



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

December 18, 2019

The Honorable Mike V. Miller, Jr. President
Senate of Maryland
State House, H-107
Annapolis, MD 21401

The Honorable Adrienne A. Jones
Speaker of the House
State House, H-101
Annapolis, MD 21401

Dear President Miller and Speaker Jones:

As required by Section 14-124 of the Environment Article, the Maryland Department of the Environment submits this letter as the annual report on the Oil and Gas Fund (the Fund) for FY19. Copies of the report are provided in accordance with Section 2-1246 of the State Government Article.

Monies in the Fund consist of fees, funds appropriated by the General Assembly, fines and bond forfeitures collected by the department that exceed the amount necessary to restore a site, and additional money made available from any source. The department is authorized to use Fund monies solely to administer and implement programs relating to oil and gas wells.

The Fund received no revenue and made no expenditures during FY19. The Fund had no balance at the close of FY19. The department's Mining Program administers the State's oil and gas regulatory program. In FY19, Mining Program staff reissued 8 permits for existing gas storage wells. Moreover, the department did not receive any applications for new permits or issue any permits in FY19. The department performed 17 gas active and storage well inspections in FY19, with no violations found.

In July 2010, the General Assembly authorized the department to establish and collect fees for permit issuance, permit renewal, and production of oil and gas wells installed after October 1, 2010. In 2017, the Environment Article was amended to prohibit hydraulic fracturing for oil or natural gas exploration or production in Maryland. Therefore, the department does not intend to pursue development of the fee regulations.

If we can provide you with any additional information, please contact me or Kaley Laleker, Director of the Land and Materials Administration, at 410-537-3304 or via email at Kaley.Laleker@maryland.gov.

Sincerely,

Ben Grumbles
Secretary

cc: Kaley Laleker, Director, Land and Materials Management Administration