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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.

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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Automated Clearing House (ACH).

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

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

(1) dollar amount; or

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

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

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

(1) meters;

(2) connections; or

(3) buildings or structures served;

on the property, as applicable.

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

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

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

SECTION 4. IC 14-8-2-~~4~~^[1]4.~~4~~^[5] IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~34~~^[14].~~4~~^[5]. "~~Carbon dioxide~~^[Area of review]", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-~~4~~^[3.5].

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

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

SECTION 7. IC 14-8-2-34.~~4~~^[3] IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34.~~4~~^[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 ~~<11>~~ [0].

23 SECTION 12. IC 14-8-2-~~<50>~~ [34]. ~~<51>~~ [8] IS ADDED TO THE
24 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. ~~<50>~~ [34]. ~~<51>~~ [8]. "~~<Confining~~
26 ~~zone>~~ [Carbon sequestration project]", for purposes of IC 14-39,
27 has the meaning set forth in IC 14-39-0.6-1 ~~<2>~~ [1].

28 SECTION 13. IC 14-8-2-~~<87>~~ [50]. ~~<88>~~ [5] IS ADDED TO THE
29 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE UPON PASSAGE]: Sec. ~~<87>~~ [50]. ~~<88>~~ [5].
31 "~~<Fault>~~ [Confining zone]", for purposes of IC 14-39, has the
32 meaning set forth in IC 14-39-0.6-1 ~~<3>~~ [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 ~~<4>~~ [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 ~~<5>~~ [3].

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

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

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

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

SECTION 20. ~~<IC 14-8-2-209>~~ [IC 14-8-2-164].7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. ~~<209>~~ [164].7. "~~<Pore space>~~ [Mineral] owner", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-~~<21>~~ [6-17].

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

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

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

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



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

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

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

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

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

SECTION 2 ~~23~~ [7]. IC 14-8-2-242.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 242.3. "Responsible officer", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-24.

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

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

SECTION 2 ~~26~~ [30]. IC 14-8-2-267.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 267.3. "Stratum", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-27.

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

SECTION 2 ~~28~~ [32]. IC 14-8-2-282.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 282.9. "Transporting carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-29.

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

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

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

SECTION 3~~4~~ [6]. IC 14-8-2-287.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 287.7. "Underground storage of carbon dioxide", for purposes of IC 14-39, has the meaning set forth in IC 14-39-0.6-33.**

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

SECTION 3~~4~~ [8]. IC 14-39-0.5-2, AS ADDED BY P.L.158-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The rules adopted by the commission under section 1 of this chapter:

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

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

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

SECTION 3~~5~~ [9]. IC 14-39-0.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS

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[EFFECTIVE UPON PASSAGE]:

Chapter 0.6. Definitions

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

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

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

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

Sec. 3. "Aquifer" means:

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

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

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

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

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

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

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

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

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

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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

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 ~~<at>~~ [e] delineated region



described in subdivisions (1) through (3).[]

[]Sec. 12. ~~<(a)>~~ "Confining zone" means:

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

~~stratigraphically overlying~~ []

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;

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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by:

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

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

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

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

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

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

>[means:

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

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

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

Sec. 21. "Pore space owner" means:

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

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

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

3 Sec. 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 ↔ (1) sedimentary stratum;

7 ↔ (2) formation;

8 ↔ (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. (a) "Responsible officer" 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).

29 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 Sec. 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 operates a carbon sequestration project.

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

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

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

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

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

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

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

to construct or operate a carbon dioxide injection well.

(b) The term does not include a:

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

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

(d) Sec. 31. "UIC program" refers to the program carried out by:

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

under the Safe Drinking Water Act to regulate underground injection.

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

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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 ~~37~~ [41]. IC 14-39-1-2 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2: As used in this chapter, "carbon dioxide transmission pipeline" means the part of a pipeline in Indiana, including appurtenant facilities, property rights, and easements, that is used exclusively for the purpose of transporting carbon dioxide to a carbon management application, including sequestration, enhanced oil recovery, and deep saline injection, within or outside Indiana.

SECTION ~~38~~ [42]. IC 14-39-1-2.4 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 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 ~~39~~ [43]. IC 14-39-1-2.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2.5: As used in this chapter, "underground storage of carbon dioxide" means the injection of carbon dioxide into, and storage of carbon dioxide in, underground strata and formations at the site of the carbon sequestration pilot project, as described in section 3.5 of this chapter, pursuant to one (1) or more federal permits issued by the United States Environmental Protection Agency.

SECTION 4 ~~40~~ [4]. IC 14-39-1-2.6 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2.6: As used in this chapter, "person" includes a political body, a corporate body, and the state of Indiana.

SECTION 4 ~~41~~ [5]. IC 14-39-1-2.7 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2.7: As used in this chapter, "pore space" means subsurface cavities or voids that can be used as a storage space for carbon dioxide.

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

(1) that will:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) does not apply to extractable mineral resources;

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

and

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

(d) The rights and requirements of this chapter:

(1) are subordinate to the rights pertaining to [oil,] [gas,] and coal oil and ~~<coal>~~ [gas] resources; and

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

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

] (<e>[f]) The department may enter into a memorandum of agreement to implement this article.

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

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

(2) employing the underground storage of carbon dioxide.

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

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

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

(2) the federal Safe Drinking Water Act (42 U.S.C. 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.~~

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

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

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

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

(1) United States mail;

(2) private courier;

(3) personal delivery; or

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

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

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

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

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

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

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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.

(j) "Pore space owner" means:

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

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

(k) "Reservoir" means a subsurface:

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

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

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

(2) a valid permit issued by the department.

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

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

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

(1) A permit to construct and operate.

(2) An authorization to inject.

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

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

(A) the given amount of metric tons of carbon dioxide proposed to be injected into the storage facility during the first ten (10) years of the permit for the carbon sequestration project; multiplied by

(B) one cent (\$0.01).

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

(2) The [applicant's]: [] signature of the applicant:

(A) name;

(B) address;

(C) telephone number;

(D) electronic mail address;

(E) ownership status;

(F) status as a:

(i) federal;

(ii) state;

(iii) private;

(iv) public; or

(v) other;

entity; <and>

[] (G) signature []; and
 (H) signed copy of the <applicant> [certification described in 40 CFR 144.32(d)].

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

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

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

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

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

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

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

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

(A) Injection wells.

(B) Producing wells.

(C) Abandoned wells.

(D) Plugged wells or dry holes.

(E) Deep stratigraphic boreholes.

(F) State or United States Environmental Protection Agency approved subsurface cleanup sites.

(G) Surface bodies of water.

(H) Springs.

(I) Surface and subsurface mines.

(J) Quarries.

(K) Water wells.

(L) Other pertinent surface features, including structures intended for:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- 1 (22) Proof that financial responsibility requirements of the
 2 department are met.
 3 (23) A proposed testing and monitoring plan.
 4 (24) A well plugging plan.
 5 (25) An emergency and remedial response plan.
 6 (26) A post-injection site care and site closure plan or an
 7 alternative post-injection site care framework. At any time
 8 during the life of the project, a storage operator may modify
 9 and resubmit the post-injection site care and site closure plan
 10 for approval by the department at least thirty (30) days
 11 before the change is made. Upon ceasing injection, a storage
 12 operator must do the following:
 13 (A) Submit an amended post-injection site care and site
 14 closure plan.
 15 (B) Demonstrate through monitoring data and modeling
 16 results that an amendment is not needed. An
 17 amendment must be approved by the department, must
 18 be incorporated into the permit, and is subject to permit
 19 modification requirements.
 20 (C) Submit evidence of managerial and technical ability
 21 to construct, operate, and maintain a carbon
 22 sequestration project.
 23 (27) Each local, state, or federal permit obtained by the
 24 applicant.
 25 (28) Any other information required by the department.
 26 (f) (d) During the first ten (10) years of the permit for a carbon
 27 sequestration project, if the carbon sequestration project injects more
 28 metric tons of carbon dioxide into the storage facility than was
 29 proposed under the original application under subsection (e); (c), the
 30 storage operator shall pay the filing fee under subsection (e) (c) for the
 31 additional metric tons of carbon dioxide injected into the storage
 32 facility during the first ten (10) years of the permit for the carbon
 33 sequestration project.
 34 (g) (e) A fee paid under this section is not refundable by the
 35 department.
 36 [(f) The department shall adopt rules that mirror applicable
 37 federal regulations to implement this section.
 38] SECTION ~~<49>~~[54]. IC 14-39-2-5.1 IS ADDED TO THE
 39 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: Sec. 5.1. (a) A storage operator
 41 must demonstrate to the satisfaction of the department that the
 42 wells will be sited in areas with a suitable geologic formation. The

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

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

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

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

(1) will impede vertical fluid movement;

(2) are free of faults and fractures that may interfere with containment;

(3) allow for pressure dissipation; and

(4) provide additional opportunities for:

(A) monitoring;

(B) mitigation; and

(C) remediation.

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

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

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

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

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

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

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

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

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

- (1) perform appropriate logs;
- (2) perform surveys and tests to determine or verify the:
 - (A) depth;
 - (B) thickness;
 - (C) porosity;
 - (D) permeability;
 - (E) lithology; and
 - (F) salinity;
- of any formation fluids in all relevant geologic formations to ensure conformance with the injection well construction requirements of the department; and
- (3) establish accurate baseline data against which future measurements may be compared.

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

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

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

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

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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:

- (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,



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

(6) The date the waiver was issued.

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

SECTION 5~~4~~³[8]. IC 14-39-2-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) Upon determining that an application is complete, the department must decide whether to:

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

The department shall notify the applicant of the decision.

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

- (1) Conditions of the permit.
- (2) Compliance schedules.
- (3) Monitoring requirements.

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

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

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

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

] SECTION 5~~4~~³[9]. IC 14-39-2-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) The department shall hold a public hearing before issuing a permit.

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

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

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

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

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

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

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

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

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

on a permit application.

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

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

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

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

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

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

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

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

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

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

[(4) The name, address, and telephone number of a person at the department]that ~~<is>~~[an] interested ~~<in obtaining>~~[person may contact to obtain] information, including copies of the draft permit, fact sheet, and the application.]

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

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

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

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

(9) Any additional information required by the department.

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

(1) be in writing; and

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

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

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

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

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

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

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

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

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

(b) If ~~the~~:

~~— (1) the department;~~

~~— (2) the United States Environmental Protection Agency;~~
~~or~~

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

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

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

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

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(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(d)~~ **5(a)** of this chapter. If the department determines that the application submitted under section ~~5(d)~~ **5(a)** of this chapter is complete, the department shall notify the applicant.

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

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

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

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

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

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

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

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

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

(f) Not later than ~~ninety~~ [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:

(1) the department has approved the application; or

(2) the department has denied the application.

SECTION ~~57~~ [62]. IC 14-39-2-6.2 IS ADDED TO THE

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

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

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

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

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

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

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

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

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

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

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

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

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

~~<—(10) That substances that compromise>~~ [(10) That the proposed storage reservoir will remain solid and the substances making up] the storage reservoir will not ~~<enter~~

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

(11) That the storage facility will neither endanger human health nor ~~unduly~~ endanger the environment.[]

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

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

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

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

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

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

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

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

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

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

(22) A demonstration of a mechanical integrity test.

(23) Any updates to the:

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

(B) testing and monitoring plan;

(C) injection well plugging plan;

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

(E) emergency and remedial response plan;

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- 1 resulting from testing performed during the application
 2 process.
- 3 [(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 [(2~~<4>~~ [5]) Any other information the department determines
 9 should be reviewed.[]
- 10 [] (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.

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

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

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

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

SECTION 6 ~~6~~ 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.

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

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

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

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

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

SECTION 6 ~~6~~ 6. IC 14-39-2-11.5, AS AMENDED BY 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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and the surface owner, including an agreement specifying that in acting as authorized under a permit issued by the department under this section, the operator does not commit trespass with respect to the subsurface estate in any case in which the subsurface estate is separate from the surface estate.

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

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

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

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

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

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

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

(1) demonstrates compliance with all relevant:

(A) provisions of this article; and

(B) rules adopted under this article;

as determined by the department; and

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

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

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

(1) either:

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

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

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

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

(1) The well is plugged and abandoned.

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

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federal regulations to implement this section.

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

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

SECTION ~~6<4>~~[9]. IC 14-39-2-12.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.3. (a) The department shall submit a memorandum of agreement that includes all of the information required under 40 CFR 145.25 to the Regional Administrator for the United States Environmental Protection Agency.**

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

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

(~~<c>~~[d]) Quarterly reports are due:

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

following the quarter.

(~~<d>~~[e]) Annual reports are due not more than sixty (60) days after the end of the calendar year.

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

SECTION ~~<65>~~[70]. IC 14-39-2-12.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.4. The department shall provide in writing to a state, tribe, or territory included in an area of review for a project a map showing the injection well for which a permit is sought and the applicable areas of review.**

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

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

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

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

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

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

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

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

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

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

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

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

- (1) ~~<modified,>~~ [modify;]
- (2) revoke ~~<d>~~;
- (3) reissue ~~<d>~~; or
- (4) terminate ~~<d>~~;

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

~~<c>~~ [a violation of 40 CFR 144.39 or 40 CFR 144.40.

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

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

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

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

~~<d>~~ [e] The issuance of a UIC Class VI permit does not authorize any injury to persons or property or invasion of other

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

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

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

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

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

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

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

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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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- 1 (A) United States mail;
 2 (B) private courier;
 3 (C) personal delivery; or
 4 (D) any other manner agreed to in writing between the
 5 department and the owner of the surface property.
- 6 (e) The state may:
 7 (1) assume ownership of and responsibility for; or
 8 (2) accept transfer of;
 9 a storage facility with respect to which an interest in or rights to
 10 property are conveyed by a lease agreement only if the lessor and
 11 lessee agree in the lease agreement to transfer the storage facility to the
 12 state. In a transfer described in this subsection, the state assumes
 13 ownership of and responsibility for the storage facility only and does
 14 not assume any other ownership interest, responsibility, or liability
 15 under any other provisions of the lease agreement.
- 16 (f) Unless there is documentation to the contrary, the storage
 17 operator has title to the carbon dioxide injected into and stored in a
 18 storage facility, and the storage operator holds title until the department
 19 issues a certificate of completion.
- 20 **(g) A storage operator shall notify the department in writing**
 21 **at least one hundred twenty (120) days before site closure. At this**
 22 **time, if changes were made to the original post-injection site care**
 23 **and site closure plan, the storage operator must provide the revised**
 24 **plan to the department.**
- 25 (h) A storage operator shall monitor the site following
 26 injection ceasing to show the position of the carbon dioxide plume
 27 and pressure front and demonstrate that underground sources of
 28 drinking water are not endangered.
- 29 (i) Following the cessation of injection, the storage operator
 30 shall continue to conduct monitoring as specified in the department
 31 approved post-injection site care and site closure plan for at least
 32 fifty (50) years, unless an alternative time frame is approved by the
 33 department ~~←. The monitoring must continue until the carbon~~
 34 ~~sequestration project no longer endangers underground sources of~~
 35 ~~drinking water.~~
 36 **>[as described in subsection (j).**
- 37 **1 (j) If a storage operator can demonstrate to the satisfaction of**
 38 **the department that the carbon sequestration project no longer**
 39 **endangers underground sources of drinking water** ~~↔~~ **before the**
 40 **minimum of fifty (50) years required under subsection (i) has**
 41 **elapsed, the department may approve an alternative time frame for**
 42 **the post-injection site care and site closure plan to reduce the**

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

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

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

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

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

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

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

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

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

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which it was submitted.

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

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

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

SECTION 7~~4~~6. IC 14-39-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) The following activities are prohibited:

(1) ~~Unauthorized~~Injection without a UIC Class VI permit.

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

(3) ~~None~~Experimental Class VI wells for carbon sequestration.

[(4) Any action that endangers underground sources of drinking water.

(5) Any additional activity prohibited under:

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

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

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

(1) ~~Errors~~Making clerical errors or mistakes in reporting requirements.

(2) ~~Basic~~Failure to meet basic operation and facility management requirements.

(3) ~~Maintenance~~Failure to meet maintenance requirements that may cause damage to property.

(4) Creating harmful environmental conditions or hazardous conditions.

(5) ~~Actions~~Taking an action that likely results in environmental damage.

(6) ~~Actions~~Taking an action that could result in harm to

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

(A) severity of the violation;

(B) risk to:

(i) the environment;

(ii) individuals; or

(iii) property; and

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

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

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

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

SECTION 7-4-8. IC 14-39-2-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. If any part of this article or 312 IAC 30 is found to be invalid, the remainder of this article or 312 IAC 30, as applicable, is upheld.**

SECTION 7-4-9. IC 35-52-14-52 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 52. IC 14-39-2-15 defines a crime concerning carbon sequestration.**

SECTION 7-5-80. An emergency is declared for this act.

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