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### Maryland Department of the Environment Looks to Impose Fees on Oil and Natural Gas

#### Production

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*Duane Morris LLP*

The Maryland Department of the Environment has legislation pending before the Maryland House of Delegates that would impose fees on oil and natural gas production. An agency spokesman said the fees were needed to cover increased oversight costs, due to discovery of enormous gas reserves in the Marcellus Shale in western Maryland. The Marcellus Shale is a sedimentary rock formation that contains largely untapped natural gas reserves.

"We only have two sites operating now," said Jay Apperson, a spokesperson for the department. "But we expect 40 new permit applications each year, and at a cost to us of \$155,000 each year. The fees are intended to cover those costs."

The legislation, HB 72, would establish an Oil and Gas Fund within the department. It had its first reading in the Environmental Matters Committee on February 3, 2010.

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