



1 A bill to be entitled
2 An act relating to the regulation of oil and gas
3 resources; amending s. 377.19, F.S.; applying the
4 definitions of certain terms to additional sections of
5 chapter 377, F.S.; revising the definition of the term
6 "division"; conforming a cross-reference; defining the
7 term "high-pressure well stimulation"; amending s.
8 377.22, F.S.; revising the rulemaking authority of the
9 Department of Environmental Protection; amending s.
10 377.24, F.S.; requiring that a permit be obtained
11 before the performance of a high-pressure well
12 stimulation; specifying that a permit may authorize
13 single or multiple activities; prohibiting the
14 department from approving permits for high-pressure
15 well stimulation until certain rulemaking is complete;
16 amending s. 377.241, F.S.; requiring the Division of
17 Water Resource Management to give consideration to and
18 be guided by certain additional criteria when issuing
19 permits; amending s. 377.242, F.S.; authorizing the
20 department to issue permits for the performance of a
21 high-pressure well stimulation; revising permit
22 requirements that permit holders agree not to prevent
23 division inspections; prohibiting a county,
24 municipality, or other political subdivision of the
25 state from adopting or establishing permitting
26 programs for certain oil and gas activities; amending



27 s. 377.2425, F.S.; requiring an applicant or operator
 28 to provide surety that performance of a high-pressure
 29 well stimulation will be conducted in a safe and
 30 environmentally compatible manner; creating s.
 31 377.2436, F.S.; directing the department to conduct a
 32 study on high-pressure well stimulation; providing
 33 study criteria; requiring the study to be submitted to
 34 the Governor and Legislature; amending s. 377.37,
 35 F.S.; increasing the maximum amount of a civil
 36 penalty; creating s. 377.45, F.S.; requiring the
 37 department to designate the national chemical registry
 38 as the state's registry; requiring service providers,
 39 vendors, and well owners or operators to report
 40 certain information to the department; providing
 41 applicability; requiring the department to adopt
 42 rules; amending ss. 377.07, 377.10, 377.243, and
 43 377.244, F.S.; conforming provisions; providing an
 44 appropriation; providing an effective date.

45
 46 Be It Enacted by the Legislature of the State of Florida:

47
 48 Section 1. Section 377.19, Florida Statutes, is amended to
 49 read:

50 377.19 Definitions.—As used in ss. 377.06, 377.07, and
 51 377.10-377.45 ~~377.10-377.40~~, the term:

52 (1) "Completion date" means the day, month, and year that



53 a new productive well, a previously shut-in well, or a
54 temporarily abandoned well is completed, repaired, or
55 recompleted and the operator begins producing oil or gas in
56 commercial quantities.

57 (2) "Department" means the Department of Environmental
58 Protection.

59 (3) "Division" means the Division of Water Resource
60 Management of the Department of Environmental Protection.

61 (4) "Field" means the general area that is underlaid, or
62 appears to be underlaid, by at least one pool. The term includes
63 the underground reservoir, or reservoirs, containing oil or gas,
64 or both. The terms "field" and "pool" mean the same thing if
65 only one underground reservoir is involved; however, the term
66 "field," unlike the term "pool," may relate to two or more
67 pools.

68 (5) "Gas" means all natural gas, including casinghead gas,
69 and all other hydrocarbons not defined as oil in subsection (16)
70 ~~(15)~~.

71 (6) "High-pressure well stimulation" means all stages of a
72 well intervention performed by injecting more than 100,000
73 gallons total of fluid into a rock formation at high pressure
74 that exceeds the fracture gradient of the rock formation in
75 order to propagate fractures in such formation to increase
76 production at an oil or gas well by improving the flow of
77 hydrocarbons from the formation into the wellbore.

78 (7)~~(6)~~ "Horizontal well" means a well completed with the



79 wellbore in a horizontal or nearly horizontal orientation within
80 10 degrees of horizontal within the producing formation.

81 (8)~~(7)~~ "Illegal gas" means gas that has been produced
82 within the state from any well or wells in excess of the amount
83 allowed by any rule, regulation, or order of the division, as
84 distinguished from gas produced within the State of Florida from
85 a well not producing in excess of the amount so allowed, which
86 is "legal gas."

87 (9)~~(8)~~ "Illegal oil" means oil that has been produced
88 within the state from any well or wells in excess of the amount
89 allowed by rule, regulation, or order of the division, as
90 distinguished from oil produced within the state from a well not
91 producing in excess of the amount so allowed, which is "legal
92 oil."

93 (10)~~(9)~~ "Illegal product" means a product of oil or gas,
94 any part of which was processed or derived, in whole or in part,
95 from illegal gas or illegal oil or from any product thereof, as
96 distinguished from "legal product," which is a product processed
97 or derived to no extent from illegal oil or illegal gas.

98 (11)~~(10)~~ "Lateral storage reservoir boundary" means the
99 projection up to the land surface of the maximum horizontal
100 extent of the gas volume contained in a natural gas storage
101 reservoir.

102 (12)~~(11)~~ "Native gas" means gas that occurs naturally
103 within this state and does not include gas produced outside the
104 state, transported to this state, and injected into a permitted



105 natural gas storage facility.

106 (13)~~(12)~~ "Natural gas storage facility" means an
107 underground reservoir from which oil or gas has previously been
108 produced and which is used or to be used for the underground
109 storage of natural gas, and any surface or subsurface structure,
110 or infrastructure, except wells. The term also includes a right
111 or appurtenance necessary or useful in the operation of the
112 facility for the underground storage of natural gas, including
113 any necessary or reasonable reservoir protective area as
114 designated for the purpose of ensuring the safe operation of the
115 storage of natural gas or protecting the natural gas storage
116 facility from pollution, invasion, escape, or migration of gas,
117 or any subsequent extension thereof. The term does not mean a
118 transmission, distribution, or gathering pipeline or system that
119 is not used primarily as integral piping for a natural gas
120 storage facility.

121 (14)~~(13)~~ "Natural gas storage reservoir" means a pool or
122 field from which gas or oil has previously been produced and
123 which is suitable for or capable of being made suitable for the
124 injection, storage, and recovery of gas, as identified in a
125 permit application submitted to the department under s.
126 377.2407.

127 (15)~~(14)~~ "New field well" means an oil or gas well
128 completed after July 1, 1997, in a new field as designated by
129 the Department of Environmental Protection.

130 (16)~~(15)~~ "Oil" means crude petroleum oil and other



131 hydrocarbons, regardless of gravity, which are produced at the
132 well in liquid form by ordinary production methods, and which
133 are not the result of condensation of gas after it leaves the
134 reservoir.

135 (17)~~(16)~~ "Oil and gas" has the same meaning as the term
136 "oil or gas."

137 (18)~~(17)~~ "Oil and gas administrator" means the State
138 Geologist.

139 (19)~~(18)~~ "Operator" means the entity who:

140 (a) Has the right to drill and to produce a well; or

141 (b) As part of a natural gas storage facility, injects, or
142 is engaged in the work of preparing to inject, gas into a
143 natural gas storage reservoir; or stores gas in, or removes gas
144 from, a natural gas storage reservoir.

145 (20)~~(19)~~ "Owner" means the person who has the right to
146 drill into and to produce from any pool and to appropriate the
147 production for the person or for the person and another, or
148 others.

149 (21)~~(20)~~ "Person" means a natural person, corporation,
150 association, partnership, receiver, trustee, guardian, executor,
151 administrator, fiduciary, or representative of any kind.

152 (22)~~(21)~~ "Pool" means an underground reservoir containing
153 or appearing to contain a common accumulation of oil or gas or
154 both. Each zone of a general structure which is completely
155 separated from any other zone on the structure is considered a
156 separate pool as used herein.



157 (23)~~(22)~~ "Producer" means the owner or operator of a well
158 or wells capable of producing oil or gas, or both.

159 (24)~~(23)~~ "Product" means a commodity made from oil or gas
160 and includes refined crude oil, crude tops, topped crude,
161 processed crude petroleum, residue from crude petroleum,
162 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
163 residuum, gas oil, casinghead gasoline, natural gas gasoline,
164 naphtha, distillate, condensate, gasoline, waste oil, kerosene,
165 benzine, wash oil, blended gasoline, lubricating oil, blends or
166 mixtures of oil with one or more liquid products or byproducts
167 derived from oil or gas, and blends or mixtures of two or more
168 liquid products or byproducts derived from oil or gas, whether
169 hereinabove enumerated or not.

170 (25)~~(24)~~ "Reasonable market demand" means the amount of
171 oil reasonably needed for current consumption, together with a
172 reasonable amount of oil for storage and working stocks.

173 (26)~~(25)~~ "Reservoir protective area" means the area
174 extending up to and including 2,000 feet surrounding a natural
175 gas storage reservoir.

176 (27)~~(26)~~ "Shut-in bottom hole pressure" means the pressure
177 at the bottom of a well when all valves are closed and no oil or
178 gas has been allowed to escape for at least 24 hours.

179 (28)~~(27)~~ "Shut-in well" means an oil or gas well that has
180 been taken out of service for economic reasons or mechanical
181 repairs.

182 (29)~~(28)~~ "State" means the State of Florida.



183 (30)~~(29)~~ "Temporarily abandoned well" means a permitted
184 well or wellbore that has been abandoned by plugging in a manner
185 that allows reentry and redevelopment in accordance with oil or
186 gas rules of the Department of Environmental Protection.

187 (31)~~(30)~~ "Tender" means a permit or certificate of
188 clearance for the transportation or the delivery of oil, gas, or
189 products, approved and issued or registered under the authority
190 of the division.

191 (32)~~(31)~~ "Waste," in addition to its ordinary meaning,
192 means "physical waste" as that term is generally understood in
193 the oil and gas industry. The term "waste" includes:

194 (a) The inefficient, excessive, or improper use or
195 dissipation of reservoir energy; and the locating, spacing,
196 drilling, equipping, operating, or producing of any oil or gas
197 well or wells in a manner that results, or tends to result, in
198 reducing the quantity of oil or gas ultimately to be stored or
199 recovered from any pool in this state.

200 (b) The inefficient storing of oil; and the locating,
201 spacing, drilling, equipping, operating, or producing of any oil
202 or gas well or wells in a manner that causes, or tends to cause,
203 unnecessary or excessive surface loss or destruction of oil or
204 gas.

205 (c) The producing of oil or gas in a manner that causes
206 unnecessary water channeling or coning.

207 (d) The operation of any oil well or wells with an
208 inefficient gas-oil ratio.



209 (e) The drowning with water of any stratum or part thereof
 210 capable of producing oil or gas.

211 (f) The underground waste, however caused and whether or
 212 not defined.

213 (g) The creation of unnecessary fire hazards.

214 (h) The escape into the open air, from a well producing
 215 both oil and gas, of gas in excess of the amount that is
 216 necessary in the efficient drilling or operation of the well.

217 (i) The use of gas for the manufacture of carbon black.

218 (j) Permitting gas produced from a gas well to escape into
 219 the air.

220 (k) The abuse of the correlative rights and opportunities
 221 of each owner of oil and gas in a common reservoir due to
 222 nonuniform, disproportionate, and unratable withdrawals, causing
 223 undue drainage between tracts of land.

224 (33)~~(32)~~ "Well site" means the general area around a well,
 225 which area has been disturbed from its natural or existing
 226 condition, as well as the drilling or production pad, mud and
 227 water circulation pits, and other operation areas necessary to
 228 drill for or produce oil or gas, or to inject gas into and
 229 recover gas from a natural gas storage facility.

230 Section 2. Subsection (2) of section 377.22, Florida
 231 Statutes, is amended to read:

232 377.22 Rules and orders.—

233 (2) The department shall issue orders and adopt rules
 234 pursuant to ss. 120.536 and 120.54 to implement and enforce ~~the~~



235 ~~provisions~~ of this chapter. Such rules and orders shall ensure
236 that all precautions are taken to prevent the spillage of oil or
237 any other pollutant in all phases of the drilling for, and
238 extracting of, oil, gas, or other petroleum products, including
239 high-pressure well stimulations, or during the injection of gas
240 into and recovery of gas from a natural gas storage reservoir.
241 The department shall revise such rules from time to time as
242 necessary for the proper administration and enforcement of this
243 chapter. Rules adopted and orders issued in accordance with this
244 section are for, but not limited to, the following purposes:

245 (a) To require the drilling, casing, and plugging of wells
246 to be done in such a manner as to prevent the pollution of the
247 fresh, salt, or brackish waters or the lands of the state and to
248 protect the integrity of natural gas storage reservoirs.

249 (b) To prevent the alteration of the sheet flow of water
250 in any area.

251 (c) To require that appropriate safety equipment be
252 installed to minimize the possibility of an escape of oil or
253 other petroleum products in the event of accident, human error,
254 or a natural disaster during drilling, casing, or plugging of
255 any well and during extraction operations.

256 (d) To require the drilling, casing, and plugging of wells
257 to be done in such a manner as to prevent the escape of oil or
258 other petroleum products from one stratum to another.

259 (e) To prevent the intrusion of water into an oil or gas
260 stratum from a separate stratum, except as provided by rules of



261 the division relating to the injection of water for proper
262 reservoir conservation and brine disposal.

263 (f) To require a reasonable bond, or other form of
264 security acceptable to the department, conditioned upon properly
265 drilling, casing, producing, and operating each well, and
266 properly plugging ~~the performance of the duty to plug properly~~
267 each dry and abandoned well and the full and complete
268 restoration by the applicant of the area over which geophysical
269 exploration, drilling, or production is conducted to the similar
270 contour and general condition in existence before ~~prior to~~ such
271 operation.

272 (g) To require and carry out a reasonable program of
273 monitoring and inspecting ~~or inspection of~~ all drilling
274 operations, high-pressure well stimulations, producing wells, ~~or~~
275 injecting wells, and well sites, including regular inspections
276 by division personnel. Inspections will be required during the
277 testing of blowout preventers, during the pressure testing of
278 the casing and casing shoe, and during the integrity testing of
279 the cement plugs in plugging and abandonment operations.

280 (h) To require the making of reports showing the location
281 of all oil and gas wells; the making and filing of logs; the
282 taking and filing of directional surveys; the filing of
283 electrical, sonic, radioactive, and mechanical logs of oil and
284 gas wells; if taken, the saving of cutting and cores, the cuts
285 of which shall be given to the Bureau of Geology; and the making
286 of reports with respect to drilling and production records.



287 However, such information, or any part thereof, at the request
288 of the operator, shall be exempt from ~~the provisions of s.~~
289 119.07(1) and held confidential by the division for ~~a period of~~
290 1 year after the completion of a well.

291 (i) To prevent wells from being drilled, operated, or
292 produced in such a manner as to cause injury to neighboring
293 leases, property, or natural gas storage reservoirs.

294 (j) To prevent the drowning by water of any stratum, or
295 part thereof, capable of producing oil or gas in paying
296 quantities and to prevent the premature and irregular
297 encroachment of water which reduces, or tends to reduce, the
298 total ultimate recovery of oil or gas from any pool.

299 (k) To require the operation of wells with efficient gas-
300 oil ratio, and to fix such ratios.

301 (l) To prevent "blowouts," "caving," and "seepage," in the
302 sense that conditions indicated by such terms are generally
303 understood in the oil and gas business.

304 (m) To prevent fires.

305 (n) To identify the ownership of all oil or gas wells,
306 producing leases, refineries, tanks, plants, structures, and
307 storage and transportation equipment and facilities.

308 (o) To regulate the "shooting," perforating, and chemical
309 treatment, and high-pressure stimulations of wells.

310 (p) To regulate secondary recovery methods, including the
311 introduction of gas, air, water, or other substance into
312 producing formations.



313 (q) To regulate gas cycling operations.

314 (r) To regulate the storage and recovery of gas injected
315 into natural gas storage facilities.

316 (s) If necessary for the prevention of waste, as herein
317 defined, to determine, limit, and prorate the production of oil
318 or gas, or both, from any pool or field in the state.

319 (t) To require, either generally or in or from particular
320 areas, certificates of clearance or tenders in connection with
321 the transportation or delivery of oil or gas, or any product.

322 (u) To regulate the spacing of wells and to establish
323 drilling units.

324 (v) To prevent, so far as is practicable, reasonably
325 avoidable drainage from each developed unit which is not
326 equalized by counterdrainage.

327 (w) To require that geophysical operations requiring a
328 permit be conducted in a manner which will minimize the impact
329 on hydrology and biota of the area, especially environmentally
330 sensitive lands and coastal areas.

331 (x) To regulate aboveground crude oil storage tanks in a
332 manner which will protect the water resources of the state.

333 (y) To act in a receivership capacity for fractional
334 mineral interests for which the owners are unknown or unlocated
335 and to administratively designate the operator as the lessee.

336 (z) To evaluate the history of past adjudicated violations
337 committed by permit applicants or the applicants' affiliated
338 entities of any substantive and material rule or law pertaining



339 to the regulation of oil or gas.

340 Section 3. Subsections (1), (2), and (4) of section
341 377.24, Florida Statutes, are amended, and subsection (10) is
342 added to that section, to read:

343 377.24 Notice of intention to drill well; permits;
344 abandoned wells and dry holes.—

345 (1) Before drilling a well in search of oil or gas, before
346 performing a high-pressure well stimulation, or before storing
347 gas in or recovering gas from a natural gas storage reservoir,
348 the person who desires to drill for, store, or recover gas, ~~or~~
349 drill for oil or gas, or perform a high-pressure well
350 stimulation shall notify the division upon such form as it may
351 prescribe and shall pay a reasonable fee set by rule of the
352 department not to exceed the actual cost of processing and
353 inspecting for each well or reservoir. The drilling of any well,
354 the performance of any high-pressure well stimulation, and the
355 storing and recovering of gas are prohibited until such notice
356 is given, the fee is paid, and a ~~the~~ permit is granted. A permit
357 may authorize a single activity or multiple activities.

358 (2) An application for the drilling of a well in search of
359 oil or gas, for the performance of a high-pressure well
360 stimulation, or for the storing of gas in and recovering of gas
361 from a natural gas storage reservoir~~r~~ in this state must include
362 the address of the residence of the applicant~~r~~ or applicants,
363 which must be the address of each person involved in accordance
364 with the records of the Division of Water Resource Management



365 until such address is changed on the records of the division
366 after written request.

367 (4) Application for permission to drill or abandon any
368 well or perform a high-pressure well stimulation may be denied
369 by the division for only just and lawful cause.

370 (10) The department may not approve a permit to authorize
371 a high-pressure well stimulation until rulemaking for such high-
372 pressure well stimulation is complete.

373 Section 4. Subsections (5) and (6) are added to section
374 377.241, Florida Statutes, to read:

375 377.241 Criteria for issuance of permits.—The division, in
376 the exercise of its authority to issue permits as hereinafter
377 provided, shall give consideration to and be guided by the
378 following criteria:

379 (5) For high-pressure well stimulations, whether the high-
380 pressure well stimulation as proposed is designed to ensure
381 that:

382 (a) The groundwater through which the well will be or has
383 been drilled is not contaminated by the high-pressure well
384 stimulation; and

385 (b) The high-pressure well stimulation is consistent with
386 the public policy of this state as specified in s. 377.06.

387 (6) As a basis for permit denial or imposition of specific
388 permit conditions, including increased bonding up to five times
389 the applicable limits and increased monitoring, the history of
390 past adjudicated violations committed by the applicant or an



391 affiliated entity of the applicant of any substantive and
392 material rule or law pertaining to the regulation of oil or gas,
393 including violations that occurred outside the state.

394 Section 5. Section 377.242, Florida Statutes, is amended
395 to read:

396 377.242 Permits for drilling or exploring and extracting
397 through well holes or by other means.—The department is vested
398 with the power and authority:

399 (1) (a) To issue permits for the drilling for, exploring
400 for, performance of a high-pressure well stimulation, or
401 production of, oil, gas, or other petroleum products that ~~which~~
402 are to be extracted from below the surface of the land,
403 including submerged land, only through the well hole drilled for
404 oil, gas, and other petroleum products.

405 1. No structure intended for the drilling for, or
406 production of, oil, gas, or other petroleum products may be
407 permitted or constructed on any submerged land within any bay or
408 estuary.

409 2. No structure intended for the drilling for, or
410 production of, oil, gas, or other petroleum products may be
411 permitted or constructed within 1 mile seaward of the coastline
412 of the state.

413 3. No structure intended for the drilling for, or
414 production of, oil, gas, or other petroleum products may be
415 permitted or constructed within 1 mile of the seaward boundary
416 of any state, local, or federal park or aquatic or wildlife



417 | preserve or on the surface of a freshwater lake, river, or
418 | stream.

419 | 4. No structure intended for the drilling for, or
420 | production of, oil, gas, or other petroleum products may be
421 | permitted or constructed within 1 mile inland from the shoreline
422 | of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
423 | or within 1 mile of any freshwater lake, river, or stream unless
424 | the department is satisfied that the natural resources of such
425 | bodies of water and shore areas of the state will be adequately
426 | protected in the event of accident or blowout.

427 | 5. Without exception, after July 1, 1989, no structure
428 | intended for the drilling for, or production of, oil, gas, or
429 | other petroleum products may be permitted or constructed south
430 | of 26°00'00" north latitude off Florida's west coast and south
431 | of 27°00'00" north latitude off Florida's east coast, within the
432 | boundaries of Florida's territorial seas as defined in 43 U.S.C.
433 | s. 1301. After July 31, 1990, no structure intended for the
434 | drilling for, or production of, oil, gas, or other petroleum
435 | products may be permitted or constructed north of 26°00'00"
436 | north latitude off Florida's west coast to the western boundary
437 | of the state bordering Alabama as set forth in s. 1, Art. II of
438 | the State Constitution, or located north of 27°00'00" north
439 | latitude off Florida's east coast to the northern boundary of
440 | the state bordering Georgia as set forth in s. 1, Art. II of the
441 | State Constitution, within the boundaries of Florida's
442 | territorial seas as defined in 43 U.S.C. s. 1301.



443 (b) Subparagraphs (a)1. and 4. do not apply to permitting
444 or construction of structures intended for the drilling for, or
445 production of, oil, gas, or other petroleum products pursuant to
446 an oil, gas, or mineral lease of such lands by the state under
447 which lease any valid drilling permits are in effect on the
448 effective date of this act. In the event that such permits
449 contain conditions or stipulations, such conditions and
450 stipulations shall govern and supersede subparagraphs (a)1. and
451 4.

452 (c) The prohibitions of subparagraphs (a)1.-4. ~~in this~~
453 ~~subsection~~ do not include "infield gathering lines," provided no
454 other placement is reasonably available and all other required
455 permits have been obtained.

456 (2) To issue permits to explore for and extract minerals
457 which are subject to extraction from the land by means other
458 than through a well hole.

459 (3) To issue permits to establish natural gas storage
460 facilities or construct wells for the injection and recovery of
461 any natural gas for storage in natural gas storage reservoirs.

462
463 Each permit shall contain an agreement by the permit holder that
464 the permit holder will not prevent inspection by division
465 personnel at any time, including during installation and
466 cementing of casing, testing of blowout preventers, pressure
467 testing of the casing and casing shoe, and integrity testing of
468 the cement plugs in plugging and abandonment operations. The



469 provisions of this section prohibiting permits for drilling or
 470 exploring for oil in coastal waters do not apply to any leases
 471 entered into before June 7, 1991.

472 (4) To avoid unnecessary duplication, a county,
 473 municipality, or other political subdivision of the state may
 474 not adopt or establish programs to accomplish the purposes of
 475 this section.

476 Section 6. Subsection (1) of section 377.2425, Florida
 477 Statutes, is amended to read:

478 377.2425 Manner of providing security for geophysical
 479 exploration, drilling, and production.—

480 (1) Before ~~Prior to~~ granting a permit for conducting ~~to~~
 481 ~~conduct~~ geophysical operations; drilling of exploratory,
 482 injection, or production wells; producing oil and gas from a
 483 wellhead; performing a high-pressure well stimulation; or
 484 transporting oil and gas through a field-gathering system, the
 485 department shall require the applicant or operator to provide
 486 surety that these operations will be conducted in a safe and
 487 environmentally compatible manner.

488 (a) The applicant for a drilling, production, high-
 489 pressure well stimulation, or injection well permit or a
 490 geophysical permit may provide the following types of surety to
 491 the department for this purpose:

492 1. A deposit of cash or other securities made payable to
 493 the Minerals Trust Fund. Such cash or securities so deposited
 494 shall be held at interest by the Chief Financial Officer to



495 satisfy safety and environmental performance provisions of this
496 chapter. The interest shall be credited to the Minerals Trust
497 Fund. Such cash or other securities shall be released by the
498 Chief Financial Officer upon request of the applicant and
499 certification by the department that all safety and
500 environmental performance provisions established by the
501 department for permitted activities have been fulfilled.

502 2. A bond of a surety company authorized to do business in
503 the state in an amount as provided by rule.

504 3. A surety in the form of an irrevocable letter of credit
505 in an amount as provided by rule guaranteed by an acceptable
506 financial institution.

507 (b) An applicant for a drilling, production, high-pressure
508 well stimulation, or injection well permit, or a permittee who
509 intends to continue participating in long-term production
510 activities of such wells, has the option to provide surety to
511 the department by paying an annual fee to the Minerals Trust
512 Fund. For an applicant or permittee choosing this option the
513 following shall apply:

514 1. For the first year, or part of a year, of a drilling,
515 production, or injection well permit, or change of operator, the
516 fee is \$4,000 per permitted well.

517 2. For each subsequent year, or part of a year, the fee is
518 \$1,500 per permitted well.

519 3. The maximum fee that an applicant or permittee may be
520 required to pay into the trust fund is \$30,000 per calendar



521 year, regardless of the number of permits applied for or in
522 effect.

523 4. The fees set forth in subparagraphs 1., 2., and 3.
524 shall be reviewed by the department on a biennial basis and
525 adjusted for the cost of inflation. The department shall
526 establish by rule a suitable index for implementing such fee
527 revisions.

528 (c) An applicant for a drilling or operating permit for
529 operations planned in coastal waters that by their nature
530 warrant greater surety shall provide surety only in accordance
531 with paragraph (a), or similar proof of financial responsibility
532 other than as provided in paragraph (b). For all such
533 applications, including applications pending at the effective
534 date of this act and notwithstanding ~~the provisions of~~ paragraph
535 (b), the Governor and Cabinet in their capacity as the
536 Administration Commission, at the recommendation of the
537 department ~~of Environmental Protection~~, shall set a reasonable
538 amount of surety required under this subsection. The surety
539 amount shall be based on the projected cleanup costs and natural
540 resources damages resulting from a maximum oil spill and adverse
541 hydrographic and atmospheric conditions that would tend to
542 transport the oil into environmentally sensitive areas, as
543 determined by the department ~~of Environmental Protection~~.

544 Section 7. Section 377.2436, Florida Statutes, is created
545 to read:

546 377.2436 Study on high-pressure well stimulation.—



547 (1) The department shall conduct a study on high-pressure
548 well stimulation. The study shall:

549 (a) Evaluate the underlying geologic features present in
550 the counties where oil wells have been permitted and analyze the
551 potential impact that high-pressure well stimulation and
552 wellbore construction may have on the underlying geologic
553 features.

554 (b) Evaluate the potential hazards and risks that high-
555 pressure well stimulation poses to surface water or groundwater
556 resources. The study shall assess the potential impacts of high-
557 pressure well stimulation on drinking water resources and
558 identify the main factors affecting the severity and frequency
559 of impacts and shall analyze the potential for the use or reuse
560 of recycled water in well stimulation fluids while meeting
561 appropriate water quality standards.

562 (c) Review and evaluate the potential for groundwater
563 contamination from conducting high-pressure well stimulation
564 under wells that have been previously abandoned and plugged and
565 identify a setback radius from previously plugged and abandoned
566 wells that could be impacted by high-pressure well stimulation.

567 (d) Review and evaluate the ultimate disposition of well
568 stimulation fluids after use in well stimulation processes.

569 (2) The department shall continue conventional oil and gas
570 business operations during the performance of the study. There
571 shall not be a moratorium on the evaluation and issuance of
572 permits for conventional drilling, exploration, conventional



573 completions, or conventional workovers during the performance of
574 the study.

575 (3) The study is subject to independent scientific peer
576 review.

577 (4) The findings of the study shall be submitted to the
578 Governor, the President of the Senate, and the Speaker of the
579 House of Representatives by June 30, 2016, and shall be
580 prominently posted on the department website.

581 Section 8. Paragraph (a) of subsection (1) of section
582 377.37, Florida Statutes, is amended to read:

583 377.37 Penalties.—

584 (1) (a) A ~~Any~~ person who violates any provision of this law
585 or any rule, regulation, or order of the division made under
586 this chapter or who violates the terms of any permit to drill
587 for or produce oil, gas, or other petroleum products referred to
588 in s. 377.242(1) or to store gas in a natural gas storage
589 facility, or any lessee, permitholder, or operator of equipment
590 or facilities used in the exploration for, drilling for, or
591 production of oil, gas, or other petroleum products, or storage
592 of gas in a natural gas storage facility, who refuses inspection
593 by the division as provided in this chapter, is liable to the
594 state for any damage caused to the air, waters, or property,
595 including animal, plant, or aquatic life, of the state and for
596 reasonable costs and expenses of the state in tracing the source
597 of the discharge, in controlling and abating the source and the
598 pollutants, and in restoring the air, waters, and property,



599 including animal, plant, and aquatic life, of the state.
600 Furthermore, such person, lessee, permitholder, or operator is
601 subject to the judicial imposition of a civil penalty ~~in an~~
602 ~~amount~~ of not more than \$25,000 ~~\$10,000~~ for each offense.
603 However, the court may receive evidence in mitigation. Each day
604 during any portion of which such violation occurs constitutes a
605 separate offense. Nothing herein shall give the department the
606 right to bring an action on behalf of any private person.

607 Section 9. Section 377.45, Florida Statutes, is created to
608 read:

609 377.45 High-pressure well stimulation chemical disclosure
610 registry.-

611 (1) (a) The department shall designate the national
612 chemical registry, known as FracFocus, developed by the Ground
613 Water Protection Council and the Interstate Oil and Gas Compact
614 Commission, as the state's registry for chemical disclosure for
615 all wells on which high-pressure well stimulations are
616 performed. The department shall provide a link to FracFocus
617 through the department's website.

618 (b) In addition to providing such information to the
619 department as part of the permitting process, a service
620 provider, vendor, or well owner or operator shall report, by
621 department rule, to the department, at a minimum, the following
622 information:

623 1. The name of the service provider, vendor, or owner or
624 operator;



- 625 2. The date of completion of the high-pressure well
626 stimulation;
- 627 3. The county in which the well is located;
- 628 4. The API number for the well;
- 629 5. The well name and number;
- 630 6. The longitude and latitude of the wellhead;
- 631 7. The total vertical depth of the well;
- 632 8. The total volume of water used in the high-pressure
633 well stimulation; and
- 634 9. Each chemical ingredient that is subject to 29 C.F.R.
635 s. 1910.1200(g)(2) and the ingredient concentration in the high
636 pressure well stimulation fluid by mass for each well on which a
637 high-pressure well stimulation is performed.
- 638 (c) If the chemical disclosure registry cannot accept and
639 make publicly available any information specified in this
640 section, the department shall post the information on the
641 department's website.
- 642 (2) A service provider, vendor, or well owner or operator
643 shall:
- 644 (a) Report the information required under subsection (1)
645 to the department within 60 days after the initiation of the
646 high-pressure well stimulation for each well on which such high-
647 pressure well stimulation is performed; and
- 648 (b) Notify the department if any chemical ingredient not
649 previously reported is intentionally included and used for the
650 purpose of performing a high-pressure well stimulation.



651 (3) This section does not apply to an ingredient that:
652 (a) Is not intentionally added to the high-pressure well
653 stimulation; or
654 (b) Occurs incidentally or is otherwise unintentionally
655 present in a high-pressure well stimulation.
656 (4) The department shall adopt rules to administer this
657 section.

658 Section 10. Section 377.07, Florida Statutes, is amended
659 to read:

660 377.07 Division of Water Resource Management; powers,
661 duties, and authority.—The Division of Water Resource Management
662 of the Department of Environmental Protection is ~~hereby~~ vested
663 with power, authority, and duty to administer, carry out, and
664 enforce ~~the provisions of this part law as directed in s.~~
665 ~~370.02(3).~~

666 Section 11. Section 377.10, Florida Statutes, is amended
667 to read:

668 377.10 Certain persons not to be employed by division.—A
669 ~~No~~ person in the employ of, or holding any official connection
670 or position with any person, firm, partnership, corporation, or
671 association of any kind, engaged in the business of buying or
672 selling mineral leases, drilling wells in the search of oil or
673 gas, producing, transporting, refining, or distributing oil or
674 gas may not ~~shall~~ hold any position under, or be employed by,
675 the Division of Water Resource Management in the prosecution of
676 its duties under this part law.



677 Section 12. Subsection (1) of section 377.243, Florida
678 Statutes, is amended to read:

679 377.243 Conditions for granting permits for extraction
680 through well holes.—

681 (1) Before ~~Prior to~~ the application to the Division of
682 Water Resource Management for the permit to drill for oil, gas,
683 and related products referred to in s. 377.242(1), the applicant
684 must own a valid deed, or other muniment of title, or lease
685 granting the ~~said~~ applicant the privilege to explore for oil,
686 gas, or related mineral products to be extracted only through
687 the well hole on the land or lands included in the application.
688 However, unallocated interests may be unitized according to s.
689 377.27.

690 Section 13. Subsection (1) of section 377.244, Florida
691 Statutes, is amended to read:

692 377.244 Conditions for granting permits for surface
693 exploratory and extraction operations.—

694 (1) Exploration for and extraction of minerals under ~~and~~
695 ~~by virtue of~~ the authority of a grant of oil, gas, or mineral
696 rights, or which, subsequent to such grant, may ~~be interpreted~~
697 ~~to~~ include the right to explore for and extract minerals which
698 are subject to extraction from the land by means other than
699 through a well hole, that is by means of surface exploratory and
700 extraction operations such as sifting of the sands, dragline,
701 open pit mining, or other type of surface operation, which would
702 include movement of sands, dirt, rock, or minerals, shall be



703 exercised only pursuant to a permit issued by the Division of
704 Water Resource Management upon the applicant's compliance
705 ~~applicant complying~~ with the following conditions:

706 (a) The applicant must own a valid deed, or other muniment
707 of title, or lease granting the applicant the right to explore
708 for and extract oil, gas, and other minerals from the said
709 lands.

710 (b) The applicant shall post a good and sufficient surety
711 bond with the division in such amount as the division determines
712 ~~may determine~~ is adequate to afford full and complete protection
713 for the owner of the surface rights of the lands described in
714 the application, conditioned upon the full and complete
715 restoration, by the applicant, of the area over which the
716 exploratory and extraction operations are conducted to the same
717 condition and contour in existence before ~~prior to~~ such
718 operations.

719 Section 14. For the 2015-2016 fiscal year, the sum of \$1
720 million in nonrecurring funds is appropriated from the General
721 Revenue Fund to the Department of Environmental Protection to
722 perform a high-pressure well stimulation study pursuant to s.
723 377.2436, Florida Statutes.

724 Section 15. This act shall take effect July 1, 2015.