

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 6-101, 6-104, 6-104.1, 6-104.2, 6-104.3, 6-104.4, 6-105, and 6-114

Annotated Code of Maryland

(1989 Replacement Volume and 1992 Supplement)

BY adding to

Article – Natural Resources

Section 6-104.3, 6-104.5 and ~~6-104.6~~, and 6-104.7

Annotated Code of Maryland

(1989 Replacement Volume and 1992 Supplement)

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

**Article – Natural Resources**

6-101.

[It is in the public interest to foster, encourage, and promote the development, production, and utilization of natural resources of oil and gas in the State, to prevent waste, to protect the environmental resources of the State from adverse effects associated with drilling, production, and underground storage of gas and oil, and to protect fully the rights of every owner to the end that landowners, royalty owners, producers of oil and gas, and the general public realize and enjoy the greatest possible good from these vital natural resources.] THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PRODUCTION AND DEVELOPMENT OF OIL AND GAS RESOURCES IS IMPORTANT TO THE ECONOMIC WELL-BEING OF THE STATE AND THE NATION. THE DRILLING AND PRODUCTION OF OIL AND GAS SHOULD BE CONDUCTED IN A MANNER THAT WILL MINIMIZE THEIR EFFECTS ON THE SURROUNDING ENVIRONMENT. FURTHERMORE, PROPER EVALUATION OF A PROJECT AND THE USE OF THE MOST ENVIRONMENTALLY SOUND DRILLING AND PRODUCTION METHODS ARE NECESSARY TO PREVENT ADVERSE ENVIRONMENTAL CONSEQUENCES THAT WOULD BE DETRIMENTAL TO THE GENERAL WELFARE, HEALTH, SAFETY, AND PROPERTY INTERESTS OF THE CITIZENS OF THE STATE. IN ADDITION, THERE ARE CERTAIN CIRCUMSTANCES WHERE OIL AND GAS EXPLORATION OR PRODUCTION SHOULD BE PROHIBITED, SUCH AS WHEN THESE OPERATIONS WILL HAVE A SIGNIFICANT ADVERSE EFFECT ON THE ENVIRONMENT. THE GENERAL ASSEMBLY FINDS THAT THE CONDUCT OF EXPLORATION OR PRODUCTION OF OIL AND GAS RESOURCES UNDER THIS SUBTITLE WILL ALLOW THE SAFE UTILIZATION OF THE STATE'S NATURAL RESOURCES AND WILL PROVIDE FOR THE PROTECTION OF THE STATE'S ENVIRONMENT.

6-104.

(A) A person may not drill any well for the [production] EXPLORATION, PRODUCTION, or underground storage of gas or oil in the State without obtaining a permit from the Department of Natural Resources under the terms and conditions and on the forms the Department prescribes.