

certain consultation with certain agencies of the State, to direct the Department of Natural Resources to prepare certain statements of environmental, fiscal, and economic impacts of certain proposed leases for production of oil or gas from beneath lands or waters of the State; providing for strict liability for damages that occur in the exploration, drilling, production operations, or plugging of oil or gas wells in certain State waters; providing for a certain interpretation of this Act; and generally relating to exploration, drilling, production operations, and plugging oil and gas wells in the Chesapeake Bay, its tributaries, and other leasing for oil or gas production or reserve of areas beneath lands and waters of the State.

BY adding to

Article - Natural Resources

Section ~~6-105.1~~ and ~~6-105.2~~ 6-601, 6-602, and 6-603 to be under the new subtitle "Subtitle 6. Leasing of State Oil and Gas Resources"

Annotated Code of Maryland

(1983 Replacement Volume and 1987 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Natural Resources

SUBTITLE 6. LEASING OF STATE
OIL AND GAS RESOURCES

~~6-105.1~~ 6-601.

(A) ~~THIS SECTION APPLIES ONLY TO LEASES ISSUED BY THE BOARD OF PUBLIC WORKS FOR:~~

~~(1) THE CHESAPEAKE BAY;~~

~~(2) ANY TRIBUTARY OF THE CHESAPEAKE BAY; AND~~

~~(3) ANY OTHER WATERS OF THE STATE.~~

~~(B) ON THE FILING OF AN APPLICATION AND BEFORE DECIDING WHETHER OR NOT TO GRANT A LEASE (1) THE BOARD OF PUBLIC WORKS SHALL ADOPT REGULATIONS ESTABLISHING PROCEDURES AND STANDARDS FOR AWARDING ANY OIL OR NATURAL GAS LEASE FOR PRODUCTION OR RESERVE UNDER LANDS OR WATERS OF THE STATE.~~

(2) AN AREA LEASED FOR RESERVE MAY NOT BE PUT INTO PRODUCTION UNTIL THE LESSEE OBTAINS A LEASE FOR PRODUCTION PURSUANT TO § 6-602 OF THIS SUBTITLE.