

# HOUSE BILL 398

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By: **Allegany County Delegation and Garrett County Delegation**

Introduced and read first time: January 29, 2010

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Oil and Gas Drilling – Wells**

3 FOR the purpose of reducing the distance from the boundary of a property from which  
4 wells may be drilled for the production or underground storage of gas or oil;  
5 defining a certain term; repealing language rendered duplicative by this Act;  
6 and generally relating to gas and oil wells.

7 BY repealing and reenacting, without amendments,  
8 Article – Environment  
9 Section 14–102(a) and (b)  
10 Annotated Code of Maryland  
11 (2007 Replacement Volume and 2009 Supplement)

12 BY adding to  
13 Article – Environment  
14 Section 14–102(o)  
15 Annotated Code of Maryland  
16 (2007 Replacement Volume and 2009 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Environment  
19 Section 14–112  
20 Annotated Code of Maryland  
21 (2007 Replacement Volume and 2009 Supplement)

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

24 **Article – Environment**

25 14–102.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this subtitle the following words have the meanings indicated.

2 (b) “Coalbed methane” means methane and any other gaseous substance  
3 occurring in or produced from a coal seam or related, associated, or adjacent rock  
4 materials.

5 (O) **“WELL” MEANS A BOREHOLE, DRILLED EITHER VERTICALLY OR**  
6 **HORIZONTALLY, TO BE USED FOR PRODUCING, EXTRACTING, OR STORING OIL**  
7 **OR GAS.**

8 14–112.

9 (a) [(1) Except as provided in paragraph (2) of this subsection, a] **A well**  
10 **for the production or underground storage of gas or oil, OR FOR THE PRODUCTION**  
11 **OF COALBED METHANE,** may not be drilled on any property nearer than **[1,000] 500**  
12 **feet to the boundary of the property except by agreement with the owners of the gas**  
13 **and oil on adjacent lands.**

14 [(2) A well for the production of coalbed methane may not be drilled on  
15 any property nearer than 500 feet to the boundary of the property except by  
16 agreement with the owners of coalbed methane on adjacent lands.]

17 (b) On property on which it is impossible to locate a well the required  
18 minimum distance from the boundary, and where no agreement with the owners of the  
19 gas and oil or coalbed methane on adjacent lands has been made, a well may be  
20 located nearer than the required minimum distance under subsection (a) of this  
21 section to the boundary with the consent of the Department. However, when any  
22 permit to drill a well nearer than the required minimum distance to the boundary has  
23 been applied for, the Department shall notify every landowner, royalty owner, or  
24 leaseholder within the required minimum distance of the location of the proposed well,  
25 giving them a reasonable opportunity to file objections to the issuance of the permit.  
26 The Department then shall hold a hearing. If the Department determines that it is  
27 necessary for the well to be located nearer than the required minimum distance to the  
28 boundary, it may issue the permit. If a permit is issued, any landowner, royalty owner,  
29 or leaseholder within the required minimum distance of the proposed well has the  
30 right to a rehearing and appeal to the courts provided in this subtitle. A request for a  
31 rehearing or an appeal to the courts stays the authority granted under the permit  
32 until final determination of the issued permit is made.

33 (c) The Department, by rule or regulation, shall prescribe the distance  
34 between any two wells on any property.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
36 October 1, 2010.