

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

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

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

- (1) the application is incomplete pursuant to Rule .1202(e) of this Section;
- (2) the application contains erroneous information; or
- (3) the surface use agreement or equivalent documentation fails to meet requirements of the rules of this Subchapter.

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

*History Note:* Authority G.S. 113-391(a)(12); 113-392(b); 143B-293.1(b);  
Eff. March 17, 2015.