



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

March 7, 2018

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House, H-107
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Speaker of the House
State House, H-101
Annapolis, MD 21401-1991

Re: FYs 2015 and 2016 Oil and Gas Fund Reports

Dear President Miller and Speaker Busch:

As required by §14-124 of the Environment Article, *Annotated Code of Maryland*, the Maryland Department of the Environment (“the Department” or “MDE”) submits this letter as the annual report on the Oil and Gas Fund (the Fund) for FY 2015 and 2016. Copies of the report are provided in accordance with Section 2-1246 of the State Government Article.

Sources of money for 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 money in the Fund solely to administer and implement programs relating to oil and gas wells.

The Fund received no revenue and made no expenditures during FYs 2015 and 2016. The Fund had no balance at the close of these fiscal years. The Department’s Mining Program administers the State’s oil and gas regulatory program. The Program staff reviews and inspects existing wells, which were not drilled using hydraulic fracturing technology for gas extraction from the Marcellus shale. No permits have been issued for such activity in Maryland.

In April 2017, Maryland enacted into law the *Oil and Natural Gas – Hydraulic Fracturing – Prohibition (HB 1325, Chapter 13 of the 2017 Acts)*. This statute prohibits a person from engaging in hydraulic fracturing for the exploration or production of oil or natural gas in the State. Therefore, the Department does not anticipate any future revenues into this fund from fees.

If we can provide you with any additional information, please contact me or Jeffrey Fretwell, Director of Legislation and Intergovernmental Relations, at 410-537-3084 or via email at jeffrey.fretwell@maryland.gov.

Sincerely,

Thanks!
A handwritten signature in blue ink that reads "Ben Grumbles".

Ben Grumbles
Secretary

cc: Jeffrey Fretwell