

Report to the North Carolina General Assembly
Environmental Review Commission and the Joint
Legislative Commission on Energy Policy



2025 Annual Report of the
Oil and Gas Commission

January 1, 2026

Submitted on behalf of the Oil and Gas Commission

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

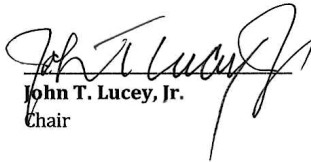
Pursuant to G.S. 143B-293.1(c)

2025 Annual Report of the Oil and Gas Commission

Executive Summary and Transmittal

Pursuant to N.C.G.S. §143B-293.1(c), the North Carolina Oil and Gas Commission (Commission) submits this annual written report as to its operations, activities, programs, and progress to the Joint Legislative Commission on Energy Policy and the Environmental Review Commission. Provided herein is the annual report of the Commission for calendar year 2025.

Respectfully,


John T. Lucey, Jr.
Chair

12/3/25 Date

Commission Report and Proceedings

Executive Summary

The Oil and Gas Commission held four quarterly meetings in 2025, with a quorum present at each. The Commission's Rules Review Committee met once. There were no oil or natural gas drilling permits issued during the year. The Commission completed the adoption of the 15A NCAC 05C (geophysical exploration) rules and discussed the general timeline and process for readoption of 15A NCAC 05H (oil and gas conservation) rules. The Commission also received periodic updates on preliminary interest related to existing exploratory wells in Lee County as well as other Deep River Basin preliminary interest.

Across these meetings, the Commission's work centered on regulatory obligations and transparency. The Commission's Rules Review Committee initiated the workflow for the full Commission to advance the readoption of 15A NCAC 05C rules to completion and began planning discussions for the readoption of 15A NCAC 05H rules, including a DEQ technical review step and preparation for North Carolina's Rules Review Commission consideration. The Commission elected officers, designated an Ethics Coordinator, and reserved time for public comments at the regular meetings. DEQ staff provided updates on preliminary industry interest within the Deep River Basin (including the pre-existing exploratory wells in Lee County) and on commissioner reappointments and expiring terms. The Commission adopted its 2026 meeting calendar to support continuity of operations.

The Commission's charge and duties may be found at N.C.G.S. §143B-293.1. Detailed minutes, referenced materials, and additional information from each meeting are also available on the Commission's webpage.

2025 Meetings

1st Quarter, 18 February

- Approved the prior quarter's meeting minutes.
- Received an update on the 15A NCAC 05C (geophysical exploration) rules adoption. A Hearing Officer's Report from the early January public hearing, and 30 day written public comment period (beginning in mid-December 2024), was to be prepared and advanced to the Commission's Rules Review Committee.
- Noted several Commissioners serving on expired terms; DEQ staff to relay reappointment preferences to leadership.
- Discussed preliminary interest in developing existing exploratory wells in Lee County; no formal applications at this time. Received a public comment concerning the potential development of the pre-existing exploratory wells in Lee County from North Carolina Energy Security.

2nd Quarter, 6 May

- Approved 1st quarter meeting minutes.
- On recommendation of the Commission's Rules Review Committee, approved the Hearing Officer's Report (HOR) and Regulatory Impact Analysis (RIA) for the 15A NCAC 05C rules, and adopted the 15A NCAC 05C rules.
- Reviewed the expected Office of Administrative Hearings (OAH)/Rules Review Commission (RRC) timeline for the 15A NCAC 05H rules readoption. No new exploration inquiries beyond ongoing discussions related to the existing Lee County wells.

3rd Quarter, 23 September *(rescheduled from 5 August, due to lack of quorum)*

- Approved 2nd quarter meeting minutes.
- Re-elected Commission officers: Chair John T. Lucey and Vice-Chair James C. Lister.
- Final adoption of the 15A NCAC 05C rules noted; the Rules Review Commission approved the readopted rules—no further action required.
- Assigned DEQ staff to serve as the Commission's designated Ethics Coordinator.
- Received update that beyond preliminary interest regarding developing the pre-existing exploratory wells in Lee County, no other inquiries had been received.

4th Quarter, 5 November

- Approved 3rd quarter minutes.
- Discussed the Commission's 2025 Annual Report process and the 15A NCAC 05H rules readoption process, including a technical review by DEQ staff followed by Rules Review Committee 15A NCAC 05H process considerations.
- Adopted 2026 meeting dates. Received one new inquiry expressing interest in exploring the Deep River Basin's natural gas resources from a group representative present at the Commission's 3rd quarter meeting; no follow-up as of this meeting date.

Additional Resources

- N.C.G.S. §143B-293.1 (Commission charge and duties)
- NC Oil and Gas Commission webpage (minutes, agendas, and any other meeting documents)
- 15A NCAC 05C (Geophysical Exploration) and 15A NCAC 05H (Oil and Gas Conservation) rulesets