Chapter 481

### (House Bill 449)

#### AN ACT concerning

### Environment – Hydraulic Fracturing – <del>Protect Our Health and Communities</del> <u>*Regulations*</u>

FOR the purpose of prohibiting requiring the Department of the Environment to adopt certain regulations on or before a certain date; prohibiting certain regulations adopted by the Department from becoming effective until a certain date: prohibiting the Department from issuing a permit to authorize the hydraulic fracturing of a well for the exploration or production of natural gas in the State until a certain date; from issuing a permit, or accepting and reviewing an application for a permit, to authorize the hydraulic fracturing of a well for the exploration or production of oil or natural gas in the State until a certain date and until a certain panel is appointed, convenes, and reports to the Governor and General Assembly on a certain date; establishing a certain panel of experts for certain purposes; requiring the President of the Senate and the Speaker of the House of Delegates to appoint a certain number of members to the panel in accordance with certain requirements; requiring the panel to be appointed and convened on or after a certain date; requiring the panel to examine certain scientific literature through a certain date; requiring the panel to report to the Governor and General Assembly on a certain date; defining a certain term; and generally relating to hydraulic fracturing for the exploration or production of <del>oil or</del> natural gas.

BY adding to

Article – Environment Section 14–107.1 Annotated Code of Maryland (2014 Replacement Volume)

Preamble

WHEREAS, Exposure to the chemicals used or released in well stimulation and well stimulation-related activities may pose a widespread and significant risk to public health, safety, and the environment; and

WHEREAS, Well stimulation and well stimulation-related activities can involve the use of high volumes of chemicals, some of which are known to be carcinogenic, neurotoxic, endocrine disruptors, or could otherwise be harmful to human health; and

WHEREAS, Well stimulation and well stimulation-related activities may release chemicals, including methanol, crystalline silica dust, hydrochloric and hydrofluoric acids, xylene, 2-butoxyethanol, naphthalene, ethylbenzene, 2-propanol, volatile organic compounds, and particulate matter; and Ch. 481

WHEREAS, Well stimulation and well stimulation-related activities may involve the use of significant amounts of freshwater which are then permanently removed from the water cycle; and

WHEREAS, Well stimulation and well stimulation-related activities may result in the emission of greenhouse gases, such as carbon dioxide and methane; and

WHEREAS, The disposal of wastewater resulting from well stimulation and well stimulation-related activities into underground injection wells in other states has been linked to increased earthquake activity; and

WHEREAS, Well stimulation and well stimulation-related activities may harm wildlife, including species that are protected under federal and state endangered species laws; and

WHEREAS, Nondisclosure agreements and industry secrecy have hampered public health researchers, regulators, and policymakers; and

WHEREAS, Scientific research is only now emerging to help us understand the impacts of well stimulation and well stimulation-related activities on human populations and the environment, with over 70% of such research being published since January 2013; and

WHEREAS, Emerging scientific research confirms that well stimulation and well stimulation-related activities are inherently risky and there is little scientific research to support the claim that they can be carried out in a way that reduces health and environmental risks to an acceptable level; and

WHEREAS, The final report of the Marcellus Shale Safe Drilling Initiative concedes that implementing "best management practices" cannot eliminate the risks involved in well stimulation and well stimulation-related activities and that many gaps remain in the information with which it was working; now, therefore,

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

# Article – Environment

14-107.1.

(A) (1) IN THIS SECTION, "HYDRAULIC FRACTURING" MEANS A DRILLING TECHNIQUE THAT EXPANDS EXISTING FRACTURES OR CREATES NEW FRACTURES IN ROCK BY INJECTING FLUIDS, OFTEN A MIXTURE OF WATER AND CHEMICALS, SAND, OR OTHER SUBSTANCES, AND OFTEN UNDER PRESSURE, INTO OR UNDERNEATH THE SURFACE OF THE ROCK FOR PURPOSES THAT INCLUDE WELL DRILLING AND THE EXPLORATION OR PRODUCTION OF NATURAL GAS <u>STIMULATION TREATMENT</u> PERFORMED ON OIL AND GAS WELLS IN LOW PERMEABILITY OIL OR GAS <u>RESERVOIRS WHEREBY SPECIALLY ENGINEERED FLUIDS ARE PUMPED AT HIGH</u> <u>PRESSURE AND RATE INTO THE RESERVOIR INTERVAL TO BE TREATED, CAUSING</u> <u>FRACTURES TO OPEN.</u>

- (2) "Hydraulic fracturing" includes:
  - (I) FRACKING;
  - (II) HYDROFRACKING; AND
  - (III) HYDROFRACTURING.

(A) (1) IN THIS SECTION, "HYDRAULIC FRACTURING" MEANS A DRILLING TECHNIQUE THAT EXPANDS EXISTING FRACTURES OR CREATES NEW FRACTURES IN ROCK BY INJECTING FLUIDS, OFTEN A MIXTURE OF WATER AND CHEMICALS, SAND, OR OTHER SUBSTANCES, AND OFTEN UNDER PRESSURE, INTO OR UNDERNEATH THE SURFACE OF THE ROCK FOR PURPOSES THAT INCLUDE WELL DRILLING FOR THE EXPLORATION OR PRODUCTION OF NATURAL GAS.

- (2) <u>"Hydraulic fracturing" includes:</u>
  - (I) FRACKING;
  - (II) HYDROFRACKING; AND
  - (III) HYDROFRACTURING.

(B) THE DEPARTMENT MAY NOT ISSUE A PERMIT, OR ACCEPT AND REVIEW AN APPLICATION FOR A PERMIT, UNDER THIS SUBTITLE TO AUTHORIZE THE HYDRAULIC FRACTURING OF A WELL FOR THE EXPLORATION OR PRODUCTION OF OIL OR NATURAL GAS IN THE STATE UNTIL: ON OR BEFORE OCTOBER 1, 2016, THE DEPARTMENT SHALL ADOPT REGULATIONS TO PROVIDE FOR THE HYDRAULIC FRACTURING OF A WELL FOR THE EXPLORATION OR PRODUCTION OF NATURAL GAS IN THE STATE.

# (1) APRIL 30, 2023 <u>2018</u>; AND

(2) (I) A PANEL OF EXPERTS IS APPOINTED AND CONVENED, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; AND

(II) THE PANEL REPORTS TO THE GOVERNOR AND GENERAL ASSEMBLY IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION. (C) (1) THERE IS A PANEL OF PUBLIC HEALTH, ENGINEERING, AND SCIENTIFIC EXPERTS TO: <u>REGULATIONS ADOPTED BY THE DEPARTMENT IN</u> <u>ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION MAY NOT BECOME EFFECTIVE</u> <u>UNTIL OCTOBER 1, 2017.</u>

(D) <u>The Department May not issue a permit for the hydraulic</u> <u>FRACTURING OF A WELL FOR THE EXPLORATION OR PRODUCTION OF NATURAL GAS</u> <u>IN THE STATE UNTIL OCTOBER 1, 2017.</u>

(I) EXAMINE THE SCIENTIFIC LITERATURE RELATED TO THE PUBLIC HEALTH AND ENVIRONMENTAL IMPACTS OF HYDRAULIC FRACTURING; AND

(II) ASSESS WHETHER HYDRAULIC FRACTURING CAN OCCUR IN THE STATE WITH NO DETRIMENTAL IMPACT ON PUBLIC HEALTH OR THE ENVIRONMENT.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE PRESIDENT OF THE SENATE SHALL APPOINT 5 MEMBERS TO THE PANEL AND THE SPEAKER OF THE HOUSE OF DELEGATES SHALL APPOINT 5 MEMBERS TO THE PANEL.

(3) (1) THE PANEL SHALL CONSIST OF 10 MEMBERS, INCLUDING:

1. AT LEAST FIVE CREDENTIALED EXPERTS IN PUBLIC HEALTH; AND

2. NOT MORE THAN FOUR CREDENTIALED EXPERTS IN SCIENCE AND ENGINEERING.

(II) A MEMBER MAY NOT BE EMPLOYED, DIRECTLY OR INDIRECTLY, BY:

1. THE STATE OF MARYLAND; OR

2. ANY PERSON WHO HAS DRILLED OR WHO MAY SEEK TO DRILL FOR NATURAL GAS IN THE STATE OR IN ANY OTHER STATE.

(4) (1) ON OR AFTER JANUARY 1, 2022 <u>2017</u>, THE PANEL SHALL BE APPOINTED AND CONVENED. (II) THE PANEL SHALL EXAMINE SCIENTIFIC LITERATURE THAT HAS BEEN PUBLISHED IN PEER REVIEWED SCIENTIFIC JOURNALS THROUGH DECEMBER 31, 2022 <u>2017</u>.

(D) ON JANUARY 1, 2023 <u>2018</u>, THE PANEL SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON WHETHER THE STATE SHOULD ISSUE A PERMIT UNDER THIS SUBTIFLE TO ENGAGE IN THE HYDRAULIC FRACTURING OF A WELL FOR THE EXPLORATION OR PRODUCTION OF <u>OIL OR</u>-NATURAL GAS IN THE STATE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2015.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2015.