

FAILED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 786

AMENDMENT NO. A4
(to be filled in by
Principal Clerk)

S786-ATA-53 [v.1]

Page 1 of 2

Comm. Sub. [YES]
Amends Title [NO]
Fourth Edition

Date _____, 2014

Representative Meyer

1 moves to amend the bill on page 10, lines 31 and 32,
2 by inserting between those lines:

3
4 "(a) The Mining and Energy Commission, created by G.S. 143B-293.1, in conjunction
5 with rule-making authority specifically reserved to the Environmental Management
6 Commission under subsection (a3) of this section, shall establish a modern regulatory program
7 for the management of oil and gas exploration and development in the State and the use of
8 horizontal drilling and hydraulic fracturing treatments for that purpose. The program shall be
9 designed to protect public health and safety; protect public and private property; protect and
10 conserve the State's air, water, and other natural resources; promote economic development and
11 expand employment opportunities; and provide for the productive and efficient development of
12 the State's oil and gas resources. To establish the program, the Commission shall adopt rules for
13 all of the following purposes:

14 ...
15 (5) Regulation of horizontal drilling and hydraulic fracturing treatments for the
16 purpose of oil and gas exploration. Such rules shall, at a minimum, include
17 standards or requirements related to the following:

18 ...
19 l. Proper well closure, site reclamation, post-closure monitoring, and
20 financial assurance. Rules for financial assurance shall require that an
21 oil or gas developer or operator establish financial assurance ~~that will~~
22 ~~ensure that sufficient funds are available to cover a minimum of one~~
23 million dollars (\$1,000,000) in costs for well closure, post-closure
24 maintenance and monitoring, any corrective action that the
25 Department may require, and to satisfy any potential liability for
26 sudden and nonsudden accidental occurrences, and subsequent costs
27 incurred by the Department in response to an incident involving a
28 drilling operation, even if the developer or operator becomes
29 insolvent or ceases to reside, be incorporated, do business, or
30 maintain assets in the State. The Commission may require financial
31 assurance in a higher amount and may increase the amount of
32 financial assurance if it determines that a higher amount is necessary



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1 to ensure that sufficient funds are available to address the purposes
2 specified in this sub-subdivision."
3

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**The official copy of this document, with signatures
and vote information, is available in the
House Principal Clerk's Office**