

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Energy and Environmental Affairs, to which was referred House Bill No. 1265, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 2, delete "JULY" and insert "UPON PASSAGE]:".
- 2 Page 1, line 3, delete "1, 2010]:".
- 3 Page 1, line 3, delete "this" and insert "**IC 14-37-4-1**,".
- 4 Page 1, line 4, delete "chapter, IC 14-37-3-14.5, and
- 5 IC 14-37-11-3,".
- 6 Page 1, line 12, delete "JULY 1, 2010]:" and insert "UPON
- 7 PASSAGE]:".
- 8 Page 2, line 32, delete "JULY 1, 2010]:" and insert "UPON
- 9 PASSAGE]:".
- 10 Page 3, delete lines 3 through 42, begin a new paragraph and insert:
- 11 "SECTION 4. IC 14-37-4-1, AS AMENDED BY P.L.80-2005,
- 12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 13 UPON PASSAGE]: Sec. 1. **(a) Subject to subsection (b)**, a person
- 14 may not drill, deepen, operate, or convert a well for oil and gas
- 15 purposes without a permit issued by the department.
- 16 **(b) Except as provided in subsection (c):**
- 17 **(1) the extraction of coal bed methane from a well for oil and**
- 18 **gas purposes on or after the effective date of this subsection**
- 19 **and before July 1, 2012, is prohibited; and**
- 20 **(2) the department may not issue a permit under this chapter**

1 **for the extraction of coal bed methane from a well for oil and**
2 **gas purposes before July 1, 2012, regardless of whether the**
3 **application for the permit was made to the department before**
4 **the effective date of this subsection.**

5 **(c) Subsection (b) does not apply if the owner of the right to the**
6 **coal from which the coal bed methane for which a permit is sought**
7 **under this chapter is derived consents in an instrument binding on**
8 **that owner to the extraction of the coal bed methane and to the**
9 **issuance of the permit.**

10 **SECTION 5. [EFFECTIVE UPON PASSAGE] (a) As used in this**
11 **SECTION, "committee" refers to the natural resources study**
12 **committee established by IC 2-5-5-1.**

13 **(b) As used in this SECTION:**

14 **(1) "coal bed methane" has the meaning set forth in**
15 **IC 14-8-2-42.2, as added by this act; and**

16 **(2) "commercially minable coal resources" has the meaning**
17 **set forth in IC 14-8-2-47, as amended by this act.**

18 **(c) During the 2010 interim, the committee shall study whether**
19 **new or amended statutes or rules are appropriate concerning the**
20 **following:**

21 **(1) The safety of miners who could be affected by coal bed**
22 **methane extraction activities.**

23 **(2) Coal bed methane well spacing, unit, and bonding**
24 **requirements.**

25 **(3) The relative interests with respect to real property of:**

26 **(A) the owner of the right to coal bed methane; and**

27 **(B) the owner or owners of the surface rights and other**
28 **mineral rights.**

29 **(4) Requirements with respect to real property for the owner**
30 **of the right to coal bed methane to give notice of coal bed**
31 **methane extraction activities to the owners of the surface**
32 **rights and other mineral rights.**

33 **(5) Requirements for the issuance of permits for the**
34 **extraction of coal bed methane, including public notice of the**
35 **filing of permit applications.**

36 **(6) Requirements for the protection of surface water and**
37 **ground water from any potential effects of coal bed methane**
38 **extraction activities.**

39 **(7) Encouragement of the development of coal bed methane**
40 **that adequately takes into account the protection of**
41 **commercially minable coal resources.**

42 **(8) The right of the person entitled to develop a well for oil**

1 **and gas purposes with respect to real property who is not the**
2 **owner of the surface rights to enter the property for**
3 **extraction activities and the responsibility of that person to**
4 **pay damages or compensation to the owner of the surface**
5 **rights.**

6 **(9) The adequacy of conventional oil and gas statutes and**
7 **rules to protect the owners of the surface rights to real**
8 **property, the public, and commercially minable coal**
9 **resources.**

10 **(10) Any other issue the committee considers appropriate.**

11 **(d) The committee shall issue reports and recommendations as**
12 **directed by the legislative council.**

13 **(e) This SECTION expires December 1, 2010.**

14 **SECTION 6. An emergency is declared for this act."**

15 Delete pages 4 through 15.

(Reference is to HB 1265 as printed January 26, 2010.)

and when so amended that said bill do pass .

Committee Vote: Yeas 10, Nays 0.

Senator Gard, Chairperson