
HOUSE BILL No. 1368

AM136803 has been incorporated into January 20, 2026 printing.

Synopsis: Carbon.

M
e
r
g
e
d

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

January 20, 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.

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

(1) dollar amount; or

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

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

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

(1) meters;

(2) connections; or

(3) buildings or structures served;

on the property, as applicable.

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

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

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

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

SECTION 5. IC 14-8-2-34.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 34.1. "Carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0-6-4.**

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

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 **IC 14-39-0.6-6.**

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

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

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

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

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

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

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

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

40 SECTION 16. IC 14-8-2-131.9 IS ADDED TO THE INDIANA
41 CODE AS A NEW SECTION TO READ AS FOLLOWS
42 [EFFECTIVE UPON PASSAGE]: Sec. 131.9. "Injection zone", for

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 purposes of IC 14-39, has the meaning set forth in
2 **IC 14-39-0.6-13.5.**

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

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

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

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

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

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

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

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

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

42 SECTION 26. IC 14-8-2-240, AS AMENDED BY P.L.148-2020,

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

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

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

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

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

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

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

41 SECTION 34. IC 14-8-2-285.4 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 [EFFECTIVE UPON PASSAGE]: **Sec. 285.4. "UIC program", for**
 2 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-31.**

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

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

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

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

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

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

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

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

37 **Chapter 0.6. Definitions**

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

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

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



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

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

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

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

9 **Sec. 3.5. "Area of review"** has the meaning set forth in 40 CFR
 10 **146.81.**

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

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

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

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

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

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

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

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



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

10 **(1) gaseous;**
 11 **(2) liquid; or**
 12 **(3) supercritical;**

13 carbon dioxide stream in subsurface geologic formations.

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

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

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

27 (c) The term does not include the following:

28 (1) The subsurface three-dimensional extent of the carbon
29 dioxide plume.
30 (2) The subsurface three-dimensional associated area of
31 elevated pressure.
32 (3) The subsurface three-dimensional displaced fluids.
33 (4) The surface area above the delineated region described in
34 subdivisions (1) through (3).

35 Sec. 12. "Confining zone" means:

36 (1) a geologic formation;
37 (2) a group of geologic formations; or
38 (3) part of a geologic formation;

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 a:

2 (1) geologic formation;

3 (2) group of geologic formations; or

4 (3) part of a geologic formation;

5 stratigraphically overlying and underlying the injection zone.

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

7 (1) taken by the owner or operator of a permitted Class VI

8 carbon dioxide injection well; and

9 (2) approved by the director;

10 to ensure that a carbon dioxide injection well within the area of

11 review does not serve as conduits for the movement of fluids into

12 underground sources of drinking water.

13 Sec. 13. "Fault" means a surface or zone or rock fracture

14 along which there has been displacement.

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

16 (1) formation;

17 (2) group of formations; or

18 (3) part of a formation;

19 that is conducive to receiving carbon dioxide with a permitted

20 carbon sequestration project.

21 Sec. 14. "Lithology" means the description of rocks on the

22 basis of their physical and chemical characteristics.

23 Sec. 15. "Mechanical integrity test" refers to a test performed

24 on a well permitted by a UIC Class VI permit that meets the

25 requirements established under 40 CFR 146.8.

26 Sec. 16. "Mineral lessee" means a lessee identified by the

27 records of the recorder of deeds for each county containing a

28 portion of the proposed reservoir who holds an interest in minerals

29 on real property that are located above, below, or within the

30 proposed reservoir that has been severed from the surface estate

31 by:

32 (1) grant;

33 (2) exception;

34 (3) reservation;

35 (4) lease; or

36 (5) any other means.

37 Sec. 17. "Mineral owner" means an owner identified by the

38 records of the recorder of deeds for each county containing a

39 portion of the proposed reservoir who holds an interest in minerals

40 on real property that are located above, below, or within the

41 proposed reservoir that has been severed from the surface estate

42 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;

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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).

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

Sec. 26. "Storage operator" means:

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

that owns or operates a carbon sequestration project.

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

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

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

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

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

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 **IC 14-39-1-4.5.**

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

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

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

10 (b) The term does not include a:

- 11 (1) draft permit;
- 12 (2) proposed permit; or
- 13 (3) permit that is not subject to final agency action.

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

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

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

19 **under the Safe Drinking Water Act to regulate underground
 20 injection.**

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

- 23 (1) supplies any public water system; or
- 24 (2) contains a sufficient quantity of ground water to supply
 25 a public water system and:

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

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

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

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

38 **SECTION 41. IC 14-39-1-2 IS REPEALED [EFFECTIVE UPON
 39 PASSAGE]. See. 2. As used in this chapter, "carbon dioxide
 40 transmission pipeline" means the part of a pipeline in Indiana,
 41 including appurtenant facilities, property rights, and easements, that is
 42 used exclusively for the purpose of transporting carbon dioxide to a**



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

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

7 SECTION 43. IC 14-39-1-2.5 IS REPEALED [EFFECTIVE
8 UPON PASSAGE]. See: 2.5. As used in this chapter, "underground
9 storage of carbon dioxide" means the injection of carbon dioxide into,
10 and storage of carbon dioxide in, underground strata and formations at
11 the site of the carbon sequestration pilot project, as described in section
12 3.5 of this chapter, pursuant to one (1) or more federal permits issued
13 by the United States Environmental Protection Agency.

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

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

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

25 (1) that will:

26 (A) capture carbon dioxide at the proposed ammonia plant
27 to be located at 444 West Sandford Avenue, West Terre
28 Haute, Indiana;
29 (B) construct, operate, or use not more than two (2) carbon
30 dioxide pipelines;
31 (C) maintain operations only in Vigo and Vermillion
32 counties; and
33 (D) inject the carbon dioxide underground through one (1)
34 or more injection wells pursuant to a Class VI well permit
35 issued by the United States Environmental Protection
36 Agency; and

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

39 (b) The director shall designate the operator of the carbon
40 sequestration pilot project according to the characteristics of the pilot
41 project set forth in subsection (a) not more than thirty (30) days after
42 the Class VI well permit referred to in subsection (a)(1)(D) is issued by



1 the United States Environmental Protection Agency.

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

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

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

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

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

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

30 **(e) (c) Except as otherwise provided in this chapter, this chapter:**
 31 **(1) does not apply to extractable mineral resources;**

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

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

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

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

40 **(2) may not adversely affect oil, gas, and coal oil and gas**
 41 **resources, except as is strictly necessary to construct and**
 42 **maintain a carbon sequestration project that will provide for the**



1 permanent storage of carbon dioxide.

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

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

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

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

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

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

19 (1) 40 CFR 141 through 146;

20 (2) the federal Safe Drinking Water Act (42 U.S.C.
21 300h(b)(1)); and

22 (3) any other federal regulation necessary;

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

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

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

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

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

36 (g) The department may, at a reasonable time, enter property
37 on which a carbon dioxide injection well or monitoring well for the
38 storage facility is located to inspect and maintain the well or
39 storage facility. Except in the event of an emergency, the
40 department shall provide advance notice to the owner of the
41 surface property of the date the department intends to enter the
42 property. The notice required by this subsection must be provided



1 **at least five (5) business days before the department intends to**
 2 **enter the property. The notice must be delivered by:**

- 3 (1) United States mail;
- 4 (2) private courier;
- 5 (3) personal delivery; or

6 **(4) any other manner agreed to in writing between the**
 7 **department and the owner of the surface property.**

8 SECTION 51. IC 14-39-2-2 IS REPEALED [EFFECTIVE UPON
 9 PASSAGE]. See. 2. (a) The following definitions apply throughout this
 10 chapter:

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

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

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

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

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

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

- 27 (1) grant;
- 28 (2) exception;
- 29 (3) reservation;
- 30 (4) lease; or
- 31 (5) any other means.

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

- 37 (1) grant;
- 38 (2) exception;
- 39 (3) reservation;
- 40 (4) lease; or
- 41 (5) any other means.

42 (i) "Pore space" means subsurface cavities or voids that can be



1 used as a storage space for carbon dioxide.

2 (f) "Pore space owner" means:

3 (1) a person;

4 (2) a trust;

5 (3) a corporation; or

6 (4) another entity;

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

8 (g) "Reservoir" means a subsurface:

9 (1) sedimentary stratum;

10 (2) formation;

11 (3) aquifer;

12 (4) cavity; or

13 (5) void;

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

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

20 (i) "Storage operator" means:

21 (1) a person;

22 (2) a trust;

23 (3) a corporation; or

24 (4) another entity;

25 that operates a carbon sequestration project.

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

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

36 (1) a person;

37 (2) a trust;

38 (3) a corporation; or

39 (4) another entity;

40 to construct or operate a carbon dioxide injection well.

41 (l) "Underground storage of carbon dioxide" means the injection
42 and storage of carbon dioxide into underground strata and formations



1 pursuant to at least one (1) UIC Class VI permit.

2 SECTION 52. IC 14-39-2-4, AS AMENDED BY P.L.213-2025,
 3 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If at least two (2) pore
 5 space owners own pore space located within a proposed carbon dioxide
 6 storage area of a storage facility, the owners may agree to integrate
 7 their interests to develop the pore space as a proposed storage facility
 8 for the underground storage of carbon dioxide.

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

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

18 (1) That a storage operator:

19 (A) filed a complete application for a UIC Class VI permit
 20 or a complete application for an amended UIC Class VI
 21 permit; and
 22 (B) submitted all the necessary information to the United
 23 States Environmental Protection Agency for the agency to
 24 process the storage operator's permit application.

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

28 (3) That the storage operator has obtained the consent of the
 29 owners of the pore space underlying at least seventy percent
 30 (70%) of the surface area above the proposed storage facility or
 31 amended proposed storage facility.

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

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

42 (e) An involuntary integration order issued by the department

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 takes effect fifteen (15) days after the applicant is issued a UIC Class
 2 VI permit or an amended UIC Class VI permit, as applicable.

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

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

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

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

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

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

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

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

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

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

34 (1) A filing fee equal to the product of:
 35 (A) the given amount of metric tons of carbon dioxide
 36 proposed to be injected into the storage facility during the
 37 first ten (10) years of the permit for the carbon sequestration
 38 project; multiplied by
 39 (B) one cent (\$0.01).

40 The filing fee amount determined under this subdivision shall be
 41 collected by the department and deposited in the carbon
 42 sequestration project program administrative fund established by



1 section 10.5 of this chapter.

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

3 (A) name;

4 (B) address;

5 (C) telephone number;

6 (D) electronic mail address;

7 (E) ownership status;

8 (F) status as a:

9 (i) federal;

10 (ii) state;

11 (iii) private;

12 (iv) public; or

13 (v) other;

14 entity;

15 (G) signature; and

16 (H) signed copy of the certification described in 40 CFR

17 144.32(d).

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

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

20 (4) Information illustrating that the applicant has the financial,

21 managerial, and technical ability to construct, operate, and

22 maintain a carbon sequestration project.

23 (5) Information illustrating that the applicant or the contractors

24 or subcontractors of the applicant have the requisite expertise in

25 constructing, operating, and maintaining a carbon sequestration

26 project.

27 (6) Documentation to the department describing the scope of the

28 proposed carbon sequestration project.

29 (7) A statement describing how the applicant will construct,

30 operate, and maintain the proposed carbon sequestration project

31 in accordance with applicable local, state, and federal law,

32 including federal and state safety regulations and rules governing

33 the construction, operation, and maintenance of the carbon

34 sequestration project, and related facilities and equipment, to

35 ensure the safety of the carbon sequestration project employees

36 and the public.

37 (8) A statement that the interests of a mineral lessee or mineral

38 owner will not be adversely affected. If a mineral owner or

39 mineral lessee is adversely affected, the adversely affected

40 mineral owner or mineral lessee and the applicant may enter into

41 an agreement under section 4 of this chapter.

42 (9) A map showing the injection well for which a permit is

M
e
r
g
e
d



1 **sought and the applicable areas of review consistent with**
2 **federal regulations. The map must show any known or**
3 **suspected faults. Within the area of review, the map must**
4 **show the number, name, and location of the following:**

5 (A) **Injection wells.**
6 (B) **Producing wells.**
7 (C) **Abandoned wells.**
8 (D) **Plugged wells or dry holes.**
9 (E) **Deep stratigraphic boreholes.**
10 (F) **State or United States Environmental Protection**
11 **Agency approved subsurface cleanup sites.**
12 (G) **Surface bodies of water.**
13 (H) **Springs.**
14 (I) **Surface and subsurface mines.**
15 (J) **Quarries.**
16 (K) **Water wells.**
17 (L) **Other pertinent surface features, including**
18 **structures intended for:**
19 (i) **human occupancy;**
20 (ii) **state, tribal, and territory boundaries; and**
21 (iii) **roads.**

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

24 (10) **A list of contacts for those states, tribes, and territories**
25 **identified within the area of review of the Class VI project**
26 **based on the information required in this section.**

27 (11) **Information on the geologic structure and hydrogeologic**
28 **properties of the proposed storage site and overlying**
29 **formations.**

30 (12) **A tabulation of each well within the area of review that**
31 **penetrates each injection zone or confining zone.**

32 (13) **Maps and stratigraphic cross sections indicating:**

33 (A) **the general vertical and lateral limits of all:**
34 (i) **underground sources of drinking water; and**
35 (ii) **water wells and springs within the area of**
36 **review;**
37 (B) **the position of any underground source of drinking**
38 **water, water well, or spring relative to the positions of**
39 **each injection zone; and**
40 (C) **directions of water movement, if known.**
41 (14) **Baseline geochemical data on subsurface formations,**
42 **including all underground sources of drinking water in the**



area of review.

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

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

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

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

- (19) Schematics or other appropriate drawings of the surface and subsurface construction details of the well.**
- (20) Injection well construction procedures that meet all requirements of the department.**

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

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

(23) A proposed testing and monitoring plan.

(24) A well plugging plan.

(25) An emergency and remedial response plan.

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

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

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

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

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

(28) Any other information required by the department.

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

20 **(1) An injection zone of sufficient areal extent, thickness,
 21 porosity, and permeability to receive the total anticipated
 22 volume of the carbon dioxide stream.**

23 **(2) A confining zone free of transmissive faults or fractures
 24 and of sufficient areal extent and integrity to contain the
 25 injected carbon dioxide stream and displaced formation
 26 fluids and allow injection at proposed maximum pressures
 27 and volumes without initiating or propagating fractures in
 28 the confining zone.**

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

31 **(1) will impede vertical fluid movement;**
 32 **(2) are free of faults and fractures that may interfere with
 33 containment;**
 34 **(3) allow for pressure dissipation; and**
 35 **(4) provide additional opportunities for:**
 36 **(A) monitoring;**
 37 **(B) mitigation; and**
 38 **(C) remediation.**

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



1 **for the following:**

2 **(1) To prevent the movement of fluids into or between**
 3 **underground sources of drinking water or into any**
 4 **unauthorized zones.**

5 **(2) To permit the use of appropriate testing devices and**
 6 **workover tools.**

7 **(3) To permit continuous monitoring of the annulus space**
 8 **between the injection tubing and long string casing.**

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

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

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

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

27 **(1) perform appropriate logs;**

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

29 **(A) depth;**

30 **(B) thickness;**

31 **(C) porosity;**

32 **(D) permeability;**

33 **(E) lithology; and**

34 **(F) salinity;**

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

38 **(3) establish accurate baseline data against which future**
 39 **measurements may be compared.**

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



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

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

- 7 (1) The depth of each proposed injection zone.
- 8 (2) The location of each injection well.
- 9 (3) The name and depth of all underground sources of
10 drinking water within the area of review.
- 11 (4) A map of the area of review.
- 12 (5) The names of public water supplies:

- 13 (A) affected;
- 14 (B) reasonably likely to be affected; or
- 15 (C) served;

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

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

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

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

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

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

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



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

12 (2) The location of each injection well.

15 **(4) A map of the area of review.**

19 (6) The date the waiver was issued.

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

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

28 **(1) prepare a draft permit for the public comment process;**
29 **or**
30 **(2) deny the application.**

31 The department shall notify the applicant of the decision.

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

(3) complete the public comment period, including any public hearing; and

- (4) issue a final permit.
- (d) The department may not deny an application without a

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

SECTION 59. 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.

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

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

(1) publishing the notice for a hearing; and

(2) holding a hearing:

(1) holding a hearing on a permit application.

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

HB 1368—LS 6866/DJ 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

(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.

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

- (1) The name and address of the office processing the permit action for which notice is being given.
- (2) The name and address of the permittee of the permit applicant and, if different, of the facility or activity being regulated by the permit.
- (3) A brief description of the business conducted at the facility or activity being described in the permit application or the draft permit.
- (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.
- (5) A brief description of the comment procedures required by the department and the date, time, and place of a public 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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 submit written comments on the draft permit and may request a
 2 public hearing, if a hearing has not already been scheduled. A
 3 request for a public hearing must:

4 (1) be in writing; and
 5 (2) state the nature of the issues proposed to be raised in the
 6 hearing.

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

10 (o) The department shall hold a public hearing whenever there
 11 is a significant degree of public interest in a draft permit. The
 12 department may hold a public hearing at the discretion of the
 13 department if the public hearing would clarify at least one (1) issue
 14 involved in the permit decision.

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

17 (1) specify which provisions, if any, of the draft permit were
 18 changed in the final permit, and the reasons for each change;
 19 and
 20 (2) briefly describe and respond to all substantive comments
 21 on the draft permit raised during the public comment period
 22 or during any hearing.

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

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

27 SECTION 60. IC 14-39-2-5.7 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE UPON PASSAGE]: Sec. 5.7. (a) The department shall
 30 identify and protect all underground sources of drinking water and
 31 all aquifers and parts of aquifers that are underground sources of
 32 drinking water.

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

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

41 (d) Other than aquifer exemption expansions approved by the
 42 United States Environmental Protection Agency that meet the



1 **criteria set forth in 40 CFR 144.7, the department may not issue a**
 2 **new aquifer exemption for a Class VI injection well. This**
 3 **subsection applies regardless of whether an aquifer has been**
 4 **identified by the department as an underground source of drinking**
 5 **water.**

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

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

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

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

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

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

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

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

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

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

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

42 (f) Not later than **ninety (90) one hundred eighty (180) days after**



1 receiving the proof of publication of notice under subsection (e), the
2 department shall notify the applicant in writing that:

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

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

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

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

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

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

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

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

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

29 **(6) That the storage operator has obtained the consent of the**
30 **pore space owners of the pore space underlying at least**
31 **seventy percent (70%) of the surface area above the**
32 **proposed storage facility or amended proposed storage**
33 **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**
36 **storage facility for the underground storage of carbon**
37 **dioxide are equitably compensated.**

38 **(8) That a carbon sequestration project will not adversely**
39 **affect the interests of the mineral owners or mineral lessees**
40 **or the interests have been addressed in an arrangement**
41 **entered into by the mineral owners or mineral lessees and**
42 **the storage operator.**



- (9) That the proposed storage facility will not adversely affect surface waters or aquifers.
- (10) That the proposed storage reservoir will remain solid and the substances making up the storage reservoir will not mix or interact with the stored carbon dioxide.
- (11) That the storage facility will neither endanger human health nor endanger the environment.
- (12) That the storage facility is in the public interest.
- (13) That the horizontal and vertical boundaries of the storage reservoir are defined. These boundaries shall include buffer areas to ensure that the storage facility is operated safely and as contemplated.
- (14) That the storage operator will establish monitoring facilities and protocols to assess the location and migration of carbon dioxide injected for storage and to ensure compliance with all permit, statutory, and administrative requirements.
- (15) The final area of review based on modeling, using data obtained during logging and testing of the well and the formation as required by the department.
- (16) Any relevant updates, based on data obtained during logging and testing of the well and the formation, to the information on the geologic structure and hydrogeologic properties of the proposed storage site and overlying formations, submitted to satisfy the requirements of the department.
- (17) Information on the compatibility of the carbon dioxide stream with fluids in each injection zone and minerals in both the injection and each confining zone, based on the results of the formation testing program, and with the materials used to construct the well.
- (18) The results of the formation testing program required by the department.
- (19) Final injection well construction procedures that meet the requirements of the department.
- (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;

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

- (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;

ulting from testing performed during the application
cess.

(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.

(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 63. 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 64. 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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 mail address of the person requesting the informal hearing.
2 (2) The department decision for which the person is seeking
3 informal review.

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

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

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

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

42 (2) a UIC Class VI permit; and

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

(3) any other applicable regulations.

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

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

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

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

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

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

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

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

(A) facilities;

(B) treatment systems; and

(C) control and related appurtenances;

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

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

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

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

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

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

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

(5) The surface elevation of the proposed well and the method

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

used for determining that elevation.

(6) The depth of the proposed well.

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

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

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

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

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

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

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

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

(1) demonstrates compliance with all relevant:

(A) provisions of this article; and

(B) rules adopted under this article;

as determined by the department; and

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

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

(h) The dep

or an officer, a partner, or a director of the applicant:
either:

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

application

(B) would be in violation if the permit were issued; or
has previously demonstrated a pattern of willful violations of

article.

(i) Except as provided in subsection (j), a permit issued by the

For more information on the 2010 Census, visit 2010.census.gov.

HB 1508—LS 0800/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 department under this section with respect to a particular well remains
2 in effect until any of the following occurs:

(1) The well is plugged and abandoned.

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

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

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

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

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

(m) A person holding a permit under this section may defer plugging and abandoning a well while an application is pending to convert the well into a UIC Class VI permit carbon dioxide injection or monitoring well, as long as the well is temporarily capped and maintained in the manner prescribed by the department in the permit.

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

(1) release the bond as requested; or

(2) deny the bond release.

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

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

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

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

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

5 SECTION 68. IC 14-39-2-12.2 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 12.2.** (a) A UIC Class VI
 8 permit may be modified at the request of an interested person in
 9 writing or upon the directive of the department. The request must
 10 contain each fact or reason supporting the request and any other
 11 criteria established by the department.

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

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

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

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

29 (d) Quarterly reports are due:

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

34 following the quarter.

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

37 (f) A storage operator shall submit the reports required under
 38 40 CFR 146.91 to the department within the time frames described
 39 in 40 CFR 146.91.

40 SECTION 70. IC 14-39-2-12.4 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE UPON PASSAGE]: **Sec. 12.4.** The department shall



1 **provide in writing to a state, tribe, or territory included in an area**
 2 **of review for a project a map showing the injection well for which**
 3 **a permit is sought and the applicable areas of review.**

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

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

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

17 SECTION 72. IC 14-39-2-12.6 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: **Sec. 12.6. (a) A storage operator**
 20 **that is injecting carbon dioxide for the primary purpose of long**
 21 **term storage into an oil and gas reservoir must apply for and**
 22 **obtain a Class VI geologic sequestration permit when there is an**
 23 **increased risk to underground sources of drinking water compared**
 24 **to Class II operations.**

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

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

41 SECTION 73. IC 14-39-2-12.7 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 [EFFECTIVE UPON PASSAGE]: **Sec. 12.7. (a)** The department shall
 2 determine when there is an increased risk to underground sources
 3 of drinking water and a UIC Class VI permit is required, rather
 4 than a Class II permit.

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

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

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

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

- 26 (1) modify;
- 27 (2) revoke;
- 28 (3) reissue; or
- 29 (4) terminate;

30 a UIC Class VI permit during its term for a violation of 40 CFR
 31 144.39 or 40 CFR 144.40.

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

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

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

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

42 **(e)** The issuance of a UIC Class VI permit does not authorize



1 **any injury to persons or property or invasion of other private
2 rights, or any infringement of state or local law or regulations.**

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

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

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

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

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

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

22 (2) The storage operator shows that the storage facility is
23 reasonably expected to retain the carbon dioxide stored in the
24 storage facility.

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

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

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

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

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

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

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

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

42 (A) The storage operator has provided a notice of intent for



1 site closure to the United States Environmental Protection
2 Agency.
3 (B) The United States Environmental Protection Agency
4 has authorized site closure.
5 (C) The storage operator has provided:
6 (i) the site closure report required under 40 CFR
7 146.93(f) (as in effect January 1, 2022) to the United
8 States Environmental Protection Agency; or
9 (ii) a comparable report to the state regulatory body if
10 the state assumes primacy for UIC Class VI permitting.
11 (b) The department shall issue a certificate of project completion
12 not later than one hundred eighty (180) days after receiving an
13 application from the storage operator. If the department determines that
14 the application for a certificate of project completion is incomplete,
15 inaccurate, or both, the department shall return the application to the
16 storage operator.
17 (c) If the department returns the application to the storage operator
18 under subsection (b), the department shall inform the storage operator,
19 in writing, of the deficiencies of the submitted application and inform
20 the storage operator of the right to file a corrected application with the
21 department.
22 (d) Once a certificate of completion is issued, the following apply:
23 (1) Except as provided in subsection (e), the state will assume
24 ownership of and responsibility for the storage facility.
25 (2) The state will assume responsibility for all regulatory
26 requirements associated with the storage facility, and the storage
27 operator and the owner of the storage facility are released from
28 responsibility for all regulatory requirements associated with the
29 storage facility.
30 (3) The state will assume any potential liability associated with
31 the storage facility.
32 (4) The department may, at a reasonable time, enter property on
33 which a carbon dioxide injection well or monitoring well for the
34 storage facility is located to inspect and maintain the well or
35 storage facility. Except in the event of an emergency, the
36 department shall provide advance notice to the owner of the
37 surface property of the date the department intends to enter the
38 property. The notice required by this subdivision must be
39 provided at least five (5) business days before the department
40 intends to enter the property. The notice must be delivered by:
41 (A) United States mail;
42 (B) private courier;

M
e
r
g
e
d



- (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;

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

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 established in 40 CFR 146.93. The monitoring must continue until
2 the:

3 (1) carbon sequestration project no longer endangers
4 underground sources of drinking water; and
5 (2) department approves a demonstration submitted by the
6 owner and operator of the carbon dioxide injection well in
7 the manner prescribed by 40 CFR 146.93.

8 (k) Before authorization for site closure, the storage operator
9 must submit to the department for review and approval a
10 demonstration, based on monitoring and other site specific data,
11 that no additional monitoring is needed to ensure that the carbon
12 sequestration project does not endanger underground sources of
13 drinking water.

14 (l) If the storage operator cannot demonstrate that the carbon
15 sequestration project does not endanger underground sources of
16 drinking water at the end of the fifty (50) year period, or the
17 approved alternative time frame, or the department does not
18 approve the demonstration, the storage operator must submit to
19 the department a plan to continue post-injection site care until a
20 demonstration can be made and approved by the department.

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

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

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

33 (1) The fact that the land has been used to sequester carbon
34 dioxide.
35 (2) The name of the state agency, local authority, or tribe
36 with which the survey plat was filed, as well as the address of
37 the Environmental Protection Agency regional office to
38 which it was submitted.
39 (3) The volume of fluid injected, the injection zone or zones
40 into which it was injected, and the period over which
41 injection occurred.
42 (p) The storage operator shall retain, for at least ten (10) years



1 **following site closure, records collected during the post-injection**
2 **site care period. The storage operator shall deliver the records to**
3 **the department at the conclusion of the retention period, and the**
4 **department must retain the records at a location designated by the**
5 **department for that purpose.**

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

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

13 **(1) Injection without a UIC Class VI permit.**
14 **(2) Movement of fluid into underground sources of drinking**
15 **water.**
16 **(3) Experimental Class VI wells for carbon sequestration.**
17 **(4) Any action that endangers underground sources of**
18 **drinking water.**
19 **(5) Any additional activity prohibited under:**
20 **(A) the federal Safe Drinking Water Act (42 U.S.C. 300f**
21 **et seq.); or**
22 **(B) 40 CFR 142, 40 CFR 144, 40 CFR 146, and 40 CFR**
23 **148.**

24 **(b) Other violations of this article include the following:**
25 **(1) Making clerical errors or mistakes in reporting**
26 **requirements.**
27 **(2) Failure to meet basic operation and facility management**
28 **requirements.**
29 **(3) Failure to meet maintenance requirements that may**
30 **cause damage to property.**
31 **(4) Creating harmful environmental conditions or hazardous**
32 **conditions.**
33 **(5) Taking an action that likely results in environmental**
34 **damage.**
35 **(6) Taking an action that could result in harm to persons or**
36 **death.**

37 **(c) Mitigating factors that may affect a violation received by**
38 **a storage operator under this article are as follows:**
39 **(1) Whether the storage operator made a good faith effort to**
40 **abate a violation.**
41 **(2) The ability of the storage operator to abate the violation.**
42 **(3) The cost to the department to enforce the violation.**



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

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

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

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

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

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

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

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

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

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

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

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

(1) is assessable individually; and

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

(A) severity of the violation:

(A) severity
(B) risk to

(i) the environment:

(i) the environment
(ii) individuals: or

(ii) individuals, or
(iii) property: and

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

18 SECTION 80. An emergency is declared for this act.

M

e

9

e

d

HB 1368—LS 6866/DI 150



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY