. (a) Except during**
 37 **stimulation, a storage operator must ensure that injection pressure**
 38 **does not exceed ninety percent (90%) of the fracture pressure of an**
 39 **injection zone to ensure that the injection does not initiate new**
 40 **fractures or propagate existing fractures in the injection zone.**
 41 **(b) Injection pressure may not initiate fractures in a confining**
 42 **zone or cause the movement of injection or formation fluids that**



endangers an underground source of drinking water.

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

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

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.**

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

SECTION 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 prepare quarterly and annual reports.**

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

(c) Quarterly reports are due:

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

following the quarter.

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

SECTION 65. IC 14-39-2-12.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.4. The department shall provide in writing to a state, tribe, or territory included in an area of review for a project a map showing the injection well for which a permit is sought and the applicable areas of review.**

SECTION 66. IC 14-39-2-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.5. The department may require, by written notice on a well by well basis, a storage**



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operator to:

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

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

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) Owners or operators that are 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, the owner or 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) 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.

SECTION 68. IC 14-39-2-12.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.7. (a) The department shall determine when there is an increased risk to underground sources of drinking water and a UIC Class VI permit is required, rather than a Class II permit.**

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

- (1) Increase in reservoir pressure within an injection zone.



- (2) Increase in carbon dioxide injection rates.
- (3) Decrease in reservoir production rates.
- (4) Distance between an 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 other site specific factors required by the department.

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) A UIC Class VI permit may be:

- (1) modified,
- (2) revoked;
- (3) reissued; or
- (4) terminated;

during its term for cause by the department.

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

(d) 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.

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

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

SECTION 70. IC 14-39-2-13, AS AMENDED BY P.L.213-2025, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. (a) A certificate of project completion shall be issued upon application by the storage operator if the department finds that the storage operator does the following:**

- (1) The storage operator is in compliance with all applicable laws governing the storage facility.
- (2) The storage operator shows that the storage facility is reasonably expected to retain the carbon dioxide stored in the



- 1 storage facility.
- 2 (3) The storage operator shows that the carbon dioxide in the
- 3 storage facility is stable by showing that either:
- 4 (A) the stored carbon dioxide is essentially stationary; or
- 5 (B) if the stored carbon migrates, the migration is unlikely
- 6 to cross the boundaries of the storage facility.
- 7 (4) The storage operator shows that all wells, equipment, and
- 8 facilities used after the closure period are in good condition and
- 9 retain mechanical integrity.
- 10 (5) The storage operator shows that injection wells have been
- 11 plugged.
- 12 (6) The storage operator shows that equipment and facilities, not
- 13 including fixed structures and long term monitoring equipment
- 14 and wells, have been removed.
- 15 (7) The storage operator proves that the reclamation work
- 16 required by the department where the project ceases to inject
- 17 carbon dioxide is completed.
- 18 (8) The following with respect to site closure:
- 19 (A) The storage operator has provided a notice of intent for
- 20 site closure to the United States Environmental Protection
- 21 Agency.
- 22 (B) The United States Environmental Protection Agency
- 23 has authorized site closure.
- 24 (C) The storage operator has provided:
- 25 (i) the site closure report required under 40 CFR
- 26 146.93(f) (as in effect January 1, 2022) to the United
- 27 States Environmental Protection Agency; or
- 28 (ii) a comparable report to the state regulatory body if
- 29 the state assumes primacy for UIC Class VI permitting.
- 30 (b) The department shall issue a certificate of project completion
- 31 not later than one hundred eighty (180) days after receiving an
- 32 application from the storage operator. If the department determines that
- 33 the application for a certificate of project completion is incomplete,
- 34 inaccurate, or both, the department shall return the application to the
- 35 storage operator.
- 36 (c) If the department returns the application to the storage operator
- 37 under subsection (b), the department shall inform the storage operator,
- 38 in writing, of the deficiencies of the submitted application and inform
- 39 the storage operator of the right to file a corrected application with the
- 40 department.
- 41 (d) Once a certificate of completion is issued, the following apply:

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

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

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

(4) 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 subdivision must be provided at least five (5) business days before the department intends to enter the property. The notice must be delivered by:

(A) United States mail;

(B) private courier;

(C) personal delivery; or

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

(e) The state may:

(1) assume ownership of and responsibility for; or

(2) accept transfer of;

a storage facility with respect to which an interest in or rights to property are conveyed by a lease agreement only if the lessor and lessee agree in the lease agreement to transfer the storage facility to the state. In a transfer described in this subsection, the state assumes ownership of and responsibility for the storage facility only and does not assume any other ownership interest, responsibility, or liability under any other provisions of the lease agreement.

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

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

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1 (h) A storage operator shall monitor the site following
2 injection ceasing to show the position of the carbon dioxide plume
3 and pressure front and demonstrate that underground sources of
4 drinking water are not endangered.

5 (i) Following the cessation of injection, the storage operator
6 shall continue to conduct monitoring as specified in the department
7 approved post-injection site care and site closure plan for at least
8 fifty (50) years, unless an alternative time frame is approved by the
9 department. The monitoring must continue until the carbon
10 sequestration project no longer endangers underground sources of
11 drinking water.

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

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

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

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

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



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

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

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

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

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

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

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) Unauthorized injection.

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

(3) Nonexperimental Class VI wells for carbon sequestration.

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

(1) Clerical errors or mistakes in reporting requirements.

(2) Basic operation and facility management requirements.

(3) Maintenance requirements that may cause damage to property.

(4) Creating harmful environmental conditions or hazardous conditions.

(5) An action that likely results in environmental damage.

(6) An action that could result in harm to persons or death.

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

(1) Whether the storage operator made a good faith effort to



1 abate a violation.

2 **(2) The ability of the storage operator to abate the violation.**

3 **(3) The cost to the department to enforce the violation.**

4 **(4) Whether there was an economic benefit to the storage**
 5 **operator for committing the violation.**

6 **(5) Any other factor that may warrant a reduction of a civil**
 7 **penalty assessed for a violation.**

8 SECTION 72. IC 14-39-2-15, AS AMENDED BY P.L.213-2025,
 9 SECTION 144, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2026]: Sec. 15. (a) A person that violates a
 11 requirement under this article is subject to a civil penalty under this
 12 section.

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

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

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

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

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

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

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

33 **(2) the department shall issue to the person a cessation order in**
 34 **accordance with subsection (c).**

35 **(e) A person who knowingly and intentional violates this**
 36 **article commits a Class A misdemeanor. Each violation under this**
 37 **subsection:**

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

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

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

42 **(B) risk to:**

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- 1 (i) the environment;
 2 (ii) individuals; or
 3 (iii) property; and
 4 (C) actions of the violator to abate the violation.
 5 (f) The department shall provide for public participation in the
 6 enforcement process for a violation under this article.
 7 (g) A civil penalty or cessation order assessed or issued under
 8 this section is subject to review and appeal under IC 4-21.5.
 9 (h) The department shall deposit civil penalties collected under
 10 this chapter in the carbon dioxide storage facility trust fund established
 11 by section 10 of this chapter.
 12 SECTION 73. IC 14-39-2-15.5 IS ADDED TO THE INDIANA
 13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. If any part of this article**
 15 **or 312 IAC 30 is found to be invalid, the remainder of this article**
 16 **or 312 IAC 30, as applicable, is upheld.**
 17 SECTION 74. IC 35-52-14-52 IS ADDED TO THE INDIANA
 18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2026]: **Sec. 52. IC 14-39-2-15 defines a crime**
 20 **concerning carbon sequestration.**
 21 SECTION 75. **An emergency is declared for this act.**

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