

Division of Oil and Gas

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MEMORANDUM 2009-1A

To: All Indiana Coal Owners and Operators
From: Herschel McDivitt, Director, Division of Oil and Gas
Bruce Stevens, Director, Division of Reclamation
Date: July 9, 2009
Subject: Coal Seam Protection Requirements for Oil and Gas Wells – Submission of Dated Mine Plan Maps and FAQ's

Attached is a copy of a memorandum which the Division of Oil and Gas (DOG) has simultaneously distributed to active oil and gas operators in Indiana. The purpose for the attached memo is to clarify the requirements for coal seam protection under the Oil and Gas Act (IC 14-37) as they apply to new wells drilled through coal-bearing formations.

While explained in greater detail in the attached memorandum to oil and gas operators, there are basically three (3) standards of protection that apply to new oil or gas wells drilled through commercially mineable coal resources. The standards of protection vary depending on whether the proposed well is to be drilled:

1. Within the boundaries of an active or inactive underground coal mine regulated by the Division of Reclamation under IC 14-34;
2. Within an area for which a dated mine plan map has been submitted to the DOG; or
3. Outside the boundary of any area identified under 1 or 2 above, but where the well will be drilled through a commercially mineable coal resource.

The primary purpose of this memo is to address the requirements for coal owners and operators when submitting dated mine plan maps to the DOG as provided under the Oil and Gas Act at IC 14-37-7-4(a)(2) and our rules at 312 IAC 16-5-4(b). We've also attempted to provide answers to what we expect will be the more frequently asked questions regarding this process.

Additionally, with the changes in the coal industry over time, some of the mine plan maps we now have on file appear to be outdated and may not reflect current mine plan areas. Newer companies may not be familiar with the mine plan map requirements as well.

The Division of Oil and Gas rules at 312 IAC 16-5-4(b) specifically provide that "A person engaged in the production of commercially mineable coal resources may file with the division a dated mine plan