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# HOUSE BILL No. 1368

Proposed Changes to January 20, 2026 printing by AM136803

## DIGEST OF PROPOSED AMENDMENT

Carbon sequestration. Makes various changes to carbon sequestration law to allow the department of natural resources to obtain the primary enforcement authority from the United States Environmental Protection Agency to regulate Class VI underground injection wells. Provides that the carbon sequestration pilot project's Class VI wells are not experimental.

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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:  
18 (1) An electronic funds transfer, including by wire or

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

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

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

25 SECTION 4. IC 14-8-2-~~14~~[14]~~5~~ IS ADDED TO THE  
26 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
27 [EFFECTIVE UPON PASSAGE]: Sec. ~~14~~[14]~~5~~. "~~Carbon~~  
28 ~~dioxide~~Area of review", for purposes of IC 14-39, has the  
29 meaning set forth in IC 14-39-0.6-~~3.5~~[3.5].

30 SECTION 5. IC 14-8-2-34. ~~②~~[1] IS ADDED TO THE INDIANA  
31 CODE AS A NEW SECTION TO READ AS FOLLOWS  
32 [EFFECTIVE UPON PASSAGE]: Sec. 34. ~~②~~[1]. "Carbon dioxide  
33 ~~injection well~~", for purposes of IC 14-39, has the meaning set  
34 forth in IC 14-39-0.6-~~②~~[4].

35 SECTION 6. IC 14-8-2-34. ~~34~~ [2] IS ADDED TO THE INDIANA  
36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
37 [EFFECTIVE UPON PASSAGE]: Sec. 34. ~~34~~ [2]. "Carbon dioxide  
38 ~~plume~~ [injection well]", for purposes of IC 14-39, has the  
39 meaning set forth in IC 14-39-0.6-~~34~~ [5].

40 SECTION 7. IC 14-8-2-34. ~~44~~[3] IS ADDED TO THE INDIANA  
41 CODE AS A NEW SECTION TO READ AS FOLLOWS  
42 [EFFECTIVE UPON PASSAGE]: **Sec. 34.** ~~44~~[3]. "Carbon dioxide

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1       **~~stream~~[plume]**", for purposes of IC 14-39, has the meaning set  
 2       forth in IC 14-39-0.6-~~7~~**[6]**.

3       SECTION 8. IC 14-8-2-34.~~5~~**[4]** IS ADDED TO THE INDIANA  
 4       CODE AS A NEW SECTION TO READ AS FOLLOWS  
 5       [EFFECTIVE UPON PASSAGE]: Sec. 34.~~5~~**[4]**. "Carbon dioxide  
 6       ~~transmission pipeline~~**[stream]**", for purposes of IC 14-39, has  
 7       the meaning set forth in IC 14-39-0.6-~~8~~**[7]**.

8       SECTION 9. IC 14-8-2-34.~~6~~**[5]** IS ADDED TO THE INDIANA  
 9       CODE AS A NEW SECTION TO READ AS FOLLOWS  
 10      [EFFECTIVE UPON PASSAGE]: Sec. 34.~~6~~**[5]**. "Carbon  
 11      ~~sequestration~~**[dioxide transmission pipeline]**", for purposes of  
 12      IC 14-39, has the meaning set forth in IC 14-39-0.6-~~9~~**[8]**.

13      SECTION 10. IC 14-8-2-34.~~7~~**[6]** IS ADDED TO THE  
 14      INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15      [EFFECTIVE UPON PASSAGE]: Sec. 34.~~7~~**[6]**. "Carbon  
 16      sequestration~~pilot project~~", for purposes of IC 14-39, has the  
 17      meaning set forth in IC 14-39-0.6-~~10~~**[9]**.

18      SECTION 11. IC 14-8-2-34.~~8~~**[7]** IS ADDED TO THE  
 19      INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 20      [EFFECTIVE UPON PASSAGE]: Sec. 34.~~8~~**[7]**. "Carbon  
 21      sequestration~~pilot~~ project", for purposes of IC 14-39, has the  
 22      meaning set forth in IC 14-39-0.6-1~~9~~**[10]**.

23      SECTION 12. IC 14-8-2-~~50~~**[34]**.~~5~~**[8]** IS ADDED TO THE  
 24      INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25      [EFFECTIVE UPON PASSAGE]: Sec. ~~50~~**[34]**.~~5~~**[8]**. "~~Confining~~  
 26      **[Carbon sequestration project]**", for purposes of IC 14-39,  
 27      has the meaning set forth in IC 14-39-0.6-1~~9~~**[11]**.

28      SECTION 13. IC 14-8-2-~~87~~**[50]**.~~8~~**[5]** IS ADDED TO THE  
 29      INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 30      [EFFECTIVE UPON PASSAGE]: Sec. ~~87~~**[50]**.~~8~~**[5]**.  
 31      "~~Fault~~**[Confining zone]**", for purposes of IC 14-39, has the  
 32      meaning set forth in IC 14-39-0.6-1~~9~~**[2]**.

33      SECTION 14. ~~IC 14-8-2-152~~**[IC 14-8-2-58]**.5 IS ADDED TO  
 34      THE INDIANA CODE AS A NEW SECTION TO READ AS  
 35      FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~152~~**[58]**.5.  
 36      "~~Lithology~~**[Corrective action]**", for purposes of IC 14-39, has  
 37      the meaning set forth in IC 14-39-0.6-1~~9~~**[2.5]**.

38      SECTION 15. ~~IC 14-8-2-159~~**[IC 14-8-2-87]**.~~5~~**[8]** IS ADDED  
 39      TO THE INDIANA CODE AS A NEW SECTION TO READ AS  
 40      FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~159~~**[87]**.~~5~~**[8]**.  
 41      "~~Mechanical integrity test~~**[Fault]**", for purposes of IC 14-39, has  
 42      the meaning set forth in IC 14-39-0.6-1~~9~~**[3]**.

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1 SECTION 16. IC 14-8-2-1~~64~~[31]~~5~~[9] IS ADDED TO THE  
 2 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 3 [EFFECTIVE UPON PASSAGE]: Sec. 1~~64~~[31]~~5~~[9]. "~~Mineral~~  
 4 lessee[Injection zone]", for purposes of IC 14-39, has the meaning  
 5 set forth in IC 14-39-0.6-1~~6~~[3.5].

6 SECTION 17. IC 14-8-2-1~~64~~[52]~~7~~[5] IS ADDED TO THE  
 7 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 8 [EFFECTIVE UPON PASSAGE]: Sec. 1~~64~~[52]~~7~~[5]. "~~Mineral~~  
 9 owner[Lithology]", for purposes of IC 14-39, has the meaning set  
 10 forth in IC 14-39-0.6-1~~7~~[4].

11 SECTION 18. ~~IC 14-8-2-196~~[IC 14-8-2-159].5 IS ADDED TO  
 12 THE INDIANA CODE AS A NEW SECTION TO READ AS  
 13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~196~~[159].5.  
 14 "~~Packer~~[Mechanical integrity test]", for purposes of IC 14-39,  
 15 has the meaning set forth in IC 14-39-0.6-1~~8~~[5].

16 SECTION 19. ~~IC 14-8-2-209~~[IC 14-8-2-164].5 IS ADDED TO  
 17 THE INDIANA CODE AS A NEW SECTION TO READ AS  
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~209~~[164].5.  
 19 "~~Pore space~~[Mineral lessee]", for purposes of IC 14-39, has the  
 20 meaning set forth in IC 14-39-0.6-~~20~~[16].

21 SECTION 20. ~~IC 14-8-2-209~~[IC 14-8-2-164].7 IS ADDED TO  
 22 THE INDIANA CODE AS A NEW SECTION TO READ AS  
 23 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~209~~[164].7.  
 24 "~~Pore space~~[Mineral] owner", for purposes of IC 14-39, has the  
 25 meaning set forth in IC 14-39-0.~~6-21~~[6-17].

26 SECTION 21. ~~IC 14-8-2-211~~[IC 14-8-2-196]~~7~~[5] IS  
 27 ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ  
 28 AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~211~~[196]~~7~~[5]. "~~Primacy~~[Packer]", for purposes of  
 29 IC 14-39, has the meaning set forth in IC 14-39-0.[6-18].

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

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

39 SECTION 24. IC 14-8-2-209.9 IS ADDED TO THE INDIANA  
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 41 [EFFECTIVE UPON PASSAGE]: Sec. 209.9. "Post-injection site

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1       **care", for purposes of IC 14-39, has the meaning set forth in**  
 2       **IC 14-39-0.6-21.5.**

3       **SECTION 25. IC 14-8-2-211.7 IS ADDED TO THE INDIANA**  
 4       **CODE AS A NEW SECTION TO READ AS FOLLOWS**  
 5       **[EFFECTIVE UPON PASSAGE]: Sec. 211.7. "Primacy", for**  
 6       **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.1****6-22.**

7       SECTION 2~~2~~**[6]. IC 14-8-2-240, AS AMENDED BY**  
 8       **P.L.148-2020, SECTION 9, IS AMENDED TO READ AS FOLLOWS**  
 9       **[EFFECTIVE UPON PASSAGE]: Sec. 240. (a) "Reservoir", for**  
 10      **purposes of IC 14-33-24, has the meaning set forth in IC 14-33-24-3.**

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

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

15      SECTION 2~~2~~**[7]. IC 14-8-2-242.3 IS ADDED TO THE**  
 16      **INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS**  
 17      **[EFFECTIVE UPON PASSAGE]: Sec. 242.3. "Responsible officer",**  
 18      **for purposes of IC 14-39, has the meaning set forth in**  
 19      **IC 14-39-0.6-24.**

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

24      SECTION 2~~2~~**[9]. IC 14-8-2-267.1 IS ADDED TO THE**  
 25      **INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS**  
 26      **[EFFECTIVE UPON PASSAGE]: Sec. 267.1. "Storage operator",**  
 27      **for purposes of IC 14-39, has the meaning set forth in**  
 28      **IC 14-39-0.6-26.**

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

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

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

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1 SECTION ~~29~~[33]. IC 14-8-2-285.3 IS ADDED TO THE  
 2 INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 3 [EFFECTIVE UPON PASSAGE]: **Sec. 285.3. "UIC Class VI**  
 4 **permit", for purposes of IC 14-39, has the meaning set forth in**  
 5 **IC 14-39-0.6-30.**

6 SECTION 3~~↔~~[4]. IC 14-8-2-285.4 IS ADDED TO THE  
 7 INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 8 [EFFECTIVE UPON PASSAGE]: **Sec. 285.4. "UIC program", for**  
 9 **purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-31.**

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

15 SECTION 3~~↔~~[6]. IC 14-8-2-287.7 IS ADDED TO THE  
 16 INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 17 [EFFECTIVE UPON PASSAGE]: **Sec. 287.7. "Underground storage**  
 18 **of carbon dioxide", for purposes of IC 14-39, has the meaning set**  
 19 **forth in IC 14-39-0.6-33.**

20 SECTION 3~~↔~~[7]. IC 14-39-0.5-1, AS ADDED BY  
 21 P.L.158-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE UPON PASSAGE]: Sec. 1. The natural resources  
 23 commission, **in coordination with the department**, shall adopt rules  
 24 under IC 4-22-2 to implement this article.

25 SECTION 3~~↔~~[8]. IC 14-39-0.5-2, AS ADDED BY  
 26 P.L.158-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE UPON PASSAGE]: Sec. 2. The rules adopted by the  
 28 commission under section 1 of this chapter:

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

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

36 (2) (3) may establish fees for the administration and  
 37 implementation of this article after review by the budget  
 38 committee. In addition, the amount of the fee determined under  
 39 this subdivision may not subsequently be increased unless the  
 40 increase is reviewed by the budget committee.

41 SECTION 3~~↔~~[9]. IC 14-39-0.6 IS ADDED TO THE INDIANA  
 42 CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]:  
 2

3      **Chapter 0.6. Definitions**

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

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

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

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

10     **Sec. 3. "Aquifer" means:**

11            (1) a geologic formation;  
 12            (2) a group of formations; or  
 13            (3) part of a formation;

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

16      **Sec. 1.3.5. "Area of review" has the meaning set forth in 40**  
**17      CFR 146.81.**

18      **Sec. 1. 4. "Carbon dioxide" means a fluid consisting of ~~more~~**  
 19      **~~than ninety percent (90%)~~ carbon dioxide molecules.** 1

20      1 **Sec. 5. "Carbon dioxide injection well" refers to a well that**  
 21      **meets the following criteria:**

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

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

38      1 **Sec. 7. (a) "Carbon dioxide stream" means carbon**  
 39      **dioxide that:**

40            (1) has been captured from an emission source; and  
 41            (2) consists of:  
 42              (A) incidental associated substances derived from the

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source materials and capture process; and  
(B) any substance added to the carbon dioxide stream  
to enable or improve the injection process.

(b) The term **<under subsection (a)>** does not include a carbon dioxide stream that is considered hazardous waste under 40 CFR 261.11

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

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

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

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

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

carbon dioxide stream in subsurface geologic formations.

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

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

Sec. 11. (a) "Carbon sequestration project" ~~means a carbon dioxide injection well~~ [refers to the long term geologic sequestration of a:

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

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

(b) The term does not apply to ~~carry out~~ carbon ~~sequestration~~ [dioxide capture or transport].

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

### (1) The subsurface three-dimensional extent of the carbon

dioxide plume.

- (2) The subsurface three-dimensional associated area of elevated pressure.
- (3) The subsurface three-dimensional displaced fluids.
- (4) The surface area above the delineated region

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**described in subdivisions (1) through (3).I**

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

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

stratigraphically overlying

capable of limiting the movement of the carbon dioxide stream and all fluids above] an injection zone<that acts as a barrier to fluid movement>.

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

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

(3) part of a geologic formation, stratigraphically overlying and underlying the injection zone.

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

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

## **(2) approved by the director:**

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

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

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

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

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

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

Sec. 15. "Mechanical integrity test" ~~means~~ [refers to] a test performed on a well permitted by a UIC Class VI permit ~~and required~~ [that meets the requirements established] under ~~federal regulations adopted by the department~~ [40 CFR 146.8].

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

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1 by:

2 (1) grant;  
 3 (2) exception;  
 4 (3) reservation;  
 5 (4) lease; or  
 6 (5) any other means.

7 Sec. 17. "Mineral owner" means an owner identified by the  
 8 records of the recorder of deeds for each county containing a  
 9 portion of the proposed reservoir who holds an interest in minerals  
 10 on real property that are located above, below, or within the  
 11 proposed reservoir that has been severed from the surface estate  
 12 by:

13 (1) grant;  
 14 (2) exception;  
 15 (3) reservation;  
 16 (4) lease; or  
 17 (5) any other means.

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

20 Sec. 19. ~~(a)~~ "Person" ~~has the meaning set forth in~~  
 21 ~~IC 14-8-2-202(a).~~

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

24 ~~>[means:~~

25 (1) an individual;  
 26 (2) a legal entity;  
 27 (3) a government entity; or  
 28 (4) an employee of a:  
 29     (A) legal entity; or  
 30     (B) government entity.

31 1 Sec. 20. "Pore space" means [a] subsurface  
 32 ~~cavities~~ geological cavity or ~~voids that can be used as a storage~~  
 33 ~~space for carbon dioxide.~~

34 ~~>[void that is of a sufficient areal extent, thickness, porosity, and~~  
 35 ~~permeability to receive and store carbon dioxide through a carbon~~  
 36 ~~sequestration project well.~~

37 1 Sec. 21. "Pore space owner" means:

38 (1) a person;  
 39 (2) a trust;  
 40 (3) a corporation; or  
 41 (4) another entity;

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

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1                   Sec.121.5. "Post-injection site care" refers to the requirements  
 2                   set forth in 40 CFR 146.93.

3                   Sec.1 22. "Primacy" means primary enforcement authority  
 4                   over Class VI wells under the Safe Drinking Water Act.

5                   Sec. 23. "Reservoir" means a subsurface[geological]:

6                   ←→I           I(1) sedimentary stratum;

7                   ←→I           I(2) formation;

8                   ←→I           I(3)[ saline] aquifer;

9                   (4) cavity; or

10                   (5) void;

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

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

16                   (b) The term includes the following:

17                   (1) An authorized officer of a corporation.

18                   (2) A manager of a limited liability company, or if the limited  
 19                   liability company is managed by another company, an  
 20                   authorized officer of the managing company.

21                   (3) A partner in a general, limited, or limited liability  
 22                   partnership or, if the partner is an entity, an authorized  
 23                   officer of the general, limited, or limited liability  
 24                   partnership.

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

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

33                   I ISec. 26. "Storage operator" means:

34                   (1) a person;

35                   (2) a trust;

36                   (3) a corporation; or

37                   (4) another entity;

38                   that owns or Ioperates a carbon sequestration project.I

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

42                   Sec. 28. "Surface or subsurface property interest holder"

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

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

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

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

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

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

- 25 (1) a person;
- 26 (2) a trust;
- 27 (3) a corporation; or
- 28 (4) another entity;

29 to construct or operate a carbon dioxide injection well.

30 (b) The term does not include a:

- 31 (1) draft permit;
- 32 (2) proposed permit; or
- 33 (3) permit that is not subject to final agency action.

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

36 1 Sec. 31. "UIC program" refers to the program carried out by:

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

39 under the Safe Drinking Water Act to regulate underground  
 40 injection.

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

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(1) supplies any public water system; or

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

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

and which is not an exempted aquifer.

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

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

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

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

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

SECTION 4 ~~4~~ [4]. IC 14-39-1-2.6 IS REPEALED [EFFECTIVE UPON PASSAGE]. See. 2-6. As used in this chapter, "person" includes a political body, a corporate body, and the state of Indiana.

SECTION 4 ~~4~~<sup>5</sup>. IC 14-39-1-2.7 IS REPEALED [EFFECTIVE UPON PASSAGE]. See: 2.7. As used in this chapter, "pore space" means subsurface cavities or voids that can be used as a storage space for carbon dioxide.

[ ] SECTION 46. IC 14-39-1-3.5, AS AMENDED BY P.L.53-2023, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1        UPON PASSAGE]: Sec. 3.5. (a) This chapter authorizes the  
 2        establishment of a carbon sequestration pilot project:

3        (1) that will:

4            (A) capture carbon dioxide at the proposed ammonia plant  
 5            to be located at 444 West Sandford Avenue, West Terre  
 6            Haute, Indiana;  
 7            (B) construct, operate, or use not more than two (2) carbon  
 8            dioxide pipelines;  
 9            (C) maintain operations only in Vigo and Vermillion  
 10            counties; and  
 11            (D) inject the carbon dioxide underground through one (1)  
 12            or more injection wells pursuant to a Class VI well permit  
 13            issued by the United States Environmental Protection  
 14            Agency; and

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

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

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

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

30        1 SECTION 4~~2~~<sup>7</sup>. IC 14-39-1-11, AS AMENDED BY  
 31        P.L.92-2025, SECTION 68, IS AMENDED TO READ AS FOLLOWS  
 32        [EFFECTIVE UPON PASSAGE]: Sec. 11. A determination of the  
 33        department under~~1~~section 4(e)(2) of this chapter is subject to an  
 34        administrative adjudication under IC 4-21.5.

35        SECTION 4~~3~~<sup>8</sup>. IC 14-39-1-19 IS ADDED TO THE  
 36        INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 37        [EFFECTIVE UPON PASSAGE]: Sec. 19. The department may  
 38        establish siting and setback requirements for carbon dioxide  
 39        transmission pipelines.

40        SECTION 4~~4~~<sup>9</sup>. IC 14-39-2-1, AS ADDED BY P.L.163-2022,  
 41        SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42        UPON PASSAGE]: Sec. 1. (a) This chapter applies to primacy

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1 [granted by the United States Environmental Protection Agency to  
 2 the department] over Class VI wells.

3 (b) This chapter and 312 IAC 30 ~~<contain>~~ [govern carbon  
 4 sequestration in the state and establish the] criteria and standards[  
 5 necessary for the department to receive primacy from the United  
 6 States Environmental Protection Agency] for the UIC program for  
 7 Class VI wells under the Safe Drinking Water Act.

8 (a) (c) Except as otherwise provided in this chapter, this chapter:  
 9 (1) does not apply to extractable mineral resources;

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

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

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

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

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

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

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

28 SECTION ~~<45>~~[50]. IC 14-39-2-1.5 IS ADDED TO THE  
 29 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 30 [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) Carbon sequestration  
 31 projects are authorized in Indiana for the purposes of:

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

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

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

39 (1) 40 CFR ~~<1422;~~

40 ~~(2) 40 CFR 1425>~~[141 through 146;

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

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(3) any other federal regulation necessary; to obtain primacy on behalf of the state of Indiana.

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

← (d) If the owner of the storage facility is not the person that will be the storage operator, the person that will be the storage operator must apply for the permit.

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

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

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

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

**(1) United States mail;**

## **(2) private courier;**

(3) personal delivery; or

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

1 SECTION ~~46~~51. IC 14-39-2-2 IS REPEALED [EFFECTIVE  
UPON PASSAGE]. See. 2. (a) The following definitions apply  
throughout this chapter:

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

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

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

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

carbon dioxide in a reservoir.

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

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

- (1) grant;
- (2) exception;
- (3) reservation;
- (4) lease; or
- (5) any other means.

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

- (1) grant;
- (2) exception;
- (3) reservation;
- (4) lease; or
- (5) any other means.

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

(i) "Pore space owner" means:

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

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

(k) "Reservoir" means a subsurface:

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

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

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

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1        permit of a storage operator.

2        (m) "Storage operator" means:

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

7        that operates a carbon sequestration project.

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

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

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

22        to construct or operate a carbon dioxide injection well.

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

26        SECTION ~~47~~[52], IC 14-39-2-4, AS AMENDED BY  
 27        P.L.213-2025, SECTION 135, IS AMENDED TO READ AS  
 28        FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If at least two  
 29        (2) pore space owners own pore space located within a proposed  
 30        carbon dioxide storage area of a storage facility, the owners may agree  
 31        to integrate their interests to develop the pore space as a proposed  
 32        storage facility for the underground storage of carbon dioxide.

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

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

- 42            (1) That a storage operator:

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

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

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

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

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

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

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

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

SECTION ~~48~~[53]. IC 14-39-2-5, AS AMENDED BY P.L.213-2025, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Carbon sequestration projects are authorized in Indiana for the purposes of:

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

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

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1 accurate, and complete to the best of applicant's knowledge.  
2 (4) Information illustrating that the applicant has the financial,  
3 managerial, and technical ability to construct, operate, and  
4 maintain a carbon sequestration project.  
5 (5) Information illustrating that the applicant or the contractors  
6 or subcontractors of the applicant have the requisite expertise in  
7 constructing, operating, and maintaining a carbon sequestration  
8 project.  
9 (6) Documentation to the department describing the scope of the  
10 proposed carbon sequestration project.  
11 (7) A statement describing how the applicant will construct,  
12 operate, and maintain the proposed carbon sequestration project  
13 in accordance with applicable local, state, and federal law,  
14 including federal and state safety regulations and rules governing  
15 the construction, operation, and maintenance of the carbon  
16 sequestration project, and related facilities and equipment, to  
17 ensure the safety of the carbon sequestration project employees  
18 and the public.  
19 (8) A statement that the interests of a mineral lessee or mineral  
20 owner will not be adversely affected. If a mineral owner or  
21 mineral lessee is adversely affected, the adversely affected  
22 mineral owner or mineral lessee and the applicant may enter into  
23 an agreement under section 4 of this chapter.  
24 (9) **A map showing the injection well for which a permit is**  
25 **sought and the applicable areas of review consistent with**  
26 **federal regulations. The map must show any known or**  
27 **suspected faults. Within the area of review, the map must**  
28 **show the number, name, and location of the following:**  
29 (A) **Injection wells.**  
30 (B) **Producing wells.**  
31 (C) **Abandoned wells.**  
32 (D) **Plugged wells or dry holes.**  
33 (E) **Deep stratigraphic boreholes.**  
34 (F) **State or United States Environmental Protection**  
35 **Agency approved subsurface cleanup sites.**  
36 (G) **Surface bodies of water.**  
37 (H) **Springs.**  
38 (I) **Surface and subsurface mines.**  
39 (J) **Quarries.**  
40 (K) **Water wells.**  
41 (L) **Other pertinent surface features, including**  
42 **structures intended for:**

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(i) human occupancy;  
(ii) state, tribal, and territory boundaries; and  
(iii) roads.

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

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

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

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

□ (13) Maps and stratigraphic cross sections indicating:  
□ (A) the general vertical and lateral limits of all:  
□ (i) ~~the~~ underground sources of drinking water; and  
□ (ii) water wells and springs within the area of review;  
□ (B) the position of any underground source of drinking water, water well, or spring relative to the positions of each injection zone; and  
□ (C) directions of water movement, if known.

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

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

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

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

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

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

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

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

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

(23) A proposed testing and monitoring plan.

(24) A well plugging plan.

(25) An emergency and remedial response plan.

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

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

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

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

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

(28) Any other information required by the department.

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

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

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

1 SECTION ~~49~~ [54]. IC 14-39-2-5.1 IS ADDED TO THE  
2 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE UPON PASSAGE]: Sec. 5.1. (a) A storage operator  
4 must demonstrate to the satisfaction of the department that the  
5 wells will be sited in areas with a suitable geologic formation. The

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1 storage operator must demonstrate that the geologic formation is  
 2 composed of the following:

3 (1) An injection zone of sufficient areal extent, thickness,  
 4 porosity, and permeability to receive the total anticipated  
 5 volume of the carbon dioxide stream.

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

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

14 (1) will impede vertical fluid movement;  
 15 (2) are free of faults and fractures that may interfere with  
 16 containment;

17 (3) allow for pressure dissipation; and

18 (4) provide additional opportunities for:

19 (A) monitoring;

20 (B) mitigation; and

21 (C) remediation.

22 SECTION 5~~0~~<sup>5</sup> IC 14-39-2-5.2 IS ADDED TO THE  
 23 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 24 [EFFECTIVE UPON PASSAGE]: Sec. 5.2. (a) A storage operator  
 25 must ensure that each Class VI well is constructed and completed  
 26 for the following:

27 (1) To prevent the movement of fluids into or between  
 28 underground sources of drinking water or into any  
 29 unauthorized zones.

30 (2) To permit the use of appropriate testing devices and  
 31 workover tools.

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

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

41 (c) Tubing and packer materials used in the construction of  
 42 each Class VI well must be compatible with fluids with which the

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1 materials may be expected to come into contact and must meet  
 2 federal standards or be comparable to standards required by the  
 3 department.

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

6 ] SECTION 5~~↔~~[6]. IC 14-39-2-5.3 IS ADDED TO THE  
 7 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 8 [EFFECTIVE UPON PASSAGE]: Sec. 5.3. During the drilling and  
 9 construction of a Class VI injection well, a storage operator must:

- 10       (1) perform appropriate logs;
- 11       (2) perform surveys and tests to determine or verify the:
  - 12           (A) depth;
  - 13           (B) thickness;
  - 14           (C) porosity;
  - 15           (D) permeability;
  - 16           (E) lithology; and
  - 17           (F) salinity;

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

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

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

26 SECTION 5~~↔~~[7]. IC 14-39-2-5.4 IS ADDED TO THE  
 27 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 28 [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) A storage operator  
 29 may apply to the department for a depth requirement waiver.

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

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

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

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

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

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

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

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

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

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

**(f) The department may not approve a waiver without a written concurrence from the [redacted].**

(1) department of environmental management<~~issued in conformance with this section~~>[; and  
(2) United States Environmental Protection Agency].

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

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

**(2) The location of each injection well.**

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

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

(5) The names of each public water supply affected,

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1                   reasonably likely to be affected, or served by underground  
 2                   sources of drinking water in the area of review.

3                   (6) The date the waiver was issued.

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

7                   SECTION 5~~3~~8. IC 14-39-2-5.5 IS ADDED TO THE  
 8                   INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 9                   [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) Upon determining  
 10                  that an application is complete, the department must decide  
 11                  whether to:

12                  (1) prepare a draft permit for the public comment process;  
 13                  or  
 14                  (2) deny the application.

15                  The department shall notify the applicant of the decision.

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

18                  (1) Conditions of the permit.  
 19                  (2) Compliance schedules.  
 20                  (3) Monitoring requirements.

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

25                  (1) prepare a draft permit;  
 26                  (2) give public notice;  
 27                  (3) complete the public comment period, including any public  
 28                  hearing; and  
 29                  (4) issue a final permit.

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

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

34                  SECTION 5~~4~~9. IC 14-39-2-5.6 IS ADDED TO THE  
 35                  INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 36                  [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) The department shall  
 37                  hold a public hearing before issuing a permit.

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

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

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

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

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

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**(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 ~~is~~[an] interested ~~in~~obtaining~~[person may contact to obtain]~~ information, including copies of the draft permit, fact sheet, and the application.□

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

(1) be in writing; and

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

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

(o) The department shall hold a public hearing whenever ~~based on the number of requests,~~ there is a significant degree of public interest in a draft permit. The department may ~~also~~ hold a public hearing at the discretion of the department if the public hearing would clarify at least one (1) issue involved in the permit decision. [ ]

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1       1 (p) At the time a final permit decision is issued, the department  
 2 shall issue a response to comments. The response must:

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

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

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

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

13       1 SECTION ~~55~~<sup>60</sup>. IC 14-39-2-5.7 IS ADDED TO THE  
 14 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE UPON PASSAGE]: Sec. 5.7. (a) ~~Except as provided~~  
 16 ~~in subsection (b),~~ ~~the~~ department shall identify and protect all  
 17 underground sources of drinking water and all aquifers and parts  
 18 of aquifers that are underground sources of drinking water.

19       (b) If ~~the~~:

20               ~~(1) the department;~~

21               ~~(2) the United States Environmental Protection Agency~~ ~~or~~  
 22               ~~or~~

23               ~~(3) both the department and United States Environmental  
 24 Protection Agency;~~

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

31       ~~(c) Except for an approved~~ [shall assist the United States  
 32 Environmental Protection Agency in regulating the aquifer  
 33 exemption. (c) The department may not issue an aquifer  
 34 exemption.

35       ~~(d) Other than~~ aquifer exemption ~~expansion~~ [expansions  
 36 approved by the United States Environmental Protection Agency]  
 37 ~~that meets~~ [meet the] criteria ~~established by~~ [set forth in 40  
 38 CFR 144.7, ~~the department~~ ~~may not issue~~ a new aquifer  
 39 exemption ~~may not be issued~~ ~~for~~ [a] Class VI injection well ~~for~~.  
 40 This subsection ~~includes if~~ [applies regardless of whether] an  
 41 aquifer has ~~not~~ been identified by the department as an  
 42 underground source of drinking water.[



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

SECTION ~~56~~[61]. IC 14-39-2-6, AS AMENDED BY P.L.213-2025, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall review an application submitted under section ~~5(t)~~  
**5(a)** of this chapter. If the department determines that the application submitted under section ~~5(t)~~  
**5(a)** of this chapter is complete, the department shall notify the applicant.

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

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

(A) place for public inspection a copy of the application in

a public library located in each county in which the carbon sequestration project is proposed to be located;

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

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

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

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

(e), the department shall notify the applicant in writing that:

(1) the department has approved the application; or

(1) the department has approved the application, or  
(2) the department has denied the application.

(2) the department has denied the application.

SECTION ~~62~~ 62. IC 14-39-2-6.2 IS ADDED TO THE

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1 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 2 [EFFECTIVE UPON PASSAGE]: Sec. 6.2. (a) Before issuing a  
 3 permit, the department shall consult with the department of  
 4 environmental management and determine whether the carbon  
 5 sequestration project will cause pollution or create a nuisance.

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

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

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

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

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

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

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

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

29 (7) That all pore space owners that do not agree to integrate  
 30 their interests to develop the pore space as a proposed  
 31 storage facility for the underground storage of carbon  
 32 dioxide are equitably compensated.

33 (8) That a carbon sequestration project will not adversely  
 34 affect the interests of the mineral owners or mineral lessees  
 35 or the interests have been addressed in an arrangement  
 36 entered into by the mineral owners or mineral lessees and  
 37 the storage operator.

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

40 ← (10) That substances that compromise] (10) That the  
 41 proposed storage reservoir will remain solid and the  
 42 substances making up] the storage reservoir will not ←enter

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1 **into>[mix or interact with]** the stored carbon dioxide.

2 (11) That the storage facility will neither endanger human

3 health nor ~~unduly~~ endanger the environment.**I**

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

5 (13) That the horizontal and vertical boundaries of the

6 storage reservoir are defined. These boundaries shall include

7 buffer areas to ensure that the storage facility is operated

8 safely and as contemplated.

9 (14) That the storage operator will establish monitoring

10 facilities and protocols to assess the location and migration

11 of carbon dioxide injected for storage and to ensure

12 compliance with all permit, statutory, and administrative

13 requirements.

14 (15) The final area of review based on modeling, using data

15 obtained during logging and testing of the well and the

16 formation as required by the department.

17 (16) Any relevant updates, based on data obtained during

18 logging and testing of the well and the formation, to the

19 information on the geologic structure and hydrogeologic

20 properties of the proposed storage site and overlying

21 formations, submitted to satisfy the requirements of the

22 department.

23 (17) Information on the compatibility of the carbon dioxide

24 stream with fluids in each injection zone and minerals in

25 both the injection and each confining zone, based on the

26 results of the formation testing program, and with the

27 materials used to construct the well.

28 (18) The results of the formation testing program required

29 by the department.

30 (19) Final injection well construction procedures that meet

31 the requirements of the department.

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

33 review.

34 (21) All available logging and testing program data on the

35 well required by the department.

36 (22) A demonstration of a mechanical integrity test.

37 (23) Any updates to the:

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

39 (B) testing and monitoring plan;

40 (C) injection well plugging plan;

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

42 (E) emergency and remedial response plan;

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1 resulting from testing performed during the application  
 2 process.

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

8 **I (2~~4~~[5]) Any other information the department determines**  
 9 **should be reviewed.I**

10 **I (c) The department may include in a permit all things**  
 11 **necessary to:**

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

15 SECTION ~~58~~[63]. IC 14-39-2-7, AS AMENDED BY  
 16 P.L.213-2025, SECTION 138, IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** If the  
 18 department approves an application under section 6 of this chapter, the  
 19 department shall issue to the applicant a carbon sequestration project  
 20 permit.

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

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

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

31 SECTION ~~59~~[64]. IC 14-39-2-7.1 IS ADDED TO THE  
 32 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE UPON PASSAGE]: Sec. 7.1 **(a)** If a person wishes to  
 34 challenge a determination made by the department, the person  
 35 may request an informal hearing by the division of reclamation  
 36 prior to filing for a formal administrative hearing under IC 4-21.5.

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

39 **(1) The name, address, telephone number, and electronic**  
 40 **mail address of the person requesting the informal hearing.**  
 41 **(2) The department decision for which the person is seeking**  
 42 **informal review.**

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

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

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

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

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

SECTION 6-~~5~~[5]. IC 14-39-2-11, AS AMENDED BY P.L.25-2025, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A mineral owner or mineral lessee shall provide written notice to a storage operator at least thirty-one (31) days prior to drilling a well if the mineral owner or mineral lessee wishes to drill a well not more than:

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

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

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

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

(+) the department to preserve the integrity of the storage facility.

- (2) a UIC Class VI permit; and
- (3) any other applicable regulations.

41 SECTION 6~~↔~~[6]. IC 14-39-2-11.5, AS AMENDED BY  
42 P.L.213-2025. SECTION 142. IS AMENDED TO READ AS

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1       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.5. (a) A person  
 2       may not:

3           (1) drill, deepen, or operate a nonproduction well drilled to  
 4           investigate and obtain data on geological, structural, or  
 5           hydrogeological stratigraphic intervals for the suitability of  
 6           underground formations for carbon sequestration; or  
 7           (2) convert a well for oil and gas purposes (as defined by  
 8           IC 14-8-2-317) for carbon dioxide investigations;  
 9           without first obtaining a permit **to create and operate an**  
 10          **investigatory carbon dioxide well** issued by the department under this  
 11          section.

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

14           (1) Comply with the conditions of the permit to the satisfaction  
 15           of the department;  
 16           (2) Correct any adverse environmental impact that results from  
 17           noncompliance with a permit.

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

19               (A) facilities;  
 20               (B) treatment systems; and  
 21               (C) control and related appurtenances;

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

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

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

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

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

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

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

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

41           (6) The depth of the proposed well.

42           (7) Proof of a surface use agreement executed by the applicant

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

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

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

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

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

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

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

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

23 (1) demonstrates compliance with all relevant:

24 (A) provisions of this article; and

25 (B) rules adopted under this article;

26 as determined by the department; and

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

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

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

33 (1) either:

34 (A) is in violation of this article at the time of the  
 35 application; or

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

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

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

42 (1) The well is plugged and abandoned.

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(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 6~~↔[7]~~. IC 14-39-2-12.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.1. (a) Except during stimulation, a storage operator must ensure that injection pressure does not exceed ninety percent (90%) of the fracture pressure of an injection zone to ensure that the injection does not initiate new fractures or propagate existing fractures in the injection zone.

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

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

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

(e) The department shall adopt rules that mirror applicable

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1        **federal regulations to implement this section.**

2        1 SECTION 6~~↔~~[8]. IC 14-39-2-12.2 IS ADDED TO THE  
 3        INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 4        [EFFECTIVE UPON PASSAGE]: Sec. 12.2. (a) A UIC Class VI  
 5        permit may be modified at the request of an interested person in  
 6        writing or upon the directive of the department. The request must  
 7        contain each fact or reason supporting the request and any other  
 8        criteria established by the department.

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

13        SECTION 6~~↔~~[9]. IC 14-39-2-12.3 IS ADDED TO THE  
 14        INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15        [EFFECTIVE UPON PASSAGE]: Sec. 12.3. (a) The department shall  
 16        **submit a memorandum of agreement that includes all of the**  
 17        **information required under 40 CFR 145.25 to the Regional**  
 18        **Administrator for the United States Environmental Protection**  
 19        **Agency.**

20        (b) **The department shall [prepare quarterly and annual**  
 21        **reports] as described in 40 CFR 144.8.**

22        (~~↔~~[c]) The reports shall be submitted to the Regional  
 23        Administrator for the **United States** Environmental Protection  
 24        Agency and meet the requirements of federal regulations adopted  
 25        by the department.

26        (~~↔~~[d]) Quarterly reports are due:

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

31        following the quarter.

32        (~~↔~~[e]) Annual reports are due not more than sixty (60) days  
 33        after the end of the calendar year.

34        (f) **A storage operator shall submit the reports required under**  
 35        **40 CFR 146.91 to the department within the time frames described**  
 36        **in 40 CFR 146.91.**

37        1 SECTION ~~↔~~[70]. IC 14-39-2-12.4 IS ADDED TO THE  
 38        INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39        [EFFECTIVE UPON PASSAGE]: Sec. 12.4. The department shall  
 40        provide in writing to a state, tribe, or territory included in an area  
 41        of review for a project a map showing the injection well for which  
 42        a permit is sought and the applicable areas of review.

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1 SECTION ~~66~~<sup>71</sup>. IC 14-39-2-12.5 IS ADDED TO THE  
 2 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 3 [EFFECTIVE UPON PASSAGE]: **Sec. 12.5. The department may**  
 4 **require, by written notice on a well by well basis, a storage**  
 5 **operator to:**

6           (1) establish and maintain records;  
 7           (2) make reports;  
 8           (3) conduct monitoring; and  
 9           (4) provide any other information required by the  
 10          department;

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

14 SECTION ~~67~~<sup>72</sup>. IC 14-39-2-12.6 IS ADDED TO THE  
 15 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE UPON PASSAGE]: **Sec. 12.6. (a) ~~Owners or~~<sup>A</sup>**  
 17 **storage operator**~~are~~<sup>is</sup> injecting carbon dioxide for  
 18 the primary purpose of long term storage into an oil and gas  
 19 reservoir must apply for and obtain a Class VI geologic  
 20 sequestration permit when there is an increased risk to  
 21 underground sources of drinking water compared to Class II  
 22 operations.

23          (b) In determining if there is an increased risk to underground  
 24          sources of drinking water, ~~the owner or~~<sup>a storage</sup> operator  
 25          must consider the following factors:

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

39 SECTION ~~68~~<sup>73</sup>. IC 14-39-2-12.7 IS ADDED TO THE  
 40 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 12.7. (a) The department shall**  
 42 **determine when there is an increased risk to underground sources**

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1 of drinking water and a UIC Class VI permit is required, rather  
 2 than a Class II permit.

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

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

14 SECTION ~~69~~<sup>74</sup>. IC 14-39-2-12.8 IS ADDED TO THE  
 15 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE UPON PASSAGE]: Sec. 12.8. (a) Compliance with a  
 17 UIC Class VI permit during the term of the UIC Class VI permit  
 18 constitutes compliance, for purposes of enforcement.

19 (b) ~~A UIC Class VI permit~~ [The department] may ~~be~~:

- 20 (1) ~~modified,~~ [modify];
- 21 (2) revoke~~d~~;
- 22 (3) reissue~~d~~; or
- 23 (4) terminate~~d~~;

24 [a UIC Class VI permit ] during its term for ~~cause by the~~ ~~the~~  
 25 ~~department.~~

26 ~~—(e) [a violation of 40 CFR 144.39 or 40 CFR 144.40.~~

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

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

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

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

37 (~~d~~<sup>e</sup>) The issuance of a UIC Class VI permit does not  
 38 authorize any injury to persons or property or invasion of other

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1 private rights, or any infringement of state or local law or  
 2 regulations.

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

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

9 1 (h) The person issued a UIC Class VI permit by the  
 10 department shall comply with federal regulations adopted by the  
 11 department. The department may modify, revoke, reissue, or  
 12 terminate a person's UIC Class VI permit that violates this article  
 13 or federal regulations adopted by the department.

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

16 1 SECTION 7~~↔[5]~~. IC 14-39-2-13, AS AMENDED BY  
 17 P.L.213-2025, SECTION 143, IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A certificate  
 19 of project completion shall be issued upon application by the storage  
 20 operator if the department finds that the storage operator does the  
 21 following:

- 22 (1) The storage operator is in compliance with all applicable  
 23 laws governing the storage facility.
- 24 (2) The storage operator shows that the storage facility is  
 25 reasonably expected to retain the carbon dioxide stored in the  
 26 storage facility.
- 27 (3) The storage operator shows that the carbon dioxide in the  
 28 storage facility is stable by showing that either:
  - 29 (A) the stored carbon dioxide is essentially stationary; or
  - 30 (B) if the stored carbon migrates, the migration is unlikely  
 31 to cross the boundaries of the storage facility.
- 32 (4) The storage operator shows that all wells, equipment, and  
 33 facilities used after the closure period are in good condition and  
 34 retain mechanical integrity.
- 35 (5) The storage operator shows that injection wells have been  
 36 plugged.
- 37 (6) The storage operator shows that equipment and facilities, not  
 38 including fixed structures and long term monitoring equipment  
 39 and wells, have been removed.
- 40 (7) The storage operator proves that the reclamation work  
 41 required by the department where the project ceases to inject  
 42 carbon dioxide is completed.

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

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

3 site closure to the United States Environmental Protection

4 Agency.

5 (B) The United States Environmental Protection Agency

6 has authorized site closure.

7 (C) The storage operator has provided:

8 (i) the site closure report required under 40 CFR

9 146.93(f) (as in effect January 1, 2022) to the United

10 States Environmental Protection Agency; or

11 (ii) a comparable report to the state regulatory body if

12 the state assumes primacy for UIC Class VI permitting.

13 (b) The department shall issue a certificate of project completion

14 not later than one hundred eighty (180) days after receiving an

15 application from the storage operator. If the department determines that

16 the application for a certificate of project completion is incomplete,

17 inaccurate, or both, the department shall return the application to the

18 storage operator.

19 (c) If the department returns the application to the storage operator

20 under subsection (b), the department shall inform the storage operator,

21 in writing, of the deficiencies of the submitted application and inform

22 the storage operator of the right to file a corrected application with the

23 department.

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

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

26 ownership of and responsibility for the storage facility.

27 (2) The state will assume responsibility for all regulatory

28 requirements associated with the storage facility, and the storage

29 operator and the owner of the storage facility are released from

30 responsibility for all regulatory requirements associated with the

31 storage facility.

32 (3) The state will assume any potential liability associated with

33 the storage facility.

34 (4) The department may, at a reasonable time, enter property on

35 which a carbon dioxide injection well or monitoring well for the

36 storage facility is located to inspect and maintain the well or

37 storage facility. Except in the event of an emergency, the

38 department shall provide advance notice to the owner of the

39 surface property of the date the department intends to enter the

40 property. The notice required by this subdivision must be

41 provided at least five (5) business days before the department

42 intends to enter the property. The notice must be delivered by:

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(A) United States mail;  
(B) private courier;  
(C) personal delivery; or  
(D) any other manner agreed to in writing between the department and the owner of the surface property.

(e) The state may:

- (1) assume ownership of and responsibility for; or
- (2) accept transfer of;

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

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

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

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

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

**>[ as described in subsection (j).]**

**1 (j) If a storage operator can demonstrate to the satisfaction of the department that the carbon sequestration project no longer endangers underground sources of drinking water before the minimum of fifty (50) years required under subsection (i) has elapsed, the department may approve an alternative time frame for the post-injection site care and site closure plan to reduce the**

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1 frequency of monitoring or to authorize site closure before the end  
2 of the period, when there is substantial evidence that the carbon  
3 sequestration project no longer poses a risk of endangering  
4 underground sources of drinking water.An alternative time frame  
5 approved by the department must meet the requirements  
6 established in 40 CFR 146.93. The monitoring must continue until  
7 the:

8 I (1) carbon sequestration project no longer endangers  
9 underground sources of drinking water; and  
10 (2) department approves a demonstration submitted by the  
11 owner and operator of the carbon dioxide injection well in  
12 the manner prescribed by 40 CFR 146.93.

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

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

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

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

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

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

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

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1 which it was submitted.

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

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

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

14 SECTION 7~~↔[6]~~. IC 14-39-2-14.5 IS ADDED TO THE  
 15 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) The following  
 17 activities are prohibited:

18 (1) ~~Unauthorized~~[I]njection without a UIC Class VI  
 19 permit].

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

22 (3) ~~None~~[E]xperimental Class VI wells for carbon  
 23 sequestration.

24 1 (4) Any action that endangers underground sources of  
 25 drinking water.

26 (5) Any additional activity prohibited under:

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

29 (B) 40 CFR 142, 40 CFR 144, 40 CFR 146, and 40 CFR  
 30 148.

31 1 (b) Other violations of this article include the following:

32 (1) ~~↔~~[M]aking clerical errors or mistakes in reporting  
 33 requirements.

34 (2) ~~↔~~[F]ailure to meet basic operation and facility  
 35 management requirements.

36 (3) ~~↔~~[F]ailure to meet m]aintenance requirements that  
 37 may cause damage to property.

38 (4) Creating harmful environmental conditions or hazardous  
 39 conditions.

40 (5) ~~↔~~[T]aking an action that likely results in  
 41 environmental damage.

42 (6) ~~↔~~[T]aking an action that could result in harm to



1                   **persons or death.**

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

4                   **(1) Whether the storage operator made a good faith effort to**  
 5                   **abate a violation.**

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

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

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

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

12                   SECTION 7~~2~~[7]. IC 14-39-2-15, AS AMENDED BY  
 13                   P.L.213-2025, SECTION 144, IS AMENDED TO READ AS  
 14                   FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 15. (a) A person that  
 15                   violates a requirement under this article is subject to a civil penalty  
 16                   under this section.

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

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

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

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

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

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

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

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

39                   (e) **A person who knowingly and intentional~~ly~~ violates this**  
 40                   **article commits a Class A misdemeanor. Each violation under this**  
 41                   **subsection:**

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

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3 (A) severity of the violation;  
4 (B) risk to:

8 (C) actions of the violator to abate the violation.

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

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

16 SECTION 7~~8~~[8]. IC 14-39-2-15.5 IS ADDED TO THE  
17 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. If any part of this article**  
19 **or 312 IAC 30 is found to be invalid, the remainder of this article**  
20 **or 312 IAC 30, as applicable, is upheld.**

21 SECTION 7-~~44~~9. IC 35-52-14-52 IS ADDED TO THE  
22 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2026]: **Sec. 52. IC 14-39-2-15** defines a crime  
24 concerning carbon sequestration.

25 SECTION ~~75~~[80]. An emergency is declared for this act.

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