

## **2023 Annual Report of the Oil and Gas Commission**

**Citation of Law or Resolution:** N.C.G.S. §143B-293.1(c)  
**Due Date:** Annually  
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**Receiving Entities:**  
The Joint Legislative Commission on Energy Policy  
The Environmental Review Commission

**Submitting Entity:**  
Department of Environmental Quality, on behalf of the Oil and Gas Commission

## **2023 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), must submit annual written reports as to its operation, 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 as to its operations, activities, programs, and progress for the 2023 calendar year.

Respectfully,

James C. Lister  
Chair

### **Commission Report and Proceedings**

#### **Executive Summary**

The Oil and Gas Commission (Commission) held its four quarterly meetings of 2023, with a quorum attending at each meeting.

The Rules Review Committee of the Commission met in October 2023 and voted to recommend to the full Commission to adopt the recommended designations for the 15A NCAC 05C rules as necessary or unnecessary.

The Commission voted at its November 1<sup>st</sup> meeting to move to approve the designations of the 15A NCAC 05C rules as recommended by staff and the Oil and Gas Rules Review Committee and to recommend the 15 NCAC 05C rules move forward to the 60 days public comment period.

Since the last Annual Report, there have been no inquiries from outside parties interested in learning more about the oil and gas potential of North Carolina's Triassic Basins and the regulations guiding related petroleum activity.

The Commission was presented an overview of the geology of the oil and natural gas potential of the state as a way to frame the pressure tests conducted on the state's two shut-in wells in early 2023.

The Commission's charge and duties may be found at N.C.G.S. §143B-293.1, or [online \(https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_143B/GS\\_143B-293.1.html\)](https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_143B/GS_143B-293.1.html).

The following is a summary of the Commission's activities during the quarterly meetings. Detailed minutes, referenced materials, and additional information from each Commission meeting are available online: (<https://deq.nc.gov/energy-climate/energy-group/oil-and-gas-program/nc-oil-and-gas-commission>).

## **2023 Meetings**

### 7 February

The minutes of the fourth quarter 2022 meeting were approved.

Chair Lister appointed Commissioners to the Civil Penalties Committee and the Rules Review Committee.

Commissioner Vizquete explained to the Commission that a scope of work (SOW) for an air quality baseline study was still being developed at the School of Public Health at UNC-Chapel Hill, and that the next step was to find funding for the project.

Chair Lister asked DEQ staff to research if the state ever conducts state lease sales. If state owned property within the oil and natural gas geologic units, state revenue from the source could possibly be pursued.

Chair Lister asked the Geological Survey staff to arrange a pressure test for the two shut-in natural gas wells in Lee County (Butler #3 and Simpson #1) before the second quarter Commission meeting.

### 2 May

The minutes of the first quarter 2023 meeting were approved.

The Commission voted to approve for the Chair of the Oil and Gas Commission to write a joint letter with the Chair of the Mining Commission in support of moving the 05C rules (the rules pertaining to geophysical survey) from the authority of the Mining Commission to the authority of the Oil and Gas Commission.

The Commission was presented with a geologic overview of the oil and natural gas potential areas of the state as it relates to the pressure tests of the Butler #3 and Simpson #1 natural gas wells. These tests were performed by NCGS staff prior to the Commission meeting.

### 1 August

The minutes of the second quarter meeting were approved.

The Commission elected its new officers. Commissioner Lister was voted Chair and Commissioner Lucey was voted Vice-Chair.

Vice-Chair Lucey inquired about the status of the technical changes to the Commission's rules. Staff responded that emails and websites were being corrected and would be brought to the Rules Review Committee.

#### 1 November

The minutes of the third quarter meeting were approved.

The Commission reviewed the recommendation of the Rules Review Committee to designate the 15A NCAC 05C rules (the rules governing geophysical surveys) for the Oil and Gas Commission necessary except for rules .0102 ("Supervision") and .0114 ("Currituck Special") that were designated unnecessary. The Commission voted to move the procedure forward for the 15A NCAC 05C rules to proceed to 60 days public comment.

The 60 day public comment period began November 2, 2023 when the notice for public comments was made public.

Finally, the Commission established meeting dates for 2024:

First quarter: January 17<sup>th</sup>

Second quarter: May 7<sup>th</sup>

Third quarter: August 6<sup>th</sup>

Fourth quarter: November 6<sup>th</sup>