

Section 6-105

Annotated Code of Maryland

(1989 Replacement Volume)

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

Article – Natural Resources

6-105.

(a) Every holder of a permit to drill for gas or oil shall:

(1) Submit a completion report on forms to be supplied by the Department within 30 days after the drilling of a well has been completed;

(2) Submit cutting samples at the request of the Department;

(3) Notify the Department when a well is about to be abandoned;

(4) Seal and plug the well in a manner approved by the Department;

(5) Post a performance bond to the State in the amount of at least \$10,000 for each oil or gas well, or at least \$50,000 as a blanket bond for all of the permit holder's oil or gas wells, with good and sufficient surety, as provided in subsection (c)(1) of this section, conditioned upon compliance with the provisions of this subtitle; [and]

(6) Obtain and keep in effect liability insurance coverage in an amount not less than \$300,000 for each person and \$500,000 for each occurrence or accident to pay damages for injury to persons or damage to property caused by the drilling, production operations, or plugging of all of the permit holder's gas or oil wells in the State; AND

(7) NOTIFY THE DEPARTMENT AND THE DEPARTMENT OF THE ENVIRONMENT OF THE LOCATION OF THE EQUIPMENT REQUIRED BY REGULATION FOR THE PREVENTION AND CONTAINMENT OF GAS LEAKS AND OIL SPILLS.

(b) The Department may adopt regulations to increase the minimum amounts of:

(1) Performance bonds under subsection (a)(5) of this section; and

(2) Liability insurance coverage under subsection (a)(6) of this section.

(C) THE DEPARTMENT SHALL ADOPT REGULATIONS REQUIRING EACH HOLDER OF A PERMIT TO DRILL FOR GAS OR OIL TO HAVE EQUIPMENT AVAILABLE FOR THE PREVENTION AND CONTAINMENT OF GAS LEAKS AND OIL SPILLS.

[(c)] (D) A holder of a permit to drill for gas or oil may:

(1) Post the performance bond under subsection (a)(5) of this section in: