

15A NCAC 05H .1405 ENVIRONMENTAL DAMAGE BOND

(a) The applicant or permittee shall submit an environmental damage bond in the amount of one million dollars (\$1,000,000), unless the Commission sets a higher amount pursuant to G.S. 113-421(a3)(2).

(b) The environmental damage bond may be submitted as a separate bond or as an aggregate bond amount with the oil or gas well plugging and abandonment bond, as required by Rule .1403 of this Section.

(c) In identifying environmentally sensitive areas, the Commission shall consider the following:

- (1) renewable resources, which may include:
 - (A) watersheds or aquifers that are present sources of public water supply, as identified by the Department or the Environmental Management Commission at <http://swap.ncwater.org/website/swap/viewer.htm>; and
 - (B) prime forestry land (sites capable of producing 85 cubic feet per acre-year, or more, of marketable timber).
- (2) environmental or natural resources, which may include:
 - (A) existing national or State parks or forests, wilderness areas, the State Nature and Historic Preserve, or public recreation areas;
 - (B) present sections of the natural and scenic rivers system;
 - (C) stream segments that have been classified for scientific or research uses by the Environmental Management Commission at <http://portal.ncdenr.org/web/wq/ps/csu>, or that are proposed to be so classified in a rulemaking proceeding that is pending before the Environmental Management Commission pursuant to G.S.143-214.1 at the time of the designation of the area of environmental concern;
 - (D) existing wildlife refuges, preserves or management areas found at <http://www.fws.gov/refuges/refugelocatomaps/NorthCarolina.html> and game lands identified by the Wildlife Resources Commission found at <http://ncpaws.org/wrcmapbook/>;
 - (E) areas that sustain rare and endangered botanical or animal species; and
 - (F) areas containing unique geological formations, as identified by the State Geologist.
- (3) natural-hazard areas, which may include:
 - (A) the shoreline of estuarine and public trust waters;
 - (B) floodways and floodplains; and
 - (C) areas where geologic and soil conditions are such that there is a substantial possibility of landslides or seismic activity, as identified by the State Geologist, at <http://portal.ncdenr.org/web/lr/geologic-hazards>.
- (4) Outstanding Resource Waters as designated by the Division of Water Resources at <http://nc.maps.arcgis.com/apps/webappviewer/index.html?id=5f5cce7640a1499b83a7b7efaf552a4> and such contiguous land for the purpose of maintaining the exceptional water quality and outstanding resource values identified in the designation; and
- (5) Primary Nursery Areas as designated by the Marine Fisheries Commission at <http://portal.ncdenr.org/web/mf/primary-nursery-areas>.

(d) After the Commission determines that an operation would be sited in an environmentally sensitive area, the Commission may increase the bond amount pursuant to G.S. 113-421(a3)(2). In making the determination, the Commission shall consider factors such as the following:

- (1) the proximity of the oil or gas well or well site to the environmentally sensitive area;
- (2) the character of the environmentally sensitive area;
- (3) the topography of the environmentally sensitive area; and
- (4) special soil or geologic conditions in the environmentally sensitive area.

History Note: Authority G.S. 113-391(a)(5)l; 113-421(a3)(2);
Eff. March 17, 2015.