

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

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

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

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

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

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

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

*History Note: Authority G.S. 113-391(a)(5)a; 113-391(a6);  
Eff. March 17, 2015.*