

SENATE BILL 773

M3

2lr2388
CF 2lr2390

By: **Senator Edwards**

Introduced and read first time: February 3, 2012

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Environment – Gas and Oil Leases – Requirements**

3 FOR the purpose of requiring a certain person that enters into a certain gas or oil
4 lease after a certain date to record the lease within a certain period of time;
5 requiring that certain information be stated conspicuously in a certain gas or oil
6 lease; providing that a certain gas or oil lease is not valid unless it meets the
7 requirements of this Act; and generally relating to gas and oil leases in the
8 State.

9 BY adding to
10 Article – Environment
11 Section 14–113.1
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2011 Supplement)

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

16 **Article – Environment**

17 **14–113.1.**

18 **(A) AFTER JANUARY 1, 2013, A PERSON THAT ENTERS INTO A GAS OR**
19 **OIL LEASE SHALL RECORD THE LEASE IN THE LAND RECORDS OF THE COUNTY**
20 **IN WHICH THE LAND AFFECTED BY THE LEASE IS LOCATED WITHIN 3 MONTHS**
21 **OF EXECUTING THE LEASE.**

22 **(B) THE FOLLOWING INFORMATION MUST BE STATED CONSPICUOUSLY**
23 **IN A GAS OR OIL LEASE THAT IS RECORDED IN ACCORDANCE WITH THIS**
24 **SECTION:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) THE NAMES AND MAILING ADDRESSES OF ALL LESSORS AND**
2 **LESSEES;**

3 **(2) THE TAX MAP AND PARCEL NUMBER OF THE PROPERTY**
4 **SUBJECT TO THE LEASE;**

5 **(3) THE LIBER AND FOLIO NUMBER OF THE PROPERTY SUBJECT**
6 **TO THE LEASE;**

7 **(4) THE LEASE PERIOD, INCLUDING THE DATE THE LEASE WAS**
8 **EXECUTED AND THE DATE THE LEASE EXPIRES;**

9 **(5) A REQUIREMENT THAT THE TERMS OF THE LEASE SHALL BE**
10 **REEVALUATED BEFORE AN EXTENSION OR RENEWAL OF THE LEASE PERIOD;**

11 **(6) A STATEMENT THAT REQUIRES THE LESSEE TO COMPLY WITH**
12 **ALL LOCAL, STATE, AND FEDERAL LAWS, REGULATIONS, POLICIES, AND COURT**
13 **ORDERS;**

14 **(7) A STATEMENT THAT HOLDS THE LESSEE STRICTLY LIABLE**
15 **FOR ANY CONTAMINATION OF AIR, WATER, OR SOIL THAT RESULTS FROM THE**
16 **LESSEE'S OPERATIONS ON THE LEASED PROPERTY;**

17 **(8) A STATEMENT THAT WILL INDEMNIFY AND HOLD HARMLESS A**
18 **PROPERTY OWNER AGAINST ANY CLAIMS RELATED TO THE LESSEE'S**
19 **OPERATIONS ON THE LEASED PROPERTY, INCLUDING CLAIMS OF:**

20 **(I) INJURY OR DEATH TO ANY PERSON;**

21 **(II) DAMAGE TO REAL OR PERSONAL PROPERTY; OR**

22 **(III) ANY VIOLATION OF ENVIRONMENTAL LAWS OR**
23 **REGULATIONS; AND**

24 **(9) A REQUIREMENT THAT THE LESSEE SHALL PAY ANY**
25 **ATTORNEYS' FEES AND COSTS TO A LESSOR RELATED TO CLAIMS FILED UNDER**
26 **PARAGRAPH (8) OF THIS SUBSECTION.**

27 **(C) A GAS OR OIL LEASE IS NOT VALID IN THE STATE UNLESS IT MEETS**
28 **THE REQUIREMENTS OF THIS SECTION.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2012.