

Instructions for Completing the Application for Landowner Grant

General Information

Only those wells which have been placed in the Plugging and Restoration Program by the Department are eligible to be plugged under the Landowner Grant Program. If you are not sure if a particular well is eligible contact the nearest District Office, or the manager of the Landowner Grant Program in the Springfield office at **(217) 782-7756**.

Applications will be accepted until all Landowner Grant funds have been obligated for the fiscal year. Applications received after all grant funds have been obligated will be returned to the applicant.

The owner of the land on which the well is located is the only person eligible to receive a grant under the Landowner Grant Program. Each landowner may be limited to plugging a maximum of five (5) wells per fiscal year under the Landowner Grant Program, depending on the number of applications received and the amount of funds appropriated.

The landowner is required to have a Division Well Inspector complete an OG-22 Field Inspection Report on each well for which a grant is being requested. A copy of the OG-22 is required to be submitted with the grant application. Contact the nearest Division of Oil and Gas District Office to have an inspection and report completed.

Mt. Carmel District Office (618) 262-2106
Centralia District Office (618) 533-8979
Springfield Area Office (217) 782-7756

All wells plugged under the Landowner Grant Program are required to be plugged and the sites restored in accordance with Subpart K of the Department's Oil and Gas Rules.

After the grant application has been processed by the Division, a grant award document will be prepared and sent to the landowner for signature. When the signed grant document is received by the Division, the grant will be processed for approval by the Department. A copy of the approved grant will be sent to the landowner. Plugging of the well may commence **after** the landowner receives a copy of the approved grant. When the Division receives documentation from the Well Inspector that the well has been properly plugged and the site restored, the grant award funds will be processed for payment. The landowner should receive the funds in approximately 30 to 60 days after the Division receives the appropriate documentation from the Well Inspector.

Over please - Instructions are on back side

Instructions for completing the application form

(Please use ink and print or type the information on the form.)

1. Complete section A of the application form with the landowner information. Include the landowner's Social Security number (or Taxpayer ID # if the landowner is a corporation).
2. Complete section B of the application form with the well information. The well name, permit number, reference number and location information can be found on the OG-22 Field Inspection Report which was completed by the Division Well Inspector. If you are applying for grant funds to plug more than one well, you must submit a separate application and contract for each well.
3. Complete section C of the application form with information obtained from the plugging Contractor (the amounts of the total cost to plug the well and restore the site and the estimated value of any salvageable equipment at the site, including rods, tubing and casing). On line 1 write the total amount of the plugging contractor's bid to plug the well and restore the site. On line 2 write the total amount of the estimated salvageable equipment located at the site. Subtract line 2 from line 1 and enter the difference on line 3. The maximum amount of the grant award (the amount shown on line 3) will be the total of the plugging and restoration cost minus the total of the equipment salvage value.
4. Read the statement on the back of the application form, then sign and date the form.
5. Attach a copy of the OG-22 Field Inspection Report for the well, which was provided by the Well Inspector.
6. Attach a completed and signed contract between the landowner and plugging contractor. The contract is required to be on the form provided by the Department and must be completed in its entirety, including an itemized listing of any salvageable equipment. The contract contains a contingency clause which voids the contract if the grant is not approved or if sufficient funds are not available.
7. Mail the completed application and all attachments to:

Department of Natural Resources
Office of Oil and Gas Resource Management
One Natural Resources Way
Springfield, IL 62702-1271
Attn: PRF Program Manager



ILLINOIS DEPARTMENT OF NATURAL RESOURCES
Office of Oil and Gas Resource Management
 One Natural Resources Way
 Springfield, Illinois 62702-1271
 (217) 782-7756



PLUGGING AND RESTORATION PROGRAM
OG-27 APPLICATION for LANDOWNER GRANT

Section A

Landowner's Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Home Phone: (____) _____ Work Phone: (____) _____

Social Security #: ____ - ____ - _____ or Tax ID #: _____

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Section B

Well Name : _____

Permit # : _____ Reference # : _____

Location: _____ ft. North/South, _____ ft. East/West of the _____ corner,
 _____ quarter, _____ quarter, _____ quarter, of Section _____,

Township _____ North/South, Range _____ East/West, _____ County, IL.

Notice: If you are applying for grant funds to plug more than one well (maximum of 5), you must submit a separate grant application and contract for each well.

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Section C

1. Total cost to plug well and restore site : \$ _____

2. Total estimated salvage value of equipment: \$ _____
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3. Total of Grant request (subtract 2. from 1.): \$ _____

4. Attach the signed contract between the Landowner and Plugging Contractor.

5. Attach a copy of the OG-22 Field Inspection Report completed by a Division Well Inspector.

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Applicant: Read the statement on the back of this application, sign and date the application.

Applicant: Please read the statement below, then sign and date the application.

Upon the Department's award of any grant pursuant to this Application, applicant agrees to assume the entire liability and agrees to hold harmless, indemnify and defend the Department against any loss, damage, demand, lien, action, liability, obligation, fine, penalty, cost or expense of any nature due to its own negligence and fault and the negligence and fault of its employees, contractors and/or subcontractors related to any activity associated with the plugging and site restoration of the well identified on this Application .

Applicant hereby certifies that it is the surface owner of the land upon which the well identified on this Application is located, and by acceptance of any grant awarded pursuant hereto agrees to assume all responsibility and costs of plugging and restoring the site of such well in accordance with applicable statutory and regulatory authority.

Landowner's Signature

Date

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For Department Use Only

Grant Application #: LOG - _____ - _____ - _____

Well approved for plugging (Reference #): _____

Grant amount recommended for payment: \$ _____

Grant recommended: _____
PRF Program Manager

Date: _____

Grant recommendation approved: _____
Director of OOGRM

Date: _____

Landowner Grant Program
WELL PLUGGING CONTRACT

This CONTRACT is entered into this _____ day of _____, 20____, by and between _____, hereinafter called the LANDOWNER, and _____, hereinafter called the CONTRACTOR, for the purpose of properly plugging and restoring the site of the following listed well:

Well name: _____ Reference #: _____
legally described as:
Sec: _____, Township: _____, Range: _____, County: _____, Illinois,
and includes the following associated salvageable equipment:

It is understood between the parties hereto that the well described herein has been determined by the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management, hereinafter called the DEPARTMENT, to be abandoned, or has otherwise been ordered by the DEPARTMENT to be plugged and restored in accordance with the Illinois Oil and Gas Act, hereinafter the ACT, and is currently in the Oil and Gas Well Site Plugging and Restoration Fund Program.

The CONTRACTOR hereby agrees to plug the aforesaid well and restore the site in accordance with the ACT and all applicable Rules of the DEPARTMENT, for the total amount of \$ _____ and the salvageable equipment, if any, listed above. The CONTRACTOR is required to provide all necessary equipment and personnel to perform these well plugging and site restoration services.

The LANDOWNER hereby agrees to provide ingress and egress and adequate surface area to the CONTRACTOR to allow the CONTRACTOR to carry out its obligations under the terms of this CONTRACT.

The LANDOWNER and CONTRACTOR hereby agree to hold harmless, indemnify and defend the DEPARTMENT against any loss, damage, demand, lien, action, liability, obligation, fine, penalty, cost or expense of any nature due to their own negligence and fault and the negligence and fault of their employees, contractors and/or subcontractors related to any activity associated with the plugging and site restoration of the well identified above in this Contract.

(Continued on reverse side)

The LANDOWNER and CONTRACTOR hereby agree that if the DEPARTMENT fails to approve the Landowner Grant Application (incorporated herein by reference) submitted for the plugging and restoration of the well identified above in this Contract, or the DEPARTMENT does not have adequate funds available, or the term, including extensions, of the awarded grant expires without the well being plugged, this Contract shall become null and void and none of the parties hereto shall have any further responsibility, obligation or liability under the terms of this Contract.

The LANDOWNER may terminate this contract at any time upon written notification to the CONTRACTOR. Any costs incurred for work completed by the CONTRACTOR up until the time of termination is payable to the CONTRACTOR by the LANDOWNER, and are not reimbursable to the LANDOWNER, by the Department, utilizing grant funds.

This contract will terminate upon completion, and with the approval by the DEPARTMENT, of the plugging of the aforesaid well and restoration of the associated well site.

The parties hereto have caused this Contract to be executed by their duly authorized representatives.

BY: _____
Landowner (signature)

BY: _____
Contractor (signature)

Landowner Name (printed)

Contractor Name (printed)

Address

Address

City State Zip

City State Zip

Date: _____

Date: _____