

NORTH CAROLINA GENERAL ASSEMBLY  
1971 SESSION

CHAPTER 813  
SENATE BILL 420

AN ACT TO PROVIDE FOR THE PROTECTION AND CONSERVATION OF THE  
NATURAL RESOURCES OF THE STATE OF NORTH CAROLINA THROUGH  
CONSERVATION OF OIL AND GAS RESOURCES.

The General Assembly of North Carolina enacts:

**Sec. 1.** G.S. 113-378 is amended by rewriting the eighth line thereof to read as follows: "the amount of five thousand dollars (\$5,000) running to the State", so as to increase the amount of the bond required in connection with exploratory drilling for oil or natural gas from two thousand five hundred dollars (\$2,500) to five thousand dollars (\$5,000).

**Sec. 2.** G.S. 113-380 is hereby amended by substituting for the words and figures "five hundred dollars (\$500.00) nor more than two thousand dollars (\$2,000.00)" the words and figures "two thousand five hundred dollars (\$2,500) nor more than ten thousand dollars (\$10,000)", so that said section will read as follows:

**"§ 113-380. Violation a misdemeanor.** — Any person, firm or officer of a corporation violating any of the provisions of G.S. 113-378 or G.S. 113-379, shall, upon conviction thereof be guilty of a misdemeanor and shall be fined not less than two thousand five hundred dollars (\$2,500) nor more than ten thousand dollars (\$10,000) and may, in the discretion of the court, be imprisoned for not more than two years."

**Sec. 3.** The first unnumbered paragraph of G.S. 113-382 is hereby repealed. (Said paragraph delays the activation of the Oil and Gas Conservation Act until the Governor and Council of State learn of the discovery of natural oil and/or natural gas in commercial quantities and proclaim the Act to be in full force and effect.) It is the intention of this section to make the Oil and Gas Conservation Act effective immediately, by removing the restriction upon the activation of said Act until oil or gas is discovered in commercial quantities.

**Sec. 4.** The second unnumbered paragraph of G.S. 113-382 ("Declaration of Policy") is hereby amended by deleting the words and punctuation "The General Assembly," in line 1 of said paragraph and by capitalizing the next succeeding word "in"; by deleting the word "thereof in line 2 of said paragraph and inserting in lieu of said word the words "natural oil and/or natural gas"; by inserting after the comma following the word "same" in line 4 of said paragraph the words "and in the absence of adequate measures for the protection of the environment,"; and by inserting after the word "production" and before the period at the end of said paragraph, the words "and authorizing regulations for the protection of the environment"; so that said paragraph as so amended will read as follows:

"In recognition of imminent evils that can occur in the production and use and waste of natural oil and/or gas in the absence of equal or correlative rights of owners of crude oil or natural gas in a common source of supply to produce and use the same, and in the absence of adequate measures for the protection of the environment, this law is enacted for the protection of public interests against such evils by prohibiting waste and compelling rateable production and authorizing regulations for the protection of the environment."

**Sec. 5.** The first numbered subparagraph of the third unnumbered paragraph of G.S. 113-391 (which paragraph empowers the Petroleum Division of the Department of Conservation and Development to adopt reasonable rules, regulations and orders for specified purposes), is amended by inserting, in line 1 of said subparagraph after the comma following the word "drilling", the word "operation," and by inserting, in line 5 of said subparagraph

before the semicolon following the word "water", the 1168 words ", or to protect the quality of the water, air, soil or any other environmental resource against injury or damage or impairment"; so that said subparagraph as so amended will read as follows:

"(1) To require the drilling, operation, casing and plugging of wells to be done in such manner as to prevent the escape of oil or gas out of one stratum to another; to prevent the intrusion of water into an oil or gas stratum from a separate stratum; to prevent the pollution of fresh water supplies by oil, gas or salt water, or to protect the quality of the water, air, soil or any other environmental resource against injury or damage or impairment; and to require reasonable bond condition for the performance of the duty to plug each dry or abandoned well."

**Sec. 6.** The third unnumbered paragraph of G.S. 113-391 is further amended by adding at the end of said paragraph an additional numbered subparagraph, to read as follows:

"(16) To regulate and, if necessary in its judgment for the protection of unique environmental values, to prohibit the location of wells in the interest of protecting the quality of the water, air, soil or any other environmental resource against injury, or damage or impairment."

**Sec. 7.** A new section shall be added to Article 27 of Chapter 113 of the North Carolina General Statutes, to be designated G.S. 113-415, and shall read as follows:

"§ 113-415. **Conflicts of laws.** — No provision of this Article shall be construed to repeal, amend, abridge or otherwise affect the authority and responsibility vested in the North Carolina Board of Water and Air Resources by Article 7 of Chapter 87, pertaining to the location, construction, repair, operation and abandonment of wells, or the authority or responsibility vested in the North Carolina State Board of Health by Article 13, Chapter 130, of the General Statutes pertaining to public water supply requirements."

**Sec. 8.** If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**Sec. 9.** This act shall become effective July 1, 1971.

In the General Assembly read three times and ratified, this the 12th day of July, 1971.