

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 1185

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

Sponsors: Representative Faison (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Environment, if favorable, Judiciary Subcommittee C, if favorable, Commerce  
and Job Development.

May 30, 2012

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CONTRACTS TO LEASE OR CONVEY THE FEE SIMPLE  
TITLE TO OIL, GAS, OR MINERAL RIGHTS SEPARATE FROM THE SURFACE FEE  
SIMPLE OWNERSHIP ARE AGAINST PUBLIC POLICY, VOID, AND  
UNENFORCEABLE.

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 22B of the General Statutes is amended by adding a new  
Article to read:

"Article 4.

"Contracts to Lease or Convey Fee Simple Title to Oil, Gas, or Mineral Rights Separate From  
the Surface Fee Simple Ownership for the Purpose of Natural Gas Exploration.

The General Assembly finds that natural gas exploration and extraction using hydraulic  
fracturing represents a threat to health and public safety. Therefore, any contract or lease  
agreement purporting to convey oil, gas, or mineral rights for the purpose of natural gas  
extraction using hydraulic fracturing is void and unenforceable. For purposes of this Article,  
"hydraulic fracturing" means the stimulation of a well by the application of hydraulic fracturing  
fluids and additives with force in order to create artificial fractures in the formation for the  
purpose of improving the capacity to produce hydrocarbons."

**SECTION 2.** There is appropriated to the Department of Justice the sum of  
twenty-five thousand dollars (\$25,000) to conduct or contract for a study of the extent and  
nature of existing contracts of the type declared void and unenforceable by this act.

**SECTION 3.** This act becomes effective October 1, 2012, and applies to contracts  
or lease agreements recorded on or after that date. This act expires on October 1, 2015.

