

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H.B. 1185
May 29, 2012
HOUSE PRINCIPAL CLERK

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HOUSE DRH60181-MHa-107 (05/21)

Short Title: Fracking Contracts/Against Public Policy. (Public)

Sponsors: Representative Faison.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CONTRACTS TO LEASE OR CONVEY THE FEE SIMPLE
3 TITLE TO OIL, GAS, OR MINERAL RIGHTS SEPARATE FROM THE SURFACE FEE
4 SIMPLE OWNERSHIP ARE AGAINST PUBLIC POLICY, VOID, AND
5 UNENFORCEABLE.
6 The General Assembly of North Carolina enacts:
7 **SECTION 1.** Chapter 22B of the General Statutes is amended by adding a new
8 Article to read:
9 "Article 4.
10 "Contracts to Lease or Convey Fee Simple Title to Oil, Gas, or Mineral Rights Separate From
11 the Surface Fee Simple Ownership for the Purpose of Natural Gas Exploration.
12 The General Assembly finds that natural gas exploration and extraction using hydraulic
13 fracturing represents a threat to health and public safety. Therefore, any contract or lease
14 agreement purporting to convey oil, gas, or mineral rights for the purpose of natural gas
15 extraction using hydraulic fracturing is void and unenforceable. For purposes of this Article,
16 "hydraulic fracturing" means the stimulation of a well by the application of hydraulic fracturing
17 fluids and additives with force in order to create artificial fractures in the formation for the
18 purpose of improving the capacity to produce hydrocarbons."
19 **SECTION 2.** There is appropriated to the Department of Justice the sum of
20 twenty-five thousand dollars (\$25,000) to conduct or contract for a study of the extent and
21 nature of existing contracts of the type declared void and unenforceable by this act.
22 **SECTION 3.** This act becomes effective October 1, 2012, and applies to contracts
23 or lease agreements recorded on or after that date. This act expires on October 1, 2015.

