

1 15A NCAC 05H .0102 has been adopted with changes as published in 29:02 NCR 110-114 as follows:

2  
3 **15A NCAC 05H .0102 TERMS OF REFERENCE AND DEFINITIONS**

4 The terms as used in this Subchapter shall have the definitions as specified in G.S. 113-389. In addition, the  
5 following terms shall have the following meaning:

- 6 (1) ~~"7Q10 flow"~~"7Q10," when used in reference to surface water, refers to the minimum average flow  
7 for a period of seven consecutive days that has an average occurrence of once in 10 years.
- 8 (2) "Abandon" means to temporarily or permanently cease production from an oil or gas well or to  
9 cease further drilling operations.
- 10 (3) "Additive(s)" means any chemical substance or mixture of substances.
- 11 (4) "Affected reach" means the portion of a stream channel where the hydrology may be significantly  
12 affected by the cumulative effects of the proposed water withdrawal in combination with existing  
13 water withdrawals and point source discharges.
- 14 (5) "Annular flow" means the flow of formation fluids from the formation into a space or pathway in  
15 an ~~annulus~~"annulus" within an oil or gas well.
- 16 (6) "Annulus" means the space around a pipe in a wellbore, sometimes termed the annular space.
- 17 (7) "API number" means ~~a the unique~~unique and permanent, American Petroleum Institute numeric  
18 identifier assigned by the North Carolina Geological Survey to each well drilled for oil or gas  
19 production.
- 20 (8) "Applicant" means the person who submits an Oil or Gas Well Permit Application.
- 21 (9) "Barrel" means 42 U.S. gallons at 60° F at atmospheric pressure.
- 22 (10) "Blowout" means an uncontrolled flow of gas, oil, or other wellbore fluids from the oil or gas  
23 well.
- 24 (11) "Blowout preventer (BOP)" means one or more valves installed at the wellhead to prevent the  
25 escape of pressure from the annular space or the escape of pressure from the ~~open or cased~~  
26 ~~hole~~wellbore:
- 27 (a) "Annular blowout preventer" means a large valve that forms a seal in the annular space  
28 between the pipe and wellbore.
- 29 (b) "Shear ram blowout preventer" means a closing element fitted with hardened tool steel  
30 blades designed to cut the drill pipe when closed.
- 31 (12) "Brine" means a liquid solution with a concentration of dissolved salts greater than 35 grams of  
32 dissolved constituents per kilogram of water.
- 33 (13) "Bull plug" means a ~~pressure containing closure for a female threaded end or outlet connection,~~  
34 ~~which may have an internal counter bore or test port,~~ or flanged pipe designed to seal an open-  
35 ended pipe.
- 36 (14) "Casing" means ~~steel pipe placed in a wellbore to prevent the wall of the wellbore from caving in~~  
37 ~~and to prevent movement of fluids from one formation to another.~~provide hole stability, isolate

1 and protect groundwater, enhance wellbore integrity, isolate oil and gas formations, and provide  
2 pressure integrity.

3 (15) "Casing string" means the entire length of all the connected joints of casing inserted into the  
4 wellbore.

5 (16) "Cellar" means ~~a dug-out~~ an excavated area below the drill rig floor that provides additional height  
6 between the drilling rig floor and the wellhead to accommodate the installation of blowout  
7 preventers, allows placement of wellhead components at or below ground level.

8 (17) "Cement basket" means a slip-on style device made of high strength, flexible steel staves, mounted  
9 on a steel slip-on ring with heavy-duty canvas liners riveted to staves.

10 (18) "Cement bond log (CBL)" means an acoustic ~~survey~~ or sonic-logging method run inside casing  
11 that records the quality or hardness of the cement used in the annulus to bond the measures the  
12 transmissibility of sound between cemented casing and the formation.

13 (19) "Centralizer" means a mechanical device used to position the casing concentrically in the  
14 wellbore.

15 (20) "Chemical(s)" means any element, chemical compound, or mixture of elements or compounds that  
16 has its own specific name or ~~identity~~ identity, such as a Chemical Abstracts Service Registry  
17 Number.

18 (21) "Chemical Abstracts Service" is a division of the American Chemical Society.

19 (22) "Chemical Abstracts Service Registry Number" or "CAS Registry Number" means the unique  
20 identification number assigned to a chemical by the Chemical Abstracts Service.

21 (23) "Chemical classification" means a grouping that relates a chemical to others with  
22 similar ~~features~~ features, functions, or reactive properties.

23 (24) "Chemical disclosure registry" means the chemical registry website known  
24 as ~~FracFocus.org~~ http://fracfocus.org developed by the Ground Water Protection Council and the  
25 Interstate Oil and Gas Compact Commission.

26 (25) "Christmas tree" means a set of valves, spools, gauges, and fittings connected to the top of the  
27 well to direct and control the flow of formation fluids from the well.

28 ~~(25)~~ (26) "Conductor casing" means a casing string used to support unconsolidated surface deposits.

29 ~~(26)~~ (27) "Completion" means the activities that render an oil or gas well capable of producing oil or gas  
30 through the wellhead equipment from a producing zone after the production casing string has been  
31 set.

32 ~~(27)~~ (28) "Containment system" means a synthetic liner, coating, storage structure, other material, or  
33 structure used in conjunction with a primary container that prevents any spills onto the ground or  
34 spills from leaving the drilling site.

35 ~~(28)~~ (29) "Contaminant" means any substance occurring in groundwater, surface water, or soil in  
36 concentrations ~~which~~ that exceed the standards specified in 15A NCAC 02B, 15A NCAC 02L

1 .0202, or 15A NCAC 02L ~~.0411-.0411~~, which are incorporated by reference, including subsequent  
2 amendments and editions.

3 ~~(29)~~(30) "Conventional reservoir" means an accumulation of hydrocarbons that are localized in structural  
4 or stratigraphic traps.

5 ~~(30)~~(31) "Deepen" means an operation where an oil or gas well is drilled beyond the originally permitted  
6 depth of the oil or gas well.

7 ~~(31)~~(32) "Deviated well" means an oil or gas well that is purposely deviated from the vertical using  
8 directional drilling methods to reach the objective location other than directly below the surface  
9 location.

10 ~~(32)~~(33) "Director" means the Director of the Division of Energy, Mineral, and Land Resources of the  
11 Department of Environment and Natural Resources.

12 ~~(33)~~(34) "DLIS" means Digital Log Information Standard.

13 ~~(34)~~(35) "Drill pipe" means the pipe used to rotate the drill bit and circulate the drilling fluid.

14 ~~(35)~~(36) "Drill stem test" means a method of formation testing consisting of a packer or packers, valves, or  
15 ports that may be opened or closed from the ~~surface~~surface, and two or more pressure recording  
16 devices.

17 ~~(36)~~(37) "Drilling unit" means an area established by the ~~Commission~~Commission ~~which~~that can be  
18 efficiently and economically drained by one or more oil or gas wells.

19 ~~(37)~~(38) "Dry hole" means any oil or gas well that does not produce oil or gas in commercial quantities.

20 ~~(38)~~(39) "Emergency responder" means an emergency medical technician, fire fighter, law enforcement  
21 officer, public works employee, emergency manager, fire marshal, HAZMAT coordinator,  
22 technical specialist, incident commander, fire chief, or a member of State Emergency Management  
23 who provides, plans, or directs emergency health or safety services.

24 ~~(39)~~(40) "Exploration and ~~production~~Production (E & P) waste" means wastes associated with the  
25 exploration, development, and production of oil or gas, which are not regulated by the Subtitle C  
26 of the Federal Resource Conservation and Recovery Act as set forth in 40 CFR Parts 260-299,  
27 which is incorporated by reference, including subsequent amendments and editions, which can be  
28 accessed \_\_\_\_\_ at \_\_\_\_\_ [http://www.ecfr.gov/cgi-bin/text-](http://www.ecfr.gov/cgi-bin/text-idx?SID=13be85c0df8971509a2531a778d1c87f&tpl=/ecfrbrowse/Title40/40tab_02.tpl)  
29 idx?SID=13be85c0df8971509a2531a778d1c87f&tpl=/ecfrbrowse/Title40/40tab\_02.tpl for no  
30 charge, and may include the following:

31 (A) \_\_\_\_\_ produced brine, sand, and water;

32 (B) \_\_\_\_\_ drill cuttings;

33 (C) \_\_\_\_\_ water-based drilling fluids;

34 (D) \_\_\_\_\_ flowback fluids;

35 (E) \_\_\_\_\_ stormwater in secondary containment and pits at the well site; and

36 (F) \_\_\_\_\_ any other deposits or residuals from exploration and production activities.

1 (40)(41) "Float collar" means a component that is installed near the bottom of the casing string on which  
2 wiper plugs land during the primary cementing operation.

3 (41)(42) "Float shoe" means a rounded profile component attached to the ~~down hole~~down hole end of the  
4 production casing string to prevent reverse flow of cement slurry into the casing string.

5 (42)(43) "Flowback fluid" means liquids, and mixtures thereof, consisting of drilling fluid, silt, sand and  
6 other proppants, debris, water, brine, oil, paraffin, produced water, or other materials that are  
7 removed from the wellbore during the completion or recompletion of an oil or gas well, other  
8 additives that flow from an oil or gas well following well stimulation, or during production of an  
9 oil or gas well.

10 (43)(44) "Floodplain" asis defined in 44 CFR 59.1-59.1, which is incorporated by reference, including  
11 subsequent amendments and editions, which can be accessed at [http://www.ecfr.gov/cgi-bin/text-](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title44/44cfr59_main_02.tpl)  
12 idx?tpl=/ecfrbrowse/Title44/44cfr59\_main\_02.tpl for free.

13 (44)(45) "Floodway" asis defined in 44 CFR 59.1-59.1, which is incorporated by reference, including  
14 subsequent amendments and editions, which can be accessed at [http://www.ecfr.gov/cgi-bin/text-](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title44/44cfr59_main_02.tpl)  
15 idx?tpl=/ecfrbrowse/Title44/44cfr59\_main\_02.tpl for free.

16 (45)(46) "Flow rate" means the volume per of unit time of a fluid moving past a fixed point.

17 (46)(47) "Formation Integrity Test (FIT)" means a pressure test applied to the formation directly below the  
18 base of the casing string to determine the maximum pressure that may be applied without risk of  
19 formation breakdown.

20 (47)(48) "Fresh groundwaters" means those groundwaters having a chloride concentration ~~equal to or less~~  
21 ~~than~~less than or equal to 250 milligrams per liter.

22 (48)(49) "FRO" means Financial Responsibility ~~Ownership~~Ownership, as set forth in Rule 1302 of this  
23 Subchapter.

24 (49)(50) "Green completion" means an oil or gas well completion following ~~fracturing or~~  
25 ~~refracturing stimulation or restimulation~~ where gas flowback that is otherwise vented is captured,  
26 cleaned, and routed to the flow line or collection system, re-injected into the oil or gas well or  
27 another oil or gas well, used as an on-site fuel source, or used for other ~~useful~~ purpose that a  
28 purchased fuel or raw material would serve, with no direct release to the atmosphere.

29 (50)(51) "Groundwaters" means those waters occurring in the subsurface under saturated conditions.

30 (51)(52) "Hazardous chemicals" asis defined in 29 CFR 1900.1200(e)-1910.1200(c), which is incorporated  
31 by reference, including subsequent amendments and editions and can be accessed  
32 at <http://www.ecfr.gov/cgi-bin/text-idx?rgn=div8&node=29:6.1.1.1.1.1.1.36> for no charge.

33 (52)(53) "Health professional" means a licensed physician, physician's assistant, industrial hygienist,  
34 toxicologist, epidemiologist, nurse, nurse anesthetist, ~~or nurse practitioner~~practitioner, or a local  
35 health director.

1 ~~(53)~~(54) "High occupancy building" means any operating public school, nursing facility, hospital, life care  
2 institution, or correctional facility, provided that the facility or institution ~~serve~~that has the  
3 capacity to serve 50 or more persons, or an operating child care center as defined in G.S. 110-86.

4 ~~(54)~~(55) "Hydraulic fracturing" means oil or gas well stimulation by the application of hydraulic pressure  
5 using fluids, proppants, and additives under pressure to create artificial fractures or to open  
6 existing fracture networks in the formation for the purpose of improving the capacity to produce  
7 hydrocarbons.

8 ~~(55)~~(56) "Hydraulic fracturing stage" means the portion of a wellbore that is isolated by setting packers or  
9 plugs during well stimulation operations.

10 ~~(56)~~(57) "Intermediate casing" means a casing string that is set in place after the surface casing and before  
11 the production casing.

12 ~~(57)~~(58) "Intermittent stream" asis determined by North Carolina Division of Water Quality Methodology  
13 for Identification of Intermittent and Perennial Streams and Their Origins, Version 4.11, Effective  
14 Date: September 1, ~~2010~~2010, including subsequent amendments and editions, which can be  
15 accessed for free at  
16 <http://portal.ncdenr.org/web/wq/swp/ws/401/waterresources/streamdeterminations>.

17 ~~(58)~~(59) "Joint" means a length of drill pipe or casing.

18 ~~(59)~~(60) "Kelly bushing" means a device that is fitted to the rotary table through which the kelly passes and  
19 the means by which the torque of the rotary table is transmitted to the kelly and the drill string.

20 ~~(60)~~(61) "Kickoff point" means the depth in a vertical wellbore in which a deviation is initiated.

21 ~~(61)~~(62) "LAS" means Log ASCII Standard.

22 ~~(62)~~(63) "~~Licensed Geologist~~" "Licensed geologist" means a person who has been duly licensed as a  
23 geologist in accordance with the requirements of G.S. 89E.

24 ~~(63)~~(64) "LiDAR" means Light Detection And Ranging.

25 ~~(64)~~(65) "LIS" means Log Information Standard.

26 ~~(65)~~(66) "Lost hole" means an oil or gas well that could not be drilled to the originally permitted total  
27 depth.

28 ~~(66)~~(67) "Master valve" means a large valve located on the wellhead and used to control the flow of oil or  
29 gas from a well.

30 ~~(67)~~(68) "Mechanical bridge plug" means a ~~downhole~~down hole tool, composed primarily of slips, a plug  
31 mandrel, and a ~~rubber~~ sealing element, that is run and set in casing to isolate ~~a lower zone while an~~  
32 upper section is being tested or cemented. that portion of the well below the plug.

33 ~~(68)~~(69) "Mousehole" means a shallow boring under the drilling rig floor, lined with casing, in which joints  
34 of drill pipe are temporarily suspended for future connection to the drill string.

35 ~~(69)~~(70) "NC UCC" means the North Carolina Uniform Commercial ~~Code~~Code found in G.S. Chapter 25,  
36 Article 5.

1 ~~(70)~~(71) "Occupied dwelling" means a private residence, existing inhabited structure, or a public building  
2 that may be used as a place of assembly, education, entertainment, lodging, trade, manufacture,  
3 repair, storage, or occupancy by the public, including any outdoor recreational facility, State Park  
4 as defined in G.S. 113-44.9, or historic property acquired by the State pursuant to G.S. 121-9 or  
5 listed in the North Carolina Register of Historic Places pursuant to G.S. 121-4.1. This definition  
6 does not apply to a building or other structure that is incidental to agricultural use of the land on  
7 which the building or other structure is ~~located~~located, unless the building or other structure is  
8 used as an occupied private dwelling or for retail trade.

9 ~~(71)~~(72) "Packer" means a piece of ~~downhole~~down hole equipment that consists of a sealing device, a  
10 holding or setting device, and may contain an inner passage for fluids.

11 ~~(72)~~(73) "Perennial stream" means a channel that contains water ~~year-round~~year-round during a year of  
12 normal rainfall with the aquatic bed located below the water table for most of the year as indicated  
13 on the most recent versions of U.S.G.S 1:24,000 (7.5 minute) scale topographic maps.

14 ~~(73)~~(74) "Permittee" means a person to whom the Department has issued an Oil or Gas Well Permit.

15 ~~(74)~~(75) "Pit" means any natural or man-made depression in the ground used for storage of liquids.

16 ~~(75)~~ "Produced water" means the water that exists in subsurface formations and is brought to the  
17 ~~surface during oil or gas production.~~

18 (76) "Plug and abandon" means to place a series of cement plugs into a ~~wellbore and abandon it.~~  
19 wellbore, cut casing strings and remove the wellhead and Christmas tree to permanently  
20 decommission the well.

21 (77) "Plug back" means to place cement in or near the bottom of an oil or gas well to sidetrack or to  
22 produce from a formation higher in the oil or gas well.

23 ~~(78)~~ "Produced water" means the water that exists in subsurface formations and is brought to the  
24 surface during oil or gas production.

25 ~~(78)~~(79) "Production casing" means a casing string that is set ~~across the reservoir interval, within which the~~  
26 ~~completion components are installed, to allow completion and installation of down hole~~  
27 production equipment for production of an oil or gas well.

28 ~~(79)~~(80) "Production facility" means all storage, separation, treating, dehydration, artificial lift, power  
29 supply, compression, pumping, metering, monitoring, flowline, and other equipment directly  
30 associated with production at oil or gas wells.

31 ~~(80)~~(81) "Production zone" means the rock stratum that will yield hydrocarbons.

32 ~~(81)~~(82) "Professional engineer" means a person who is presently registered and licensed ~~as a professional~~  
33 ~~engineer by the North Carolina State Board of Registration For Professional Engineers and Land~~  
34 ~~Surveyors~~ pursuant to G.S. 89C.

35 ~~(82)~~(83) "PSI" means pounds per square inch.

36 ~~(83)~~(84) "Rathole" means a hole in the drilling rig floor that is lined with casing into which the kelly is  
37 temporarily placed.

1 ~~(84)~~(85) "Reclamation" means the process of returning or restoring disturbed land to its condition prior to  
2 the commencement of oil or gas operations.

3 ~~(85)~~(86) "Reenter" means accessing a previously completed or plugged wellbore.

4 ~~(86)~~(87) "Residuals" means any solid, semisolid, or liquid waste, other than effluent or residues from  
5 agricultural products and processing, generated from a wastewater treatment facility, water supply  
6 treatment facility, or air pollution control facility permitted under the authority of the  
7 Environmental Management Commission.

8 ~~(87)~~(88) "Rotating diverter system" means ~~a system~~ equipment normally associated with air drilling  
9 operations that provides an annular seal around the drill pipe during drilling operations that routes  
10 recovered fluids and solids away from the drilling rig.

11 ~~(88)~~(89) "Safety data sheet" means written or printed materials containing all the information specified in  
12 29 CFR ~~1900.1200(g), 1910.1200(g)~~, which is incorporated by reference including  
13 subsequent ~~amendments~~ amendments, which can be accessed at <http://www.ecfr.gov/cgi-bin/text-idx?rgn=div8&node=29:6.1.1.1.1.1.1.36> for no charge, for regulated hazardous substances.

14 ~~(89)~~(90) "Service company" means a person contracted by the permittee ~~that who~~ conducts work onsite  
15 related to the drilling, completion, or production of an oil or gas well.

16 ~~(90)~~(91) "Setback" means the horizontal separation distance, in feet, between the surface location of well  
17 site structures and adjacent structures and land features.

18 ~~(91)~~(92) "Shut-in" means to ~~close the valves on a wellhead so that production ceases.~~ stop flow from a  
19 well.

20 ~~(92)~~(93) "Sidetrack" means to use a ~~downhole~~ down hole motor to drill around the original planned path of  
21 the oil or gas well.

22 ~~(93)~~(94) "SPCA" means the Sediment Pollution Control Act of ~~1973~~, 1973 found in G.S. 113A, Article 4.

23 ~~(94)~~(95) "Spud" means to start the oil or gas well drilling process by removing rock, ~~dirt~~ dirt, and other  
24 sedimentary material with the drill bit.

25 ~~(95)~~(96) "Sub-base" means the layer of material laid on the subgrade.

26 ~~(96)~~(97) "Subgrade" means the native material at the bottom of a ~~subgrade~~ sub-base.

27 ~~(97)~~(98) "Surface casing" means a large ~~diameter~~, diameter casing string set in ~~shallow~~ shallow,  
28 yet ~~competent~~ competent, formations used to protect ~~groundwaters~~ groundwaters, provide  
29 sufficient structural integrity to bear the weight of subsequent casing strings, and pressure integrity  
30 to contain the pressures anticipated to the next casing point.

31 ~~(98)~~(99) "Surface use agreement" means any agreement in the nature of a contract or other form of  
32 document binding on the permittee, including any lease, damage agreement, waiver, or local  
33 government approval or permit, which governs the permittee's activities on the surface in relation  
34 to locating a well, production facility, pipeline, or any other oil and gas facility that supports oil  
35 and gas development located on the surface owner's property.

36

1           ~~(98)~~(100)           "Tank" means a stationary vessel constructed of non-earthen materials used to contain  
2                           fluids.

3           ~~(99)~~(101)           "Tank battery" means a group of tanks that are connected to receive production fluids  
4                           from an oil or gas well or a producing lease.

5           ~~(100)~~(102)           "Tracer technology" means technology used to trace well stimulation fluid back to the oil  
6                           or gas well where fluid was injected.

7           ~~(101)~~(103)           "Trade name" means the common name given by industry or a manufacturer to a  
8                           chemical or product.

9           ~~(102)~~(104)           "Trade secret" ~~as is~~ defined in G.S. 66-152(3).

10          (105)   "Treating healthcare provider" means a licensed physician, physician's assistant, industrial  
11                           hygienist, toxicologist, epidemiologist, emergency medical technician, nurse, nurse anesthetist,  
12                           nurse practitioner, or local health director.

13          ~~(103)~~(106)           "Unconventional reservoir" means a resource whose porosity, permeability, fluid  
14                           trapping mechanism, or other characteristics differ from conventional reservoirs.

15          ~~(104)~~(107)           "Vendor" means a company that sells or provides a substance or product for use in oil or  
16                           gas exploration or production.

17          ~~(105)~~(108)           "Water source" means any of the following:  
18                           (a)       waters of the State;  
19                           (b)       a source of water supply used by a water purveyor;  
20                           (c)       mine pools and discharges; and  
21                           (d)       any other waters that are used for drilling, completing, and stimulating an oil or gas well.

22          ~~(106)~~(109)           "Water supply well" ~~as is~~ defined in G.S. 87-85(13).

23          ~~(107)~~(110)           ~~"Water or waters of the State"~~ "Waters" or "Waters of the State" ~~as is~~ defined in G.S. 143-  
24                           212.

25          ~~(108)~~(111)           "Well" ~~as is~~ defined in G.S. 87-85(14).

26          ~~(109)~~(112)           "Wellbore" means a borehole drilled by a bit.

27          ~~(110)~~(113)           "Wellhead" means the upper terminal of the oil or gas well, including adapters, ports,  
28                           valves, seals, and other attachments.

29          ~~(111)~~(114)           "Well pad" means the area that is cleared or prepared for the drilling of one or more oil or  
30                           gas wells.

31          ~~(112)~~(115)           "Well site" means the areas that are directly disturbed during the drilling and subsequent  
32                           operation of any oil or gas well and its associated well pad.

33          ~~(113)~~(116)           "Well spacing" means the minimum distance from any wellbore in the drilling unit to the  
34                           boundary of the drilling unit.

35          ~~(114)~~(117)           "Well stimulation" means any of several operations or processes to initiate or increase the  
36                           production of oil or gas from a well, including acidizing, hydraulic fracturing, or other methods.

1           ~~(115)~~(118)       "Wetland" ~~as is~~ defined in 40 CFR ~~230.3,~~ 230.3, which is incorporated by reference,  
2                           including subsequent amendments and editions, which can be accessed at [http://www.ecfr.gov/cgi-](http://www.ecfr.gov/cgi-bin/text-idx?SID=7977290449ab243f2865159951305a77&node=40:25.0.1.3.24&rgn=div5)  
3                           bin/text-idx?SID=7977290449ab243f2865159951305a77&node=40:25.0.1.3.24&rgn=div5       for  
4                           free.

5           ~~(116)~~(119)       "Wiper plug" means a rubber plug used to separate the cement slurry from other fluids.

6           ~~(117)~~(120)       "Wireline log" means the recording of information about subsurface geologic formations  
7                           using tools lowered into the wellbore on a wire line.

8           ~~(118)~~(121)       "Withdrawal" means the removal of water from a water body, well, or other fluid storage  
9                           structure.

10          ~~(119)~~(122)       "Workover" means the performance of one or more of a variety of operations on a  
11                           producing oil or gas well to attempt to increase production.

12

13    *History Note:*     *Authority G.S. 113-391;*  
14                           *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0201 has been adopted with changes as published in 29:02 NCR 114 as follows:

2  
3 **SECTION .0200 – ADMINISTRATIVE RULES**

4  
5 **15A NCAC 05H .0201 FORMS**

6 (a) An applicant or permittee shall use the following forms, as provided by the Department:

- 7 (1) Form 1 – Financial Responsibility Ownership;
- 8 (2) Form 2 – Oil or Gas Well Permit Application;
- 9 (3) Form 3 – Well Construction Design;
- 10 (4) Form 4 – Water Management Plan;
- 11 (5) Form 5 – Waste Management Plan;
- 12 (6) Form 6 – Well Site Reclamation Plan;
- 13 (7) Form 7 – Irrevocable Letter of Standby Credit;
- 14 (8) Form 8 – Surety Bond;
- 15 (9) Form 9 – Assignment of Savings;
- 16 (10) Form 10 – Cash Deposit;
- 17 (11) Form 11 – Required Notifications to the Department;
- 18 (12) Form 12 – Well Drilling Report;
- 19 (13) Form 14 – Plugging and Abandonment;
- 20 (14) Form 15 – Oil or Gas Well Status;
- 21 (15) Form 16 – Mechanical Integrity Test Results;
- 22 (16) Form 17 – Notification of Return of Oil or Gas Well to Active Status;
- 23 (17) Form 18 – Well Stimulation Report;
- 24 (18) Form 19 – Chemical Disclosure Report;
- 25 (19) Form 20 – ~~Trade Secret~~ Confidential Information Claim;
- 26 (20) Form 21 – Water Supply Investigation Request;
- 27 (21) Form 22 – Water Supply Testing Report;
- 28 (22) Form 23 – Annual Water Use Report;
- 29 (23) Form 24 – Annual E & P Waste Management Report;
- 30 (24) Form 25 – Pit Closure Report;
- 31 (25) Form 26 – Spill and Release Report;
- 32 (26) Form 27 – Site Investigation and Remediation Work Plan;
- 33 (27) Form 28 – Monthly Production Report; and
- 34 (28) Form 29 – Well Site Inspection Report.

35 (b) The use of any forms other than those provided by the Department is prohibited. These forms are available on  
36 the Division’s Oil and Gas Program webpage at the following address: <http://portal.ncdenr.org/web/lr/oilgas>.

1 (c) All notice and forms required by the rules in this Subchapter to be submitted to the Department shall be made to:  
2 Oil & Gas Program, Division of Energy, Mineral, and Land Resources, 1612 Mail Service Center, Raleigh, NC  
3 27699-1612 and a copy in .pdf form submitted to [Oil&Gas@ncdenr.gov](mailto:Oil&Gas@ncdenr.gov). The phone number for the Division is  
4 919-707-9220 and the fax number is 919-715-8801.

5  
6

7 *History Note: Authority G.S. 113-391;*  
8 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0202 has been adopted with changes as published in 29:02 NCR 114 as follows:

2

3 **15A NCAC 05H .0202 RECORD KEEPING & REPORTING**

4 (a) The Department shall collect data, retain records, and produce reports pursuant to G.S. 113-391(b).

5 (b) If information collected during predrilling exploration activities or geophysical surveys related to oil or gas  
6 exploration and development is of a confidential nature, then upon request of the permittee, the State Geologist shall  
7 hold such information in confidence until the information is no longer confidential in accordance with Rule .0707 of  
8 this Subchapter.

9 (c) The permittee shall retain all data, records, reports, logs, and samples associated with oil or gas well drilling,  
10 completion, production, and plugging and abandonment until released to the Department. The permittee shall  
11 transfer all records or copies within five years of for a period of five years following the release of an Oil or Gas  
12 Permit in accordance with Rule .1314 of this ~~Subchapter~~Subchapter to the State Geologist for permanent public  
13 record retention.

14

15 *History Note: Authority G.S. 113-391(a)(5)(k); 113-391(b); 113-391(b1);*

16 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0203 has been adopted with changes as published in 29:02 NCR 114 as follows:

2

3 **15A NCAC 05H .0203 INSPECTIONS**

4 (a) Each permittee ~~shall, upon notice, shall~~ make available to the Department for inspection the well site, any other  
5 area encompassed by the permit, and any records maintained pursuant to the provisions of this Subchapter.

6 (b) Authorized representatives of the Department may copy any record required to be kept pursuant to provisions of  
7 this Subchapter.

8 (c) Any notice of violation resulting from an inspection shall be issued pursuant to Rule .0901 of this Subchapter.

9

10 *History Note: Authority G.S. 113-391(b);*

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0301 has been adopted with changes as published in 29:02 NCR 114-115 as follows:

2  
3 **SECTION .0300 - VARIANCES**  
4

5 **15A NCAC 05H .0301 VARIANCE PROCEDURES**

6 (a) The Commission may grant a variance, grant a variance with conditions, or deny a variance in writing to any  
7 Commission rule for which a variance ~~may be~~ requested pursuant to this Subchapter. ~~The applicant or the~~  
8 ~~permittee requesting the variance shall make a showing that it~~In order for the Commission to grant a variance or  
9 grant a variance with conditions, the Commission shall find:

- 10 (1) the applicant or permittee has made a good faith effort to comply, or is unable to comply, with the  
11 specific requirements contained in the rule or rules from which it seeks a ~~variance~~ variance;  
12 (2) the variance, if granted provides equal or greater protection of public health, safety, and the  
13 environment; and  
14 (3) ~~that~~ the requested variance does not violate the basic intent of the Oil and Gas Conservation Act in  
15 G.S. 113, Article 27.

16 (b) The applicant or permittee shall request the variance by submitting a written request to  
17 ~~the Commission.~~Commission, as set forth in Rule .0703 of this Section. A request for a variance shall include the  
18 following information:

- 19 (1) the name and address of the requesting party;  
20 (2) the ~~statute or~~ rule authorizing the request for a variance;  
21 (3) all information required by the statute or rule authorizing the request for a variance;  
22 (4) a statement of whether an oral argument before the Commission is desired, and if so, the reason(s)  
23 for requesting such an oral argument;  
24 (5) a concise statement of the matter to be presented, including the nature and duration of the variance  
25 requested;  
26 (6) arguments or data that support the requesting party's position;  
27 (7) documents or data that illustrate alternative, mitigating technologies, techniques, or procedures  
28 that afford the same or greater protection to public health, safety, and the environment;  
29 ~~(7)(8)~~ a statement of the consequences of failure to grant relief in favor of the requesting party; and  
30 ~~(8)(9)~~ any other information believed by the applicant or permittee to be pertinent to the request.

31 (c) The variance request may be submitted with the Form 2 – Oil or Gas Well Permit Application, which is  
32 governed by Rule .1304 of this Subchapter. If the variance request is submitted separate from the application, it  
33 shall be submitted no less than 30 days before the next regularly scheduled Commission meeting.

34 (d) Any hearing on the variance request shall be denied or conducted in accordance with Section .0700 of this  
35 Subchapter.

36  
37 *History Note: Authority G.S. 113-391(a);*



1 15A NCAC 05H .0401 has been adopted with changes as published in 29:02 NCR 115 as follows:

2  
3 **SECTION .0400 – DECLARATORY RULING**

4  
5 **15A NCAC 05H .0401 PROCEDURE FOR SUBMISSION OF PETITION**

6 (a) All requests for declaratory rulings shall be filed in writing and electronically as follows:

7 (1) with the Director ~~of the Division~~ by filing one paper copy for each Commissioner plus five  
8 additional copies ~~with the Recording Clerk of the Commission~~ to the following address: Oil and  
9 Gas Program, Division of Energy, Mineral, and Land Resources, 1612 Mail Service Center,  
10 Raleigh, NC 27699-1612; and

11 (2) the electronic submission shall be in .pdf format and sent to the Division at [Oil&Gas@ncdenr.gov](mailto:Oil&Gas@ncdenr.gov).

12 (b) All requests for declaratory rulings shall include the following:

13 (1) the name and address of petitioner(s);

14 (2) the statute, rule, or order upon which a ruling is desired;

15 (3) a concise statement as to whether the request is for a ruling on the validity of a rule or on the  
16 applicability of a statute, rule, or order to a given factual situation;

17 (4) arguments or data demonstrating that the petitioner is aggrieved by the statute, rule, or ~~order~~order,  
18 or by its potential application to the petitioner;

19 (5) a statement of the consequences of failure to issue a declaratory ruling in favor of the petitioner;

20 (6) a ~~draft~~statement of the desired outcome; and

21 (7) a statement of whether an oral argument is desired, and if so, the reason(s) for requesting such an  
22 oral argument.

23 (c) A petitioner may request a declaratory ruling on the applicability of a statute, rule, or order to the petitioner, or  
24 on the validity of a Commission rule. The petitioner may request both types of declaratory ruling in a single request.  
25 A request on the applicability of a statute, rule, or order shall include a detailed statement of the facts and  
26 documentation supporting such facts, in addition to the requirements of Paragraph (b) of this Rule. A request to  
27 determine the validity of a Commission rule shall state the petitioner's reason(s) for the request and a written  
28 argument, in addition to the requirements of Paragraph (b) of this Rule.

29 (d) Any other person may petition to become a party by filing a motion to intervene in the manner provided in G.S.  
30 1A-1, Rule 24. The Chair of the Commission shall determine whether to grant the motion to intervene in accordance  
31 with Rule 24 of the North Carolina Rules of Civil Procedure.

32  
33 *History Note:* Authority G.S. 113-391(a)(14); ~~150B-4~~; 150B-3;

34 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0402 has been adopted with changes as published in 29:02 NCR 115 as follows:

2  
3 **15A NCAC 05H .0402 DISPOSITION OF PETITION**

4 (a) The Chair of the Commission shall make a determination on the completeness of the request for declaratory  
5 ruling based on Rule .0401 of this Section.

6 (b) The Chair of the Commission shall make a recommendation to the Commission on whether to issue or decline  
7 to issue a declaratory ruling.

8 (c) Before deciding the merits of the request, and upon consideration of the complete request for a declaratory  
9 ruling, the Commission ~~may~~ shall determine if additional information or presentation(s) are needed and if so:

- 10 (1) request additional written submissions from the petitioner(s);  
11 (2) request a written response from Division staff or any other person; and  
12 (3) hear oral arguments from the ~~petitioner(s)~~petitioner(s), intervenors, and Division staff or their  
13 legal counsel.

14 (d) The Commission shall decline to issue a declaratory ruling if it finds any of the following:

- 15 (1) that there has been a similar determination in a previous contested case or declaratory ruling;  
16 (2) that the matter is the subject of a pending contested case hearing or litigation in any North  
17 Carolina or federal court;  
18 (3) that no genuine controversy exists as to the application of a statute, order, or rule to the specific  
19 factual situation presented; or  
20 (4) that the factual situation presented as the subject of the declaratory ruling was specifically  
21 considered upon the adoption of the rule being questioned, as evidenced by the rulemaking record.

22 (e) The Commission shall keep a record of each request for declaratory ruling, which shall include ~~at a~~  
23 ~~minimum~~ the following items:

- 24 (1) the request for a ruling;  
25 (2) any written submission by a party;  
26 (3) the facts on which the ruling was based;  
27 (4) any transcripts of oral proceedings, if available, and recordings of oral arguments;  
28 (5) any other information such as documents, photographs, recordings, maps, plats, articles, and  
29 studies considered by the Commission in making its decision; and  
30 (6) the declaratory ruling, or the decision to decline to issue a declaratory ruling, together with the  
31 reasons therefore.

32 (f) The Commission shall notify the petitioner in writing of the Commission's decision on the request for  
33 declaratory ruling, including the basis for the Commission's decision.

34 (g) For purposes of this Section, a declaratory ruling shall be deemed to be in effect until:

- 35 (1) the statute or rule interpreted by the declaratory ruling is repealed or the relevant provisions of the  
36 statute or rule are amended or altered;

1           (2) any court of the Appellate Division of the General Court of Justice construes the statute or rule  
2 that is the subject of the declaratory ruling to be ~~plainly~~ irreconcilable with the declaratory ruling;  
3 or

4           (3) any court sets aside the declaratory ruling in litigation between the Commission or the Department  
5 and the party requesting the ruling.

6 (h) Any Division of the Department may be a party to any request for declaratory ruling upon written  
7 request. ~~Such~~The request shall be made to the Chair of the Commission within five days of receipt of notice of the  
8 request for a declaratory ruling.

9 (i) Upon written request, the ~~requesting party~~petitioner(s), intervenors, and the Division each ~~may~~shall be allowed  
10 to present oral arguments to the Commission. No party ~~may~~shall offer testimony or conduct cross-examination  
11 before the Commission.

12 (j) The petitioner may agree to allow the Commission to issue a written ruling to grant or deny consideration of the  
13 request beyond 30 days of receipt of the request and may agree to allow the Commission to issue a written ruling on  
14 the merits of the request beyond the 45 days allowed by G.S. 150B-4.

15 (k) A declaratory ~~ruling, or failure to issue a declaratory ruling,~~ is subject to judicial review as provided in  
16 G.S. 150B-4(a1).

17

18 *History Note:* Authority ~~G.S. 113-391(a)(14); and 113-391(a4);~~ 150B-4;

19 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0501 has been adopted with changes as published in 29:02 NCR 116 as follows:

2  
3 **SECTION .0500 – PETITION FOR RULEMAKING**  
4

5 **15A NCAC 05H .0501 FORM AND CONTENTS OF PETITION**

6 (a) Any person wishing to request the adoption, amendment, or repeal of a rule of the Commission shall petition the  
7 Director by submitting the information required in Paragraph (b) of this Rule. The petitioner shall submit one paper  
8 copy of the petition for each Commissioner plus five additional copies and a copy in .pdf form ~~to the Recording~~  
9 ~~Clerk of the Commission:~~

10 Recording Clerk-Oil and Gas Program

11 Division of Energy, Mineral, and Land Resources

12 1612 Mail Service Center

13 Raleigh, North Carolina 27699-1612

14 [Oil&Gas@ncdenr.gov](mailto:Oil&Gas@ncdenr.gov).

15 (b) The petition shall contain the following information:

- 16 (1) the text of the proposed ~~rule(s);~~rule(s) for adoption or amendment;  
17 (2) a statement of the reasons for adoption or amendment of the proposed ~~rule(s);~~rules, or the repeal  
18 of an existing rule(s);  
19 (3) a statement of the effect on existing rules or orders;  
20 (4) any documents and data supporting the proposed rule(s);  
21 (5) the name(s) and address(es) of the petitioner(s); and  
22 (6) a request to present the petition to the committee in accordance with Rule .0502 of this Section, if  
23 desired.

24 (c) The petitioner may include the following information within the request:

- 25 (1) the statutory authority for the agency to promulgate the rule(s);  
26 (2) a statement of the effect of the proposed rule(s) on existing practices in the area involved,  
27 including cost factors for persons affected by the proposed rule(s);  
28 (3) a statement explaining the computation of the cost factors; and  
29 (4) a description, including the names and addresses, if known, of those most likely to be affected by  
30 the proposed rule(s).

31 (d) Petitions ~~failing to~~that do not contain the ~~required~~information required by Paragraph (b) of this Rule shall be  
32 returned by the ~~Commission.~~Commission to the petitioner.

33  
34 *History Note:* Authority *G.S. 113-391; 143B-293.1; 143B-282; 150B-20;*

35 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0502 has been adopted with changes as published in 29:02 NCR 116-117 as follows:

2  
3 **15A NCAC 05H .0502 REVIEW BY A COMMITTEE OF THE COMMISSION**

4 (a) The Chair of the Commission shall refer complete petitions to the appropriate subject area committee of the  
5 Commission for review and recommended action. The Chair of the Commission shall distribute Copiescopies of  
6 petitions for rulemaking ~~shall be distributed~~ to all members of the committee of the Commission.

7 (b) Within 10 days of the assignment of the ~~complete~~ petition, the Chair of the committee assigned to review the  
8 submitted petition shall announce the date of a meeting to consider the petition.

9 (c) At least 15 days before the committee meeting, notice of the committee meeting shall be sent to the petitioner,  
10 members of the Commission, and persons who have requested notice of ~~petitions for~~ rulemaking.

11 (d) The petitioner shall be afforded the opportunity to present the petition to the ~~committee~~committee in  
12 accordance with Rule .0501(b)(6). The Director, through staff, may make a presentation to the committee.

13 (e) The Chair of the committee shall allow one interested person to present the viewpoint of those who oppose  
14 initiating rulemaking. The Chair of the committee shall determine whether additional interested persons are  
15 permitted to make oral presentations before the committee. Interested persons shall request the opportunity to make  
16 a presentation to the committee through the Director. The request shall:

17 (1) state the interest of the person in the petition for rulemaking;

18 (2) state the person's position on the petition; and

19 (3) be accompanied by any supporting materials.

20 (f) During the ~~committee's~~committee review, members of the ~~Commission, other than committee members, who are~~  
21 presentCommission who are not on the committee may participate as a member of the committee in discussions of  
22 the petition but shall not vote on the recommended action on the petition.

23  
24 *History Note: Authority G.S. ~~143B-282;143B-293.1~~; 150B-20;*

25 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0503 has been adopted with changes as published in 29:02 NCR 117 as follows:

2

3 **15A NCAC 05H .0503 PRESENTATION TO THE COMMISSION**

4 (a) Petitions for rulemaking, ~~after review by the appropriate~~following committee ~~under review pursuant to~~ Rule  
5 .0502 of this Section, shall be presented to the Commission for its consideration and determination at a regularly  
6 scheduled meeting of the Commission within 120 days following the date of submission. The Petition for  
7 Rulemaking and the committee's recommended action shall be presented ~~through~~by the Chair of the committee or  
8 other designated member of the committee during the business session of the Commission. Unless the Chair of the  
9 Commission rules otherwise, discussion on the petition shall be limited to the members of the Commission, counsel  
10 to the Commission, and the Director.

11 (b) Within 120 days following the date of submission of the ~~petition to the appropriate committee,~~petition, the  
12 Commission shall:

- 13 (1) initiate rulemaking proceedings in accordance with G.S. 150B-20 and notify the person(s) who  
14 submitted the petition of the decision in writing; or  
15 (2) deny the petition in writing, stating the reason(s) for the denial, and send the written denial by  
16 certified mail with return receipt to the person(s) who submitted the petition.

17

18 *History Note: Authority G.S. ~~143B-282;~~143B-293.1; 150B-20;*

19 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0504 has been adopted with changes as published in 29:02 NCR 117 as follows:

2

3 **15A NCAC 05H .0504 RECOURSE FOR DENIAL OF PETITION**

4 If the Commission denies the Petition for Rulemaking, or fails to grant or deny the Petition for Rulemaking within  
5 120 days of receiving the petition, the petitioner(s) may seek judicial review of the denial under G.S. 150B, Article

6 4.

7

8 *History Note: Authority G.S. ~~143B-282;143B-293.1~~; 150B-20;*

9 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0601 has been adopted with changes as published in 29:02 NCR 117 as follows:

2

3

**SECTION .0600 – RULEMAKING HEARINGS**

4

**15A NCAC 05H .0601 PURPOSE AND SCOPE**

6 These ~~Rules~~Rules:

7 (1) \_\_\_\_\_ authorize the designation of certain employees of the Department to act as  
8 hearing ~~officers,~~officers;

9 (2) \_\_\_\_\_ set out the types of hearings ~~which~~that the designated employees are authorized  
10 to ~~conduct,~~conduct; and

11 (3) \_\_\_\_\_ ~~delineate,~~and reference the rules of procedure for conducting public rulemaking hearings.

12

13 *History Note: Authority G.S. ~~113-391(b);~~113-391(a); 143B-293.1;*

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0602 has been adopted with changes as published in 29:02 NCR 117 as follows:

2

3 **15A NCAC 05H .0602 PROCEDURES FOR PUBLIC COMMENT FOR RULEMAKING HEARINGS**

4 (a) Any person desiring to comment on the proposed rulemaking action may do so either in writing during the  
5 comment period or by oral presentation at the hearing held to take public comments. Any person may file a written  
6 statement or argument concerning the proposed rulemaking action prior to the close of the record on the date  
7 indicated in the notice published in the North Carolina Register.

8 (b) The ~~Commission~~hearing officer or panel designated by the Chair of the Commission in accordance with Rule  
9 .0603 of this Section shall ~~consider~~collect all written and oral submissions and submit recommendations concerning  
10 the proposed rulemaking action to the Commission following the close of the record as provided in Paragraph (a) of  
11 this Rule.

12 (c) Requests for a statement of the Commission's reasons for adoption of the proposed rule or against adoption of  
13 the proposed rule shall be responded to in accordance with G.S. 150B-21.2(h).

14

15 *History Note:* Authority ~~G.S. 150B-21.2(h); 113-391(a); 113-391(b); 150B-21.2;~~

16 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0603 has been adopted with changes as published in 29:02 NCR 117 as follows:

2

3 **15A NCAC 05H .0603 REQUIREMENTS OF RULEMAKING HEARING OFFICER OR PANEL**

4 The Chair of the Commission ~~may~~shall designate one or more Commission members to serve as hearing officers for  
5 rulemaking ~~hearings, hearings. with the exception of hearings related to~~The Chair of the Mining Committee shall  
6 appoint the hearing officer(s) related to receiving public comments on regulations necessary to administer the  
7 provisions of the Mining Act of 1971, G.S. 74, Article 7, 1971 for which the Chair of the Mining Committee shall  
8 ~~appoint the hearing officer(s).~~

9

10 *History Note:* Authority ~~G.S. 74-63; 113-391(b)~~113-391(a); 143B-293.2(g)

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0701 has been adopted with changes as published in 29:02 NCR 118 as follows:

2  
3 **SECTION .0700 – HEARINGS FOR DRILLING UNITS, VARIANCES, AND CONFIDENTIAL**  
4 **INFORMATION**

5  
6 **15A NCAC 05H .0701 OPPORTUNITY FOR HEARING**

7 (a) The Commission shall conduct hearings when establishing or modifying drilling units and considering an  
8 application for a variance. Such hearings shall be conducted pursuant to the rules of this Subchapter.

9 (b) Upon written request, the requesting party and the Division ~~may each~~shall be allowed to present oral arguments  
10 to the Commission. No party shall offer testimony or conduct cross-examination ~~before the Commission at the~~  
11 hearing.

12  
13 *History Note: Authority G.S. 113-391(a); 113-391(b); 113-392; 113-393;*

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0702 has been adopted with changes as published in 29:02 NCR 118 as follows:

2

3 **15A NCAC 05H .0702 PARTIES**

4 (a) Any person authorized by statute or rule to request a hearing before the Commission shall be a party to any  
5 hearing granted. The ~~Division~~Department also shall be a party to any hearing granted. The Chair of the Commission  
6 shall rule on motions by any other persons seeking leave to intervene in the pending proceeding or seeking leave to  
7 file *amicus curiae* briefs. Persons seeking to intervene shall establish through their motion that they qualify for  
8 intervention under G.S. 1A-1, Rule 24.

9 (b) Upon receipt, the Division shall notify all Division Directors of the Department of a request. Any Division of  
10 the Department shall be a party to the hearing upon written request. Such request shall be made to the Chair of the  
11 Commission within five days of receipt of notice of the request for hearing.

12

13 *History Note:* Authority G.S. 113-391(a); 113-391.1; 113-393(a); ~~150B-23(a);~~

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0703 has been adopted with changes as published in 29:02 NCR 118 as follows:

2  
3 **15A NCAC 05H .0703 PROCEDURE FOR SUBMISSION**

4 (a) An application to establish a drilling unit shall be submitted in accordance with Rule .1202 of this Subchapter.  
5 All other requests for a hearing shall be submitted in accordance with this Rule.

6 (b) All requests for a hearing shall be filed no ~~less~~fewer than 30 calendar days before the next regularly scheduled  
7 Commission meeting.

8 (c) ~~All requests shall be filed in writing and electronically as follows:~~The requesting party shall submit one paper  
9 copy for each Commissioner plus five additional copies to the following address: Oil & Gas Program, Division of  
10 Energy, Mineral, and Land Resources, 1612 Mail Service Center, Raleigh, NC 27699-1612 and a copy in .pdf form  
11 submitted to [Oil&Gas@ncdenr.gov](mailto:Oil&Gas@ncdenr.gov).

12 ~~(1) with the Director of the Division by filing one paper copy for each Commissioner plus five~~  
13 ~~additional copies with the Recording Clerk of the Commission at the following address: 1612 Mail~~  
14 ~~Service Center, Raleigh, NC 27699-1612; and~~

15 ~~(2) the electronic submission shall be in .pdf format sent to the Division at [Oil&Gas@ncdenr.gov](mailto:Oil&Gas@ncdenr.gov) by~~  
16 ~~5:00 p.m. on the date specified in Paragraph (b) of this Rule.~~

17 (d) All requests shall include the following:

18 (1) the name and address of the requesting party;

19 (2) the rule or statute authorizing the request for a hearing;

20 (3) a statement of whether an oral argument is desired, and, if ~~so~~so, the reason(s) for requesting an  
21 oral argument;

22 (4) if requesting a variance, the rule or statute under which a variance is desired;

23 (5) a concise statement of the matter to be presented;

24 (6) arguments or data that support the requesting party's position; ~~and~~

25 (7) a statement of the consequences of failure to grant relief in favor of the requesting ~~party~~party; ~~and~~

26 (8) all documentation required by Rule .0301 of this Subchapter, if a variance is being requested.

27  
28 *History Note: Authority G.S. ~~113-391(a)(14) and (a4)~~113-391(a)(14); 113-391(a4);*

29 *Eff. Pending Legislative Review*

1 15A NCAC 05H .0705 has been adopted with changes as published in 29:02 NCR 118 as follows:

2

3 **15A NCAC 05H .0705 ORDER AND RECORD OF PROCEEDING**

4 The Commission shall keep a record of each hearing, which shall include the following items:

5 (1) the request for a hearing;

6 (2) any written submission(s) by a party;

7 (3) the facts on which the Commission's decision was based;

8 (4) any transcripts of oral proceedings, if available, and recordings of oral arguments;

9 (5) any other ~~information~~information, such as documents, photographs, recordings, maps, plats,  
10 articles, and studies considered by the Commission in making the decision; and

11 (6) the Commission's written decision, which shall include the reasons therefore.

12

13 *History Note: Authority G.S. 113-391(b);*

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0706 has been adopted as published in 29:02 NCR 118 as follows:

2

3 **15A NCAC 05H .0706 ADMINISTRATIVE AND JUDICIAL REVIEW OF COMMISSION DECISION**

4 The Commission shall notify the requesting party in writing of the Commission's decision, including information  
5 about the requesting party's right to a contested case under G.S. 150B.

6

7 *History Note: Authority G.S. ~~150B~~;150B-23;*

8 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0707 has been adopted with changes as published in 29:02 NCR 119 as follows:

2  
3 **15A NCAC 05H .0707 FORM AND CONTENTS OF REQUEST TO MAINTAIN CONFIDENTIAL**  
4 **INFORMATION**

5 (a) Any person wishing to protect information submitted to the Commission or the Department as confidential  
6 information shall make a showing to the Commission in accordance with the requirements of G.S. 113-391.1  
7 and ~~this Section. Rules .0707 through .0709 of this Section.~~

8 (b) The requesting party shall submit one paper copy for each Commissioner plus five additional copies ~~with the~~  
9 ~~Recording Clerk of the Commission at~~ to the following address: Oil & Gas Program, Division of Energy, Mineral,  
10 and Land Resources, 1612 Mail Service Center, Raleigh, NC 27699-1612 and a copy in .pdf form submitted to  
11 [Oil&Gas@ncdenr.gov](mailto:Oil&Gas@ncdenr.gov).

12 (c) Requests shall be submitted no ~~less~~fewer than 30 calendar days prior to the next regularly scheduled  
13 Commission meeting.

14 (d) The request shall be made on a Form 20 – Confidential Information Claim which shall contain the following  
15 information:

- 16 (1) the name and address of the requesting party;
- 17 (2) a description of the information to be afforded confidential treatment;
- 18 (3) a statement of whether an oral presentation is desired, and, if so, the reason(s) for requesting such  
19 an oral presentation;
- 20 (4) an affidavit with each of the following elements:
  - 21 (A) a statement of whether the confidential information is in the public domain and  
22 information illustrating the extent to which the confidential information is known outside  
23 the business;
  - 24 (B) evidence that the information has been treated in the same manner as other confidential  
25 information in the company, ~~said~~the manner being detailed in the affidavit;
  - 26 (C) an agreement to notify the Commission if ~~said~~the information loses confidential status;
  - 27 (D) if applicable to the category of information, certification that the chemical for which  
28 confidential protection is sought is not regulated under the Federal Safe Drinking Water  
29 Act's National Primary Drinking Water Standards or National Secondary Drinking  
30 Water ~~Standards, Standards found in 40 CFR 141 and 143, which are incorporated by~~  
31 reference, including subsequent amendments, amendments and can be accessed for no  
32 charge at [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr141\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr141_main_02.tpl) and [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr143\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr143_main_02.tpl), or if ~~regulated~~regulated, is not  
33 present in concentrations greater than the EPA-listed maximum contaminant level for that  
34 chemical in any fluid inserted into the oil or gas well;

- 1 (E) if applicable to the category of information, certification and evidence that the chemical  
2 for which trade secret protection is sought meets the definition of a trade secret under the  
3 N.C. Trade Secrets Protection Act in G.S. 66-152(3), including that the chemical is not  
4 "generally known or readily ascertainable through independent development or reverse  
5 engineering by persons who can obtain economic value from its disclosure or use;"  
6 (F) if applicable which states have issued confidential information status to this specific  
7 information;  
8 (G) if applicable which states have refused to issue confidential information status to this  
9 specific information and why was confidential information status denied;  
10 (H) if applicable to the category of information, a list of all chemicals for which the affiant is  
11 seeking confidential protection and whether any such chemicals are prohibited in North  
12 Carolina; and  
13 (I) if applicable to the category of information, certification that the information is protected  
14 by Federal statute, including statutory authority.  
15 (5) if required by G.S. 113-391.1, a statement that the State Geologist has reviewed the confidential  
16 information and transmitted the certification to the requestor; and  
17 (6) the business contact information, including the company name, name of authorized representative,  
18 mailing address, and phone number for the business organization claiming entitlement to trade  
19 secret protection on Form 20 – ~~Trade Secret~~ Confidential Information Claim.

20  
21 *History Note:* *Authority G.S. 113-391(a)(5)h; 113-391.1(b); ~~150B~~; 150B Article 3;*  
22 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0708 has been adopted with changes as published in 29:02 NCR 119-120 as follows:

2

3 **15A NCAC 05H .0708 DISPOSITION OF CONFIDENTIAL INFORMATION REQUEST**

4 (a) The Chair of the Commission shall make a determination on the completeness of the ~~request~~request for  
5 confidential information status based on Rule .0707 of this Section. If the request is not complete, the Chair shall  
6 return the request to the requesting party.

7 (b) Before deciding the merits of the request, and upon consideration of the complete request for confidential  
8 information status, the Commission ~~may~~shall determine if additional information or presentation(s) are needed to  
9 dispose of the confidential information request and if so:

- 10 (1) request additional written submissions from the requesting party;  
11 (2) request additional information from the State Geologist or other Department staff; and  
12 (3) hear oral presentations from the requesting party or the Department.

13 (c) The Commission shall consider the request in a closed session in accordance with G.S. 143-318.11.

14 (d) The Commission shall consider the merits of the request and ~~may~~either approve or deny the request.

15 (e) If the Commission determines that the information is not entitled to confidential protection, the Commission  
16 shall provide notice in accordance with G.S. 113-391.1(e).

17 (f) Confidential information so designated by the Commission shall be held by the State Geologist in accordance  
18 with G.S. 113-391.1.

19

20 *History Note: Authority G.S. 113-391(a)(5)h; 113-391.1; 150B;150B Article 3;*  
21 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0709 has been adopted as published in 29:02 NCR 120 as follows:

2

3 **15A NCAC 05H .0709 NOTICE TO THE COMMISSION OF CHANGES TO CONFIDENTIAL STATUS**

4 Any person receiving confidential information status shall provide updated information to the Commission no more  
5 than 30 calendar days of the date any of the information described in this Section becomes inaccurate or incomplete.

6

7 *History Note: Authority G.S. 113-391(a)(5)h; 113-391.1; ~~150B~~;*

8 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0801 has been adopted with changes as published in 29:02 NCR 120 as follows:

2

3

**SECTION .0800 – PREEMPTION HEARING PROCEDURE**

4

**15A NCAC 05H .0801 PURPOSE AND SCOPE**

6 The rules of this Section establish procedures ~~to be used by~~ the Commission shall use in reviewing petitions for  
7 limited preemption of a local ordinance pursuant to the authority set forth in G.S. 113-415.1.

8

9 *History Note: Authority G.S. 113-415.1; ~~150B~~; 150B, Article 3;*

10 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0802 has been adopted with changes as published in 29:02 NCR 120 as follows:

2  
3 **15A NCAC 05H .0802 COMMENCEMENT OF PROCEEDINGS**

4 (a) An operator shall commence a proceeding by filing a petition with the ~~Commission~~Commission by submitting  
5 one paper copy for each Commissioner, plus five additional copies to the following address: Oil & Gas Program,  
6 Division of Energy, Mineral, and Land Resources, 1612 Mail Service Center, Raleigh, NC 27699-1612 and an  
7 electronic copy in .pdf form submitted to Oil&Gas@ncdenr.gov.

8 (b) The petition shall contain:

- 9 (1) the name, address, and telephone number of the petitioner;
- 10 (2) the city and county in which the oil or gas ~~operations~~operation is or is proposed to be located; and
- 11 (3) a statement of facts and issues, which shall include:
- 12 (A) the action giving rise to the petition;
- 13 (B) a copy of the ordinance;
- 14 (C) the effect of the ordinance on the proposed activities;
- 15 (D) identification of the provisions of the ordinance alleged to prevent the proposed activities;
- 16 (E) any actions taken to comply with the ordinance or any of its provisions;
- 17 (F) status of and compliance with all applicable state and federal permits or approvals;
- 18 (G) any attempts made by the petitioner to resolve the issue with each city and county in  
19 which the activities are proposed;
- 20 (H) opportunities local citizens and elected officials have had to participate in the permitting  
21 process;
- 22 (I) documentation that the proposed activities will not pose ~~an unreasonable~~ a health or  
23 environmental risk to the ~~surrounding locality~~ applicable jurisdiction. For the purposes  
24 of filing this petition, this documentation shall be deemed complete if it ~~describes~~includes  
25 the information submitted for all applicable state and federal permits or approvals;
- 26 (J) measures the applicant or permittee has taken or consented to take to avoid or manage  
27 foreseeable risks and to comply to the maximum extent feasible with any applicable  
28 ordinance;
- 29 (K) a metes and bounds description, site plan, ~~maps~~maps, or other information describing the  
30 facility and its location; and
- 31 (L) all other information the petitioner believes relevant and which constitutes grounds for  
32 relief under G.S. 113-415.1.

33 (c) Within 10 calendar days of receipt of the petition, the Chair of the Commission shall review the petition and  
34 determine whether it is complete in accordance with Paragraph (b) of this Rule. ~~If the petition is determined to be~~  
35 ~~incomplete, the Chair of the Commission shall return it to the petitioner with a statement of the reasons it is~~  
36 ~~deficient. Return of the petition for incompleteness in no way precludes the petitioner from re-filing.~~ If the petition  
37 is complete, the Chair of the Commission shall send a notice of proceeding in accordance with Rule .0803 of this  
38 Section.

1

2 *History Note:* Authority G.S. 113-415.1; ~~150B;~~

3 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0803 has been adopted with changes as published in 29:02 NCR 120-121 as follows:

2

3 **15A NCAC 05H .0803 NOTICE OF PROCEEDING**

4 (a) Within five days after a petition is found complete by the Chair of the Commission, the Chair of the  
5 Commission shall serve a notice of proceeding on the petitioner and the governing board of each city and county in  
6 which the activities are proposed. The petitioner shall be a party to the proceeding and each governing board of  
7 each city may send written notice within 14 calendar days to request to be a party to the proceeding.

8 (b) The notice of proceeding shall contain:

- 9 (1) a statement that a complete petition has been received;
- 10 (2) a statement that a public hearing on the petition will be held on a specific date and at a specific  
11 place in accordance with G.S. 113-415.1;
- 12 (3) a request that within 30 days of receipt, the city or county that adopted the ordinance respond to  
13 the petition. ~~Such~~The response shall include all information within its possession regarding the  
14 factors in G.S. 113-415.1 and any other information as to why this ordinance should not be  
15 preempted;
- 16 (4) the name of the proceeding and the date of filing;
- 17 (5) the address and telephone number of the ~~Clerk of the Commission;~~Division;
- 18 (6) a citation to the relevant statutes or rules involved;
- 19 (7) a statement of the factual allegations or issues to be determined;
- 20 (8) a brief description of the procedure to be followed at the ~~hearing;~~hearing in accordance with Rule  
21 .0806 of this Section; and
- 22 (9) a statement of how interested persons may participate in the hearing and where additional  
23 information can be ~~obtained;~~obtained; and
- 24 (10) the date and time for the presentation of evidence to the Commission.

25

26 *History Note:* Authority G.S. 113-415.1; ~~150B;~~

27 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0804 has been adopted with changes as published in 29:02 NCR 121 as follows:

2

3 **15A NCAC 05H .0804 PUBLIC HEARING TO BE HELD**

4 When a complete petition is filed with the Commission, the Commission shall hold a public hearing to consider the  
5 petition. The public hearing shall be held in the affected locality within ~~a reasonable time but not to exceed 60 days~~  
6 after receipt of the petition by the Commission.

7

8 *History Note: Authority G.S. 113-415.1; ~~150B;~~*

9 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0805 has been adopted with changes as published in 29:02 NCR 121 as follows:

2

3 **15A NCAC 05H .0805 NOTICE OF PUBLIC HEARING**

4 (a) The Commission shall publish notice of public hearing in accordance with G.S. 113-415.1(d).

5 (b) The Commission shall serve the parties to the proceeding with a notice of public hearing no less than 30  
6 calendar days before the hearing.

7 (c) The notice of public hearing shall contain the following:

8 (1) the name of proceeding and the date of filing;

9 (2) the date, time, and place of the hearing;

10 (3) the name, address, and telephone number of the Clerk of the Commission;

11 (4) a citation to the relevant statutes or rules involved;

12 (5) a statement of the factual allegations or issues to be determined;

13 (6) a brief description of the procedure to be followed at the hearing; and

14 (7) a statement of how persons may participate in the hearing and where the information can be  
15 obtained.

16

17 *History Note:* Authority G.S. 113-415.1; ~~150B;~~

18 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0806 has been adopted with changes as published in 29:02 NCR 121 as follows:

2

3 **15A NCAC 05H .0806 CONDUCT OF THE HEARING**

4 (a) In accordance with information provided in the notice of hearing, any non-party may appear before the  
5 Commission at the hearing to offer testimony or submit written evidence for its consideration.

6 (b) The Commission ~~may~~shall set the order of presentation and place ~~reasonable~~ limits on the testimony of each  
7 person who appears before the Commission at the hearing.

8 (c) Commission members may ask questions of any person who appears before the Commission at the hearing.

9 (d) The Commission shall hold the record open for 20 days after the termination of the ~~hearing-hearing for the~~  
10 receipt of written comments.

11 (e) All parties shall have the right to present evidence, rebuttal testimony, and argument relevant to the issues.

12 (f) A party shall have all oral or written evidence to be ~~presented, both oral and written,~~presented available on the  
13 date ~~for~~of the hearing. In cases when the hearing time is expected to exceed one day, the parties shall be prepared to  
14 present their evidence at the date and time ordered by the Commission.

15 (g) The Commission shall serve copies of all orders or decisions on all parties simultaneously. Any party sending a  
16 letter, exhibit, brief, memorandum, or other document to the Commission shall simultaneously serve a copy on all  
17 other parties.

18 (h) A party need not be represented by an attorney. If a party has notified other parties of that party's representation  
19 by an attorney, all communications shall be directed to that attorney.

20 (i) Any non-party offering testimony or other evidence may be questioned by parties to the case and by the  
21 Commission.

22

23 *History Note: Authority G.S. 113-415.1; ~~150B;~~*

24 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0807 has been adopted with changes as published in 29:02 NCR 121 as follows:

2

3 **15A NCAC 05H .0807 WITNESSES**

4 Any party may be a witness and may present witnesses on the party's behalf at the hearing. Fourteen days in  
5 advance of the public hearing, parties shall serve on the Commission a witness list, a synopsis of testimony, and an  
6 estimate of the time required to hear each ~~witness~~-witness in accordance with Rule .0802(a) of this Section. A party  
7 may make reasonable amendments to its witness ~~list~~-list up to 48 hours prior to the hearing. No more than ten  
8 witnesses may be added with this change. All oral testimony by witnesses at the hearing shall be under oath or  
9 affirmation and shall be recorded.

10

11 *History Note: Authority G.S. 113-415.1; ~~150B~~;150B Article 3;*

12 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0808 has been adopted with changes as published in 29:02 NCR 121-122 as follows:

2

3 **15A NCAC 05H .0808 COMMISSION'S DECISION**

4 (a) The Commission shall determine whether or to what extent to preempt the ordinance to allow for the  
5 construction or operation of oil or gas exploration, development, or production activities in accordance with G.S.  
6 113-415.1. In the event the Commission makes all four findings required by G.S. 113-415.1(d) and determines that  
7 the provisions of the ordinance are severable, the Commission may determine that a specific provision, rather than  
8 the entire ~~ordinance~~ordinance, is preempted.

9 (b) A decision shall be based on:

- 10 (1) ~~substantial evidence~~ admissible evidence and arguments presented during the hearing and made  
11 part of the official record;
- 12 (2) stipulations of fact;
- 13 (3) matters officially noticed; and
- 14 (4) other items in the official record.

15 (c) A decision shall ~~fully~~ dispose of all issues required to resolve the case and shall contain:

- 16 (1) ~~an appropriate a~~ caption;
- 17 (2) the appearance of the parties;
- 18 (3) a statement of the issues;
- 19 (4) references to the specific provisions of the ordinance at issue;
- 20 (5) findings of fact, with specific reasons given for findings on disputed facts;
- 21 (6) conclusions of law based on the findings of fact and applicable constitutional principles, statutes,  
22 rules, or regulations;
- 23 (7) a final determination that the challenged ordinance, or specific parts thereof, is or is not preempted  
24 with respect to the proposed ~~activity~~activity; and
- 25 ~~(8) in the discretion of the Commission, a memorandum giving reasons for the conclusions of law;~~  
26 ~~and~~
- 27 ~~(9)~~(8) a statement that each party has the right to appeal the final decision.

28

29 *History Note: Authority G.S. 113-415.1; ~~150B~~; 150B Article 3;*

30 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .0901 has been adopted with changes as published in 29:02 NCR 122 as follows:

2  
3 **SECTION .0900 - ENFORCEMENT**  
4

5 **15A NCAC 05H .0901 ENFORCEMENT**

6 (a) A violation of any provision of the Oil and Gas Conservation Act, G.S. 113 Subchapter V, Article 27 or any  
7 rule in this Subchapter may result in a notice of violation, an assessment of a civil penalty pursuant to G.S. 113-410,  
8 suspension or revocation of a permit, injunctive action, or any other remedy afforded by law.

9 (b) The Department shall issue a written notice of violation to the permittee for violations of any provision of the  
10 Oil and Gas Conservation Act, any rule of this Subchapter, terms and conditions of the permit, or order of the  
11 Commission.

12 (1) The written notice shall specify the facts constituting the violation, corrective actions that are  
13 required to address the violation, a timeframe to implement such corrective actions, and a  
14 statement that failure to comply with the specified corrective action may result in additional  
15 enforcement actions.

16 (2) The Department may extend the timeframe for corrective actions upon written request of the  
17 permittee demonstrating that the corrective action cannot be completed in the time specified in the  
18 notice of violation.

19 (c) Civil penalties shall be assessed in accordance with G.S. 113-410 and Section .1000 of this Subchapter.

20 (d) Permits shall be suspended or revoked in accordance with G.S. 150B-3 and Rule .1313 of this Subchapter.

21 (e) The Department shall request the Attorney General to institute an action in the North Carolina General Courts of  
22 Justice seeking injunctive relief pursuant to G.S. 113-408.

23 (f) The Department shall require the permittee to restore waters and land affected by a violation of any provision of  
24 the Oil and Gas Conservation Act, any rule of this Subchapter, terms and conditions of the permit, or order of the  
25 Commission so as to protect the quality of the water, air, soil, or any other environmental resource against injury,  
26 damage, or impairment.

27  
28 *History Note: Authority G.S. 113-391(a)(4); 113-391(a14); 113-391(a4); 113-391(b); 113-408; 113-410; 113-*  
29 *391(a)(4);*  
30 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1001 has been adopted with changes as published in 29:02 NCR 122 as follows:

2

3

**SECTION .1000 – CIVIL PENALTIES**

4

**15A NCAC 05H .1001 PURPOSE AND SCOPE**

6 The rules of this Section govern the Commission, the Division, and their delegates ~~of~~in assessment of civil penalties.

7 They also govern permittee remission and appeal of those penalties.

8

9 *History Note:* Authority ~~G.S. 113-410;~~113-410(b); 143B-293.6;

10 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1002 has been adopted with changes as published in 29:02 NCR 122 as follows:

2

3 **15A NCAC 05H .1002 NOTICE OF ASSESSMENT**

4 For all violations for which a penalty is assessed, a notice of such action shall be sent to the violator by the  
5 Department by U.S. mail, certified mail, or other means calculated to provide actual notice. The notice shall  
6 describe the violation, advise that the penalty is due, and provide the violator of the right of appeal as specified in  
7 G.S. 150B, Article 3 and the right to request remission in G.S. 143B-293.6 and Rule .1004 of this Section.

8

9 *History Note:* Authority ~~G.S. 113-410(a) and (c);~~113-410(a); 113-410(c); 143B-293.6;

10 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1003 has been adopted as in 29:02 NCR 122 as follows:

2

3 **15A NCAC 05H .1003 PAYMENT OF ASSESSMENT**

4 An assessed penalty shall be paid within 60 days of service of notice, unless the violator files a contested case  
5 pursuant to G.S. 150B, Article 3 or requests remission pursuant to G.S. 113-410(d) and Rule .1004 of this Section.

6

7 *History Note: Authority G.S. 113-410(d);*

8 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1004 has been adopted with changes as published in 29:02 NCR 122 as follows:

2

3 **15A NCAC 05H .1004 ADMINISTRATIVE REMEDIES**

4 ~~(a) A person who has received a civil penalty assessment may file a contested case petition at the Office of~~  
5 ~~Administrative Hearings pursuant to G.S. 150B, Article 3.~~

6 ~~(b) A person who has received a civil penalty assessment may request remission of the civil penalty.~~

7 (1) A request for a civil penalty remission shall be submitted in writing to the Director at the  
8 following address: 1612 Mail Service Center, Raleigh, NC 27699-1612.

9 (2) The request shall be considered only if the person requesting remission of a civil penalty stipulates  
10 that no facts are in dispute and waives his or her right to an administrative hearing.

11 (3) In determining whether to approve the remission request, the Commission shall consider the  
12 factors in G.S. 143B-293.6.

13

14 *History Note: Authority G.S. 113-410(d); 143B-293.6;*

15 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1005 has been adopted with changes as published in 29:02 NCR 122 as follows:

2

3 **15A NCAC 05H .1005 REPORT TO THE COMMISSION**

4 The Department shall report any action taken under this Section to the Commission at the Commission's next  
5 regularly scheduled meeting. ~~Such~~The reports shall include the following information:

- 6 (1) the person(s) issued letter(s) of proposed assessment;
- 7 (2) the person(s) assessed a civil penalty;
- 8 (3) the person(s) who ~~have~~ paid a penalty as assessed, requested remission, or requested an  
9 administrative hearing;
- 10 (4) the person(s) who ~~have~~ failed to pay; and
- 11 (5) cases referred to the Attorney General for collection.

12

13 *History Note: Authority G.S. ~~113-391(a) and (a4);~~ 113-391(a); 113-391(a4); 113-410(d);*

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1101 has been adopted with changes as published in 29:02 NCR 122-123 as follows:

2

3

**SECTION .1100 – EXPLORATION AND GEOPHYSICAL SURVEYS**

4

**15A NCAC 05H .1101 EXPLORATION AND GEOPHYSICAL SURVEYS**

6 (a) Any person conducting predrilling exploration activities or geophysical surveys related to oil or gas exploration  
7 and development shall ~~be~~act in accordance with 15A NCAC 05C.

8 (b) Notification of exploration activities shall be made in accordance with G.S. 113-420(b2).

9

10 *History Note: Authority G.S. 113-391(a)(1);*

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1201 has been adopted with changes as published in 29:02 NCR 123 as follows:

2

3

**SECTION .1200 – DRILLING UNITS AND WELL SPACING**

4

**15A NCAC 05H .1201 PURPOSE AND SCOPE**

6 The ~~rules~~Rules of this Section establish the requirements for petitioning the Commission for permission to create or  
7 modify a drilling unit. These ~~rules~~Rules also set forth oil or gas well spacing requirements for conventional and  
8 unconventional reservoirs.

9

10 *History Note:* Authority ~~G.S. 113-391;~~ 113-391(a)(12); 143B-293.1(b);

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1202 has been adopted with changes as published in 29:02 NCR 123 as follows:

2  
3 **15A NCAC 05H .1202 DRILLING UNIT APPLICATION AND REVIEW**

4 (a) An application shall be submitted to the Commission for permission ~~to: to do any of the following:~~

- 5 (1) create a drilling unit; or  
6 (2) modify an existing drilling unit.

7 (b) Applications submitted to the Commission no ~~less~~fewer than 60 calendar days before the next regularly  
8 scheduled Commission meeting shall be considered for hearing provided the docket has not been filled. ~~Once the~~  
9 ~~date for hearing has been set by the Commission, the applicant will be notified and instructed to begin the part of the~~  
10 ~~public notification process that requires publishing notice in a newspaper, which is set out in Rule .1203 of this~~  
11 ~~Section.~~The Commission shall notify the applicant once the hearing date has been set. Upon receipt the applicant  
12 shall begin the notice process set out in Rule .1203 of this Section.

13 (c) The applicant shall submit the original application and one paper copy for each Commissioner plus five  
14 additional copies ~~to the Recording Clerk of the Commission at~~ the following address: Oil & Gas Program, Division  
15 of Energy, Mineral, and Land Resources, 1612 Mail Service Center Raleigh, NC 27699-1612. In addition, the  
16 applicant shall submit an electronic copy in .pdf format ~~with~~to the Commission at Oil&Gas@ncdenr.gov.

17 (d) Applicants or permittees petitioning the Commission for the creation of drilling units or modifications of  
18 existing drilling units shall be persons who own or have leased an interest in the mineral estate underlying the tract  
19 or tracts and have the right to use the surface land for development activities within the drilling unit.

20 (e) ~~Any~~The application for the creation of a drilling unit or modification of an existing drilling unit shall include the  
21 following information:

- 22 (1) ~~a letter to the Commission~~statement describing the intent of the application;  
23 (2) a list of mineral rights owners within the land area of the proposed drilling unit. The list of  
24 mineral rights owners shall include the name, physical address, and mailing address for each  
25 owner;  
26 (3) a map of the proposed or current drilling unit boundary, along with all property boundaries that  
27 occur within the land area of the proposed or current drilling unit, as well as locations of existing  
28 oil or gas wells within the proposed drilling unit boundary;  
29 (4) copies of lease agreements, affidavits, or ~~pooling orders~~other documents showing that the  
30 applicant has obtained legal rights to recover oil or gas resources within the proposed drilling unit;  
31 (5) documentation showing that all mineral rights owners were notified by the applicant of the  
32 applicant's intent to establish the proposed drilling unit pursuant to Rule .1203(a)(2) of this  
33 Section;  
34 (6) at least one subsurface geological map showing the structural configuration of the top of the  
35 objective formation within the proposed drilling unit and at least one geological cross-section  
36 derived from the geological map showing the stratum or strata from which the applicant expects to  
37 extract hydrocarbon resources;

1 (7) a written statement signed by the applicant, supported by geological and engineering data, that the  
2 proposed drilling unit would result in optimal and efficient recovery of hydrocarbons;

3 (8) documentation from the applicant(s) or their representative(s) demonstrating prior work  
4 experience in the exploration, drilling, and production of oil or gas relevant to the application; and

5 ~~(9) additional information requested by the Commission at the hearing to evaluate the application.~~

6 (9) copies of surface use agreement(s) or equivalent documentation granting the applicant or permittee  
7 the right to use the surface.

8 (f) The applicant shall provide to the Commission within seven days after the hearing any additional information  
9 requested by the Commission at the hearing to evaluate the application.

10 ~~(g)~~ (g) The Commission shall assign a new docket number to each application submitted.

11 ~~(h)~~ (h) The Commission shall approve, deny, or modify drilling units pursuant to G.S. 113-392(b) within 30 calendar  
12 days after conducting the hearing pursuant to Rule .0701 of this Section on the application for creating or modifying  
13 a drilling unit.

14 ~~(i)~~ (i) If the Commission approves an application, a drilling unit number shall be issued to the applicant. The  
15 drilling unit number ~~is required in accordance with~~ shall be used to meet the requirement of Rule .1304(a)(5) of this  
16 Subchapter.

17 ~~(j)~~ (j) The Commission approved drilling units shall expire 36 months after the approval date, if the applicant has not  
18 spud the first oil or gas well on the well pad.

19

20 *History Note: Authority G.S. 113-391(a)(12); 113-392(b);*

21 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1203 has been adopted with changes as published in 29:02 NCR 123-124 as follows:

2  
3 **15A NCAC 05H .1203 DRILLING UNIT PUBLIC NOTIFICATION REQUIREMENTS**

4 ~~(a) Public notice of each application shall be circulated in the geographical areas pertaining to the creation of a~~  
5 ~~drilling unit, or the modification of an existing drilling unit. The applicant or permittee shall circulate public notice~~  
6 ~~of each drilling unit at least 30 calendar days prior to the next regularly scheduled Commission meeting for which~~  
7 ~~the applicant proposes the application to be docketed, date set by the Commission in accordance with Rule .1202(b)~~  
8 ~~of this Section. The applicant or permittee shall make notice of each drilling unit applications shall be circulated by:~~

- 9 (1) publishing the notice one time in newspaper(s) having general circulation in the county or counties  
10 where the drilling unit, either proposed or existing, is located; ~~and~~  
11 (2) providing ~~direct~~ actual notice to all surface owners and mineral rights owners within the land area  
12 of the proposed or existing drilling ~~unit~~ unit;  
13 (3) providing actual notice to all local governments in the county or counties where the drilling unit,  
14 either proposed or existing, is located; and  
15 (4) providing actual notice to any state, federal, or tribal agencies owning land within the area of the  
16 proposed or existing drilling unit.

17 (b) The notice shall include the following:

- 18 (1) the name, address, and telephone number, fax number, and ~~e-mail~~ email address of applicant or  
19 permittee;  
20 (2) a description of the intent of the application;  
21 (3) the date the Commission is scheduled to review the application; and  
22 (4) the location and time of the Commission meeting.

23 (c) The applicant or permittee shall submit a newspaper certified copy of the public notice published in ~~the~~ each  
24 newspaper, as certified by the newspaper, to the Department at least 15 calendar days prior to the next regularly  
25 scheduled Commission meeting for which the applicant proposes the application to be docketed.

26  
27 *History Note: Authority G.S. ~~113-393(a); 113-392;~~*  
28 *Eff. Pending Legislative Reivew.*

1 15A NCAC 05H .1204 has been adopted with changes as published in 29:02 NCR 124 as follows:

2

3 **15A NCAC 05H .1204 DENIAL OR MODIFICATION OF DRILLING UNIT APPLICATION**

4 (a) The Commission shall deny a request for the creation of a drilling unit or ~~deny~~ a request to modify an existing  
5 drilling unit ~~to any person~~ on finding that the proposed or existing drilling unit is in violation of any of the rules  
6 contained in this Subchapter or that establishment or modification would result in a violation of this Subchapter or  
7 other applicable law or rule.

8 (b) The Commission ~~may~~shall also deny a request according to these criteria:

9 (1) the application is incomplete pursuant to Rule .1202(e) of this Section; ~~or~~

10 (2) the application contains erroneous ~~information~~information; or

11 (3) the surface use agreement or equivalent documentation fails to meet requirements of the rules of  
12 this Subchapter.

13 (c) The Commission may modify a drilling unit application based on geologic, geographic, and environmental  
14 factors or to satisfy conflicting interests between adjacent drilling unit applicants or permittees.

15

16 *History Note:* Authority G.S. 113-391(a)(12); 113-392(b); 143B-293.1(b);

17 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1205 has been adopted with changes as published in 29:02 NCR 124 as follows:

2

3 **15A NCAC 05H .1205 WELL SPACING REQUIREMENTS FOR RESOURCES IN**  
4 **UNCONVENTIONAL RESERVOIRS**

5 (a) The drilling of a new oil or gas well in an unconventional reservoir, the reopening of an oil or gas well  
6 temporarily abandoned pursuant to Rule .1621 of this Subchapter, the deepening, plugging back, or sidetracking of  
7 an existing oil or gas well shall conform to the requirements ~~in~~of this Section.

8 (b) In unconventional reservoirs, no~~No~~ portion of the wellbore recovering hydrocarbons shall be less than 500  
9 horizontal feet from the boundary of the drilling unit.

10 (c) A variance may be granted by the Commission to reduce the distance from the boundary of the drilling unit  
11 based on reservoir characteristics including permeability, porosity, and surrounding production history to optimize  
12 production and minimize waste. The variance, if granted, shall provide equal or greater protection of public health,  
13 safety, and the environment.

14

15 *History Note: Authority G.S. 113-391(a)(12); 143B-293.1(b);*

16 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1206 has been adopted with changes as published in 29:02 NCR 124 as follows:

2

3 **15A NCAC 05H .1206 WELL SPACING REQUIREMENTS FOR RESOURCES IN CONVENTIONAL**  
4 **RESERVOIRS**

5 (a) The drilling of a new oil or gas well in a conventional reservoir, the reopening of an oil or gas well temporarily  
6 abandoned pursuant to Rule .1621 of this Subchapter, the deepening, plugging back, or sidetracking of an existing  
7 oil or gas well shall conform to the requirements in this Section.

8 (b) In conventional reservoirs, no portion of the wellbore shall be less than 200 horizontal feet from the boundary of  
9 the drilling unit.

10 (c) A variance may be granted by the Commission to reduce the distance from the boundary of the drilling unit  
11 based on reservoir performance to optimize production and minimize waste of the reservoir. The variance, if  
12 granted, shall provide equal or greater protection of public health, safety, and the environment.

13

14 *History Note: Authority G.S. 113-391(a)(12); 143B-293.1(b); ~~113-391(a)(12)~~;*  
15 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1301 has been adopted as published in 29:02 NCR 124 as follows:

2

3

**SECTION .1300 - PERMITTING**

4

**15A NCAC 05H .1301 PURPOSE AND SCOPE**

6 The rules of this Section set forth the registration and permitting requirements for new oil or gas wells. These rules  
7 also establish procedures for review, modification, transfer, expiration, suspension or revocation, and release of an  
8 Oil or Gas Well Permit.

9

10 *History Note: Authority G.S. 113-391; 113-391(a)(6);113-391(a6); 113-395; 113-410;*  
11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1302 has been adopted with changes as published in 29:02 NCR 124-125 as follows:

2  
3 **15A NCAC 05H .1302 OIL OR GAS OPERATIONS FINANCIAL RESPONSIBILITY OWNERSHIP**

4 (a) The applicant or permittee, and all service companies who are conducting oil or gas exploration or development  
5 activities, shall either be incorporated under the laws of North Carolina or, if a foreign corporation, obtain a  
6 certificate of authority from the North Carolina Secretary of ~~State~~State in accordance with G.S. 55-15-01. If the  
7 applicant or permittee is a partnership or other person engaging in a business in this State under an assumed name,  
8 the applicant or permittee shall have filed a certificate of assumed name in the county ~~in which~~where it is doing  
9 business.

10 (b) The applicant or permittee, and any person providing financial assurance for oil or gas operations, shall submit  
11 the completed Form 1 – Financial Responsibility Ownership (FRO) with the Department. The Form 1 – FRO  
12 shall ~~include the following information:~~include:

- 13 (1) the ~~applicant~~applicant's or permittee's name, address, telephone number, fax number, and email  
14 address;
- 15 (2) the county and nearest city or town where the oil or gas well is located;
- 16 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
17 from a public road to the well pad;
- 18 (4) the lease name and the oil or gas well name and number;
- 19 (5) the ~~Commission issued~~Commission-issued drilling unit number;
- 20 (6) the approximate date that land disturbing activity will commence;
- 21 (7) the total acreage of disturbed or uncovered areas;
- 22 (8) the name and telephone number of the person to contact onsite if any problems occur with erosion  
23 control, stormwater, and any well site operations;
- 24 (9) the name, address, telephone number, fax number, and email address for person(s) who are  
25 financially responsible for the oil or gas operations;
- 26 (10) a copy of the ~~Certificate~~certificate of ~~Assumed~~assumed ~~Name~~name if the ~~financial~~financially  
27 responsible party is a partnership or other person engaging in business under an  
28 assumed ~~name~~name in accordance with G.S. 66-68;
- 29 (11) the signature of the financially responsible party; and
- 30 (12) the seal of a Notary Public of North Carolina.

31 (c) The applicant or permittee shall list all ~~Employees~~employees approved to submit documents on behalf of the  
32 applicant or permittee on a completed Form 1 – FRO. A person other than the applicant or permittee may be  
33 designated as an agent of the financially responsible party, and ~~person's~~those representatives shall be listed on the  
34 completed Form 1 – FRO.

35 (d) If the applicant or permittee is not a resident of North Carolina, the applicant or permittee shall designate a  
36 North Carolina agent for the purpose of receiving notices from the Commission or the Department.

1 (e) All changes ~~of address for~~in the contact information for the parties required to submit a Form 1 – FRO shall be  
2 reported within 14 calendar days of the change by submitting a new Form 1 – FRO. All changes to ~~reported~~the  
3 agent information shall be reported within 14 calendar days of the change by submitting a Form 1 – FRO.

4

5 *History Note: Authority G.S. 113-391(a)(5)a; 113-391(a6);*  
6 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1303 has been adopted with changes as published in 29:02 NCR 125 as follows:

2

3 **15A NCAC 05H .1303 OIL OR GAS WELL PERMIT APPLICATION**

4 (a) The applicant or permittee shall submit Form 2 – Oil or Gas Well Permit Application to the Department in  
5 accordance with Rule .0201(c) of this Subchapter prior to commencement of the following operations:

6 (1) drilling,drilling;

7 (2) recompleting,recompleting;

8 (3) re-stimulating,restimulating;

9 (4) deepening,deepening;

10 (5) reentering,reentering;

11 (6) sidetracking,sidetracking;

12 (7) plugging and abandoning;

13 (8) plugging back,back; or

14 (9) revising the location of any oil or gas well.

15 (b) The applicant or permittee shall submit the fee for a new Oil or Gas Well Permit as indicated on Form 2 – Oil or  
16 Gas Well Permit Application in accordance with Rule .1306 of this Section.

17 (c) The applicant or permittee shall submit an environmental compliance history to the Department in accordance  
18 with G.S. 113-395.3.

19

20 *History Note:* Authority *G. S. 113-391(a)(5)a; 113-391(a6); 113-395; 113-395.3;*

21 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1304 has been adopted with changes as published in 29:02 NCR 125-127 as follows:

2  
3 **15A NCAC 05H .1304 CONTENTS OF OIL OR GAS WELL PERMIT APPLICATION**

4 (a) All applications to drill, recomplete, ~~re-stimulate, restimulate,~~ deepen, reenter, sidetrack, plug and abandon, plug  
5 back, or revise a location shall be submitted using a Form 2 – Oil or Gas Well Permit Application. The Form 2 –  
6 Oil or Gas Well Permit Application shall ~~include the following:~~include:

- 7 (1) the ~~applicant~~applicant's or permittee's name, ~~address,~~address in accordance with G.S. 113-408,  
8 telephone number, fax number, and email address;
- 9 (2) the county and nearest city or town where the oil or gas well is proposed to be located or is  
10 located;
- 11 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
12 from a public road to the proposed or existing well pad;
- 13 (4) the lease name and the oil or gas well name and number for the proposed or existing oil or gas  
14 well;
- 15 (5) the ~~Commission issued~~ drilling unit ~~number,~~number issued by the Commission pursuant to Rule  
16 .1202 of this Subchapter;
- 17 (6) any variance request(s) approved by the Commission;
- 18 (7) the latitude and longitude (in decimal degrees) of the proposed or existing oil or gas well  
19 location(s) with a minimum of five decimal places of accuracy and precision using the North  
20 American Datum (NAD) of 1983. The location coordinates shall be a field measurement and not a  
21 calculated or conversion measurement;
- 22 (8) the name of any incorporated city, town, ~~village~~village, or respective extra-territorial jurisdiction,  
23 if the oil or gas well is proposed to be located or is located within its limits;
- 24 (9) if known, the ~~name(s)~~names of the proposed drilling contractor, cementing service company, and  
25 well stimulation company at the time of application submittal;
- 26 (10) an indication that the local emergency management coordinator has received an emergency  
27 response plan in accordance with Rule .1305 of this Section;
- 28 (11) an indication that the applicant or permittee ~~intends to~~will scan all equipment at the well site to  
29 measure for methane emissions;
- 30 (12) an indication that the applicant or permittee ~~plans to~~will address methane emissions detected; ~~and~~
- 31 (13) an indication that the applicant or permittee is submitting an estimate of the number and type of  
32 engine(s) to be used onsite, the size of engine(s), and the fuel source of engine(s) that will be used  
33 during drilling or completion ~~activities.~~activities;
- 34 (14) an indication that the applicant or permittee has a proppant-related dust management and  
35 mitigation plan; and
- 36 (15) an indication of whether pits are to be constructed and, if so, for what purpose.

37 (b) The following plat(s) and maps shall be attached to Form 2 – Oil or Gas Well Permit Application:

- 1 (1) A plat showing:
- 2 (A) the subject drilling unit ~~on which~~where the oil or gas well ~~is to~~will be drilled and the
- 3 property lines with surface and mineral owner name(s);
- 4 (B) the location of the proposed oil or gas well in the drilling unit, based on a field survey
- 5 showing the distances in feet from the proposed well site to the boundary lines of the
- 6 drilling unit;
- 7 (C) the location and distances of the nearest buildings, public roads, railroads, private water
- 8 supply wells, public water supply sources, surface water bodies, utility rights-of-way, and
- 9 drilling or producing oil or gas wells from the proposed oil or gas well in accordance
- 10 with ~~Rule .1601 and Rule .1205 or .1206~~Rules .1205 or 1206 and .1601 of this
- 11 Subchapter; and
- 12 (D) any areas with known environmental contamination within the area of influence in
- 13 accordance with Rule .1901 of this Subchapter.

14 All plats submitted as a part of the application for a Form 2 – Oil or Gas Well Permit Application shall contain the

15 following identifying information and be signed and sealed by a Professional Land Surveyor (PLS) or Professional

16 Engineer (PE) licensed by the North Carolina Board of Examiners for Engineers and Surveyors pursuant to G.S.

17 89C:

- 18 (A) the name of the applicant or permittee;
- 19 (B) the oil or gas well name and number;
- 20 (C) a north arrow;
- 21 (D) the county;
- 22 (E) a map scale of 1 inch equals 50 feet to 1 inch equals 500 feet with two foot
- 23 topographic ~~contours~~contours, depending on the total disturbed area;
- 24 (F) a legend with symbols used and corresponding names;
- 25 (G) the date the plat or map was prepared and revised; and
- 26 (H) the name and title of person preparing the plat.
- 27 (3) A topographic and site overlay on a base color aerial map for the well site based on a LiDAR
- 28 derived map showing the location of the well site, corners of well pad, oil or gas wells, tank
- 29 battery, pits, access roads, all other proposed production equipment, and any other existing
- 30 structures and features onsite; and
- 31 (4) The total estimated true vertical and measured depths of the wellbore and proposed well path
- 32 report showing inclination and azimuth every 100 feet with the North American Vertical Datum of
- 33 1988 (NAVD88) as the vertical control.

34 (c) The applicant or permittee shall submit the following attachments with Form 2 – Oil or Gas Well Permit

35 Application:

- 36 (1) Form 3 – Well Construction Design that includes the following:

- 1 (A) the ~~applicant~~ applicant's or permittee's name, address, telephone number, fax number, and  
2 email address;
- 3 (B) the county and nearest city or town where the oil or gas well is located;
- 4 (C) the property street ~~address~~ address, or nearest address to the ingress ~~or~~ and egress point  
5 leading from a public road to the well pad;
- 6 (D) the lease name and the oil or gas well name and number;
- 7 (E) the ~~anticipated~~ planned diameter of each wellbore segment;
- 8 (F) the main design parameters for each casing string, including the maximum anticipated  
9 pressure, compressive and tensile loads, and drilling or completion fluid density;
- 10 ~~(F)~~(G) the casing grade, weight, outside diameter, and setting depth for each proposed casing  
11 string;
- 12 ~~(G)~~(H) the method of drilling, including the fluids that will be used during the drilling for each  
13 proposed casing string;
- 14 ~~(H)~~(I) the cement type, additives, density, yield, and volume for each proposed casing string;
- 15 ~~(I)~~(J) a list of the blowout prevention equipment and other wellhead ~~equipment;~~ equipment and  
16 the pressure rating of each that is to be installed before drilling out of each casing string;
- 17 ~~(J)~~(K) a wellbore diagram or other documentation detailing the proposed oil or gas well  
18 construction design; and
- 19 ~~(K)~~(L) the method of well stimulation for the oil or gas well, the proposed number of well  
20 stimulation stages, the proposed maximum surface treating pressures, and the estimated  
21 true vertical depth to the top of fractures.
- 22 (2) ~~Aa~~ Well Site Development Plan that includes the Sedimentation and Erosion Control and  
23 Stormwater Management Plans as a part of the site construction sheets and details for review in  
24 accordance with Section .1500 of this Subchapter;
- 25 (3) Form 4 – Water Management ~~Plan shall include~~ Plan, including documentations and maps in  
26 accordance with Section .1900 of this Subchapter;
- 27 (4) Form 5 – Waste Management ~~Plan shall include~~ Plan, including documentations and maps in  
28 accordance with Section .2000 of this Subchapter;
- 29 (5) Form 6 – Well Site Reclamation Plan showing reclamation phases in accordance with Section  
30 .2100 of this Subchapter;
- 31 (6) Form 1 – FRO filled out in its entirety;
- 32 (7) any variance request(s) approved by the Commission;
- 33 (8) a road impact plan that mitigates damage to roads by truck traffic and heavy equipment.  
34 Plans ~~must~~ shall include; include at a minimum:
- 35 (A) procedures to restore roads to their condition that existed prior to the drilling activity  
36 undertaken by the permittee or applicant;
- 37 (B) identification of trucking routes that minimize road surface travel; and

- 1 (C) route travel hours that avoid otherwise heavy traffic volume, ~~to include~~including  
2 avoidance of hours during which school buses will be traveling on the roads.
- 3 (9) documentation that the local emergency management coordinator has received emergency  
4 response plan information in accordance with Rule .1305 of this Section;
- 5 (10) a statement ~~describing~~of how often the permittee intends to scan all equipment at the well site to  
6 measure for methane emissions;
- 7 (11) a statement that ~~describes~~if methane emissions are ~~detected and~~detected the time period during  
8 which the permittee intends to repair any leaks discovered; ~~and~~
- 9 (12) an estimate of the engine(s) to be used ~~on-site~~onsite during exploration and development including  
10 the following information:
- 11 (A) the number and type of engine(s), such as compression ignition, two stroke lean burn  
12 ignition, four stroke lean burn ignition, rich burn spark ignition;
- 13 (B) the size of engine(s) (maximum site-rated horsepower); and
- 14 (C) the fuel source of engine(s).
- 15 (13) a plan that manages and mitigates proppant-related dust.

16

17 *History Note:* Authority G.S. 113-391(a)(5)a; 113-391(a)(5)b ;113-391(a)(5)c; 113-391(a)(5)i; 113-391(a)(5)j;  
18 113-391(a)(5)l; 113-391(a)(8); 113-391(a6); 113-395; 114-408;  
19 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1305 has been adopted with changes as published in 29:02 NCR 127 as follows:

2  
3 **15A NCAC 05H .1305 EMERGENCY RESPONSE PLANNING**

4 In order for State and local governments to effectively plan for emergency incidents, the applicant or permittee shall  
5 provide the following information to the local emergency management coordinator:

- 6 (1) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
7 from a public road to the well pad. If nearest street address is used, "nearest address" shall be  
8 designated and the latitude and longitude (in decimal degrees) with a minimum of five decimal  
9 places of accuracy and precision using the North American Datum (~~NAD~~)(NAD) of 1983 of the  
10 proposed access road entrance at the ingress or egress point;
- 11 (2) the ~~nearby~~ location of nearby occupied dwellings, high occupancy buildings, streams, rivers,  
12 watercourses, ponds, lakes, or other natural and artificial bodies of water, and transportation  
13 corridors necessary for the development of the plans required by Item (6) of this Rule;
- 14 (3) the emergency contacts for the well site that include the telephone numbers of the applicant or  
15 permittee, which can be accessed 24-hours per day; ~~day in accordance with the Rule .0707 of this~~  
16 ~~Subchapter~~;
- 17 (4) identification of the types and quantities of chemicals, fuels, and wastes ~~which~~that will be used at  
18 a production facility in accordance with Section .1700 of this Subchapter;
- 19 (5) identification of an emergency well control response contractor, ~~its~~the contractor's contact  
20 information, and the estimated time of arrival after dispatch;
- 21 (6) plans for the following minor to catastrophic scenarios:
- 22 (A) Level 4: A spill onsite that requires a cleanup company to be contracted;
- 23 (B) Level 3: A spill on other property that requires a cleanup company to be contracted, or  
24 an uncontrolled fire adjacent to the site impacting normal operations due to smoke or  
25 chemical dispersal;
- 26 (C) Level 2: A spill onsite that requires a full site evacuation or an uncontrolled explosion or  
27 fire ~~on-site~~onsite that does not involve any wellhead onsite, or loss of well control not  
28 involving an explosion or fire; and
- 29 (D) Level 1: Loss of well control involving an explosion or fire, or incidents requiring the  
30 immediate evacuation of the site.

31  
32 *History Note: Authority G.S. 113-391(a)(5); 113-391(5)i;*  
33 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1306 has been adopted with changes as published in 29:02 NCR 127 as follows:

2

3 **15A NCAC 05H .1306 FEES**

4 (a) The applicant or permittee shall remit the ~~non-refundable~~ fees in the amounts prescribed under G.S. 113-395,  
5 113A-54.2, and 143-215.3D(e).

6 (b) Payment of fees shall be made payable to the "North Carolina Department of Environment and Natural  
7 Resources." The payment shall refer to the new permit or the plugging and abandonment of the oil or gas well. The  
8 payment shall include a reference to the oil or gas well name listed on the application or the API number.

9

10 *History Note: Authority G.S. 113-395;*

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1307 has been adopted with changes as published in 29:02 NCR 127-128 as follows:

2  
3 **15A NCAC 05H .1307 APPLICATION REVIEW PROCESS**

4 (a) ~~After Department review, if the application is incomplete, the Department shall notify the applicant or permittee~~  
5 ~~in writing, noting each deficiency.~~The Department shall review applications. The Department shall send written  
6 notice to an applicant or permittee if an application is incomplete, stating each deficiency. The applicant or  
7 permittee shall have 60 calendar days from the date the letter was sent to submit the required information to the  
8 Department or the application shall be denied.

9 (b) Upon receipt of a complete ~~application for a new~~ Form 2 – Oil or Gas Well Permit Application for a new  
10 permit or for a modification of an ~~Oil or Gas Well Permit, existing permit,~~ the Department shall send a notice of the  
11 application to each of the following agencies with a request that each agency review and provide written comment  
12 on the ~~application~~application, including whether the reviewing agency has concerns regarding the items in Rule  
13 .1405(c) of this Subchapter, within 30 calendar days of the date on which the request is made:

- 14 (1) Division of Air Quality, Department of Environment and Natural Resources;  
15 (2) Division of Parks and Recreation, Department of Environment and Natural Resources;  
16 (3) Division of Water Resources, Department of Environment and Natural Resources;  
17 (4) North Carolina Geological Survey, Division of Energy, Mineral, and Land Resources, Department  
18 of Environment and Natural Resources;  
19 (5) Natural Heritage Program, Department of Environment and Natural Resources;  
20 (6) North Carolina Wildlife Resources Commission;  
21 (7) Office of Archives and History, Department of Cultural Resources;  
22 (8) United States Fish and Wildlife Service, United States Department of the Interior; ~~and~~  
23 (9) Any other Federal or State agency that the Department determines to be appropriate based on the  
24 location of the proposed well site, including the Division of Coastal Management, Department of  
25 Environment and Natural Resources; the Division of Marine Fisheries, Department of  
26 Environment and Natural Resources; the Division of Waste Management, Department of  
27 Environment and Natural Resources; Division of Public Health; and the Department  
28 of ~~Transportation.~~Transportation; and  
29 (10) The county and municipality in which the permit application is located.

30 (c) Public notice of the receipt of a complete oil or gas well applications(s) submitted pursuant to this Rule shall be  
31 given prior to permit issuance.

32 (1) Such notice shall:

33 (A) be posted on the Division’s website;

34 (B) provide 30 calendar days for public comments to be submitted to the Department; and

35 (C) include the permit application.

36 (2) After the public comment period has ended the Department shall:

37 (A) consider the comments submitted; and

1 (B) post notice on the Division website as of the final permitting action.  
2 ~~(e)(d)~~ Pursuant to the SPCA and 15A NCAC 04, the Department shall review the erosion control plan for approval,  
3 approval with modifications, or disapproval.  
4 ~~(d)(e)~~ The Department shall have ~~60~~180 calendar days from receipt of the complete application, ~~which shall include~~  
5 ~~all approved variance requests~~ to review and approve, approve with conditions, or deny the application. The  
6 Department shall consider all input submitted by the reviewing agencies outlined in Paragraph (b) of this Rule and  
7 public comment received pursuant to Paragraph (c) of this Rule when approving, approving with conditions, or  
8 denying any application.  
9 (f) If the Department receives a written comment from an agency listed in Paragraph (b) of this Rule, indicating that  
10 the reviewing agency has concerns regarding an environmentally sensitive area under Rule .1405(c) of this  
11 Subchapter, the Department shall notify the Chair of the Commission within 10 days. The Chair shall notify the  
12 applicant or permittee and reviewing agencies in Paragraph (b) of this Rule that the Commission will determine the  
13 environmental damage bond during a scheduled meeting.  
14 ~~(e)(g)~~ If the Department denies an application for a permit pursuant to Rule .1309 of this Section, the Department  
15 shall notify the applicant or permittee in writing and stating the reasons for the denial. The applicant or permittee  
16 may thereupon modify and resubmit the application or file an ~~appeal~~appeal in accordance with 150B, Article 3; the  
17 Department shall have 60 calendar days from receipt of the resubmitted application to complete the review process.  
18 ~~(f)(h)~~ ~~On approval of an application, the~~ The Department shall set the amount of the ~~performance~~ bond or other  
19 security ~~that is to be~~ required pursuant to ~~G.S. 113-378, 113-391 (a)(13a), and 113-421(a2) and (a3)(2)~~Rules .1403,  
20 .1404, and .1405 of this Subchapter, and mail notice of the required bond to the applicant or permittee. The  
21 applicant or permittee shall have 60 calendar days after the Department mails the notice to ~~deposit~~provide the  
22 required bond or security ~~instrument with~~ to the Department. The Oil or Gas Well Permit shall not be issued until  
23 receipt of this ~~deposit instrument~~.  
24 ~~(g)(i)~~ ~~On~~Following approval of a Form 2 – Oil or Gas Permit Application for a new oil or gas ~~well~~well, the North  
25 Carolina Geological Survey shall assign an API number for the oil or gas well.  
26 ~~(h)(j)~~ The permittee shall not commence any operation at the well site prior to receiving an ~~approved~~ Oil or Gas  
27 Permit and meeting the requirements of this Rule.

28  
29 *History Note: Authority G.S. 113-391(a)(5)l; 113-391(a6); 113-421(a3)(2);*  
30 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1309 has been adopted with changes as published in 29:02 NCR 128-129 as follows:

2  
3 **15A NCAC 05H .1309 DENIAL OF APPLICATION**

4 (a) The Department shall have the authority to deny a permit application to any person on finding that the well site for  
5 which a permit is requested is in violation of any of the rules contained in this Subchapter, the issuance of the permit  
6 would result in a violation of any rule of this Subchapter or other applicable law or rule, or for any of the following  
7 factors:

- 8 (1) the permit application is incomplete and the time has lapsed for resubmission in accordance with  
9 Rule .1307 of this Subchapter;
- 10 (2) the requirements of Section .1400 of this Subchapter have not been met;
- 11 (3) the operation will have significant adverse effects on surface water, groundwaters, wildlife,  
12 habitats of rare and endangered flora and fauna and other critical ~~communities, communities;~~ or  
13 freshwater, estuarine, or marine fisheries;
- 14 (4) the operation will constitute a ~~direct~~ physical hazard to public health and safety or to a  
15 neighboring occupied dwelling, dwelling house, school, church, hospital, commercial or industrial  
16 building, public road, or other public property;
- 17 (5) the operation will have a significant adverse effect on the uses of a publicly-owned park, forest,  
18 recreation area, or historical and archeological sites listed on the Federal or State list of historic  
19 places;
- 20 (6) previous experience with similar operations indicates a substantial possibility that the operation  
21 will result in deposits of sediment in stream beds or lakes in violation of the Sediment Pollution  
22 Control Act of 1973 and 15A NCAC 02L .0202 and 15A NCAC 02B, landslides, or acid water  
23 pollution in violation of 15A NCAC 02L .0202 and 15A NCAC ~~02B;02B,~~ which are incorporated  
24 by reference, including subsequent amendments and editions; or
- 25 (7) the Department finds that the ~~applicant or applicant,~~ permittee, or any parent, subsidiary, or other  
26 affiliate of the applicant or permittee has not been in compliance with the Oil or Gas Conservation  
27 Act, rules of this Subchapter, other laws or rules of this State for the protection of the environment  
28 administered by the Department, any plan approval, permit, or order issued  
29 by ~~of the Department~~ Department, or has not corrected all violations that the ~~applicant or applicant,~~  
30 permittee, or any parent, subsidiary, or other affiliate of the applicant, permittee, or parent ~~may~~  
31 have ~~has~~ committed under this Act or rules adopted under ~~said~~ the Act ~~and~~ that resulted in:
  - 32 (A) the revocation of a permit;
  - 33 (B) the forfeiture of part of all of a bond or other security;
  - 34 (C) a conviction of a misdemeanor or any other court order; or
  - 35 (D) the final assessment of a civil penalty.

36 (b) In the absence of any finding set out above, or if adverse effects are mitigated by the applicant or permittee as  
37 approved by the Department, a permit shall be granted.

1

2 *History Note:* Authority G.S. 113-391(a)(5)a; 113-391(a6); 113-395; ~~113-410(a)~~;

3 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1311 has been adopted with changes as published in 29:02 NCR 129 as follows:

2  
3 **15A NCAC 05H .1311 PERMIT TRANSFERS**

4 (a) A permit transfer may result from a sale, assignment by a court, a change in operating agreement, or other  
5 transaction.

6 (b) ~~Within 30 calendar days of the sale or other transfer, the new owner shall notify the Department, in writing, of~~  
7 ~~the transfer of ownership. The new owner shall send written notice to the Department of the transfer within 30~~  
8 calendar days of the transfer. The notice shall include:

- 9 (1) the names, ~~addresses~~address, and telephone numbers of the former owner(s) and  
10 new ~~owner~~owner(s), and the agent if applicable. The new permittee information shall be attached  
11 to the notice on Form 1 – FRO;
- 12 (2) the Oil of Gas Well Permit and assigned API number;
- 13 (3) the effective date of the transfer of ownership; and
- 14 (4) an affidavit from the new owner verifying that the information on the original application is still  
15 accurate and complete. If the information on the original application is no longer accurate or  
16 complete, ~~then~~ a new Form 2 – Oil or Gas Well Application shall be submitted to the Department  
17 for review and approval.

18 (c) The new owner shall secure the required bond prior to the Department approving the permit transfer.

19 (d) A permit transfer may be denied by the Department based on previous ~~revocation~~revocation or unaddressed or  
20 outstanding violations on a previous permit by the ~~transferee~~transferee in accordance with Rule .1309(a) of this  
21 Section.

22  
23 *History Note: Authority G.S. 113-391(a)(5)a; 113-391(a6); 113-395; ~~113-410(a)~~;*  
24 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1312 has been adopted with changes as published in 29:02 NCR 129 as follows:

2

3 **15A NCAC 05H .1312 PERMIT EXPIRATION**

4 (a) A permittee shall have 12 months from the date of issuance of the permit to spud an oil or gas well or the permit  
5 shall expire.

6 (b) A permittee may request a one time, one-year renewal of the permit. The permittee shall provide an affidavit  
7 affirming that the information on the original Form 2 – Oil or Gas Well Permit Application~~application~~ is still  
8 accurate and complete and that the oil or gas well location restrictions are still in effect. Any change in information  
9 from the original application shall be treated as a request for a permit modification pursuant to Rule .1310 of this  
10 Section. The permittee shall submit the request so that it is received by the Department at least 30 calendar days  
11 prior to the expiration of the original permit.

12

13 *History Note: Authority G.S. 113-391(a)(5)a; 113-391(a6); 113-395;*

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1313 has been adopted with changes as published in 29:02 NCR 130 as follows:

2

3 **15A NCAC 05H .1313 PERMIT SUSPENSION OR REVOCATION**

4 (a) The Department may suspend or revoke a permit if:

- 5 (1) the permittee fails to meet the conditions specified in the permit;
- 6 (2) the permittee falsified or otherwise withheld ~~necessary~~ information required in the application; or
- 7 (3) if the Department issued the permit in error because the submitted information was incorrect and  
8 the error was not identified during the Department's review but came to light after the permit was  
9 issued and the correct information affected the validity of the issued permit.

10 (b) After any of the requirements in (a) are satisfied, the Department shall have the ability to suspend or revoke the  
11 permittee's permit in the following circumstances:

- 12 (1) if the permittee does not comply with a notice of violation issued by the Department; or
- 13 (2) an emergency situation creating a threat to public health, safety or the environment.

14 ~~(b)~~ (c) Notification The Department shall send written notice of suspension or revocation of the permit, including  
15 specific justification for the ~~revocation, shall be issued in writing revocation.~~ The permittee shall temporarily  
16 abandon the oil or gas well pursuant to Rule .1621 of this Subchapter until final disposition of the appeal. If the  
17 revocation is ~~upheld~~ upheld, the permittee shall permanently plug and abandon the oil or gas well pursuant to Rule  
18 .1618 of this Subchapter.

19

20 *History Note: Authority G.S. 113-391(a)(5)a; 113-391(a6); 113-395; ~~113-410(a)~~;*  
21 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1314 has been adopted with changes as published in 29:02 NCR 130 as follows:

2

3 **15A NCAC 05H .1314 PERMIT RELEASE**

4 (a) The permittee may request the Department to release the oil or gas well and all affected areas associated within  
5 the well site and return any remaining bond in accordance with Rule .1406 of this Subchapter.

6 (b) The Department shall not approve an oil or gas well permit release unless the requirements for Rule .1406 of  
7 this Subchapter have been met and all oil or gas well plugging and abandonment fees and notices have been  
8 received.

9 (c) The Department shall release any remaining bond to the permittee ~~on~~after finding that that the well site has been  
10 reclaimed as stated in the Reclamation Plan.

11

12 *History Note: Authority G.S. 113-391(a6);*

13 *Eff. Pending Legislative Review.*

1 15A NCAC .1401 has been adopted with changes as published in 29:02 NCR 130 as follows:

2

3

**SECTION .1400 – FINANCIAL ASSURANCE**

4

**15A NCAC 05H .1401 PURPOSE AND SCOPE**

6 Each applicant or permittee for a permit, modification, or transfer of an Oil or Gas Well Permit shall file and  
7 maintain in force ~~a bond~~one or more bonds in favor of the State of North Carolina or surface owner,  
8 executed by a surety approved by the Commissioner of Insurance, based on the requirements set forth in the rules of  
9 this Section.

10

11 *History Note:* Authority G.S. 113-391(a)(5); 113-421(a3);

12 *Eff. Pending Legislative Review.*

1 15A NCAC .1402 has been adopted with changes as published in 29:02 NCR 130-131 as follows:

2  
3 **15A NCAC 05H .1402 BONDING REQUIREMENTS**

4 (a) After an application for a permit, ~~a~~-modification, or ~~a~~-transfer of an Oil or Gas Well Permit is considered  
5 complete by the Department, the applicant or permittee shall provide an approved financial assurance  
6 instrument listed in Paragraph (b) of this Rule to the Department or each surface owner, as applicable in accordance  
7 with ~~Rules .1403, Rules .1403, .1404, and .1405~~ of this Section. The applicant or permittee shall not commence  
8 operations to drill, recompleat, restimulate, deepen, reenter, sidetrack, plug and abandon, plug back, or revise the  
9 location of any oil or gas well prior to providing one of the~~an~~ approved financial assurance ~~instrument~~instruments  
10 listed in Paragraph (b) of this Rule to the Department or surface owner(s).

11 (b) The permittee shall submit financial assurance to the Department using one of the following forms:

12 (1) Form 7 – Irrevocable Letter of Standby ~~Credit~~Credit, which shall include the following  
13 information:

- 14 (A) the ~~applicant~~applicant's or permittee's name, address, telephone number, fax number, and  
15 email ~~address as needed~~address;
- 16 (B) the letter of credit number, effective date, and amount;
- 17 (C) the name and address for the issuing institution;
- 18 (D) the date of expiration and date and frequency of renewals; and
- 19 (E) the issuing institution's representative's dated and notarized signature.

20 (2) Form 8 – Surety ~~Bond~~Bond, which shall include the following information:

- 21 (A) the ~~applicant~~applicant's or permittee's name, address, telephone number, fax number, and  
22 email ~~address as needed~~address;
- 23 (B) the name and the principal and local address of the issuing surety company;
- 24 (C) the bond number as assigned by the surety company;
- 25 (D) the amount of bond to be held by the State of North Carolina;
- 26 (E) the seal of the surety company;
- 27 (F) the signatures by the secretary or assistant secretary; principal; president, vice president,  
28 partner, or owner of the surety company;
- 29 (G) the signature of the resident agent of North Carolina and the agent or attorney in fact.

30 (3) Form 9 – Assignment of Savings ~~Account~~Account, which shall include the following information:

- 31 (A) the ~~applicant~~applicant's or permittee's name, address, telephone number, fax number, and  
32 email ~~address as needed~~address;
- 33 (B) the name, address, and county of the bank;
- 34 (C) the dollar amount to be held to be payable to the Department on demand of the  
35 Department;
- 36 (D) the method and a copy of the instrument of assignment such as a passbook or deposit  
37 book;

- 1 (E) the ~~notorized signature and date signature, date, and notary seal~~ for the applicant or  
2 permittee; and
- 3 (F) an acknowledgement of the bank on the assignment that includes the date of assignment,  
4 signature of authorized agent of the bank, date of signature, and notarization.
- 5 (4) Form 10 – Cash ~~Deposit~~Deposit, which shall include the following information:
- 6 (A) the ~~applicant~~applicant's or permittee's name, address, telephone number, fax number, and  
7 email ~~address as needed~~address;
- 8 (B) the county and nearest city or town where oil or gas well is located;
- 9 (C) the lease name and the oil or gas well name and number;
- 10 (D) the Commission issued drilling unit number; and
- 11 (E) a ~~cashiers~~cashier's or certified ~~checks~~check made payable to the North Carolina  
12 Department of Environment and Natural Resources.
- 13 (c) The amount of the bond shall be determined by the Department or the Commission consistent with Rules .1403,  
14 .1404, and .1405 of this Section.
- 15 (1) If the Oil or Gas Well Permit is modified to increase the total depth of the oil or gas well or the  
16 total disturbed land acreage increases, the bond shall be increased in accordance with Rules .1403  
17 and .1404 of this Section, respectively; and
- 18 (2) As areas at a well site are reclaimed in accordance with the Reclamation Plan required by Section  
19 .2100 of this Subchapter and approved and released by the Department, the permittee may  
20 substitute a new bond for the bond previously filed in an amount covering the remaining oil or gas  
21 wells and disturbed land acreage at the site.
- 22 ~~(d) If the applicant, permittee, or surface owner disagrees with the bond amount determined by the Commission, the~~  
23 ~~applicant, permittee, or surface owner may appeal the bond amount pursuant to G.S. 113-421(a3)(1).~~
- 24 ~~(e)(d)~~ The bond herein provided shall be continuous in nature and shall remain in force until cancelled by the  
25 surety. Cancellation by the surety shall be effectuated only ~~on~~after 60 days written notice thereof to the Department  
26 or surface owner and to the permittee.
- 27 ~~(f)(e)~~ The bond shall be conditioned on the faithful performance of the requirements set forth in the rules of this  
28 Subchapter. ~~On~~After filing the bond with the Department, the permittee shall lose all right, title, and interest in the  
29 bond while the bond is held by the Department. Liability under the bond shall be maintained as long as reclamation  
30 is not completed in compliance with the approved Reclamation Plan or acceptance by the Department of a substitute  
31 bond. In no event shall the liability of the surety exceed the amount of the surety bond required by this Section.
- 32 ~~(g)(f)~~ In lieu of the surety bond required by this Section, the permittee may file with the Department a cash deposit,  
33 an irrevocable letter of credit, a guaranty of payment ~~in a form that is reasonably acceptable~~ to the Department and  
34 held by a financial institution consistent with the Uniform Commercial Code of North Carolina (NC UCC).  
35 Alternatively, a permittee may file with the Department an assignment of a savings account in a financial institution  
36 consistent with the NC UCC. Cash deposits, irrevocable letters of credit, guaranties of payment, and assignments of

1 savings accounts shall be filed using forms in accordance with Paragraph (b) of this Rule. Security shall be subject  
2 to the release provisions of Rule .1406 of this Section.

3 ~~(h)(g)~~ If the Commissioner of Insurance suspends or revokes the license to do business in North Carolina of any  
4 surety on a bond filed pursuant to this Subchapter, the permittee shall, within 60 calendar days after receiving notice  
5 thereof, substitute for the surety a ~~good and sufficient~~ corporate surety authorized to do business in this State. On  
6 failure of the permittee to substitute sufficient surety within ~~the time specified,~~this time, the permit shall be revoked.

7

8 *History Note: Authority G.S. 113-391(a)(5)l; 113-421(a2); 113-421(a3);*

9 *Eff. Pending Legislative Review.*

1 15A NCAC .1403 has been adopted with changes as published in 29:02 NCR 131 as follows:

2

3 **15A NCAC 05H .1403 OIL OR GAS WELL PLUGGING AND ABANDONMENT BOND**

4 (a) The applicant or permittee shall submit an oil or gas well plugging and abandonment bond in the amount of five  
5 thousand dollars (\$5,000) plus one dollar (\$1.00) per linear foot of the permitted oil or gas well pursuant to G.S.  
6 113-378.

7 (b) The oil or gas well plugging and abandonment bond may be submitted as a separate bond or as an aggregate  
8 bond amount with the environmental damage ~~bond~~, as bond required by Rule .1405 of this Section.

9 (c) The permittee may request that this bond ~~to~~ be released by the Department when final site reclamation is  
10 completed in accordance with Section .2100 of this Subchapter and for which the oil or gas well is permanently  
11 plugged and abandoned in accordance with Rule .1618 of this Subchapter.

12

13 *History Note:* Authority G. S. 113-378; 113-391(a)(5)l; 113-421(a2);

14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1501 has been adopted as published in 29:02 NCR 132 as follows:

2

3

**SECTION .1500 – SITE INFRASTRUCTURE AND CONSTRUCTION STANDARDS**

4

**15A NCAC 05H .1501 PURPOSE AND SCOPE**

6 The rules in this Section establish requirements for well site construction standards.

7

8 *History Note: Authority G.S. 113-391(a)(4); 113-391(a)(5)c;*

9

*Eff. Pending Legislative Review.*

1 15A NCAC 05H .1502 has been adopted with changes as published in 29:02 NCR 132-134 as follows:

2  
3 **15A NCAC 05H .1502 WELL SITE CONSTRUCTION STANDARDS**

4 (a) The applicant or permittee shall submit a Well Site Development Plan to the Department pursuant to Rule  
5 .1304(c)(2) of this Subchapter. The Well Site Development Plan shall be signed and sealed by a North Carolina  
6 Professional Engineer and shall include the following information:

- 7 (1) the name, address, telephone number, fax number, and email address of applicant or permittee;
- 8 (2) the lease name and the oil or gas well name and number;
- 9 (3) the name and address of surface and mineral owners;
- 10 (4) the latitude and longitude (in decimal degrees) of the proposed access road entrance, corners of the  
11 well pad, wellhead(s), tank battery, pits, and all other production equipment reported to five  
12 decimal places of accuracy and precision using the North American Datum of 1983 (NAD83);
- 13 (5) a well site location map depicting the well pad and access road using a scale of one inch equals  
14 2,000 feet;
- 15 (6) ~~maps~~ maps, plan sheets, and details depicting the proposed well site, well pad, tank battery, pits,  
16 access road, and topsoil stockpiles along with existing roads, surface water bodies, wetlands, and  
17 other surface features affected by the construction using a scale ranging between one inch equals  
18 50 feet to one inch equals 500 feet with two foot topographic contours, depending on the total  
19 disturbed area;
- 20 (7) the details of the leak detection system, either electrical or piped, that will be installed on any  
21 proposed ~~pit~~ pit, including a plan of action to mitigate leakage;
- 22 (8) the proposed cut and fill areas with two foot grading contours depicting slope ratios and  
23 identifying elevation at the top and bottom of slopes using the North American Vertical Datum of  
24 1988 (NAVD88);
- 25 (9) the cross-sections of the length and width of the well site, well pad, and access road that include  
26 cut and fill volumes posted in cubic yards;
- 27 (10) a description of ~~the proposed~~ the proposed well site construction sequence and stabilization techniques;
- 28 (11) the erosion and sedimentation control measures that are designed and constructed to prevent  
29 sedimentation to water bodies and adjacent properties from any land disturbing activities related to  
30 the construction of the well site in accordance with the SPCA and 15A NCAC 04, and the "North  
31 Carolina Erosion and Sediment Control Planning and Design Manual," which is incorporated by  
32 reference, including subsequent amendments and editions. The North Carolina Erosion and  
33 Sediment Control Planning and Design Manual may be viewed online for no charge at  
34 <http://portal.ncdenr.org/web/lr/publications>;
- 35 (12) the stormwater management control measures shall be designed and constructed in accordance  
36 with 15A NCAC 02H and the "North Carolina Division of Water Quality Stormwater Best  
37 Management Practices Manual," which is incorporated by reference, including subsequent

1 amendments and editions. The Stormwater Best Management Practices Manual may be viewed  
2 online for no charge at <http://portal.ncdenr.org/web/lr/bmp-manual>;

3 (13) the maintenance procedures for the access road and well pad; and

4 (14) the pre-construction conditions at the proposed well site, including aerial photographs,  
5 topographic maps, and pre-construction site inspection data.

6 (b) The permittee shall notify the Department via telephone or email at least 48 hours ~~via telephone or email~~ prior to  
7 the commencement of construction of a new well site or prior to the implementation of an approved permit  
8 modification. The contact information is set forth in Rule .0201 of this Subchapter. The permittee shall submit Form  
9 11 – Required Notifications to the Department, by mail, email, or fax within five calendar days of the telephone or  
10 email notice and shall include the following information:

11 (1) the permittee's name, address, telephone number, fax number, and e-mail address;

12 (2) the county and nearest city or town where the oil or gas well is located;

13 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
14 from a public road to the well pad;

15 (4) the API number, the lease ~~name~~name, and the oil or gas well name and number; and

16 (5) the scheduled date and approximate time of day for commencement of construction activities.

17 (c) Well site disturbed areas shall be minimized. Taking into consideration the geologic target, setbacks, and safety,  
18 the well site shall be located in accordance with API Recommended Practice 51R "Environmental Protection for  
19 Onshore Oil and Gas Production Operations and Leases," and the United States Department of the Interior, Bureau  
20 of Land Management (BLM) "Surface Operating Standards and Guidelines for Oil and Gas Exploration and  
21 Development, the Gold Book," which are incorporated by reference, including subsequent amendments and editions.  
22 Recommended Practice 51R, published by API, may be viewed online ~~at~~for no charge at  
23 ~~<http://publications.api.org/default.aspx>~~~~[http://www.api.org/publications-standards-and-](http://www.api.org/publications-standards-and-statistics/publications/government-cited-safety-documents)~~  
24 ~~[statistics/publications/government-cited-safety-documents](http://publications.api.org/)~~~~<http://publications.api.org/>~~. The Gold Book may be  
25 viewed online for no charge at  
26 [http://www.blm.gov/wo/st/en/prog/energy/oil\\_and\\_gas/best\\_management\\_practices/gold\\_book.html](http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/best_management_practices/gold_book.html).

27 (d) Well sites shall be designed and located pursuant to ~~G.S. 113A, Article 4~~the SPCA and in accordance with the  
28 North Carolina Erosion and Sediment Control Planning and Design Manual.

29 (e) All topsoil shall be stockpiled for reuse during reclamation. Topsoil shall be segregated and stored separately  
30 from subsurface materials. Stockpiles shall be located and protected to minimize wind and water erosion in  
31 accordance with the North Carolina Erosion and Sediment Control Planning and Design Manual.

32 (f) Well pads shall be designed and constructed to support the maximum weight of all vehicles, equipment, and  
33 material on the site.

34 (g) Well pads shall be designed and constructed using surface or subsurface containment systems that prevent spills  
35 or releases of any substances from escaping the well pad.

36 (1) ~~Containment~~containment systems shall be required on the well pad for all equipment used for any  
37 phase of drilling, casing, cementing, hydraulic ~~fracturing~~fracturing, or flowback operations and for

1 all substances including drilling mud, drilling mud additives, hydraulic oil, diesel fuel, hydraulic  
2 fracturing ~~additives~~additives, or flowback fluid.

3 (2) ~~Containment~~containment systems shall have a coefficient of permeability no greater than  $1 \times 10^{-10}$   
4 centimeters per second (cm/sec) and shall be at least 30 millimeters (mils) in thickness.

5 (3) ~~Adjoining~~adjoining sections of containment systems shall be sealed together in accordance with  
6 the manufacturer's directions to prevent leakage.

7 (4) ~~All~~all components of the containment system that could potentially come into direct contact with  
8 any substances shall be compatible with those substances and be resistant to  
9 physical, ~~chemical~~chemical, and other failure during handling, installation and use pursuant to  
10 American Society for Testing and Materials (ASTM) D5747/D5747M-08 (2013) e1 "Standard  
11 Practice for Tests to Evaluate the Chemical Resistance of Geomembranes to Liquids," which is  
12 incorporated by reference, including subsequent amendments and editions. This document,  
13 published by ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken,  
14 PA 19428, may be purchased at a cost of ~~forty-two~~forty-three dollars (~~\$42.00~~)(\$43.00) at  
15 <http://www.astm.org/Standards/D5747.htm>.

16 (5) ~~The~~the permittee shall inspect all containment systems ~~with sufficient regularity~~ to  
17 ensure that integrity is maintained. Containment systems shall be maintained in such manner to  
18 prevent an impact to public health, welfare, and the environment. Containment system inspection  
19 and maintenance records shall be available at the well site for review by the Department.

20 (6) ~~The~~the permittee shall notify the Department if a spill or release occurs at the well site and take  
21 necessary remedial actions in accordance with Rule .2005 of this Subchapter.

22 (7) ~~The~~the permittee shall provide primary and secondary containment when storing additives,  
23 chemicals, oils, or fuels. The secondary containment shall have the capacity to contain 110 percent  
24 of the volume being stored.

25 (h) Well sites shall be constructed to prevent stormwater runoff from entering the well pad. All stormwater control  
26 measures shall be designed and managed in accordance with 15A NCAC 02H and the "North Carolina Division of  
27 Water Quality Stormwater Best Management Practices Manual."

28 (i) All erosion control or stormwater measures shall be maintained according to the approved Well Site  
29 Development Plan.

30  
31 *History Note: Authority G.S. 113-391(a)(4); 113-391(a)(5); 150B-2(8a)h;*  
32 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1503 has been adopted with changes as published in 29:02 NCR 134 as follows:

2  
3 **15A NCAC 05H .1503 ACCESS ROAD CONSTRUCTION STANDARDS**

4 (a) Prior to construction of the access road, the permittee shall post an identification sign pursuant to Rule .1615 of  
5 this Subchapter.

6 (b) Access roads shall be located, designed, and constructed to minimize environmental impact and meet the  
7 requirements of the SPCA, 15A NCAC 04, "North Carolina Erosion and Sediment Control Planning and Design  
8 Manual," 15A NCAC 02H, "North Carolina Division of Water Quality Stormwater Best Management Practices  
9 Manual," and the North Carolina Department of Transportation "Standard Specifications for Roads and ~~Structures,~~  
10 ~~which are incorporated by reference, including subsequent amendments and editions.~~ Structures." The "North  
11 Carolina Erosion and Sediment Control Planning and Design Manual," may be viewed online ~~at for no charge at~~  
12 ~~http://portal.ncdenr.org/web/ir/publications.~~ The Stormwater Best Management Practices Manual may be viewed  
13 ~~online at for no charge at~~ ~~http://portal.ncdenr.org/web/ir/publications.~~ The Standard Specifications for Roads and  
14 Structures, published by the Department of Transportation, may be viewed online ~~at for no charge at~~  
15 ~~http://www.ncdot.org/doh/preconstruct/ps/specifications/specifications\_provisions.html.~~

16 ~~(1) Existing roads shall be used as access routes when feasible.~~

17 ~~(2)~~(1) Accessaccess roads shall be constructed and maintained ~~so emergency response vehicles may to a~~  
18 minimum width of 20 feet and to allow emergency response vehicles to enter the well site at  
19 all times.

20 ~~(3)~~(2) Publicpublic roads shall be kept clear of mud and debris from the well ~~site.~~site; and

21 ~~(4)~~(3) Turnaroundsturnarounds or pull-off areas shall be installed for single-lane access roads exceeding  
22 150 feet in length.

23  
24 *History Note:* Authority G.S. 113-391(a)(4); 391(a)(5);

25 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1504 has been adopted with changes as published in 29:02 NCR 134-136 as follows:

2  
3 **15A NCAC 05H .1504 PIT AND TANK CONSTRUCTION STANDARDS**

4 (a) All pits, series of pits, tanks, and tank batteries shall be constructed and maintained to contain all Exploration  
5 and Production (E & P) wastes from the drilling, completing, recompleting, producing, servicing, and plugging of an  
6 oil or gas ~~well~~ well and shall be constructed, operated and maintained to protect public health, safety, and the  
7 environment.

8 (b) The pit, series of pits, tanks, and tank batteries shall be installed and maintained in accordance with the  
9 following requirements:

10 (1) the location of pit(s) and tanks(s) shall be in accordance with the minimum setbacks as required in  
11 Rules .1601 and .1602 of this Subchapter, or in an approved variance pursuant to Rule .1603 of  
12 this Subchapter;

13 (2) pits shall be located in cut material to the fullest extent possible. Pits shall be constructed adjacent  
14 to the high wall for sloping well sites. If the pit cannot be constructed in cut material, at least 50  
15 percent of the pit shall be constructed below original ground level to prevent failure of the pit dike.  
16 Pit dikes constructed of fill material shall be compacted according to soil texture and moisture  
17 content pursuant to 15A NCAC 02K .0208, which is incorporated by reference, including  
18 subsequent amendments and editions;

19 (3) all pits and open tanks shall maintain a minimum of ~~two~~three feet of freeboard at all ~~times~~times  
20 and be sized so as to contain the projected volume of E&P waste along with the volume of  
21 precipitation that would fall within a 25-year 24-hour storm event;

22 (4) if Paragraph (3) of this Rule is violated, the permittee shall notify the Department within two  
23 hours of discovery and take the necessary actions to ensure the structural stability of the pit or  
24 open tank, prevent spills, and restore the ~~two~~three feet of freeboard; and

25 (5) tank design, installation, and use shall comply with API Specifications 12B "Specification for  
26 Bolted Tanks for Storage of Production Liquids," Specification 12D "Specification for Field  
27 Welded Tanks for Storage of Production Liquids," ~~and~~ Specification 12F "Specification for Shop  
28 Welded Tanks for Storage of Production Liquids," or Specification 12P "Specification for  
29 Fiberglass Reinforced Plastic Tanks," which are incorporated by reference, including subsequent  
30 amendments and editions. These documents, Specifications 12B, 12D, and, published by API,  
31 may be viewed online ~~at~~for no charge  
32 at ~~<http://publications.api.org/default.aspx>~~ <http://publications.api.org/>.

33 (c) Any pit that contains E & P waste shall comply with the following standards:

34 (1) pits shall have ~~an~~ upper primary and ~~lower~~ secondary synthetic liner;

35 (2) each synthetic liner shall have a coefficient of permeability no greater than  $1 \times 10^{-10}$   
36 cm/sec centimeters per second and shall be at least 30 ~~mils~~millimeters in thickness for polyvinyl  
37 chloride or at least 40 ~~mils~~millimeters in thickness for high-density polyethylene;

- 1 (3) each synthetic liner shall be designed, constructed and maintained so that the physical and  
2 chemical characteristics of the liner are not adversely affected by the E & P waste or by ultraviolet  
3 light pursuant to ASTM D5747/D5747M-08 (2013) e1 "Standard Practice for Tests to Evaluate the  
4 Chemical Resistance of Geomembranes to Liquids," which is incorporated by reference, including  
5 subsequent amendments and editions. This document, published by ASTM International, 100  
6 Barr Harbor Drive, PO Box C700, West Conshohocken, PA 19428, may be purchased at a cost of  
7 forty two dollars (\$42.00) at <http://www.astm.org/Standards/D5747.htm>; Liquids";
- 8 (4) the synthetic liner shall be resistant to failures or damage during transportation, handling,  
9 installation, and use;
- 10 (5) adjoining sections of synthetic liners shall be sealed together to prevent leakage and tested in  
11 accordance with the manufacturer's ~~directions;~~directions. Testing results shall be maintained by  
12 the permittee and provided to the Department upon request in accordance with Rule .0202 of this  
13 Subchapter;
- 14 (6) the synthetic liner shall be trenched and anchored into the top of the berm;
- 15 (7) the pit shall be constructed with a leak-detection zone between the upper and lower synthetic  
16 liners designed to:
- 17 (A) reduce the maximum predicted head acting on the lower membrane liner to less than one  
18 inch and to detect a leak within 24 hours;
- 19 (B) function without damaging the liners; and
- 20 (C) ~~designed to~~ allow permittee to monitor, record, ~~and remove~~remove, or repair any leakage  
21 within the zone.
- 22 (8) the liner sub-base shall be smooth, uniform, and free from debris, rock, and other materials that  
23 may puncture, tear, cut, or otherwise cause the liner to fail. The liner sub-base and subgrade shall  
24 be capable of bearing the weight of the material above the liner without causing settling that may  
25 affect the integrity of the liner;
- 26 (9) the pit shall have a perimeter berm that is a minimum of two feet in width along the crest of the  
27 berm, to prevent stormwater runoff from entering the pit; ~~and~~
- 28 (10) the bottom of the pit shall be at least four feet above the seasonal high groundwater table  
29 and ~~bedrock;~~bedrock;
- 30 (11) fencing in accordance with Rule .2006(a) of this Subchapter; and
- 31 (12) netting, screening, or otherwise render nonhazardous to wildlife in accordance with Rule .2006(b)  
32 of this Subchapter.

33 (d) Monitoring and alarm technology shall be used to continuously verify the integrity of the primary pit liner. If  
34 the primary liner failure is discovered at any time, the pit shall be emptied and the liner repaired prior to placing the  
35 pit back in service.

1 (e) The leak detection systems shall be monitored on a monthly basis to determine if the primary liner has failed.  
2 The primary liner has failed if the volume of water passing through the primary liner exceeds the action leakage rate,  
3 as calculated using accepted procedures, or 1,000 gallons per acre per day, whichever is larger.

4 ~~(d)(f)~~ If a liner becomes torn or otherwise loses integrity, the pit shall be managed to prevent the pit contents from  
5 leaking out of the pit, ~~or~~ the pit contents shall be ~~removed~~ removed, and the liner repaired prior to placing the pit  
6 back in service. Pit contents shall be disposed of in accordance with the Waste Management ~~Plan~~ Plan in  
7 accordance with Rule .2002 of this Subchapter.

8 ~~(e)(g)~~ If the liner drops below the ~~two~~ three feet of freeboard, the pit shall be managed to prevent the pit contents  
9 from leaking from the pit and the ~~two~~ three feet of lined freeboard shall be restored.

10 ~~(f)(h)~~ The permittee shall provide and maintain secondary containment for all ~~pits, tanks,~~ tanks and production  
11 equipment of sufficient capacity to contain 110 percent of the volume of either the largest tank within the  
12 containment system or the total volume of all interconnected tanks, whichever is greater. Secondary containment  
13 structures shall be constructed of a material compatible with the fluids being stored and maintained to prevent loss  
14 of fluids.

15 ~~(g)(i)~~ Tanks for the storage of produced hydrocarbons shall not be buried and shall contain the following  
16 components:

17 (1) activated charcoal filters installed on vent stacks. Activated charcoal filters shall be maintained  
18 and replaced according to manufacturer's specifications;

19 (2) low-pressure relief valves installed on vent stacks. Relief valves shall remain functioning at all  
20 times;

21 (3) hatch lids shall have a functioning seal and shall be secured at all times unless the permittee is on-  
22 site; ~~and~~

23 (4) lightning arrestors installed on each tank to comply with API Recommended Practice 2003,  
24 "Protection Against Ignitions Arising out of Static, Lightning, and Stray Currents," which is  
25 incorporated by reference, including subsequent amendments and editions. ~~Recommended~~  
26 ~~Practice 2003;~~ This document, published by API, may be viewed online ~~at~~ for no charge  
27 at <http://publications.api.org/default.aspx>. <http://publications.api.org/>;

28 (5) tanks shall be elevated such that leaks on their sides or bottoms are readily discernible; and

29 (6) tanks shall be installed above a surface impermeable to materials that the tank will contain.

30 ~~(h)(j)~~ The Commission may grant or deny a variance from any construction standard of this Rule. The applicant or  
31 permittee shall submit a request for a variance in accordance with Rule .0301 of this Subchapter. In granting or  
32 denying the request the Commission shall ~~consider factors such as~~ determine that the applicant or permittee has met  
33 the following two factors:

34 (1) the requested variance to deviate from the standards and rule will provide equal or greater  
35 protection of public health, welfare, and the environment; and

36 (2) construction in accordance with the standards of this Rule is not technically or economically  
37 feasible.

1

2 *History Note: Authority 113-391(a)(5)c; 113-391(a)(5)d;*

3 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1601 has been adopted with changes as published in 29:02 NCR 136 as follows:

2  
3 **SECTION .1600 – WELL CONSTRUCTION AND COMPLETION**  
4

5 **15A NCAC 05H .1601 SETBACK DISTANCES**

6 (a) Each oil or gas well, production facility, tank, tank battery, or pit shall comply with the following setback  
7 distances as measured from the center of a wellhead and the edge of the pit, production facility equipment, tank, or  
8 tank battery closest to the features below:

- 9 (1) occupied dwellings and high occupancy buildings: 650 feet;  
10 (2) edge of a public road, highway, utility or railroad track right-of-way, or other right-of-way:  
11 100 feet;  
12 (3) a perennial stream, river, watercourse, pond, lake, or other natural and artificial bodies of  
13 ~~Water~~water, including wetlands and trout stream:  
14 200 feet;  
15 (4) intermittent stream: 100 feet;  
16 and  
17 (5) a public or private water well intended for human consumption or household purpose:  
18 650 feet.

19 (b) The permittee shall ensure a minimum setback of 100 feet from the center each oil or gas wellhead, and the  
20 closest edge of a tank, tank battery, or pit to the edge of the mapped 100-year floodplain and floodway.

21 (c) The permittee shall ensure a minimum setback of 1,500 feet downgrade from each oil or gas wellhead, tank,  
22 tank battery, pit, or production facility to the edge of any surface water impoundment that serves as a municipal  
23 drinking water supply or to the edge of any river having a drainage area greater than 140 square miles and upstream  
24 of a municipal drinking water supply point. For surface water impoundments, the edge shall be measured from the  
25 nearest point of the most landward limit of the normal water level or the rooted herbaceous vegetation. For any river  
26 upstream of a municipal drinking water supply point, the edge shall be measured from the nearest, most landward  
27 limit of the bank or the rooted herbaceous vegetation.

28 (d) Nothing in this Rule prohibits a local government exercising its existing authority consistent with G.S. 113-  
29 415.1.

30  
31 *History Note: Authority G.S. 113-391(a)(5)d;*  
32 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1602 has been adopted with changes as published in 29:02 NCR 136 as follows:

2

3 **15A NCAC 05H .1602 PRODUCTION FACILITY SAFETY SETBACK DISTANCES**

4 (a) A the closest edge of a pit, tank, or tank battery shall be a minimum of 75 feet from the center of any wellhead.

5 (b) A tank edge shall be a minimum of five feet from another ~~tank edge~~.

6 (c) A mechanical separator or compressor shall be located the minimum distance from any of the following:

7 (1) the center of a wellhead: 50 feet; and

8 (2) the closest edge of a tank: 75 feet.

9 (d) All production ~~facility equipment, facilities,~~ excluding gathering lines, whose contents may be heated shall be

10 located a minimum distance of 75 feet from edge of a tank or the center of a wellhead.

11

12 *History Note: Authority G.S. 113-391(a)(5)d;*

13 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1604 has been adopted with changes as published in 29:02 NCR 137 as follows:  
2

3 **15A NCAC 05H .1604 PROHIBITED SUBSTANCES**

4 (a) The Commission ~~shall incorporate~~incorporates by reference, including subsequent amendments and editions, the  
5 "Permitting Guidance for Oil and Gas Hydraulic Fracturing Activities Using Diesel Fuels – Draft: Underground  
6 Injection Control Program Guidance #84," published by the United States Environmental Protection Agency.  
7 Copies of this document may be obtained online ~~at~~for no charge  
8 at: ~~<http://water.epa.gov/type/groundwater/uic/class2/hydraulicfracturing/upload/hfdieselfuelsguidance.pdf>~~. <http://water.epa.gov/type/groundwater/uic/class2/hydraulicfracturing/upload/epa816r14001.pdf>.  
9

10 (b) Any substance identified by one or more of the following Chemical Abstract Service Registry Numbers listed in  
11 the United States Environmental Protection Agency's "Permitting Guidance for Oil and Gas Hydraulic Fracturing  
12 Activities Using Diesel Fuels" shall not be used in the subsurface:

- 13 (1) 68334-30-5, Primary Name: Fuels, diesel;
- 14 (2) 68476-34-6, Primary Name: Fuels, diesel, Number 2;
- 15 (3) 68476-30-2, Primary Name: Fuel oil Number 2;
- 16 (4) 68476-31-3, Primary Name: Fuel oil, Number 4; and
- 17 (5) 8008-20-6, Primary Name: ~~Kerosene~~, and Kerosene.
- 18 ~~(6) 68410-00-4, Primary Name: Distillates (petroleum), crude oil.~~

19 (c) Drilling fluids and hydraulic fracturing fluids shall not be formulated to include benzene, toluene, ethylbenzene,  
20 or xylene.

21

22 *History Note: Authority G.S. 113-391(a)(5)g;*  
23 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1605 has been adopted with changes as published in 29:02 NCR 137-138 as follows:  
2

3 **15A NCAC 05H .1605 CASING AND EQUIPMENT REQUIREMENTS**

4 (a) All casing and tubing installed in oil or gas wells shall be steel, steel alloy, or other material that has been  
5 manufactured to meet or exceed the American Petroleum Institute (API) standards. All casing and tubing material  
6 shall be manufactured according to API standards; all previously used casing shall comply with design parameters  
7 for the oil or gas well, pass a hydrostatic test, a drift test, and a wall thickness test pursuant to API Specification 5CT  
8 "Specification for Casing and Tubing," and API Specification 5B "Specification for Threading, Gauging, and Thread  
9 Inspection of Casing, Tubing, and Line Pipe Threads," which are incorporated by reference, including subsequent  
10 amendments and editions. ~~These documents, published by API, documents may be purchased at a cost of two~~  
11 ~~hundred thirty seven dollars (\$237.00) at <http://www.techstreet.com/api/products/1802047> and one hundred~~  
12 ~~eighteen dollars (\$118.00) at <http://www.techstreet.com/api/products/1555125> respectively, or by mail at~~  
13 ~~Techstreet, 3916 Ranchero Drive, Ann Arbor, MI 48108. viewed online for no charge at <http://publications.api.org/>.~~  
14 The casing shall be marked to verify the test results and the permittee shall provide a copy of the test results to the  
15 Department before the casing is installed in the wellbore.

16 (1) Casing shall be designed to have a minimum internal yield pressure rating that is 20 percent  
17 greater than the maximum anticipated pressure to which the casing may be subjected ~~to~~ during  
18 drilling, completion, or production operations.

19 (2) Where subsurface reservoir pressure is unknown and cannot be reasonably ~~anticipated~~, anticipated  
20 by the applicant or permittee, the permittee shall assume a pressure gradient of 0.433 pounds per  
21 square inch (psi) per foot in a fully evacuated hole, under shut-in conditions.

22 (3) All casing and tubing connections shall be torqued to the manufacturer's specifications and shall  
23 comply with API Recommended Practice 5A3 "Recommended Practice on Thread Compounds for  
24 Casing, Tubing, Line Pipe, and Drill Stem Elements," and API Recommended Practice 5C5  
25 "Recommended Practice on Procedures for Testing Casing and Tubing Connections," which are  
26 incorporated by reference, including subsequent amendments and editions. ~~These documents,~~  
27 ~~published by API, documents may be purchased at a cost of one hundred forty five dollars~~  
28 ~~(\$145.00) at <http://www.techstreet.com/api/products/1657246> and one hundred sixty three dollars~~  
29 ~~(\$163.00) at <http://www.techstreet.com/api/products/1087582> respectively, or by mail at~~  
30 ~~Techstreet, 3916 Ranchero Drive, Ann Arbor, MI 48108. viewed online for no charge at~~  
31 <http://publications.api.org/>.

32 (b) The permittee shall verify casing integrity by pressure testing each cemented casing string greater than 200 feet  
33 in length in accordance with the following test method:

34 (1) test the casing string, prior to drilling the cement plug or stimulating the oil or gas well, at a  
35 minimum pump pressure in psi, that is calculated by multiplying the length of the casing string, in  
36 feet, by ~~0.2~~; ~~but in no event shall 0.2.~~ The pressure test shall not exceed 1,500 psi;

37 (2) this pressure test shall be conducted for 30 minutes; and

1           (3) ~~\_\_\_\_\_~~ if the pressure has dropped by more than 10 percent, then the casing string has failed to meet the  
2 integrity ~~requirements;~~requirements. ~~The permittee shall not drill the cement plug or stimulate the~~  
3 ~~oil or gas well until the condition has been corrected; or~~

4           (3) ~~\_\_\_\_\_~~ the permittee shall not drill the cement plug or stimulate the oil or gas well until the condition has  
5 ~~been corrected; and~~

6           (4) ~~\_\_\_\_\_~~ if the pressure has dropped by no more than 10 percent, then the casing string has met the integrity  
7 ~~requirements. ~~the~~The~~ casing string has met the integrity requirements if the pressure has dropped  
8 by no more than 10 percent of testing pressure.

9 (c) The wiper plug and float collar assembly shall be set with a minimum cement displacement pressure of 500 psi.

10 (d) All casing shall be centralized to allow the cement to fill the annular space to the surface in order to isolate  
11 critical zones including: aquifers, flow zones, voids, lost circulation zones, coal layers, and hydrocarbon production  
12 zones. Casing strings shall comply with API Recommended Practice 10D-2 "Recommended Practice for Centralizer  
13 Placement and Stop Collar Testing," which is incorporated by reference, including subsequent amendments and  
14 editions. ~~This document, published by API, document~~ may be purchased at a cost of seventy seven dollars (\$77.00)  
15 at ~~http://www.techstreet.com/api/products/1173247 or by mail at Techstreet, 3916 Ranchero Drive, Ann Arbor, MI~~  
16 ~~48108. viewed online for no charge at http://publications.api.org/.~~

17           (1) All bow-spring centralizers shall comply with API Specification 10D "Specification for Bow-  
18 Spring Casing Centralizers," which is incorporated by reference, including subsequent  
19 amendments and editions. ~~This document, published by API, document~~ may be purchased at a cost  
20 of eighty nine dollars (\$89.00) at ~~http://www.techstreet.com/api/products/957236 or by mail at~~  
21 ~~Techstreet, 3916 Ranchero Drive, Ann Arbor, MI 48108. viewed online for no charge at~~  
22 ~~http://publications.api.org/.~~

23           (2) All rigid centralizers shall comply with API Technical Report 10TR4 "Considerations Regarding  
24 Selection of Centralizers for Primary Cementing Operations," which is incorporated by reference,  
25 including subsequent amendments and editions. ~~This document, published by API, document~~ may  
26 be ~~purchased~~ at a cost of sixty one dollars (\$61.00) at  
27 ~~http://www.techstreet.com/api/products/1568067 or by mail at Techstreet, 3916 Ranchero Drive,~~  
28 ~~Ann Arbor, MI 48108. viewed online for no charge at http://publications.api.org/.~~

29 (e) All packers and bridge plugs shall comply with API Specification 11D1 "Packers and Bridge Plugs," which is  
30 incorporated by reference, including subsequent amendments and editions. ~~This document, published by~~  
31 ~~API, document~~ may be ~~purchased~~ at a cost of ninety eight dollars (\$98.00) at  
32 ~~http://www.techstreet.com/api/products/1634486 or by mail at Techstreet, 3916 Ranchero Drive, Ann Arbor, MI~~  
33 ~~48108. viewed online for no charge at http://publications.api.org/.~~

34  
35 *History Note: Authority G.S. 113-391(a)(5)c;*  
36 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1606 has been adopted with changes as published in 29:02 NCR 138-139 as follows:

2  
3 **15A NCAC 05H .1606 CEMENTING STANDARDS**

4 (a) All cement pumped into the wellbore shall consist of cement that is manufactured and tested pursuant to API  
5 Specification 10A "Specification for Cements and Materials for Well Cementing" or the American Society for  
6 Testing and Materials (ASTM) Standard Specification "C150/C150M Standard Specification for Portland Cement,"  
7 which are incorporated by reference, including subsequent amendments and editions. Specification 10A, published  
8 by API, may be ~~purchased at a cost of one hundred forty-five dollars (\$145.00) at~~  
9 ~~http://www.techstreet.com/api/products/1757666 or by mail at Techstreet, 3916 Ranchero Drive, Ann Arbor, MI~~  
10 ~~48108, viewed online for no charge at http://publications.api.org/~~. Specification C150/C150M, published by ASTM,  
11 may be purchased at a cost of forty-one dollars (\$41.00) at <http://www.astm.org/Standards/C150.htm> or by mail at  
12 100 Barr Harbor Drive, West Conshohocken, PA 19428-2959.

13 (b) The permittee, or an authorized representative of the permittee, shall be ~~on-site~~onsite for all cement mixing and  
14 placement operations to monitor the cement mixing equipment and to ensure that cement slurry design parameters  
15 are followed.

16 (c) Cement shall be pumped at a rate and in a flow regime that minimizes channeling of the cement in the annulus.

17 (d) Cement mixtures for which published performance data are not available shall be tested by  
18 the ~~permittee~~permittee or the service company. The cement test results shall be included with the Form 2 – Oil or  
19 Gas Well Permit Application confirming that the cement mixture meets API Specification 10A "Specification for  
20 Cements and Materials for Well Cementing."

21 (e) The Department may ~~require~~require by permit ~~condition~~condition a specific cement mixture to be used in any  
22 oil or gas ~~well~~based on site-specific situations, such as the salinity of subsurface groundwater zones or the presence  
23 of geological hazards.

24 (f) All cement shall reach a compressive strength of at least 500 pounds per square inch (psi) prior to conducting the  
25 casing integrity test required by Rule ~~1605~~1605(b) of this Section.

26  
27 *History Note: Authority G.S. ~~113-391(a)(5)~~113-391(a)(5)c;*

28 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1607 has been adopted with changes as published in 29:02 NCR 139 as follows:

2  
3 **15A NCAC 05H .1607 WELL INSTALLATION**

4 (a) The Department may ~~establish~~,establish by permit ~~conditions~~,conditions additional oil or gas well construction  
5 standards that provide greater protection of human health, safety, and the ~~environment~~environment based on site-  
6 specific conditions such as the geology of the area.

7 (b) The permittee shall notify the Department at least 48 hours via telephone or email prior to spudding the oil or  
8 gas well. The contact information is set forth in Rule .0201 of this Subchapter. The permittee shall submit Form 11 –  
9 Required Notifications to the Department, by mail, email, or fax within five calendar days of the telephone or email  
10 notice and shall include the following information:

- 11 (1) the permittee's name, address, telephone number, fax number, and email address;
- 12 (2) the county and nearest city or town where the oil or gas well is located;
- 13 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
14 from a public road to the well pad;
- 15 (4) the API number, the lease name, and the oil or gas well name and number; and
- 16 (5) the scheduled date and approximate time for spudding the oil or gas well.

17 (c) The permittee shall notify the Department at least 48 hours prior to setting and cementing any casing string via  
18 telephone or email, in order to allow the Department to participate in pre-job safety and procedural meetings,  
19 independently test cement mix water, evaluate casing condition, and observe and document the execution of the  
20 cementing operation. The contact information is set forth in Rule .0201 of this Subchapter. The permittee shall  
21 submit Form 11 – Required Notifications to the Department, by mail, email, or fax within five calendar days of the  
22 telephone or email notice and shall include the following information:

- 23 (1) the permittee's name, address, telephone number, fax number, and email address;
- 24 (2) the county and nearest city or town where the oil or gas well is located;
- 25 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
26 from a public road to the well pad;
- 27 (4) the API number, the lease name, and the oil or gas well name and number; and
- 28 (5) the scheduled date and approximate time for setting and cementing any casing string.

29 (d) If a mousehole or rathole is used, it shall be constructed of liquid-tight steel pipe with a welded-basal plate.

30 (e) A wellbore shall be drilled using air, water, water-based drilling fluid, or a combination thereof until all fresh  
31 groundwaters have been isolated.

- 32 (1) Drilling fluids that cause a violation of ~~standards established in~~ 15A NCAC 02L, which is  
33 incorporated by reference including subsequent amendments, shall not be used until all  
34 groundwaters have been isolated.

- 35 (2) Only freshwaters shall be used for mixing all drilling fluids.

36 (f) A wellbore shall be drilled to provide a minimum of a one-inch annulus, as measured from the casing.

37 (g) The wellbore shall be conditioned prior to cementing to ensure an adequate cement bond between the casing and  
38 the formation by circulating the total volume of drilling fluid in the wellbore a minimum of two times. The drilling

1 fluid rheology shall be adjusted to optimize conditions for displacement of the drilling fluid and to ensure that the  
2 wellbore is stable.

3 (h) All casing strings shall be rotated and reciprocated during the emplacement of cement to circulate the cement  
4 surrounding the casing string to fill the annulus.

5 (i) Stormwater shall be prevented from infiltrating the wellbore by crowning the location around the wellbore to  
6 divert fluids as approved in the Well Site Development ~~Plan~~Plan in accordance with Rule .1502(a) of this  
7 Subchapter.

8

9 *History Note: Authority G.S. 113-391(a)(5)c;*  
10 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1608 has been adopted with changes as published in 29:02 NCR 139 as follows:  
2

3 **15A NCAC 05H .1608 WELL INSTALLATION FOR CONDUCTOR CASING**

4 (a) Conductor casing design and setting depth shall be based on the geological conditions at the wellbore location,  
5 including the presence or absence of hydrocarbons and potential drilling hazards.

6 (b) Conductor casing shall be cemented from bottom to ~~top~~top, with return to the surface. If cement does not  
7 return to the surface, the permittee shall consult with and obtain approval from the Department to determine the  
8 appropriate method to emplace cement.

9 (c) Conductor casing shall:

10 (1) stabilize unconsolidated sediments;

11 (2) isolate and seal off shallow ~~groundwaters~~groundwater zones;

12 (3) isolate any shallow drilling hazards, hydrocarbon bearing zones, or coal formations;

13 (4) provide a stable platform for oil or gas well construction; and

14 (5) provide solid structural anchorage for a diverter system in air drilling operations.

15 (d) A mechanical or cement seal shall be installed at the surface to block downward migration of surface pollutants.  
16

17 *History Note: Authority G.S. 113-391(a)(5)c;*

18 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1609 has been adopted with changes as published in 29:02 NCR 139-140 as follows:

2  
3 **15A NCAC 05H .1609 WELL INSTALLATION FOR SURFACE CASING**

4 (a) Surface casing shall be set into competent bedrock to a depth of at least 100 feet below the base of the deepest  
5 groundwaters but above any hydrocarbon strata containing fluids or gases that could negatively impact the quality of  
6 the cement or proper functioning of the oil or gas well.

7 (b) Surface casing shall be cemented from bottom to ~~top~~top, with return to the surface. If cement does not return to  
8 the surface, the permittee shall consult with and obtain approval from the Department to determine the appropriate  
9 method to emplace cement.

10 (c) Surface casing shall:

11 (1) isolate and seal off shallow groundwaters;

12 (2) provide a stable platform for oil or gas well construction; and

13 (3) contain pressures and fluids from subsequent ~~drilling, completion, and production~~  
14 operations-drilling operations to the next planned casing setting point.

15 (d) The surface casing shall be set into competent bedrock at a depth sufficient for the permittee to ensure the  
16 blowout preventer (BOP) can contain any formation pressure that may be encountered when drilling the next section  
17 of the wellbore below the base of the surface casing string.

18 (e) The permittee shall collect correlation logs, core samples, and drill cutting samples to identify groundwaters,  
19 zones of formational instability, and competent bedrock to ~~be submitted~~submit to the Department with the Form 12  
20 – Well Drilling Report required in Rule .1623 of this Section.

21 (f) Surface casing shall be cemented before drilling through any hydrocarbon-bearing stratum.

22 (g) If geologic hazards such as heaving shale, abnormal pressure, annular flow or other potential flow zones are  
23 encountered, drilling shall stop, and casing shall be set and cemented before drilling continues.

24 (h) A ~~formation~~Formation integrity ~~test~~Test (FIT) shall be completed after drilling out below the base of  
25 the surface ~~casing, casing~~ into at least 20 feet, but not more than 50 ~~feet~~feet, of new formation. The FIT shall be  
26 completed in accordance with API Standard 65-Part 2 "Isolating Potential Flow Zones During Well Construction,"  
27 which is incorporated by reference, including subsequent amendments and editions. This ~~document, published by~~  
28 API, document may be viewed online ~~at~~ for no charge  
29 at ~~http://publications.api.org/default.aspx~~http://publications.api.org/. If the ~~formation fails the FIT, FIT fails~~, the  
30 permittee shall consult with the Department to determine remedial or corrective actions necessary before operations  
31 continue.

32  
33 *History Note: Authority G.S. 113-391(a)(5)c;*  
34 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1610 has been adopted with changes as published in 29:02 NCR 140 as follows:

2  
3 **15A NCAC 05H .1610 WELL INSTALLATION FOR INTERMEDIATE CASING**

4 Intermediate casing shall isolate groundwaters that have not been isolated by the surface casing and isolate flow  
5 zones, lost circulation zones, or other geologic hazards in accordance with the following:

- 6 (1) if used to isolate groundwaters, the casing shall be set into competent bedrock to a depth of at least  
7 200 feet below the deepest groundwaters. The casing string shall be cemented from the bottom to  
8 a minimum of 100 feet above the top of the shallowest groundwaters;
- 9 (2) if used to mitigate ~~unanticipated~~ geologic hazards, such as heaving shale, abnormal pressure,  
10 annular flow or other potential flow zones, the casing shall be set to a depth appropriate to mitigate  
11 the hazard. The casing string shall be cemented from across such hazards and from the bottom to  
12 200 feet above the base of the previous casing string;
- 13 (3) the permittee shall collect correlation logs, core samples, and drill cutting samples to identify  
14 groundwaters, zones of formational instability, and competent bedrock to ~~be submitted~~ submit to  
15 the Department with the submission of Form 12 – Well Drilling Report as required in Rule .1623  
16 of this Section;
- 17 (4) if the intermediate wellbore penetrates one or more potential flow zones, the cement used to  
18 control annular gas migration from the potential flow zones shall be designed to comply with API  
19 Standard 65-Part 2 "Isolating Potential Flow Zones During Well Construction," which is  
20 incorporated by reference, including subsequent amendments and editions. This ~~document,~~  
21 ~~published by API,~~ document may be viewed online ~~at~~ for no charge  
22 at ~~http://publications.api.org/default.aspx~~ http://publications.api.org/.
- 23 (5) a cement bond log (CBL) for the intermediate casing string shall be completed after cement has  
24 reached a compressive strength of 500 psi to demonstrate the cementing operation was completed  
25 in accordance with this Rule and to locate casing collars and centralizers. Drilling shall not  
26 commence until the CBL is complete;
- 27 (6) if there is a failure to isolate groundwater zones, the permittee shall submit a plan of remediation  
28 to the Department for approval and implement such plan by performing remedial operations prior  
29 to continuing drilling operations. If the deficiencies cannot be remedied, the oil or gas well shall  
30 be plugged and abandoned in accordance with Rule .1618 of this Section;
- 31 (7) a formation integrity test (FIT) shall be completed after drilling out below the base of the  
32 intermediate casing, into at least 20 feet, but not more than 50 feet of new formation. The FIT  
33 shall be completed in accordance with API Standard 65-Part ~~2.2, "Isolating Potential Flow Zones~~  
34 ~~During Well Construction," which is incorporated by reference, including subsequent amendments~~  
35 ~~and edition. This document, published by API,~~ document may be viewed online ~~at~~ for no charge  
36 at ~~http://publications.api.org/default.aspx~~. If the formation fails the FIT, ~~FIT fails~~, the permittee  
37 shall consult with the Department to determine remedial or corrective actions necessary before  
38 operations continue; and

1           (8)     the permittee shall identify the top of the cement and submit a plan of remediation to the  
2           Department for approval and implementation if ~~operations~~operational parameters, such as fluid  
3           returns, lift pressure, and displacement indicate to the permittee inadequate coverage of any flow  
4           zones, lost circulation zones, or any strata containing groundwater.

5

6     *History Note:*     *Authority G.S. 113-391(a)(5)c;*  
7                         *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1611 has been adopted with changes as published in 29:02 NCR 141 as follows:  
2

3 **15A NCAC 05H .1611 WELL INSTALLATION FOR PRODUCTION CASING**

4 (a) Production casing shall be installed and cemented from the bottom to 200 feet above the base of the previous  
5 casing string. Notwithstanding the foregoing, a production zone may be completed using a non-cemented production  
6 liner in accordance with Paragraph ~~(b)~~(c) of this Rule.

7 (b) Installation of production casing or installation of production liners shall comply with the following:

- 8 (1) logging of the wellbore shall be performed prior to installation of the production casing to measure  
9 and evaluate the rock sections;
- 10 (2) a CBL shall be completed after the cement has reached a compressive strength of 500 psi to verify  
11 the cementing operation was completed and to locate the casing collars and centralizers. Well  
12 completion shall not commence until the CBL has been completed;
- 13 (3) the permittee shall submit a plan of remediation to the Department for approval if the cement  
14 evaluation indicates a failure to isolate groundwater zones, and if the plan is approved, implement  
15 such plan by performing remedial operations prior to continuing drilling operations. If the  
16 Department or the permittee determine the deficiencies cannot be remedied, the oil or gas well  
17 shall be plugged and abandoned in accordance with Rule .1618 of this Section; and
- 18 (4) for cemented well completions, the base of the production casing shall be cemented into or below  
19 the production zone. For open-hole well completions, the base of the production casing shall be  
20 cemented into or above the production zone.

21 ~~(b)(c)~~ A production liner may be used as production casing if the following criteria are met:

- 22 (1) the surface casing is used as the groundwater isolation casing;
- 23 (2) the intermediate casing is set for a reason other than isolation of groundwater; and
- 24 (3) the production liner shall be cemented with a minimum of 200 feet of cement above the base of  
25 the previous casing string.

26 ~~(c)(d)~~ The production liner top shall be pressure tested to at least 500 psi, for a period of 30 minutes, above the  
27 maximum anticipated ~~pressure~~pressure, as determined by the permittee, in the wellbore during well completion and  
28 production operations. If after 30 minutes the pressure has dropped by more than 10 percent, the permittee shall not  
29 resume operations until the condition has been corrected and verified by passing a subsequent ~~passing~~pressure test.  
30

31 *History Note: Authority G.S. 113-391(a)(5)c;*  
32 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1614 has been adopted with changes as published in 29:02 NCR 142 as follows:  
2

3 **15A NCAC 05H .1614 WELLHEAD REQUIREMENTS**

4 (a) All ~~wellhead~~wellheads assemblies ~~intended for production~~ shall be installed and maintained in accordance with  
5 API Specification 6A "Specification for Wellhead and Christmas Tree Equipment," which is incorporated by  
6 reference, including subsequent amendments and editions. This ~~document, published by API,~~document may be  
7 viewed online ~~at~~for no charge at ~~http://publications.api.org/default.aspx.~~ http://publications.api.org/.

8 (b) All ~~other wellhead~~other wellheads assemblies shall be pressure rated to withstand operating pressures 100 percent  
9 above the maximum anticipated operating pressure during drilling, maintenance, remediation, stimulation, and  
10 production.

11 (c) All oil or gas wells shall be equipped so that ~~no~~ oil, gas, or condensate ~~is able to leak,~~does not leak from the  
12 wellhead.

13 (d) All valves shall be installed and be accessible so that pressure readings can be observed on the casing and tubing  
14 at any time by the Department. Valves shall be designed to accommodate a one-half (0.5) inch National Pipe  
15 Thread pressure connection. The Christmas tree shall also be similarly equipped to allow pressure monitoring of the  
16 production tubing.

17 (e) All intermediate and production casing annuli shall be equipped with a functioning pressure relief valve that is  
18 set at 50 percent of the maximum surface pressure recorded during  
19 the ~~formation~~Formation integrity~~Integrity test~~Test (FIT) at the base of the previous casing string.

20 (f) The permittee shall notify the Department within 24 hours ~~If~~if the annular pressure measured at the surface  
21 exceeds 0.303 multiplied by the length of the casing string, or upon discovering the activation of the pressure  
22 relief ~~valve,~~valve. ~~the permittee shall notify the Department within 24 hours via telephone or email to~~The  
23 Department shall determine appropriate action to remedy annular over-pressurization.

24 (g) A check valve shall be installed in the flowline downstream of the Christmas tree to prevent the return of fluids  
25 into the oil or gas well.

26  
27 *History Note: Authority G.S. 113-391(a)(5)c; 113-391(a)(5)i;*

28 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1615 has been adopted with changes as published in 29:02 NCR 142-143 as follows:

2  
3 **15A NCAC 05H .1615 WELL SITE MAINTENANCE AND SECURITY**

4 (a) A functioning blowout preventer (BOP) shall be installed and used during maintenance, remediation, and  
5 stimulation operations in accordance with Rule .1616 of this Section.

6 (b) The permittee shall perform well servicing, excluding workovers, and equipment  
7 maintenance ~~operations~~, operations between the hours of 6:00 a.m. and 9:00 p.m.

8 (c) The permittee may perform emergency repairs at any time.

9 (d) A temporary work zone sign, "Authorized Personnel Only Beyond This Point" shall be posted at all  
10 ingress ~~and~~ egress points leading from a public road to the well pad at least 200 feet from the activity area during  
11 drilling, maintenance, remediation, and stimulation operations.

12 (e) Fencing no less than three feet in height shall be installed around the outer boundary of the well pad to restrict  
13 unauthorized access to the well pad during drilling and completion operations.

14 (f) Equipment that is not used in the production of ~~the~~ oil or gas ~~well~~ shall not be stored within the well site.

15 (g) Equipment, vegetation, and refuse shall be maintained in order to ensure protection of the environment, public  
16 health, and safety in accordance with API Recommended Practice 51R "Environmental Protection for Onshore Oil  
17 and Gas Production Operations and Leases," which is incorporated by reference, including subsequent amendments  
18 and editions. This ~~document, published by API,~~ document may be viewed online ~~at~~ for no charge  
19 at ~~http://publications.api.org/default.aspx.~~ http://publications.api.org/.

20 (h) A permanent fence shall be installed around the wellhead, tank battery, separator, and all associated production  
21 equipment prior to placing any oil or gas well into production. Fencing shall be:

- 22 (1) placed no closer than 50 feet to the wellhead or any portion of the tank battery;
- 23 (2) composed of chain link that is no less than six feet in height and shall be topped with restrictive  
24 wire to prevent unauthorized access;
- 25 (3) securely anchored in the ground; and
- 26 (4) gated with locks and no less than four feet in width. ~~If there are two or more tanks in~~ a tank  
27 battery, the permittee shall provide two gates on opposite sides of the production facility.

28 (i) ~~The Commission, upon written request with justification by the permittee,~~ Commission may grant a variance to  
29 the permanent fencing requirements in accordance with Rule .0301 of this Subchapter. In granting or denying the  
30 variance request, the Commission shall consider factors such as:

- 31 (1) zoning of the area;
- 32 (2) land use; and
- 33 (3) configuration and size of the well pad.

34 (j) All gates, electrical boxes, and valves controlling the flow of production fluid for a site under production shall be  
35 locked unless in use, under repair, or if the permittee or an authorized representative of the permittee is on-site. The  
36 permittee shall provide keys or combinations to the Department and local emergency responders upon request.

37 (k) All brine and oil pick-up lines shall be secured by bull plugs.

1 (l) All oil or gas wells shall have an identification sign, in accordance with Paragraph (m) of this Rule, posted in a  
2 place easily seen or noticed on or near the oil or gas wellhead or the tank battery until final abandonment, in  
3 accordance with the following:

- 4 (1) the identification sign shall be posted within 72 hours after drilling activities cease;
- 5 (2) if multiple oil or gas wells are produced into a tank battery, each wellhead shall be identified; and
- 6 (3) any change of ownership shall be shown on the signs at the wellhead or tank battery no later than  
7 60 calendar days after the date of the assignment or approval of the transfer.

8 (m) Identification signs shall be constructed of weatherproof and rustproof material and maintained to remain  
9 legible at all times. Each sign shall include, at a minimum, the following information in two-inch or larger letters:

- 10 (1) the permittee's name, address, business telephone number, and emergency telephone number;
- 11 (2) the ~~county, city, county and nearest city~~ or town where the oil or gas well is located;
- 12 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
13 from a public road to the well pad, if nearest street address is used, "nearest address" shall be  
14 designated on the sign;
- 15 (4) the API number, the lease name, and the oil or gas well name and number; and
- 16 (5) the local emergency response telephone number.

17 (n) The identification sign shall be posted at the following locations:

- 18 (1) the ingress ~~or~~and egress points leading from a public road to the well pad; and
- 19 (2) the outside of the fence that surrounds the well pad.

20 (o) "Danger, Keep Out" and "No Smoking or Open Flame" signs shall be attached to each side of the fencing  
21 surrounding the wellhead and tank battery. If fencing has not been installed, the signs shall be attached to the  
22 wellhead and tank battery. A "No Smoking Beyond This Point" sign shall be posted at ingress or egress points  
23 leading from a public road to the well pad.

24

25 *History Note: Authority G.S. 113-391(a)(5)i;*  
26 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1616 has been adopted with changes as published in 29:02 NCR 143-144 as follows:  
2

3 **15A NCAC 05H .1616 WELL-CONTROL AND BLOWOUT PREVENTION**

4 (a) During drilling, all oil or gas wells shall be equipped with a well-control system that includes a blowout  
5 preventer (BOP). The well-control system shall meet the following requirements:

- 6 (1) be functional at all times and ~~has been~~ tested to working pressures at least 50 percent above the  
7 hydrostatic pressures anticipated in the oil or gas well;
- 8 (2) BOP equipment shall be in compliance with API Standard 53 "Blowout Prevention Equipment  
9 Systems for Drilling Wells," which is incorporated by reference, including subsequent  
10 amendments and editions. ~~This document, published by API, document~~ may be viewed  
11 online ~~at~~ for no charge at ~~http://publications.api.org/default.aspx;~~ http://publications.api.org/;
- 12 (3) the BOP shall be installed and tested as required in Subparagraph (a)(1) prior to drilling the  
13 surface-casing cement plug; plug. The BOP shall be retested as required in Subparagraph (a)(1) of  
14 this Rule prior to drilling the cement plug in each subsequent casing string; and
- 15 (4) during drilling operations, the shear-ram BOP shall be tested by closing the BOP at least  
16 once ~~daily~~ weekly in open hole ~~conditions;~~ the conditions. The annular BOP shall be tested by  
17 closing on the drill pipe at least once each ~~week;~~ week.

18 (b) The permittee shall notify the Department via telephone or email at least 48 hours prior to testing the BOP. The  
19 contact information is set forth in Rule .0201 of this Subchapter. Test results shall be posted at the well site for  
20 review and available to the Department on request. The permittee shall submit Form 11 – Required Notifications to  
21 the Department, by mail, email, or fax within five calendar days of the telephone or email notice and shall include  
22 the following information:

- 23 (1) the permittee's name, address, telephone number, fax number, and email address;
- 24 (2) the county and nearest city or town where the oil or gas well is located;
- 25 (3) the property street ~~address~~ address, or nearest address to the ingress ~~or~~ and egress point leading  
26 from a public road to the well pad;
- 27 (4) the API number, the lease name, and the oil or gas well name and number; and
- 28 (5) the scheduled date and approximate time for the BOP test.

29 (c) The quantity of drilling fluid of sufficient weight to maintain well control shall be located on the well site during  
30 drilling operations.

31 (d) If drilling with ~~a mud system,~~ mud, the drilling-fluid system shall be designed to maintain control of the oil or  
32 gas well to minimize the potential of a hydrostatic pressure surge when the drilling assembly is inserted into or  
33 removed from the wellbore.

34 (e) A diverter system shall be installed while drilling the surface casing wellbore in geographic areas that have not  
35 yet been drilled, unless the requirement is waived by the Department based on prior drilling data that confirms  
36 shallow gas and other drilling hazards are not present.

1 ~~(e)~~(f) If drilling with ~~air~~, air or drilling into formations where the expected reservoir pressure, as determined by the  
2 permittee, exceeds the weight of the drilling fluid column, a ~~rotating~~ diverter system shall be installed to divert any  
3 wellbore fluids away from the rig floor to a circulation pit or tank at least 80 feet from the wellbore.

4 (g) All diverter systems shall be maintained in working condition and shall be function tested when installed and at  
5 regular intervals during drilling operations. There must be two diverter control stations, one on the drilling floor and  
6 one located at a safe distance from the drilling operations. No well shall continue drilling operations if a test or  
7 other information indicates the diverter system is unable to function or operate as designed.

8 ~~(f)~~(h) The permittee shall have an individual certified from an accredited well control training program, such  
9 as the International Association of Drilling Contractors (IADC) WellCAP, ~~on-site~~ onsite during the drilling and  
10 completion of an oil or gas well.

11 ~~(g)~~(i) A wellhead shall be installed after drilling operations are complete and the BOP has been removed.

12

13 *History Note: Authority G.S. 113-391(a)(5)i;*  
14 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1617 has been adopted with changes as published in 29:02 NCR 144 as follows:

2

3 **15A NCAC 05H .1617 VISUAL IMPACT MITIGATION**

4 (a) The permittee shall mitigate visual impacts using visual screening. ~~Visual screening~~ "Visual Screening" shall  
5 include existing natural vegetation, vegetated earthen berms, or tree plantings at staggered spacing to be installed  
6 and maintained between any disturbed land and any adjoining property containing occupied ~~buildings~~ dwellings  
7 within view of the disturbed land.

8 (b) The Commission, upon written request by the applicant or permittee submitted pursuant to Rule .0301 of this  
9 Subchapter, may grant ~~or deny~~ a variance to the visual impact mitigation requirements. The Commission shall  
10 consider factors such as:

- 11 (1) zoning of the area;
- 12 (2) surface use agreements;
- 13 (3) land use;
- 14 (4) topography; and
- 15 (5) configuration of the well pad.

16

17 *History Note: Authority G.S. 113-391(a)(4);*  
18 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1618 has been adopted with changes as published in 29:02 NCR 144-145 as follows:  
2

3 **15A NCAC 05H .1618 REQUIREMENTS FOR PERMANENT CLOSURE OF OIL OR GAS WELLS**

4 (a) All lost holes, dry holes, and oil or gas wells incapable of production shall be plugged and abandoned. In  
5 addition to the requirements detailed within this Rule, all plugging and abandonment activities shall meet the  
6 standards in API Recommended Practice 51-R "Environmental Protection for Onshore Oil and Gas Production  
7 Operations and Leases," and API Bulletin E3 "Environmental Guidance Document: Well Abandonment and Inactive  
8 Well Practices for U.S. Exploration and Production Operations," which are incorporated by reference, including  
9 subsequent amendments and editions. These ~~documents, published by API,~~ documents may be viewed online ~~at~~  
10 no charge at ~~http://publications.api.org/default.aspx.~~ http://publications.api.org/.

11 (b) The permittee shall plug and abandon lost holes and dry holes prior to releasing the drilling rig from the well  
12 pad.

13 (c) Non-drillable material that would prevent re-entry of an oil or gas well shall not be placed in any wellbore.

14 (d) Trash or refuse shall not be used as plugging and abandonment material.

15 (e) Conductor casing or surface casing shall not be removed from any wellbore during plugging and abandonment  
16 operations.

17 (f) All pits or tanks utilized during oil or gas well plugging and abandonment operations to contain waste shall  
18 conform to Rule .1504 of this Subchapter.

19 (g) Cement or mechanical bridge plugs shall be placed within the wellbore to isolate hydrocarbon bearing zones,  
20 prevent migration of fluids in the wellbore, protect fresh groundwater aquifers, and prevent surface water from  
21 entering the wellbore. All plugs used for plugging and abandonment shall meet the following requirements:

- 22 (1) all cement used to plug an oil or gas well shall conform to Rule .1606 of this Section;
- 23 (2) cement plugs shall be placed by circulation using tubing, casing, or drill pipe;
- 24 (3) all intervals between the cement and mechanical bridge plugs shall be filled with a bentonite-  
25 based mud that has a minimum weight of nine and one half pounds per gallon;
- 26 (4) vertical wellbores shall have cement plugs placed in the following intervals:
- 27 (A) from the total depth to a minimum of 100 feet above the top of the ~~lowest~~deepest  
28 hydrocarbon bearing zone or alternatively, from a minimum of 50 feet below the base of  
29 the ~~lowest~~deepest hydrocarbon bearing zone penetrated to a minimum of 100 feet above  
30 the top of the ~~lowest~~deepest hydrocarbon bearing zone;
- 31 (B) from a minimum of 50 feet below to a minimum of 100 feet above each succeeding  
32 hydrocarbon bearing or fresh groundwater zone, not isolated by intermediate or surface  
33 casing;
- 34 (C) from a minimum of 100 feet below to a minimum of 100 feet above the base of  
35 intermediate and surface casing strings; and
- 36 (D) from a minimum of 200 feet below ground ~~elevation~~surface to three feet below  
37 ground ~~elevation~~ surface.

1 (5) horizontal wellbores shall have cement plugs placed in accordance with Parts (g)(4)(A) through  
2 (g)(4)(D) of this Rule with the exception that the bottom plug, as outlined in Part (g)(4)(A) of this  
3 Rule, shall be placed at the depth of the well curve kick-off point and extend above that point a  
4 minimum of 200 feet; and

5 (6) if mechanical bridge plugs are used, the plug shall be set directly above each zone identified in  
6 Parts (g)(4)(A) through (g)(4)(D) of this Rule and covered with a minimum of 50 feet of cement.

7 (h) All casing remaining in the wellbore shall be cut off a minimum of three feet below ground elevation surface.

8 (i) The top of the wellbore shall be sealed with a steel plate that is welded in place and the API number for the oil or  
9 gas well shall be identifiable on the steel plate.

10 (j) All ratholes and mouseholes shall be filled with bentonite or cement to a depth of three feet below ground  
11 surface, and then filled to the surface with soil.

12 (k) ~~All wellheads shall be disconnected from gathering lines.~~ flowlines shall be flushed with freshwater and the ends  
13 of the lines shall be capped and buried at least three feet below the ground surface. All freshwater used to flush lines  
14 shall be disposed of in accordance with the approved Waste Management Plan in Rule .2002.

15

16 *History Note: Authority G.S. 113-391(a)(2); 113-395(c);*

17 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1619 has been adopted with changes as published in 29:02 NCR 145-146 as follows:

2  
3 **15A NCAC 05H .1619 NOTIFICATION AND REPORTING REQUIREMENTS FOR PERMANENT**  
4 **CLOSURE OF OIL OR GAS WELLS**

5 (a) The permittee shall complete and submit the intent to plug and abandon portion of Form 14 – Plugging and  
6 Abandonment, at least 30 calendar days prior to the commencement of plugging and abandonment operations. The  
7 permittee shall submit a fee in accordance with G.S. 113-395(c) for plugging and abandonment of any oil or gas  
8 well. The Department shall approve or deny Form 14 – Plugging and ~~Abandonment~~Abandonment in accordance  
9 with this Rule. ~~The permittee shall submit a fee in accordance with G.S. 113-395(c) for plugging and abandonment~~  
10 ~~of any oil or gas well.~~ Approved ~~plugging and abandonment~~Plugging and Abandonment plans shall remain  
11 valid for a period of 12 months. The permittee shall include the following within the completed Form 14 – Plugging  
12 and Abandonment:

- 13 (1) the permittee's name, address, telephone number, fax number, and email address;
- 14 (2) the county and nearest city or town where the oil or gas well is located;
- 15 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
16 from a public road to the well pad;
- 17 (4) the API number, the lease name, and the oil or gas well name and number;
- 18 (5) the reason for abandonment;
- 19 (6) identification of casing that will be removed from wellbore;wellbore and depth below ground  
20 surface at which it will be cut;
- 21 (7) the diameter of each wellbore segment;
- 22 (8) the casing grade, weight, outside diameter, and setting depth for each casing string;
- 23 (9) elevation of cement top and cement bottom for each casing string;
- 24 (10) identification of the cement type, additives, density, yield, and estimated volume to be used for  
25 each plug;
- 26 (11) ~~identification of~~ the type of plug if other than cement;
- 27 (12) identification of non-cemented sections of casing that may be perforated;
- 28 (13) the wellbore diagrams depicting the current oil or gas well configuration;
- 29 (14) the wellbore diagrams depicting the proposed oil or gas well configuration with cement plugs;
- 30 (15) the anticipated beginning and ending date for plugging and abandonment activities; and
- 31 (16) identification of wireline and cementing contractors.

32 ~~(e)~~(b) The Department ~~may~~shall deny a request to plug and abandon an oil or gas well if the request is in violation  
33 of any rule of this Subchapter or any of the following requirements have not been met:

- 34 (1) the Form 14 – Plugging and Abandonment was not complete in accordance with Paragraph (a) of  
35 this Rule; or
- 36 (2) the well abandonment fee has not been paid.

37 ~~(b)~~(c) The permittee shall notify the Department 72 hours via telephone or email prior to commencement of  
38 plugging and abandonment operations for all existing wells and eight hours for lost and dry holes by submitting

1 Form 11 – Required Notifications to the Department. The contact information is set forth in Rule .0201 of this  
2 Subchapter. This notification shall be submitted to the Department by mail, email, or fax within five days of the  
3 telephone or email notice and shall include the following information:

- 4 (1) the permittee's name, address, telephone number, fax number, and email address;
- 5 (2) the county and nearest city or town where the oil or gas well is located;
- 6 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
7 from a public road to the well pad;
- 8 (4) the API number, the lease name, and the oil or gas well name and number; and
- 9 (5) the scheduled date and approximate time of day for which the plugging and abandonment will be  
10 performed.

11 ~~(c) The Department may deny a request to plug and abandon an oil or gas well if the request is in violation of any~~  
12 ~~rule of this Subchapter or any of the following requirements have not been met:~~

- 13 ~~(1) Form 14 – Plugging and Abandonment was not complete in accordance with Paragraph (a) of this~~  
14 ~~Rule; or~~
- 15 ~~(2) the well abandonment fee has not been paid.~~

16 (d) No later than 90 days after plugging and abandoning an oil or gas well, the permittee shall complete and submit  
17 Form 14 – Plugging and Abandonment, to the Department. The permittee shall include the following within the  
18 completed Form 14 – Plugging and Abandonment, confirming that the plugging and abandonment operations were  
19 conducted in accordance with the approved plan:

- 20 (1) the permittee's name, address, telephone number, fax number, and email address;
- 21 (2) the county and nearest city or town where the oil or gas well is located;
- 22 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
23 from a public road to the well pad;
- 24 (4) the API number, the lease name, and the oil or gas well name and number;
- 25 (5) the reason for abandonment;
- 26 (6) the length and type of casing that was removed from ~~wellbore;~~the wellbore and the top of each  
27 casing string remaining in the wellbore;
- 28 (7) the diameter of each wellbore segment;
- 29 (8) the casing grade, weight, outside diameter, and setting depth for each casing string;
- 30 (9) the elevation of cement top and cement bottom for each casing string;
- 31 (10) the cement type, additives, density, yield, and volume used for each plug;
- 32 (11) the type of plug if other than cement;
- 33 (12) identification of the non-cemented sections of casing that were perforated;
- 34 (13) the wellbore diagrams depicting the pre-plugging oil or gas well configuration;
- 35 (14) the wellbore diagrams depicting the final plugged oil or gas well configuration with cement plugs;
- 36 (15) the date plugging and abandonment activities commenced and were completed;
- 37 (16) identification of wireline and cementing contractors that were used; and

1           (17) a copy of wireline logs, cementing tickets, and job summary ~~report~~reports as supplied by the  
2 wireline and cementing contractors.

3

4 *History Note: Authority G.S. 113-391(a)(2); 113-395;*

5 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1620 has been adopted with changes as published in 29:02 NCR 146 as follows:  
2

3 **15A NCAC 05H .1620 REQUIREMENTS FOR SHUTTING-IN OIL OR GAS WELLS**

4 (a) Oil or gas wells ~~that are~~ completed according to Rule .1607 of this Section, ~~are~~-equipped with a wellhead  
5 according to Rule .1614 of this Section, and ~~are~~-capable of production may be ~~temporarily closed~~shut-in in  
6 accordance with this Rule.

7 (b) The permittee shall complete and submit Form 15 – Oil or Gas Well Status to the Department via mail, email or  
8 fax within 14 calendar days of closing the master valve on the wellhead. The contact information is set forth in Rule  
9 .0201 of this Subchapter. The Form 15 – Oil or Gas Well Status shall include the following information:

- 10 (1) the permittee's name, address, telephone number, fax number, and email address;
- 11 (2) the county and nearest city or town where the oil or gas well is located;
- 12 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
13 from a public road to the well pad;
- 14 (4) the API number, the lease name, and the oil or gas well name and number;
- 15 (5) ~~indicate~~ if the request is for initial shut-in status or an annual extension of shut-in status;
- 16 (6) the type of oil or gas well;
- 17 (7) the diameter and length for each casing string;
- 18 (8) the diameter and length of tubing ~~string~~string(s);
- 19 (9) the type and amount of cement used for each casing string;
- 20 (10) the current pressure for tubing and casing strings;
- 21 (11) the current annulus pressure between tubing and production casing;
- 22 (12) the current annulus pressure between production casing and surface casing;
- 23 (13) ~~indicate~~ if any annuli are open to atmosphere;
- 24 (14) a description of how the current condition of the oil or gas well is capable of the following:
  - 25 (A) preventing damage to the production zone;
  - 26 (B) preventing surface leakage of fluids;
  - 27 (C) protecting groundwaters; and
  - 28 (D) protecting health and safety of persons, ~~property~~property, or the environment.
- 29 (15) a description of the future utilization of the oil or gas well; and
- 30 (16) a description of how the oil or gas well is in compliance with the requirements of Rules .1614 and  
31 .1615 of this Section.

32 (c) The master valve shall remain closed and locked until the oil or gas well is either permanently plugged and  
33 abandoned or placed into production.

34 (d) The permittee shall maintain bonding required by Section .1400 of this Subchapter until the oil or gas well is  
35 permanently plugged and abandoned.

36 (e) The permittee shall conduct monthly site inspections of the well site in accordance with Rule .2201 of this  
37 Subchapter.

1 (f) The permittee shall conduct an annual mechanical integrity test of each shut-in oil or gas well in accordance with  
2 Rule .2201(j), (k) and (l) of this Subchapter and submit the test results to the Department using Form 16 –  
3 Mechanical Integrity Test Results.

4 (g) Shut-in status ~~is~~shall be valid for a period of one year with an annual renewal required if the permittee desires to  
5 maintain shut-in status beyond one year. The annual renewal application shall demonstrate ~~to the Department's~~  
6 ~~satisfaction~~ one of the following:

- 7 (1) inadequate infrastructure development; or
- 8 (2) sub-economic producing conditions.

9 (h) The Department shall revoke shut-in status of an oil or gas well if the permittee fails to maintain all of the  
10 requirements of this Rule. The Department shall require the permittee to either place the oil or gas well into  
11 production or plug and abandon the oil or gas well at the permittee's discretion.

12 (i) The permittee shall complete and submit Form 17 – Notification of Return of Oil or Gas Well to Active Status,  
13 to the Department by mail, email, fax within 14 calendar days of producing from an oil or gas well that has been  
14 shut-in. The contact information is set forth in Rule .0201 of this Subchapter. The permittee shall include the  
15 following ~~with~~in the completed Form 17 – Notification of Return of Oil or Gas Well to Active Status:

- 16 (1) the permittee's name, address, telephone number, fax number, and email address;
- 17 (2) the county and nearest city or town where the oil or gas well is located;
- 18 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
19 from a public road to the well pad;
- 20 (4) the API number, the lease name, and the oil or gas well name and number; and
- 21 (5) the date of return to active status.

22

23 *History Note: Authority 113-391(a)(2);*  
24 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1621 has been adopted with changes as published in 29:02 NCR 146-147 as follows:

2  
3 **15A NCAC 05H .1621 REQUIREMENTS FOR TEMPORARY ABANDONMENT OF OIL OR GAS**  
4 **WELLS**

5 (a) Oil or gas wells that are ~~completed~~ constructed according to Rule .1607 of this Section, but are not  
6 ~~equipped with a wellhead according Rule .1614 of this Section and are capable of production~~ completed after being  
7 drilled may be temporarily abandoned in accordance with this Rule.

8 (b) The permittee shall complete and submit Form 15 – Oil or Gas Well Status to the Department 30 calendar days  
9 prior to the temporary abandonment operations. The contact information is set forth in Rule .0201 of this  
10 Subchapter. The permittee shall include the following within the completed Form 15 – Oil or Gas Well Status:

- 11 (1) the permittee's name, address, telephone number, fax number, and email address;
- 12 (2) the county and nearest city or town where the oil or gas well is located;
- 13 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
14 from a public road to the well pad;
- 15 (4) the API number, the lease name, and the oil or gas well name and number;
- 16 (5) ~~indicate~~ if the request is for initial temporary abandonment or a renewal of temporary  
17 abandonment;
- 18 (6) the type of oil and gas well;
- 19 (7) the diameter and length ~~for~~of each casing string;
- 20 (8) the type and amount of cement that will be used for each casing string;
- 21 (9) a description of how the current condition of the oil or gas well is capable of the following:
  - 22 (A) preventing damage to the production zone;
  - 23 (B) preventing surface leakage of fluids;
  - 24 (C) protecting groundwaters; and
  - 25 (D) protecting health and safety of persons, property or the environment.
- 26 (10) a description of the future utilization of the oil or gas well; and
- 27 (11) a description of how the oil or gas well is in compliance with the requirements of Rule .1614 of  
28 this Section.

29 ~~(e) Oil or gas wells shall be temporarily abandoned according to Rule .1618(g)(4)(A) – (D) of this Section for~~  
30 ~~vertical wellbores and Rule .1618(g)(5) of this Section for horizontal wellbores.~~

31 ~~(4)(c)~~ The permittee shall maintain bonding requirements in Section .1400 until the oil or gas well is permanently  
32 plugged and abandoned.

33 ~~(e)(d)~~ Temporary abandonment ~~is~~shall be valid for a period of five years, with a maximum of one ~~5-year~~five-year  
34 renewal period ~~authorized by the Commission before the permittee shall either oil or gas well shall be placed~~place  
35 the oil or gas well into production or permanently ~~plugged~~plug and ~~abandoned~~abandon the well in accordance with  
36 Rule .1618 of this Section.

37 ~~(f)(e)~~ The permittee shall complete and submit Form 17 – Notification of Return of Oil or Gas Well to  
38 Active ~~Status~~Status to the Department within 14 calendar days of producing from an oil or gas well that was

1 temporarily abandoned. The contact information is set forth in Rule .0201 of this Subchapter. The permittee shall  
2 include the following ~~with~~in the completed Form 17 – Notification of Return of Oil or Gas Well to Active Status:

- 3 (1) the permittee name, address, telephone number, fax number, and email address;
- 4 (2) the county and nearest city or town where the oil or gas well is located;
- 5 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
6 from a public road to the well pad;
- 7 (4) the API number, the lease name, and the oil or gas well name and number; and
- 8 (5) the date of return to active status.

9  
10 *History Note: Authority G.S. 113-391(a)(5)l;*  
11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1622 has been adopted with changes as published in 29:02 NCR 147 as follows:  
2

3 **15A NCAC 05H .1622 DEFECTIVE CASING, DEFECTIVE CEMENTING, AND WELL BLOWOUT**  
4 **NOTIFICATIONS**

5 (a) The permittee shall commence corrective actions upon discovery of defective casing or cementing and report the  
6 defect to the Department within 24 hours of discovery via telephone or email. The contact information is set forth in  
7 in Rule .0201 of this Subchapter.

8 (b) The permittee shall take actions in the event of an oil or gas well blowout to comply with the emergency  
9 scenarios in Rule .1305 of this Subchapter. Any oil or gas well blowout shall be reported to the Department after the  
10 emergency officials and the emergency well control response contractor ~~has~~have been contacted.

11

12 *History Note: Authority G.S. 113-391(a)(5)i.*

13 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1623 has been adopted with changes as published in 29:02 NCR 147-148 as follows:

2  
3 **15A NCAC 05H .1623 WELL DRILLING REPORT**

4 Within 30 calendar days after drilling an oil or gas well, the permittee shall submit Form 12 – Well Drilling Report  
5 to the Department that includes the following information:

- 6 (1) the permittee's name, address, telephone number, fax number, and email address;
- 7 (2) the county and nearest city or town where the oil or gas well is located;
- 8 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
9 from a public road to the well pad;
- 10 (4) the API number, the lease name, and the oil or gas well name and number;
- 11 (5) the type of oil or gas well;
- 12 (6) the date the drilling started and was completed;
- 13 (7) the method of drilling;
- 14 (8) the hole diameter and depth wellbore at each casing setting depth and the total depth, both true  
15 vertical and measured of the oil or gas well;
- 16 (9) the size and depth of conductor casing, surface casing, intermediate casing, and production casing,  
17 if applicable;
- 18 (10) the type and amount of cement and results of cementing procedures, including copies of all cement  
19 tickets and the results of cement evaluations completed pursuant to Rule .1606 and Rule .1607 of  
20 this Section;
- 21 (11) the location of casing collars, ~~the location of~~ the top of cement for each casing string, and location  
22 ~~of~~ centralizers, and the method used to make such determinations;
- 23 (12) the elevation relative to the kelly bushing and total vertical and measured depth of the wellbore;
- 24 (13) a paper and digital copy of all electrical, radioactive, or other standard industry logs:
  - 25 (A) standard electric log with curve data shall be submitted in LAS digital data format and as  
26 a ~~pdf, tiff, or pds;~~ pdf, .tiff, or .pds;
  - 27 (B) specialty logs with array data shall be submitted in LIS or DLIS digital data format and as  
28 a ~~pdf, tiff, or pds;~~ pdf, .tiff, or .pds; and
  - 29 (C) cement bond logs shall be submitted as a ~~pdf, tiff, or pds;~~ pdf, .tiff, or .pds; with the casing  
30 collars, centralizers, and top of cement located.
- 31 (14) a drilling log that includes the name, depth, and thickness of formations penetrated from the  
32 surface to total depth. The drilling log shall also include the depth of oil or gas producing zone(s),  
33 depth of groundwater and brines, and the source of the information. The report shall also  
34 contain ~~Other~~other data recorded about groundwater zones, anomalous pressure zones, zones with  
35 corrosive fluids, lost circulation zones, and other zones with fluids capable of annular flow and  
36 how the casing and cementing program was modified in response to the information;

- 1 (15) copies of pressure tests and formation integrity tests that were conducted during installation of the  
2 surface, intermediate, and production casing strings pursuant to Rule .1605 and .1607 of this  
3 Section;
- 4 (16) a statement of whether methane or other hydrocarbons were encountered in other than a target  
5 formation and the depths of the intervals, and how the casing and cementing program was  
6 modified in response to the information;
- 7 (17) a summary of events reported to the Department in accordance with Rule .1607 and .1616 of this  
8 Section;
- 9 (18) a wellbore inclination and directional survey;
- 10 (19) the engines used on-site during exploration and development, including:
- 11 (A) the number of engines with capacities (maximum site-rated horsepower) less than 750  
12 horsepower by engine ~~typetype~~, such as compression ignition, two stroke lean burn  
13 ignition, four stroke lean burn ignition, rich burn spark ignition;
- 14 (B) the number of engines with capacities (maximum site-rated horsepower) greater than or  
15 equal to 750 horsepower by engine ~~typetype~~, such as compression ignition, two stroke  
16 lean burn ignition, four stroke lean burn ignition, rich burn spark ignition; and
- 17 (C) the average number of hours of operation for engines in each of the categories above.
- 18 (20) any other information as specified as part of the conditions of the permit, such as drill stem test  
19 charts, formation water analysis, porosity, permeability or fluid saturation measurements, core  
20 analysis, and lithologic log or sample description, or other similar data as compiled. No  
21 interpretation of the data is required to be filed unless specifically required elsewhere in this  
22 Subchapter; and
- 23 (21) the signature of the permittee verifying that the oil or gas well has been constructed in accordance  
24 with this Subchapter and any permit conditions imposed by the Department.
- 25

26 *History Note:* Authority G.S. 113-379; ~~113-391(a)(5)~~; 113-391(a)(5)c; 113-391(a)(5)k; 113-391(a)(7); 113-  
27 391(a)(10); 113-391(a)(11); 113-391(b); 113-391(b1);  
28 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1624 has been adopted with changes as published in 29:02 NCR 148-149 as follows:

2  
3 **15A NCAC 05H .1624 WELL STIMULATION REPORT**

4 (a) Within 30 calendar days after ~~stimulating~~ the conclusion of stimulation operations on an oil or gas well, the  
5 permittee shall submit Form 18 – Well Stimulation Report to the Department that includes the following  
6 information:

- 7 (1) the permittee's name, address, telephone number, fax number, and email address;
- 8 (2) the county and nearest city or town where the oil or gas well is located;
- 9 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~ and egress point leading  
10 from a public road to the well pad;
- 11 (4) the API number, the lease name, and the oil or gas well name and number;
- 12 (5) the type of oil or gas well;
- 13 (6) the total volume of the base fluid;
- 14 (7) the total volume of reused water, alternative water, freshwater, or other base fluid that was used in  
15 each hydraulic fracturing stage;
- 16 (8) the maximum pump pressure measured at the surface during each stage of the hydraulic fracturing  
17 operations;
- 18 (9) the types and volumes of the well stimulation fluid and proppant used for each stage of the well  
19 stimulation operations;
- 20 (10) the well stimulation treatment data collected in accordance Rule .1613 of this Section;
- 21 (11) for hydraulic fracture stimulations, the estimated maximum fracture height and length and  
22 estimated true vertical depth to the top of the fracture achieved during well stimulation treatments  
23 as determined by a three dimensional model using true treating pressures and other data collected  
24 during the hydraulic fracturing treatments;
- 25 (12) the well shooting or perforation record detailing the true vertical and measured depths, and total  
26 number of shots in the wellbore;
- 27 (13) the wellbore diagram that includes casing and cement data, ~~perforations~~perforations, and a  
28 stimulation summary;
- 29 (14) the initial oil or gas well test information recording daily gas, ~~oil~~oil, and water rate, and tubing and  
30 casing pressure in accordance with Rule .2201 of this Subchapter;
- 31 (15) the initial gas analysis, performed by a laboratory certified by the State in accordance with 15A  
32 ~~NCAC 02H .0800~~; NCAC 02H .0800, which is incorporated by reference including subsequent  
33 amendments and editions; and
- 34 (16) the engines used on-site during exploration and development, including:
  - 35 (A) the number of engines with capacities (maximum site-rated horsepower) less than 750  
36 horsepower by engine ~~type~~type, such as compression ignition, two stroke lean burn  
37 ignition, four stroke lean burn ignition, rich burn spark ignition;

1 (B) the number of engines with capacities (maximum site-rated horsepower) greater than or  
2 equal to 750 horsepower by engine ~~type~~type, such as compression ignition, two stroke  
3 lean burn ignition, four stroke lean burn ignition, rich burn spark ignition; and

4 (C) the average number of hours of operation for engines in each of the categories above.

5 (b) The permittee may attach to the completed Form 18 – Well Stimulation Report any information received from a  
6 service company regarding the well stimulation operations, as used in the normal course of ~~business~~business, to  
7 satisfy some or all of the requirements in this ~~Paragraph~~Rule.

8

9 *History Note: Authority G.S. 113-391(a)(5); 113-391(a)(10); 113-391(a)(11); 113-391(b); 113-391(b1);*

10 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1701 has been adopted with changes as published in 2902 NCR 149 as follows:

2

3

**SECTION .1700 – CHEMICAL DISCLOSURE**

4

**15A NCAC 05H .1701 CHEMICAL DISCLOSURE REQUIREMENTS**

6 The rules of this Section set forth the requirements of chemical disclosures for permittees, service companies, and

7 vendors involved in oil or gas exploration and production. This Section delineates information to be posted to the

8 Chemical Disclosure Registry at <http://fracfocus.org/>. These Rules also specify the conditions under which ~~trade~~

9 ~~secret~~confidential information protections apply and the conditions under which ~~trade secret~~that information can~~may~~

10 be disclosed to health professionals or emergency responders.

11

12 *History Note: Authority G.S. 113-391(a)(5)h; 113-391.1;*

13 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1702 has been adopted with changes as published in 29:02 NCR 149-150 as follows:

2  
3 **15A NCAC 05H .1702 REQUIRED DISCLOSURES**

4 (a) The permittee shall notify the local emergency management office of all hazardous chemicals that may be used  
5 for any purpose at the well site no later than 30 calendar days prior to the chemicals entering the well site. This  
6 notification shall include a Safety Data Sheet for each chemical and the following information:

- 7 (1) the anticipated quantity (mass or volume);  
8 (2) the method of containment; and  
9 (3) the chemical classification.

10 (b) The permittee, service company, or ~~vender~~ vendor shall submit to the Department, no less than 30 calendar days  
11 prior to the commencement of well stimulation activities, a complete list of all planned base fluids and additives to  
12 be used in well stimulation ~~activities, unless~~ activities. ~~Any information the Commissions determines to be claimed~~  
13 ~~as a trade secret~~ confidential information under G.S. 66-152(3), 113-391.1, and Rule .0707 of  
14 this ~~Subchapter.~~ Subchapter shall be protected as confidential information and shall be maintained in accordance  
15 with G.S. 132-7. This notification shall include:

- 16 (1) the trade or common name of each chemical subject to the Safety Data Sheet;  
17 (2) the CAS registry number;  
18 (3) the range of anticipated concentrations (by mass or volume) in the mixture for each chemical; and  
19 (4) the purpose each chemical or mixture will serve in the well stimulation process.

20 (c) The permittee shall upload all well stimulation data, unless claimed as a trade secret under G.S. 66-152(3), 113-  
21 391.1, and Rule .0707 of this Subchapter and ~~said~~ the claim determined as satisfactory by  
22 the ~~Commission,~~ Commission pursuant to Rule .0708 of this Subchapter to <http://fracfocus.org/> ~~and submit a Form 19~~  
23 ~~—Chemical Disclosure Report to the Department~~ within 15 calendar days following the conclusion of well  
24 stimulation. The permittee shall submit a Form 19 – Chemical Disclosure Report and a copy of the FracFocus  
25 submission to the Department within 15 calendar days following the conclusion of stimulation. If the permittee  
26 amends its FracFocus submission, any subsequent amendments shall be submitted to the Department within 15  
27 calendar days of the amendment. Any information submitted to the Department that the Commission determines is  
28 confidential information under G.S. 66-152(3), 113-391.1, and Rule .0707 of this Subchapter shall be protected as  
29 confidential information and shall be maintained as provided in G.S. 132-7. The Form 19 – Chemical Disclosure  
30 Report shall include:

- 31 (1) the permittee's name, address, telephone number, fax number, and email address;  
32 (2) the county and nearest city or town where the oil or gas well is located;  
33 (3) the property street ~~address~~ address, or nearest address to the ingress ~~or~~ and egress point leading  
34 from a public road to the well pad;  
35 (4) the API number, the lease name, and the oil or gas well name and number;  
36 (5) the type of oil or gas well;  
37 (6) the date well stimulation operations began;

- 1 (7) the date well stimulation operations ceased;
- 2 (8) the latitude and longitude of each wellhead reported to five decimal places of accuracy and  
3 precision using the North American Datum of 1983 (NAD83);
- 4 (9) a certified directional survey of the horizontal oil or gas well;
- 5 (10) the measured depth of the oil or gas well and the true vertical depth of the oil or gas well;
- 6 (11) the total volume of water used in the well stimulation ~~operations,~~operations including surface  
7 water, groundwater, produced water, reused water, reclaimed or recycled water, or the type and  
8 total volume of the base fluid used in the well stimulation operation, if a base substance other than  
9 water ~~is~~was used;
- 10 (12) the amount(s) and percent by volume of surface water or groundwater used in the well stimulation  
11 operations and the point(s) of withdrawal of that surface water or groundwater;
- 12 (13) the source amount(s) and location(s) of recycled water, along with percent by volume of recycled  
13 water that is used in well stimulation operations;
- 14 (14) the trade or common name and CAS registry number of each chemical used in the well stimulation  
15 operation;
- 16 (15) the trade or common name, supplier, and a brief description of the intended use or function of each  
17 additive in the well stimulation operation;
- 18 (16) identification and chemical classification of each chemical and additive (~~and its chemical~~  
19 ~~classification~~) that is subject to the Safety Data Sheet requirements of 29 CFR ~~1910.1200, which is~~  
20 ~~incorporated by reference including subsequent amendments and additions;~~1910.1200;
- 21 (17) the actual or maximum concentration of each chemical and additive listed pursuant to  
22 Subparagraphs ~~(13)~~(14) and ~~(14)~~(15) of this Paragraph expressed in percent by mass;
- 23 (18) the overall well stimulation mixture; and
- 24 (19) the chemical classification for each chemical and additive.
- 25 (d) For disclosures required pursuant to Paragraphs (b) and (c) of this Rule, the permittee is not required to disclose:
- 26 (1) chemical mixtures or compounds that occur as a consequence of drilling or well stimulation  
27 operations or that may be the incidental result of a chemical reaction or process; or
- 28 (2) naturally occurring materials that become unintentionally combined with well stimulation  
29 substances.

30  
31 *History Note:* *Authority G.S. 113-391(a)(5)h; 113-391.1;*  
32 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1703 has been adopted with changes as published in 29:02 NCR 150 as follows:

2

3 **15A NCAC 05H .1703 CONFIDENTIAL INFORMATION PROTECTION**

4 (a) If any person asserts any information is entitled to be protected as confidential pursuant to G.S. 113-391.1, the  
5 requesting party shall make a showing to the Commission in accordance with Rule .0707 of this Subchapter.

6 (b) In addition, any person requesting protection for confidential information that concerns hydraulic fracturing  
7 fluid shall request certification by the State Geologist, or the Geologist's ~~designee~~designee, in accordance with G.S.  
8 113-391.1.

9

10 *History Note:* Authority G.S. 113-391(a)(5)h; 113-391.1;

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1704 has been adopted with changes as published in 2902 NCR 150 as follows:

2

3 **15A NCAC 05H .1704 DISCLOSURE OF CONFIDENTIAL INFORMATION**

4 (a) Confidential information may be disclosed to any officer, employee, or authorized representative of a State  
5 agency if disclosure is necessary to carry out a proper function of the Department or other agency or when relevant  
6 in any proceeding under G.S. 113-391.1.

7 (b) The Department shall ~~immediately~~ disclose confidential information to a treating healthcare provider ~~upon~~ at the  
8 time of request in accordance with ~~G.S. 133-391.1~~ G.S. 113-391.1.

9 (c) The Department shall ~~immediately~~ disclose confidential information to a Fire Chief, as defined in G.S. 95-  
10 174, ~~upon~~ at the time of request in accordance with G.S. 113-391.1.

11

12 *History Note: Authority G.S. 113-391(a)(5)h; 113-391.1;*

13 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1802 has been adopted with changes as published in 29:02 NCR 150 as follows:

2  
3 **15A NCAC 05H .1802 WATER SUPPLY TESTING NOTIFICATIONS**

4 (a) The permittee shall provide written notice to all surface owners or owners of a water supply, as defined in  
5 G.S.113-389, prior to all water supply testing within one-half mile of the proposed wellhead. The permittee shall  
6 pay the costs involved in testing all water supplies as required by G.S. 113-423(f). In addition to the requirements  
7 of ~~G.S.113-420(a)~~ G.S.113-420(a), and ~~G.S. 113-421(a)~~ the written notice shall include the following:

- 8 (1) the ~~applicant~~ applicant's or permittee's name, address, telephone number, and email address;
- 9 (2) a statement of the permittee's intent to ~~perform testing of water supplies prior to drilling an oil or~~  
10 ~~gas well;~~ drill an oil or gas well and as a result, water supplies within one-half mile of the proposed  
11 oil or gas well shall be tested;
- 12 (3) the date, time, and location of ~~when the~~ water supply testing is expected to occur and the estimated  
13 number of entries to the property;
- 14 (4) a statement explaining that if the surface owner or owner of the water supply refuses ~~to contact a~~  
15 ~~certified laboratory from the Wastewater/Groundwater Laboratory Certification program,~~ access to  
16 conduct testing of the water supply, then such refusal may be used as evidence to rebut the  
17 presumption of liability established by G.S. ~~113-421(a);~~ 113-421(a1);
- 18 (5) the name, address, and telephone number of the Department, ~~to~~ which the surface owner or owner  
19 of the water supply may contact with questions or concerns; and respond; and
- 20 (6) ~~a list of~~ the following link to the Department's Wastewater/Groundwater Laboratory Certification  
21 program ~~laboratories.~~ laboratories:  
22 <https://slphreporting.ncpublichealth.com/EnvironmentalSciences/Certification/CertifiedLaboratory>  
23 .asp.

24 (b) The permittee shall provide written notice to the ~~Department,~~ Department ~~in accordance with Rule .1805 of this~~  
25 ~~Section,~~ if a surface owner or water supply owner refuses ~~to contact a certified laboratory from the~~  
26 ~~Wastewater/Groundwater Laboratory Certification program,~~ to conduct testing of the water supply. The written  
27 notice shall be submitted to the Department as an attachment to Form 22 – Water Supply Testing Report and include  
28 the following:

- 29 (1) the permittee's name, address, telephone number, fax number, and email address;
- 30 (2) a copy of the written notice required in Paragraph (a) of this Rule;
- 31 (3) the name of the person or firm who requested and was refused access to conduct the testing, the  
32 date of the request, and a copy of all ~~documentation~~ documentation, including ~~that~~ documentation  
33 showing the request for access was denied; and
- 34 (4) the name, address, and telephone number of the surface owner or owner of the water supply.

35  
36 *History Note:* Authority G.S. 113-391(a)(3); 113-391(a)(5)b; 113-421(a); 113-423(f);  
37 Eff. Pending Legislative Review.

1 15A NCAC 05H .1803 has been adopted with changes as published in 29:02 NCR 150-151 as follows:

2  
3 **15A NCAC 05H .1803 WATER SUPPLY TESTING PROCEDURES**

4 (a) All water supplies located within one-half mile of the proposed wellhead shall be tested prior to initial drilling  
5 activities and after production has commenced. All water supplies shall be tested according to the following:

- 6 (1) the initial water supply testing shall be conducted no earlier than 12 months but no later than 30  
7 calendar days prior to the commencement of drilling ~~operations~~ to establish a baseline;
- 8 (2) when multiple oil or gas wells are permitted and constructed at a well pad, the analytical results  
9 for the initial sampling shall serve as the baseline for all future wells drilled on the same well pad;  
10 and
- 11 (3) subsequent water supply testing shall be conducted at all initial sample locations:
- 12 (A) test one: six months after production has commenced;
- 13 (B) test two: 12 months after production has commenced;
- 14 (C) test three: 18 months after production has commenced;
- 15 (D) test four: 24 months after production has commenced; and
- 16 (E) test five: testing within 30 calendar days after completion of production activities at the  
17 well site.

18 (b) Water supply testing required by G.S. 113-423(f), and in accordance with this Rule, shall be conducted pursuant  
19 to the U.S. Environmental Protection Agency (EPA) Region IV Science and Ecosystem Support Division (SESD)  
20 "Operating Procedure for Groundwater Sampling," document number SESDPROC-301-R3, "Operating Procedure  
21 for Surface Water Sampling," document number SESDPROC-201-R3, and the U.S. Geological Survey (USGS)  
22 "National Field Manual for the Collection of Water-Quality Data," Book 9, Handbooks for Water-Resources  
23 Investigations, which are incorporated by reference, including subsequent amendments and editions.  
24 ~~These documents, published by the U.S. EPA and USGS, documents~~ may be obtained online at no charge at  
25 <http://www.epa.gov/region4/sesd/fbqstp/Groundwater-Sampling.pdf>,  
26 <http://www.epa.gov/region4/sesd/fbqstp/Surfacewater-Sampling.pdf>, and <http://water.usgs.gov/owq/FieldManual/>.

27 (c) If a permittee drills an oil or gas well but does not install production casing and ~~has abandoned~~ abandons the oil  
28 or gas well in accordance with the plugging and abandonment requirements outlined in Rule .1618 of this  
29 Subchapter, subsequent testing pursuant to Subparagraph (a)(3) of this Rule is not required.

30 (d) The Department may require additional testing if the current data collected ~~show~~ shows an increase in  
31 concentration from the previous data for any water supply within one-half ~~mile-mile, to determine seasonal~~  
32 fluctuations or erroneous testing.

33 (e) All sample analyses required by this Rule shall be made by a laboratory certified in accordance with 15A NCAC  
34 02H .0800 and pursuant to laboratory analytical procedures that comply with 15A NCAC 02B.0103 and 15A NCAC  
35 02L.0112, which are incorporated by reference, including subsequent amendments and editions. ~~15A NCAC 02L~~  
36 ~~.0112 and 15A NCAC 02B .0103.~~

1 (f) The initial ~~samples, samples~~ required by Subparagraph (a)(1) of this ~~Rule, Rule~~ collected in accordance with this  
2 Rule shall be analyzed for:

3

pH	manganese
specific conductance	selenium
total dissolved solids (TDS)	strontium
turbidity	lithium
alkalinity	lead
<del>Calcium</del> calcium	zinc
<del>Chloride</del> chloride	uranium
magnesium	isotopic radium ( <sup>226</sup> Ra and <sup>228</sup> Ra)
potassium	isotopic strontium ( <sup>87</sup> Sr and <sup>86</sup> Sr)
<del>Fluoride</del> fluoride	trihalomethanes
<del>Sodium</del> sodium	benzene
<del>Sulfate</del> sulfate	toluene
<del>Arsenic</del> arsenic	ethyl benzene
<del>Barium</del> barium	xylenes
<del>Boron</del> boron	diesel range organics (DRO)
<del>Bromide</del> bromide	gasoline range organics (GRO)
chromium	total petroleum hydrocarbons (TPH)
<del>Iron</del> iron	Polycyclic <u>or</u> polynuclear aromatic hydrocarbons (PAH) (including benzo(a)pyrene)
dissolved methane, propane, and ethane	

4  
5 (g) The test one series of samples collected to satisfy Paragraph (a)(3)(A) shall include all parameters listed in  
6 Paragraph (f) of this Rule.

7 (h) If the results from the test one series did not exceed the permissible concentrations outlined in 15A NCAC  
8 02B.0103 and 15A NCAC 02L.0112, which are incorporated by reference, including subsequent amendments and  
9 editions, 15A NCAC 02L .0112 and 15A NCAC 02B .0103 for the required analytes, then the permittee, at a  
10 minimum, shall sample and analyze for pH, specific conductance, TDS, chloride, sodium, divalent cations, and  
11 dissolved methane, propane, and ethane to complete the remaining series of sampling and testing in accordance with  
12 this Rule.

13 (i) If there is an increase in the concentration, or the initial occurrence of any analytes set forth in Paragraph (h) of  
14 this ~~Rule, Rule~~, the permittee shall test for all analytes set forth in Paragraph (f) of this Rule.

15 (j) If any analysis conducted pursuant to this Rule reveals a concentration of dissolved methane greater than 1.0  
16 milligram per liter (mg/l), then a gas compositional analysis and stable isotope analysis of the methane (carbon and

1 hydrogen –  $^{12}\text{C}$ ,  $^{13}\text{C}$ ,  $^1\text{H}$  and  $^2\text{H}$ ) shall be conducted to determine the gas type. The permittee shall report the results  
2 in accordance with Rule .1805 of this Section.

3

4 *History Note: Authority G.S. 113-391(a)(3); 113-391(a)(5)b; 113-423(f);*

5 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1805 has been adopted with changes as published in 29:02 NCR 152 as follows:

2  
3 **15A NCAC 05H .1805 REPORTING OF TEST RESULTS**

4 (a) The permittee shall submit Form 22 – Water Supply Testing Report to the Department, in accordance with G.S.  
5 113-423(f) and Rule .0201 of this Subchapter. The permittee shall also send the Form 22 – Water Supply Testing  
6 Report to the Local Health Director, surface owner(s), and owner(s) of the water supply within 30 calendar days of  
7 testing. The form shall be signed and sealed by either a Licensed Geologist or Professional Engineer and shall  
8 include the following information:

- 9 (1) the permittee's name, address, telephone number, fax number, and email address;
- 10 (2) the county and nearest city or town where the oil or gas well is located;
- 11 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
12 from a public road to the well pad;
- 13 (4) the API number, the lease name, and the oil or gas well name and number;
- 14 (5) the date water the supply was sampled;
- 15 (6) an indication of which water supply testing series is being reported ~~on~~ as set forth in Rule .1803  
16 of this Section;
- 17 (7) the latitude and longitude of each water supply within one-half mile of the wellhead reported to  
18 five decimal places of accuracy and precision using the North American Datum of 1983 (NAD83);
- 19 (8) the name, address, and telephone number of the surface owner or owner of the water supply;
- 20 (9) identification of the certified laboratory at which analyses required by this Section were  
21 conducted, the date(s) on which the analyses were conducted, and identification of the technical  
22 personnel who conducted such analyses;
- 23 (10) a description of where and how the sample was collected and the name of the person who  
24 collected the sample;
- 25 (11) field observations ~~to include~~including odor, water color, sediment, bubbles, and effervescence;
- 26 (12) a description of the type and age, if known, of the water supply, and water supply treatment, if  
27 any;
- 28 (13) the ~~complete~~ results of the required analyses listed in Rule .1803 of this Section attached to the  
29 report in hard copy, as a .pdf, and as an electronic spreadsheet; and
- 30 (14) any exceedance of applicable Maximum Contaminant Levels for public drinking water, as set  
31 forth in 15A NCAC ~~18C18C~~18C18C, which is incorporated by reference including subsequent  
32 amendments and editions, shall be ~~indicated in the report~~indicated.

33 (b) Applicants or permittees may share analytical results in accordance with G.S. ~~413-421(f)~~113-423(f).

34 (c) The permittee shall provide verbal notice within 24 hours and written notice within 30 days to the Department,  
35 Local Health Director, surface owner(s), and owner of the water supply if test results indicate:

- 36 (1) the presence of natural gas constituents;
- 37 (2) the dissolved methane concentration increased by more than 5.0 mg/L between sampling periods;

- 1 (3) the dissolved methane concentration was detected at or above 10.0 mg/L; or  
2 (4) Benzene, Toluene, Ethylbenzene, or Xylene compounds or TPH exceeded applicable Maximum  
3 Containment Levels for public drinking water, as set forth in 15A NCAC 18C.  
4

5 *History Note: Authority G.S. 113-391(a)(1); 113-391(a)(3); 113-391(a)(4); 113-391-(a)(5)b; 113-391(a)(5)k;*  
6 *113-423(f);*  
7 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1806 has been adopted with changes as published in 29:02 NCR 152 as follows:

2

3 **15A NCAC 05H .1806 RECORD KEEPING AND REPORTING**

4 (a) The Department shall maintain baseline and subsequent analytical data results required pursuant to this ~~Section,~~  
5 ~~which~~Section. This shall be available to the public through the Department within 30 calendar days of receipt of  
6 results. The public may view this data at the Department or on the Department's webpage as set forth in Rule .0201  
7 of this Subchapter.

8 (b) The permittee shall maintain all records in accordance with Rule .0202 of this Subchapter.

9

10 *History Note: Authority G.S. 113-391(a)(5)b; 113-391(a)(5)k;*

11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1807 has been adopted with changes as published in 29:02 NCR 152 as follows:

2

3 **15A NCAC 05H .1807 TRACER TECHNOLOGY**

4 (a) The Department shall only approve the use of tracer technology for the purposes described in this Rule if the  
5 Department determines that the tracer technology ~~is effective in tracing~~can trace well stimulation fluids back to the  
6 oil or gas well where the fluid was injected and can be used without chemical or radiological impacts to  
7 groundwaters or other adverse impacts to public health, welfare, and the environment.

8 (b) A permittee shall only use approved tracer technology for the following purposes:

9 (1) as evidence that well stimulation fluid from a particular oil or gas well caused or contributed to an  
10 exceedance of the standards set out in 15A NCAC 02L .0202 or 15A NCAC 02B .0200 ~~that is~~  
11 detected as a result of water supply testing required under Rule .1803 of this Section; ~~and/or~~

12 (2) to identify well stimulation fluid from a particular oil or gas well as the source of contamination  
13 detected as a result of an investigation of water supply conducted under Rule .1804 of this Section.

14

15 *History Note: Authority G.S. 113-391(a)(3); 113-391(a)(5)b; 113-423(f);*

16 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1901 has been adopted as published in 29:02 NCR 153 as follows:

2  
3 **SECTION .1900 – WATER ACQUISITION AND MANAGEMENT**  
4

5 **15A NCAC 05H .1901 WATER MANAGEMENT PLAN REQUIREMENTS**

6 (a) An applicant or permittee shall submit a Water Management Plan for proposed oil or gas well(s) to be located at  
7 the well pad. This plan shall be submitted to the Department for review and approval in accordance with Rule .1304  
8 of this Subchapter and with the rules of this Section prior to the commencement of activities covered under the Form  
9 2 – Oil or Gas Well Permit Application.

10 (b) A Form 4 – Water Management Plan shall ~~include the following:~~include:

- 11 (1) the ~~applicant~~applicant's or permittee's name, address, telephone number, fax number, and email  
12 address;
- 13 (2) the county and nearest city or town where the oil or gas well is located;
- 14 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
15 from a public road to the well pad;
- 16 (4) the lease name and the oil or gas well name and number;
- 17 (5) identification of the source(s) of water to be used with the additional information provided in  
18 ~~accordance with~~required by Rules .1902 through .1905 of this Section;
- 19 (6) the name, address, phone number, parcel identification, and written consent from the owner of the  
20 real property where any surface water intake, groundwater well, or water transport system  
21 components or structures have been, or will be, located, installed, or constructed;
- 22 (7) the proposed start date and expected ending date of water withdrawals;
- 23 (8) the proposed average and maximum daily withdrawal in millions of gallons per day and the  
24 expected total withdrawal in millions of gallons;
- 25 (9) a description of all potential sources of water, including flowback and produced water, that were  
26 evaluated for this application and the reasons for rejecting those sources as required by Rule .1905  
27 of this Section;
- 28 (10) topographic maps and aerial maps showing the latitude and longitude, in decimal degrees, of the  
29 following features and locations:
- 30 (A) the proposed water source(s) and any existing hydrologic features within the area of  
31 influence of the proposed water source, including other streams, springs, and wetlands;
- 32 (B) any existing water supply, as defined in G.S. ~~113-389(15)~~113-389, within the area of  
33 influence;
- 34 (C) any areas with known environmental contamination within the area of influence;
- 35 (D) any current or proposed utility rights-of-way associated with the project area; and
- 36 (E) any current or proposed structure(s) or appurtenance(s) for the transport or storage of  
37 water.

- 1 (11) a list of alternative water source(s) or practices to be used during times of drought or low flow  
2 conditions;
- 3 (12) a monitoring plan ~~sufficient to accurately~~ record the amount of water used from each source  
4 included in this application on a daily basis, including schedules of maintenance to ensure ~~accurate~~  
5 ~~measuring~~ precise measurement and recording of the water usage; and
- 6 (13) all other information required by Rule .1906 of this Section.
- 7 (c) The Department may request additional information necessary to protect public health, welfare, and the  
8 environment when reviewing the Form 4 – Water Management ~~Plan~~ Plan during the application review process in  
9 accordance with Rule .1307 of this Subchapter.

10

11 *History Note:* Authority G.S. 113-391(a)(5);  
12 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1904 has been adopted with changes as published in 29:02 NCR 154-155 as follows:

2

3 **15A NCAC 05H .1904 PURCHASED WATER SOURCE DOCUMENTATION**

4 For purchased water ~~sources~~, sources from which water is proposed to be obtained as part of the Water Management  
5 Plan, the applicant or permittee shall provide the following information:

6 (1) identification of the water supplier, including name, contact information, ~~and water supply facility~~  
7 ~~identification, if such identification is required by G.S. 143-355(l) or G.S. 143-215.22H;~~ and public  
8 water supply identification number for public water systems subject to G.S. 143-355(l) and facility  
9 identification number assigned by the Division of Water Resources for water withdrawals  
10 registered under G.S. 143-215.22H;

11 (2) a copy of a letter of commitment or contract authorizing the acquisition of water by the applicant  
12 or permittee;

13 (3) the type of water to be provided, such as water treated to drinking water standards, treated  
14 wastewater, reclaimed water, or raw water;

15 (4) the proposed average and maximum amount of water to be provided daily in millions of gallons  
16 per day and the expected total maximum amount to be provided; and

17 (5) the proposed method of transport of the water from the supplier to the point of use.

18

19 *History Note: Authority G.S. 113-391(a)(5)e; 113-391(a)(5)k;*  
20 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1905 has been adopted with changes as published in 29:02 NCR 155 as follows:

2

3 **15A NCAC 05H .1905 ALTERNATIVE WATER SOURCES**

4 (a) The applicant or permittee shall provide a review of the potential alternative sources of water, including the  
5 option of using flowback or produced water, evaluated for the Water Management ~~Plan, Plan~~ and indicate the  
6 reasons for rejecting those water sources. The applicant or permittee shall include the following in the review:

7 (1) current uses of each alternative water source evaluated, including a list of current withdrawers  
8 other than the applicant or permittee;

9 (2) the name and classification of each alternative water source evaluated; and

10 (3) a description of the current or proposed structure or appurtenances for the transport or storage of  
11 water from the alternative water source.

12 (b) For reuse of flowback or produced water, the applicant or permittee shall provide the following information:

13 (1) the source of the flowback or produced water;

14 (2) the proposed maximum daily use in millions of gallons per day and the amount expected to be  
15 used; and

16 (3) the estimated amount of additional water needed to provide sufficient quantity for activities  
17 covered ~~in by this application.~~ the Form 2 – Oil or Gas Well Permit Application.

18

19 *History Note: Authority G.S. 113-391(a)(5)e;*

20 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .1906 has been adopted with changes as published in 29:02 NCR 155 as follows:

2  
3 **15A NCAC 05H .1906 REPORTING**

4 (a) For ~~each~~the Water Management Plan, the permittee shall monitor, ~~record~~record, and retain, for a period of five  
5 years after the reclamation of the last oil or gas well for which the plan was submitted as part of the application, all  
6 records related to the daily water pumping schedules, received and purchased water, amounts of stored water, and  
7 quantities of flowback and produced water for recycling or reuse. The daily monitoring records shall be retained by  
8 the permittee ~~for five years~~in accordance with Rule .0202 of this Subchapter. These records shall be made available  
9 to representatives of the Department upon request.

10 (b) The permittee shall submit the Form 23 – Annual Water Use Report to the Department in accordance with Rule  
11 .0201 of this Subchapter by April 1<sup>st</sup> of each year for the period of January 1<sup>st</sup> to December 31<sup>st</sup> of the prior year.  
12 Form 23 – Annual Water Use Report shall include the following information:

- 13 (1) the permittee's name, address, telephone number, fax number, and email address;
- 14 (2) the county and nearest city or town where the oil or gas well is located;
- 15 (3) the property street ~~address~~address, or nearest address to the ingress ~~and~~ egress point leading  
16 from a public road to the well pad;
- 17 (4) the API number, the lease name, and the oil or gas well name and number;
- 18 (5) the daily average water withdrawals from each of the surface water and groundwater source(s)  
19 included ~~in this application~~the Water Management Plan for each month;
- 20 (6) the maximum daily water withdrawals from each of the surface and groundwater source(s)  
21 included ~~in this application~~the Water Management Plan for each month; and
- 22 (7) the number of days that water was withdrawn in each month from the surface and groundwater  
23 source(s) ~~in this application~~the Water Management Plan.

24 (c) The permittee shall submit Form 23 – Annual Water Use Report electronically to the Department.

25 (d) The applicant or permittee shall provide notice in accordance with G.S. 113-420(b) of any land-disturbing  
26 activity associated with the Water Management Plan to any owner of real property identified in the plan as required  
27 by Rule .1901(b)(6) of this Section. The notice shall be sent at least 30 calendar days before the desired date of  
28 entry to the property for activities described in Rules .1902 through ~~1905~~1904 of this Section. Notice shall be  
29 given by certified mail with return receipt requested and shall include:

- 30 (1) the dates and duration of activities;
- 31 (2) the location where entry will take place; and
- 32 (3) the identity of person(s) entering the property.

33 ~~(e) The applicant or permittee shall provide notice identifying the water source to the local municipality and county~~  
34 ~~where the source is located.~~

35 ~~(e)~~ (e) The permittee shall notify the Department at least 48 hours via telephone or email prior to first withdrawal  
36 from the approved water source(s) identified in the Water Management Plan. The permittee shall submit Form 11 –

1 Required Notifications to the Department, by mail, email or fax in accordance with Rule .0201 of this Subchapter  
2 within five calendar days following the telephone or email notification and shall include the following information:

- 3 (1) the permittee's name, address, telephone number, fax number, and email address;
- 4 (2) the county and nearest city or town where the oil or gas well is located;
- 5 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
6 from a public road to the well pad;
- 7 (4) the API number, the lease name, and the oil or gas well name and number; and
- 8 (5) the scheduled date and approximate time of day for the first withdrawal from the water source.

9

10 *History Note: Authority G.S. 113-391(a)(5)e;*  
11 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2001 has been adopted with changes as published in 29:02 NCR 155-156 as follows:

2

3 **SECTION .2000 – OIL OR GAS SITE EXPLORATION AND PRODUCTION WASTE MANAGEMENT**

4

5 **15A NCAC 05H .2001 PURPOSE AND SCOPE**

6 The permittee shall manage, ~~control~~control, and dispose of all waste associated with exploration and production (E  
7 & P) of oil or gas in accordance with the standards set forth in this Section and all applicable laws and regulations.

8

9 *History Note: Authority 113-391(a)(5)f;*

10 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2002 has been adopted with changes as published in 29:02 NCR 156 as follows:

2  
3 **15A NCAC 05H .2002 EXPLORATION AND PRODUCTION WASTE MANAGEMENT PLAN**  
4 **REQUIREMENTS**

5 (a) An E & P Waste Management Plan, approved by the Department in accordance with this Rule, is required prior  
6 to the generation of E & P wastes from the drilling, producing, plugging, or any other activity associated with an oil  
7 or gas well.

8 (b) The E & P Waste Management Plan shall identify the management, control, reuse, and disposal methods for E  
9 & P wastes.

10 (c) The E & P Waste Management Plan shall address the storage and handling of wastewater, residuals,  
11 solid ~~wastes~~wastes, and any other non-hazardous and hazardous wastes related to exploration and production  
12 activities from the point of initial generation of E & P wastes onsite to final disposal of the E & P waste.

13 (d) The E & P Waste Management Plan shall include the following form, documentation, and plan design sheets:

14 (1) a completed Form 5 – Waste Management ~~Plan, as provided by the Department~~Plan that includes  
15 the following information:

16 (A) a description of the pit and tank use and locations onsite;

17 (B) the capacity of pits and tanks onsite;

18 (C) the pit liner material type, thickness, and manufacturer;

19 (D) the disposal methods for liquid and solid wastes;

20 (E) an operation and maintenance plan for all waste management infrastructure;

21 (F) a description of pit closure and site reclamation methods; and

22 (G) the anticipated date of construction or installation of all waste management infrastructure.

23 (2) construction, installation, operation, and maintenance specifications and details for all pits, tanks,  
24 secondary containment, and other ancillary equipment, such as piping, pumps, and valve systems.  
25 This shall include site design and capacity of all pits and tanks installed or constructed onsite;

26 (3) an emergency response plan that complies with 40 CFR ~~112~~112, which is incorporated by  
27 reference, including subsequent amendments and editions, which can be accessed  
28 at [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr112\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40cfr112_main_02.tpl) for no  
29 charge, and Rule .1305 of this Subchapter;

30 (4) a statement of whether and how E & P wastes produced onsite will be reused at the permitted oil  
31 or gas well or reused at other permitted oil or gas wells;

32 (5) a statement of whether and how the E & P wastes will be pretreated onsite for reuse or disposal;

33 (6) a statement of whether the E & P wastes will be disposed of off-site and the identification of the  
34 disposal facility;

35 (7) a pit and tank closure plan that includes final disposal methods for all pit and tank contents within  
36 the Reclamation Plan in accordance with the Rule .2004 of this Section and Rule .2102 of this  
37 Subchapter; and

1           (8)     the contact information for the local county emergency management officials and the State  
2                   Emergency Operations Center (1-800-858-0368) for where the well site is located shall be  
3                   included in the plan.

4     (e)    A copy of the approved E & P Waste Management Plan shall be available to the Department at the well site  
5     during drilling and completion ~~activities upon request.~~activities.

6     (f)    The contact information for the local county emergency management officials and the State Emergency  
7     Operations Center (1-800-858-0368) shall be prominently displayed at the well site during exploration, drilling, and  
8     completion ~~activities in accordance with Rule .1305 of this Subchapter.~~activities.

9     ~~(g)~~(f)   The permittee shall submit Form 24 – Annual E & P Waste Management Report to the Department in  
10    accordance with Rule .2007(d) of this Section.

11

12    *History Note:     Authority 113-391(a)(5)e; 113-391(a)(5)f; 113-391(a)(5)k; 113-391(b);*

13                   *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2004 has been adopted with changes as published in 29:02 NCR 157-158 as follows:

2  
3 **15A NCAC 05H .2004 PIT CLOSURE REQUIREMENTS**

4 (a) The permittee shall notify the Department via telephone or email 48 hours prior to commencing pit closure  
5 activities so the Department staff may be onsite to inspect pit closure. The permittee shall submit Form 11 –  
6 Required Notifications to the ~~Department,~~Department in accordance with Rule .0201 of this Subchapter by mail,  
7 email, or fax within five calendar days of the telephone or email notification and shall include the following  
8 information:

- 9 (1) the permittee's name, address, telephone number, fax number, and email address;  
10 (2) the county and nearest city or town where the oil or gas well is located;  
11 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
12 from a public road to the well pad;  
13 (4) the API number, the lease name, and the oil or gas well name and number; and  
14 (5) the scheduled date and approximate time for the pit(s) closure.

15 (b) Prior to removing the liner, all freestanding liquids and solid waste remaining in the pit shall be disposed of in  
16 accordance with applicable laws and regulations. Synthetic liners shall be removed and disposed of in accordance  
17 with applicable laws and regulations.

18 (c) The permittee shall collect a five-point composite sample from the pit sub-base if there are no wet or discolored  
19 areas or any other indications of a release of fluids from the ~~pit,~~pit. ~~The permittee shall or~~collect individual grab  
20 samples from any pit base or sidewall slope areas that are wet, discolored or show other evidence of a release along  
21 the pit sidewall slopes or base.

22 (d) The samples collected from the pit sub-base shall be analyzed for benzene, toluene, ethylbenzene, xylene  
23 (BTEX), total petroleum hydrocarbons (TPH) and ~~metals, and if requested by the~~metals. ~~The Department may~~  
24 request the permittee to also analyze forDepartment, chlorides, ~~bromides~~bromides, and ~~sulfates,~~sulfates depending  
25 on the drilling, completion, and stimulation fluids used by the permittee. These soil samples shall be analyzed in  
26 accordance with ~~according to~~ approved EPA, USGS, ~~the EPA~~ or Department methods in accordance with 15 NCAC  
27 02L ~~.0412,~~.0412, which is incorporated by reference, including subsequent amendments.

28 (e) If concentrations of BTEX, TPH, or metals exceed the soil to groundwater maximum  
29 contaminant ~~concentrations,~~concentrations established by the Environmental Management Commission ~~under~~in 15A  
30 NCAC ~~02L .0202~~15A NCAC 02L .0202, ~~and published by the Division of Waste Management at~~  
31 ~~http://portal.ncdenr.org/e/document\_library/get\_file?uuid=ad84a424-64a3-423c-a34e-~~  
32 ~~8facb9ffc27b&groupId=38361,~~or the background concentration, if established, then the Department ~~may~~shall  
33 require additional delineation upon review of the results to ensure compliance with other applicable environmental  
34 regulations for soil and water contamination.

35 (f) All soil that exceeds limits established in Paragraph (e) of this Rule shall be removed from the pit and disposed  
36 of at a permitted municipal solid waste landfill, hazardous waste facility, or soil reclamation facility.

1 (g) The location where the pit(s) were constructed shall be returned to grade, ~~reclaimed~~reclaimed, and seeded in  
2 accordance with the approved Reclamation Plan. Pit(s) shall be reclaimed no later than 180 calendar days after the  
3 drilling rig is removed from the well site, workover operations are complete, or plugging is complete.

4 (h) The permittee shall submit a signed copy of Form 25 – Pit Closure Report to the Department in accordance with  
5 Rule .0201 of this Subchapter within 30 calendar days after the pit closure has  
6 been ~~completed~~completed, ~~with~~containing the following information:

- 7 (1) the permittee's name, address, telephone number, fax number, and email address;
- 8 (2) the county and nearest city or town where the oil or gas well is located;
- 9 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
10 from a public road to the well pad;
- 11 (4) the API number, the lease name, and the oil or gas well name and number;
- 12 (5) the latitude and longitude of the pit reported to five decimal places of accuracy and precision using  
13 the North American Datum of 1983 (NAD83);
- 14 (6) the pit type and use;
- 15 (7) the date of pit closure;
- 16 (8) the volume of fluid and solid E & P wastes removed from the pit(s);
- 17 (9) a confirmation that the liner was removed in accordance with Paragraph (b) of this Rule;
- 18 (10) copies of analytical results from the required sampling in Paragraph (c) of this Rule; and
- 19 (11) the name, permit number, and contact information for the receiving facilities.

20  
21 *History Note: Authority 113-391(a)(5)c; 113-391(a)(5)d; 113-391(a)(5)f; 113-391(b);*  
22 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2005 has been adopted with changes as published in 29:02 NCR 158-159 as follows:

2  
3 **15A NCAC 05H .2005 SPILLS AND RELEASES**

4 (a) Chemical spills and releases shall be reported in accordance with applicable state and federal requirements,  
5 including the Emergency Planning and Community Right-to-Know ~~Act, Act~~ set forth in 40 CFR 350-372, the  
6 Comprehensive Environmental Response, Compensation, and Liability ~~Act, Act~~ set forth in 40 CFR 300 and 302,  
7 the Resource Conservation and Recovery ~~Act, Act~~ set forth in 40 CFR 239-282, the Clean Water ~~Act, Act~~ set forth in  
8 40 CFR 100-149, G.S. 143-215.75 through 215.104U, 15A NCAC 02B, and 02L, as ~~applicable~~ applicable, which are  
9 incorporated by reference, including subsequent amendments and editions.

10 (b) Spills and releases of E & P waste shall be controlled and contained upon discovery to protect public health,  
11 welfare, and the environment.

12 (c) The permittee shall be responsible for controlling, containing, and remediating any spill or release.

13 (d) The Department may require any cleanup activities it determines to be necessary to protect public health,  
14 welfare, and the ~~environment~~ environment based on the type, size, and extent of the spill or release.

15 (e) Spills and releases shall be reported by the permittee as follows:

16 (1) spills and releases of any E & P waste that exceed a volume of one barrel per incident, including  
17 those contained within lined or unlined berms, including containment systems, shall be reported  
18 on Form 26 – Spill and Release Report in accordance with Paragraph (f) of this Rule;

19 (2) spills and releases that exceed a volume of five barrels per incident of any E & P waste shall be  
20 reported by telephone or email to the Director in accordance with Rule .0201 of this Subchapter as  
21 soon as practicable, but no more than 24 hours after discovery;

22 (3) spills and releases of any size that impact, or threaten to impact, any waters of the State, high  
23 occupancy buildings or occupied dwellings, livestock or public roads shall be reported by  
24 telephone or email to the Director in accordance with Rule .0201 of this Subchapter as soon as  
25 practicable, but no more than 24 hours after discovery; and

26 (4) spills and releases of any size that ~~impact~~ impact, or threaten to ~~impact~~ impact, any surface water,  
27 water supply area, or water supply intake shall be reported to the ~~Director~~ Department in  
28 accordance with Rule .0201 of this Subchapter and the appropriate local emergency management  
29 coordinator in accordance with Rule .1305 of this Subchapter. These spills and releases shall be  
30 reported by phone to the local emergency management coordinator, Department, and water supply  
31 facility within two hours of the discovery. This initial notification to the local emergency  
32 management coordinator, Department, and water supply facility shall include a description of  
33 actions to be taken to mitigate the spill and release.

34 (f) For all reportable spills, the permittee shall submit Form 26 – Spill and Release Report, to the Department in  
35 accordance with Rule .0201 of this Subchapter no more than five days after discovery. The form shall include the  
36 following:

37 (1) the permittee's name, address, telephone number, fax number, and email address;

- 1 (2) the county and nearest city or town where the oil or gas well is located;
- 2 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading
- 3 from a public road to the well pad;
- 4 (4) the API number, the lease name, and the oil or gas well name and number;
- 5 (5) an 8 1/2 by 11 inch topographic map showing the location of the spill;
- 6 (6) color photographs of the affected area;
- 7 (7) a description of the initial mitigation, site investigation, and any additional remediation proposed
- 8 by the permittee; and
- 9 (8) additional information or remediation based on the type, size, and extent of the spill or release as
- 10 required by the Department.

11 (g) The permittee shall determine the cause of all spills and releases, and shall implement measures to prevent spills  
12 and releases due to similar causes in the future.

13 (h) The permittee shall notify the local emergency management coordinator and State Emergency Operations  
14 Center ~~in accordance with Rule 1305 of this Subchapter~~ of reportable spills and ~~releases~~releases pursuant to the  
15 requirements in this Rule, as soon as practicable, but not more than 24 ~~hours~~hours after discovery.

16 (i) The Department shall require the permittee to submit a Form 27 – Site Investigation and Remediation Work  
17 Plan ~~When there is a threat of or actual significant impacts on public health, welfare, and the environment from~~  
18 ~~a spill or release exist, or when necessary to ensure compliance with 15A NCAC 02B and 02L02L, under the~~  
19 ~~Environmental Management Commission, the Department may require the permittee to submit a~~The Form 27 – Site  
20 Investigation and Remediation Work Plan ~~with~~shall include the following information:

- 21 (1) the permittee's name, address, telephone number, fax number, and email address;
- 22 (2) the county and nearest city or town where the oil or gas well is located;
- 23 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading
- 24 from a public road to the well pad;
- 25 (4) the API number, the lease name, and the oil or gas well name and number;
- 26 (5) a description of the impact to soils, vegetation, groundwater, or surface water;
- 27 (6) a description of initial actions taken to remediate the spill or release;
- 28 (7) a description of how the spill or release and impacts will be removed or remedied;
- 29 (8) a description of proposed groundwater monitoring plan if groundwater was impacted;
- 30 (9) a description of changes to the well site development plan or reclamation plan if needed;
- 31 (10) a map of the area showing sample locations and the extent of spill or release;
- 32 (11) a copy of analytical reports for any samples that have been collected and analyzed;
- 33 (12) the final disposal site of the E & P wastes recovered from the spill or release;
- 34 (13) an implementation schedule detailing the date(s) of the initial spill or release, the beginning and
- 35 end of site investigation, the date remediation plan was submitted, the date remediation plan will
- 36 be implemented, the anticipated completion date of remediation, the actual completion date; and
- 37 (14) the signature of the permittee and date signed.

1

2 *History Note: Authority 113-391(a)(5)i; 113-391(a)(5)k;*

3 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2006 has been adopted with changes as published in 29:02 NCR 159 as follows:

2

3 **15A NCAC 05H .2006 SAFETY AND SECURITY AT PITS AND TANKS**

4 (a) Fencing around any pit or tank shall be constructed and maintained to prevent unauthorized ~~access~~access and  
5 render the area non-hazardous to wildlife. Fences are not required if there is ~~an adequate~~ surrounding perimeter  
6 fence that prevents unauthorized access to the well site or production facility, including the pit(s) or tank(s).  
7 Fencing shall comply with Rule .1615 of this Subchapter.

8 (b) All E & P waste pits or open tanks shall be screened, netted or otherwise ~~rendered~~render the area non-hazardous  
9 to wildlife, including migratory birds. ~~Where netting or screening is not used, the~~The permittee shall ~~on a monthly~~  
10 ~~basis~~ inspect for and, within 48 hours of discovery, report any discovery of dead migratory birds or other wildlife to  
11 the Department by telephone or email in accordance with Rule .0201 of this Subchapter in order to facilitate  
12 assessment and implementation of measures to prevent incidents from reoccurring. All netting, screening, or other  
13 measures installed shall comply with the Migratory Bird Treaty ~~Act~~Act as set forth in 16 U.S.C. 703-712.

14

15 *History Note: Authority 113-391(a)(4);*

16 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2007 has been adopted as published in 29:02 NCR 159-160 as follows:

2  
3 **15A NCAC 05H .2007 MONITORING AND REPORTING**

4 (a) The permittee shall monitor all onsite E & P waste storage and disposal structures and facilities for compliance  
5 with the approved E & P Waste Management Plan.

6 (b) The permittee shall inspect all pits or open tanks after a rain event of one half inch or more in a 24-hour period  
7 to ensure structures have not been impaired and have the required freeboard. If impairment of a pit or open tank is  
8 noted during the course of inspection, the impairment shall be recorded on a monitoring and maintenance log. The  
9 log shall include:

- 10 (1) the permittee's name, address, telephone number, fax number, and email address;
- 11 (2) the county and nearest city or town where the oil or gas well is located;
- 12 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
13 from a public road to the well pad;
- 14 (4) the API number, the lease name, and the oil or gas well name and number;
- 15 (5) the date of inspection, name of the inspector;
- 16 (6) the location of impairment of the pit or tank;
- 17 (7) if a spill or release was observed;
- 18 (8) any necessary repair work ~~along with~~and the date(s) all repairs were completed; and
- 19 (9) the signature of person conducting the inspection.

20 (c) If the impairment of the structure of the pit or open tank results in a spill or release, the permittee shall comply  
21 with the requirements for reporting, repair, and remediation in accordance with Rule .2005 of this Section.

22 (d) The permittee shall submit the Form 24 – Annual E & P Waste Management Report to the Department in  
23 accordance with Rule .0201 of this Subchapter no later than April 1<sup>st</sup> of each year for the previous calendar year,  
24 regardless of whether any oil or gas wells are installed at a well pad during the calendar year covered by the  
25 report. The Form 24 – Annual E & P Waste Management Report shall include:

- 26 (1) the permittee's name, address, telephone number, fax number, and email address;
- 27 (2) the county and nearest city or town where the oil or gas well is located;
- 28 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
29 from a public road to the well pad;
- 30 (4) the API number, the lease name, and the oil or gas well name and number;
- 31 (5) the quantity of drill cuttings that have been disposed of at off-site solid waste landfills;
- 32 (6) the permit number, ~~name~~name, and location of the solid waste facility;
- 33 (7) the monthly quantity, in barrels, of liquid E & P waste produced in the drilling, stimulation,  
34 alteration, and production of an oil or gas well; and
- 35 (8) the records of when pits were serviced due to inadequate freeboard, and the actions that were  
36 taken to restore the ~~two~~three feet of required freeboard.

- 1 *History Note:* Authority 113-391(a)(5)i; 113-391(a)(5)k;
- 2 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2101 has been adopted as published in 29:02 NCR 160 as follows:

2  
3 **SECTION .2100 – WELL SITE RECLAMATION**  
4

5 **15A NCAC 05H .2101 PURPOSE AND SCOPE**

6 (a) The permittee shall reclaim all disturbed land associated with the drilling, completion, and production of an oil  
7 or gas well by removing any well site structures or equipment from the well site or well pad and establishing  
8 permanent vegetative cover, soil stability, water conditions, and safety conditions appropriate to the area.

9 (b) The disturbed land shall be reclaimed unless otherwise designated by the surface owner in a surface use  
10 agreement submitted with a Form 2 – Oil or Gas Well Permit Application.

11  
12 *History Note: Authority G.S. 113-391(a)(5); 113-423.1(b);*

13 *Eff. Pending Legislative Review.*

1 15A NCAC 05H .2102 has been adopted as published in 29:02 NCR 160-161 as follows:

2  
3 **15A NCAC 05H .2102 RECLAMATION PLAN REQUIREMENTS**

4 (a) The applicant or permittee for a ~~Form 2 – Oil or Gas Well Permit Application~~ permit or permit modification shall  
5 submit a Reclamation Plan to the Department for approval. The Reclamation Plan shall be submitted in accordance  
6 with Section .1300 of this Subchapter.

7 (b) The Form 6 – Well Site Reclamation Plan and its contents shall conform to the SPCA, 15A NCAC 04, and 15A  
8 NCAC 02H and include information and details on the reclamation of all disturbed land at the well ~~site including the~~  
9 ~~following information:~~ site, including:

- 10 (1) the reclamation activities to be conducted onsite;
- 11 (2) a plan for subsequent land use and the general methods to be used in reclaiming the disturbed  
12 land;
- 13 (3) the practices to be taken to protect adjacent surface resources;
- 14 (4) the methods to prevent or eliminate adverse impacts to flora and fauna in, or adjacent to, the  
15 disturbed land;
- 16 (5) the methods ~~of reclaiming~~ to be taken to reclaim the disturbed land associated with pits in  
17 accordance with Rule .2004 of this Subchapter;
- 18 (6) the measures to be taken stabilize slopes; and
- 19 (7) the plan for re-vegetation and reforestation, or other surface treatment of the disturbed land, ~~which~~  
20 ~~shall be approved~~ in writing by one of the following prior to submission of the application:
  - 21 (A) an authorized representative of the local soil and water conservation district having  
22 jurisdiction over lands in question;
  - 23 (B) an authorized representative of the North Carolina Forest Service within the Department  
24 of Agriculture and Consumer Services;
  - 25 (C) a county agricultural extension Chair or research and extension personnel headquartered  
26 at North Carolina State University in the School of Agricultural and Life Sciences;
  - 27 (D) a North Carolina licensed Landscape Architect pursuant to G.S. 89A; or
  - 28 (E) a private consulting ~~foresters~~ forester referred by the North Carolina Forest Service within  
29 the Department of Agriculture and Consumer Services.

30 (c) The applicant shall submit financial assurance in accordance with the Section .1400 of this Subchapter prior to  
31 commencing activity onsite.

32 (d) In addition to performing all activities required by the ~~reclamation plan~~ Reclamation Plan, the permittee shall  
33 stabilize and reclaim all ~~lands~~ disturbed lands associated with drilling, completion, and production in accordance  
34 with the Well Site Development Plan required by Rule .1304(c)(2) of this Subchapter.

35 (e) An approved ~~reclamation plan~~ Reclamation Plan may be ~~modified~~ modified by submitting a permit modification  
36 in accordance with Rule .1310 of this Subchapter, so long as the Department determines that the modified plan fully  
37 meets the standards set forth in G.S. 113-391 and that the modifications would be consistent with the basis for  
38 issuance of the original permit.

1

2 *History Note:* *Authority G.S. 113-391(a)(5)l;*  
3 *Eff. Pending Legislative Reivew.*

1 15A NCAC 05H .2103 has been adopted with changes as published in 29:03 NCR 252 as follows:

2

3 **15A NCAC 05H .2103 TIMING AND NOTICE OF RECLAMATION**

4 (a) The permittee shall complete reclamation of all disturbed land within two years pursuant to G.S. 113-421(a3).

5 (b) The permittee shall notify the Department in writing within 30 calendar days following completing reclamation.

6 (c) The Department shall monitor the well site for compliance with the following standards:

7 (1) the vegetative cover shall be maintained for a period of one year after the notice has been given  
8 before the disturbed land bond under Rule .1404 shall be released by the surface owner; and

9 (2) the filled or graded areas shall be maintained so as to avoid the formation of depressions or  
10 standing pools of ~~water~~ water until reclamation is complete.

11

12 *History Note: Authority G.S. 113-391(a)(5)l;*

13 *Eff. Pending Legislative Review.*

14

1 15A NCAC 05H .2201 has been adopted with changes as published in 29:02 NCR 161-162 as follows:

2  
3 **SECTION .2200 – OPERATION AND PRODUCTION**

4  
5 **15A NCAC 05H .2201 OPERATION AND PRODUCTION REQUIREMENTS FOR OIL OR GAS**  
6 **WELLS**

7 (a) All oil or gas wells shall comply with API Recommended Practice 74, "Recommended Practice for  
8 Occupational Safety for Onshore Oil and Gas Production Operation," which is incorporated by reference, including  
9 subsequent amendments and editions. This ~~document, published by API,~~ document may be viewed online ~~at~~ for no  
10 charge at ~~http://publications.api.org/default.aspx~~ http://publications.api.org/.

11 (b) All production equipment shall be maintained to comply with API Recommended Practice 51R "Environmental  
12 Protection for Onshore Oil and Gas Production Operations and ~~Leases,"~~ Leases," and ~~North Carolina Petroleum and~~  
13 ~~Convenience Marketers (NCPCM) "Above Ground Petroleum Storage Tank Manual and Fire Codes with data on~~  
14 ~~North Carolina Gasoline Vapor Recovery and EPA Spill Plan Information,"~~ which are incorporated by reference,  
15 ~~including subsequent amendments and editions.~~ Recommended Practice 51R, ~~published by API,~~ 51R may be viewed  
16 online ~~at~~ for no charge at ~~http://publications.api.org/default.aspx~~ http://publications.api.org/. ~~The Above Ground~~  
17 ~~Petroleum Storage Tank Manual, published by NCPCM, may be viewed online at no charge at~~  
18 ~~http://www.ncpem.org/pdf/AST\_Manual2014.pdf.~~

19 (c) All natural gas compressor stations shall be contained within a baffled building in accordance with G.S. 113-  
20 395.1.

21 (d) The permittee shall report monthly production data from all producing oil or gas wells, wells capable of  
22 producing oil or gas, and all fluids produced during any phase of operation of the oil or gas well to  
23 the ~~Department,~~ Department in accordance with Rule .0201 on Form 28 – Monthly Production ~~Report,~~ Report within  
24 60 calendar days from the end of each ~~month.~~ month. ~~The Form~~ and shall include the following information:

- 25 (1) the permittee's name, address, telephone number, fax number, and email address;  
26 (2) the county and nearest city or town where the oil or gas well is located;  
27 (3) the property street ~~address~~ address, or nearest address to the ingress ~~or~~ and egress point leading  
28 from a public road to the well pad;  
29 (4) the API number, the lease name, and the oil or gas well name and number;  
30 (5) the month and year of production;  
31 (6) the number of days the oil or gas well was producing for the reporting period;  
32 (7) the oil or gas well status;  
33 (8) the quantities of oil and production fluids posted in barrels; and  
34 (9) the quantities of gas posted in units of thousand cubic feet.

35 (e) All meters shall be calibrated at least annually and shall comply with Chapters 14, 21, and 22 of the API  
36 "Manual of Petroleum Measurement Standards," which is incorporated by reference, including subsequent  
37 amendments and editions. These documents, published by API, may be ~~purchased at a cost of one thousand four~~

1 ~~hundred and sixty eight dollars (\$1,468) for Chapter 14, four hundred and sixteen dollars (\$416.00) for Chapter 21,~~  
2 ~~and one hundred and sixty three dollars (\$163.00) for Chapter 22 at <http://www.techstreet.com/api/products/21408>~~  
3 ~~or by mail at Techstreet, 3916 Ranchero Drive, Ann Arbor, MI 48108. viewed online for no charge at~~  
4 ~~<http://publications.api.org/>.~~

5 (f) All meters, valves, and gauges shall be maintained pursuant to the manufacture's specifications and remain  
6 accessible to the Department.

7 (g) The permittee shall notify the Department in accordance with Rule .0201 of this Subchapter at least 72 hours via  
8 telephone or email prior to meter calibration. The permittee shall submit Form 11 – Required Notifications to the  
9 Department, by mail, email or fax within five calendar days of the telephone or email notice and shall include the  
10 following information:

- 11 (1) the permittee's name, address, telephone number, fax number, and email address;
- 12 (2) the county and nearest city or town where the oil or gas well is located;
- 13 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
14 from a public road to the well pad;
- 15 (4) the API number, the lease name, and the oil or gas well name and number; and
- 16 (5) the scheduled date and approximate time for the meter testing.

17 (h) The permittee shall retain calibration records for five years in accordance with Rule .0202 of this Subchapter.

18 (i) The permittee shall adjust, repair, or replace any meter that fails an annual meter calibration ~~test-test with a~~  
19 calibrated meter. Test results that exceed two percent of the manufacturer's specifications shall constitute a failure  
20 of the meter calibration test. The permittee shall notify the Department within 24 hours of replacing a meter via  
21 mail or email and shall retain records related to replacement for a period of five years.

22 (j) The permittee shall inspect daily each producing oil or gas well for the first 30 calendar days following  
23 commencement of production and monthly thereafter. The permittee shall report on the daily inspections results  
24 within 30 calendar days of the final daily inspection on Form 29 – Well Site Inspection Report.

25 (k) The permittee shall submit a monthly inspection report to the Department using Form 29 – Well Site Inspection  
26 Report within 30 calendar days of the inspection.

27 (l) The Form 29 – Well Site Inspection Report shall include the following information:

- 28 (1) the permittee's name, address, telephone number, fax number, and email address;
- 29 (2) the county and nearest city or town where the oil or gas well is located;
- 30 (3) the property street ~~address~~address, or nearest address to the ingress ~~or~~and egress point leading  
31 from a public road to the well pad;
- 32 (4) the API number, the lease name, and the oil or gas well name and number;
- 33 (5) the presence of corrosion or equipment deterioration on any production equipment;
- 34 (6) any indication or observation of a hydrocarbon release;
- 35 (7) the condition of the wellhead, tanks, separators, and all other production equipment;
- 36 (8) the condition of the secondary containment system for all tanks and separators;

1 (9) certification that activated charcoal filters, low pressure relief valves, hatch lids, and lightning  
2 arrestors are present and functional for all tanks; and

3 (10) any pressure measurements taken at the wellhead.

4 (m) The Department may require the permittee to perform diagnostic testing on the oil or gas well or production  
5 equipment to in order determine whether a potential mechanical deficiency exists and the best method of repair if  
6 deficiencies or violations are noted by the permittee on the Form 29 – Well Site Inspection Report.

7 (n) The permittee shall notify the Department via telephone or email of any annular pressures in excess of 80  
8 percent of the API rated minimum internal yield pressure rating within 24 hours after discovery.

9 (o) All shut-in oil or gas wells shall pass an annual mechanical integrity test. Oil or gas wells that had surface  
10 equipment removed or have become incapable of production shall pass a mechanical integrity test within 30  
11 calendar ~~days~~ days of the cessation of production. Oil or gas wells that fail a mechanical integrity test shall be  
12 repaired or plugged and abandoned within six months of failing the test. Mechanical integrity testing shall  
13 be conducted in accordance with the following procedure:

14 (1) isolate the wellbore with a mechanical bridge plug, set at 100 feet or less above the production  
15 packer or the highest perforations; perforations, if the production tubing has been removed;

16 (2) pressure test the production tubing, or casing if the tubing has been removed, casing with inert or  
17 nonreactive liquid or gas at a minimum of 300 pounds per square inch (psi)  
18 surface ~~pressure~~ pressure or 110 percent of the shut in tubing pressure, whichever is greater; and

19 (3) maintain a minimum of 300 psi surface pressure for at least 15 minutes without a pressure  
20 differential of more than 10 percent.

21 (p) The permittee shall notify the Department using Form 11 – Required Notifications to the Department, not less  
22 than 10 calendar days prior to initiating a mechanical integrity test by mail, email, or fax. The notification shall  
23 include the following information:

24 (1) the permittee's name, address, telephone number, fax number, and email address;

25 (2) the county and nearest city or town where the oil or gas well is located;

26 (3) the property street ~~address~~ address, or nearest address to the ingress ~~or~~ and point leading from a  
27 public road to the well pad;

28 (4) the API number, the lease name, and the oil or gas well name and number; and

29 (5) the scheduled date and approximate time ~~for which~~ the test will be performed.

30 (q) Mechanical integrity test results shall be submitted to the Department using Form 16 – Mechanical Integrity  
31 Test Results, within 30 calendar days after completing the test and shall include the following information:

32 (1) the permittee's name, address, telephone number, fax number, and email address;

33 (2) the county and nearest city or town where the oil or gas well is located;

34 (3) the property street ~~address~~ address, or nearest address to the ingress ~~or~~ and point leading from a  
35 public road to the well pad;

36 (4) the API number, the lease name, and the oil or gas well name and number;

37 (5) the purpose or reason for testing and identify if tubing or casing is being tested;

- 1 (6) identify the depth of producing zone and perforated intervals;
- 2 (7) the tubing and casing diameter and depth;
- 3 (8) a description of the pressure test data including pressure charts showing ~~pressure~~ pressure; ~~prior to,~~
- 4 during, and at the commencement of testing; and
- 5 (A) \_\_\_\_\_ prior to testing;
- 6 (B) \_\_\_\_\_ at the commencement of testing; and
- 7 (C) \_\_\_\_\_ during testing.
- 8 (9) be signed by the service company or contractor conducting the pressure test to attest that all tests
- 9 and results comply with the standards set in this Rule.
- 10 (r) The permittee shall submit Form 2 – Oil or Gas Well Permit ~~Application~~, Application to the Department for the
- 11 recompletion work required for the oil or gas well to be placed back into production.
- 12

13 *History Note: Authority G.S. ~~113-391(a)(5)e, i, and k~~; 113-391(a)(5)c; 113-391(a)(5)i; 113-391(a)(5)k;*

14 *Eff. Pending Legislative Review.*