

Land & Energy

Oil or Gas Well Permit

What Activities Require This Permit? Persons wishing to drill an oil or gas well are required to (1) obtain a drilling unit from the Oil and Gas Commission, (2) post required bonds and (3) submit an application for a drilling permit.

What Is The Purpose of This Permit? The permit provides a method by which the state regulates site activities to prevent the waste of the resource for the protection of the environment.

Who Issues This Permit? Oil & Gas Program, Energy Group, NC Department of Environmental Quality (DEQ)

How Much Will This Permit Cost? Prior to any drilling in this state for oil and gas, persons, firms or corporations must obtain a drilling unit, submit an application, and furnish the following bonds:

- **Well Plugging and Abandonment Bond**, assigned to the state: \$5,000 plus \$1.00 per linear foot of borehole. This bond is conditioned that any well opened or caused to be opened by an operator shall on abandonment be plugged in accordance with the rules and statutes of NC;
- **Disturbed Land Bond**, assigned to the respective surface land owner(s): Based on the area of land disturbance and calculated through a reclamation cost table, maintained by the Energy Group. This bond is conditioned that any land disturbance caused by an operator during well site construction or other well-related operations shall be mitigated and reclaimed in accordance with the rules and statutes of NC; and
- **Environmental Damage Bond**, assigned to the state: A minimum of \$1,000,000, but may be increased at the discretion of the Oil and Gas Commission, before a given well permit is issued. This bond is conditioned that any adverse environmental impacts are mitigated and remediated, in accordance with the rules and statutes of NC.

Permit application fees are required as follows:

- \$3,000 for the first well; and
- \$1,500 for each additional well on the same well pad.

What Are My Payment Options for Permit Application Fees? Company check, cashier's check, or money order

If Paying by Check, Who do I Make the Check Payable to and Where Do I Send the Check? Please make payable to: NC Department of Environmental Quality. Payments should be mailed to:

Oil & Gas Program
Energy Group
NC Department of Environmental Quality
1612 Mail Service Center
Raleigh, NC 27699-1612

Where May I Get Application and Other Forms for This Permit? <http://deq.nc.gov/about/divisions/energy-mineral-land-resources/energy-mineral-land-permits/oil-gas-program-forms>

How Long Will It Take To Review My Application? DEQ's and the OGC's application review process may take up to six months to complete before a permit is issued.

Where Do I Submit My Application? By hardcopy/paper- to the address below, and electronically to OilandGas@NCDENR.gov.

How Long Is My Permit or License or Certificate Valid? A Well permit is assigned to each well and remains valid for one year. If drilling commences within one year, the permit is valid until the respective well is plugged and abandoned in accordance with NC statutes and rules.

Notes/Comments: A permit application should include all planned well construction characteristics; the well site development, water management, waste management, site reclamation, dust management, and road impact plans; emergency response information; and methane detection response information.

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Legal Authority/Statute Reference:

- G.S. 113-378 to 113-415 – “Subchapter V. Oil and Gas Conservation – Article 27”; and
- 15A NCAC 05H – “Oil and Gas Conservation” rules.

Link: <http://portal.ncdenr.org/web/mining-and-energy-commission/>*

** This webpage will be replaced once the Oil and Gas Commission is fully appointed. Please contact the Program if you have any questions.*

<http://deq.nc.gov/about/divisions/energy-mineral-land-resources/energy-group/oil-gas-program>

Statewide Contact Information:

DEQ/Energy Group - Oil & Gas Program
1612 Mail Service Center
Raleigh, NC 27699-1612
Telephone: (919) 707-9234