



Maryland

Department of the Environment

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

Horacio Tablada, Secretary
Suzanne E. Dorsey, Deputy Secretary

October 18, 2022

The Honorable Bill Ferguson
President of the Senate
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 Ferguson and Speaker Jones:

As required by Section 14-124 of the Environment Article, the Maryland Department of the Environment (the Department) submits this letter as the annual report on the Oil and Gas Fund (the Fund) for FY22. Copies of the report are provided in accordance with Section 2-1257 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 FY22. The Fund had no balance at the close of FY22. The Department's Mining Program administers the State's oil and gas regulatory program. In FY22, Mining Program staff reissued 28 permits for existing wells. No new permit applications were received or issued in FY22. There were 28 gas-well inspections done in FY22, 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. At that time, the Department had received applications for wells to extract gas from the Marcellus Shale and expected additional applications. These wells are more complex to review and could require the Department to perform more inspections and engage in more intensive compliance activities. In 2017 Environment Article 14, Subtitle 1 was amended to prohibit any hydraulic fracturing for oil or natural gas exploration or production in Maryland. No such gas or oil applications are pending or expected. Therefore, the Department is not pursuing development of the fee regulations.

If we can provide you with any additional information, please contact me at 410-537-3084, or Ms. Kaley Laleker, Director of the Land and Materials Administration, at (410) 537-3304 or kaley.laleker@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'HT', written over a white background.

Horacio Tablada
Secretary

cc: Kaley Laleker, Director, Land and Materials Management Administration
Sarah Albert, DLS Library & Information Services