



Martin O'Malley, Governor
John R. Griffin, Secretary
Robert Summers, Secretary

Governor O'Malley's Marcellus Shale Safe Drilling Initiative

Purpose: to assist State policymakers and regulators in determining whether and how gas production from the Marcellus shale in Maryland can be accomplished without unacceptable risks of adverse impacts to public health, safety, the environment and natural resources

Work of the Departments of Natural Resources and the Environment

More Information Available at www.mde.state.md.us

Initial Task: to investigate the desirability of enacting State legislation to establish: funding for State activities related to hydraulic fracturing, and standards of liability for damages caused by gas exploration and production.

Actions to Date:

- *A report was submitted January 2012 to the Governor and Legislature detailing recommendations on revenue sources and standards of liability.*
- *Recommendations included: impose a fee on gas leases to fund studies, enact a State-level severance tax, amend a statute to allow increase of performance bonds, enact a law creating a rebuttable presumption of impact occurring close in space and time, enact a comprehensive Surface Owners Protection Act, and establish a process for addressing community impacts through mediation or community benefits agreements.*
- *The 2012 Session of the General Assembly considered many of these issues. More than twenty bills were introduced and the Departments provided information and testimony on the majority of those bills. Only HB1123 – Presumptive Impact Areas – passed, and it was limited to impacts to drinking water sources within 2500 feet of the vertical well bore within one year of drilling.*

The Study: to address the short-term, long-term and cumulative effects of natural gas exploration and production in the Marcellus shale, best practices, and appropriate changes, if any, to the laws or regulations concerning oil and gas.

Actions to Date:

- *Without the passage of a bill to assess a fee on gas leases, the Departments have had to rely on their existing resources.*
- *The Departments have provided written information and briefings to the Advisory Commission on issues relating to hydraulic fracturing.*

DNR Office for a Sustainable Future – 580 Taylor Avenue – Annapolis, Maryland 21401
410-260-8405 or toll free in Maryland 877-620-8405 – www.dnr.maryland.gov – TTY Users Call via the Maryland Relay

Accommodations for individuals with disabilities will be provided upon request. Seven days advance notice is requested.

- *Speakers representing scientific organizations, industry and agencies from Maryland and other states have presented information to the Advisory Commission and the Departments.*
- *DNR has begun collecting data to establish pre-drilling baseline conditions. Limited by existing funding and staff, DNR was not able to implement the comprehensive baseline monitoring program recommended by the Departments and the Advisory Commission. DNR has, however, expanded and modified its monitoring program to include 12 continuous water monitoring sites chosen for their relevance to potential gas development. DNR also began a volunteer partnership with Garrett County watershed associations, Trout Unlimited and other citizens where volunteer stream waders are collecting baseline water and biological data from over 70 stream segments.*
- *DNR conducted an intensive environmental assessment of Garrett County to identify community water supplies, stronghold watersheds, high quality streams, State lands, trail networks, recreational assets, landscape values, ecological resources, forest interior dwelling species, threatened and endangered plants and animals and areas of particular scenic value that could be impacted, directly or indirectly, by drill pads, pipeline/road construction and use.*
- *MDE has funded the Maryland Geological Survey to perform a limited study of methane levels in drinking water wells in Garrett County. Approximately 50 wells will be sampled during the late summer and early fall.*
- *The Departments have consulted with neighboring states regarding policy, programmatic issues and enforcement experiences.*
- *MDE contracted with the University of Maryland Center for Environmental Science, Appalachian Laboratory, to research best practices and recommend a suite of best practices appropriate for Maryland. The practices and recommendations will be considered by the Departments and the Advisory Commission and discussed in a report.*
- *The Departments, in consultation with the Advisory Commission, have begun evaluating necessary revisions to existing statutes and the need for new legislation to address liability, revenue, leases and surface owner's rights. In this effort, they will coordinate with representatives of the House Environmental Matters Committee and the Senate Education, Health and Environment Committee.*

The Future:

By the end of 2012, the Departments, in consultation with the Advisory Commission, will release a draft report on Best Practices. After a public comment period, the Departments will issue a final report recommending a suite of best practices for gas exploration and production in Maryland.

The Departments and the Advisory Commission continue to investigate other issues, including risks to public health, the likelihood of contamination even if best practices are used, forest fragmentation, economic effects, social impacts and effect on greenhouse gas emissions. A final report will be issued by August 1, 2014.