A bill to be entitled
An act relating to the regulation of oil and gas
resources; amending s. 377.06, F.S.; preempting the
regulation of all matters relating to the exploration,
development, production, processing, storage, and
transportation of oil and gas; declaring existing
ordinances and regulations relating thereto void;
providing an exception for certain zoning ordinances;
amending s. 377.19, F.S.; applying the definitions of
certain terms to additional sections of chapter 377,
F.S.; revising the definition of the term "division";
conforming a cross-reference; defining the term "high-
pressure well stimulation"; amending s. 377.22, F.S.;
revising the rulemaking authority of the Department of
Environmental Protection; amending s. 377.24, F.S.;
requiring that a permit be obtained before the
performance of a high-pressure well stimulation;
specifying that a permit may authorize single or
multiple activities; deleting provisions prohibiting
the division from granting permits to drill gas or oil
wells within the limits of a municipality without
approval of the governing authority of the
municipality; prohibiting the department from
approving permits for high-pressure well stimulation
until certain rules are adopted; amending s. 377.241,
F.S.; requiring the Division of Water Resource

CODING: Words stricken are deletions; words underlined are additions.
Management to give consideration to and be guided by certain additional criteria when issuing permits; amending s. 377.242, F.S.; authorizing the department to issue permits for the performance of a high-pressure well stimulation; revising permit requirements that permitholders agree not to prevent division inspections; amending s. 377.2425, F.S.; requiring an applicant or operator to provide surety that performance of a high-pressure well stimulation will be conducted in a safe and environmentally compatible manner; creating s. 377.2436, F.S.; directing the department to conduct a study on high-pressure well stimulation; providing study criteria; requiring the study to be submitted to the Governor and Legislature; amending s. 377.37, F.S.; increasing the maximum amount of a civil penalty; creating s. 377.45, F.S.; requiring the department to designate the national chemical registry as the state's registry; requiring service providers, vendors, and well owners or operators to report certain information to the department; requiring the department to report certain information to the national chemical registry; providing applicability; requiring the department to adopt rules; amending ss. 377.07, 377.10, 377.243, and 377.244, F.S.; conforming provisions; providing an appropriation; providing an effective date.
Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 377.06, Florida Statutes, is amended to read:

377.06 Public policy of state concerning natural resources of oil and gas; preemption.—

(1) It is hereby declared the public policy of this state to conserve and control the natural resources of oil and gas in this state, and the products made from oil and gas in this state, to prevent waste of natural resources; to provide for the protection and adjustment of the correlative rights of the owners of the land in which the natural resources lie, of the owners and producers of oil and gas resources and the products made from oil and gas, and of others interested in these resources and products; and to safeguard the health, property, and public welfare of the residents of this state and other interested persons and for all purposes indicated by the provisions in this section.

(2) Further, It is the public policy of this state declared that underground storage of natural gas is in the public interest because underground storage promotes conservation of natural gas and makes gas more readily available to the domestic, commercial, and industrial consumers of this state and allows the accumulation of large quantities of gas in reserve for orderly withdrawal during emergencies or periods
of peak demand. It is not the intention of this section to limit, restrict, or modify in any way the provisions of this law.

(3) The Legislature declares that all matters relating to the regulation of the exploration, development, production, processing, storage, and transportation of oil and gas are preempted to the state, to the exclusion of all existing and future ordinances or regulations relating thereto adopted by any county, municipality, or other political subdivision of the state. Any such existing ordinance or regulation is void. A county or municipality may, however, enforce an existing zoning ordinance adopted before January 1, 2015, if the ordinance is otherwise valid.

Section 2. Section 377.19, Florida Statutes, is amended to read:

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

(1) "Completion date" means the day, month, and year that a new productive well, a previously shut-in well, or a temporarily abandoned well is completed, repaired, or recompleted and the operator begins producing oil or gas in commercial quantities.

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

(3) "Division" means the Division of Water Resource Management of the Department of Environmental Protection.
(4) "Field" means the general area that is underlaid, or appears to be underlaid, by at least one pool. The term includes the underground reservoir, or reservoirs, containing oil or gas, or both. The terms "field" and "pool" mean the same thing if only one underground reservoir is involved; however, the term "field," unlike the term "pool," may relate to two or more pools.

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

(6) "High-pressure well stimulation" means all stages of a well intervention performed by injecting fluids into a rock formation at high pressure that exceeds the fracture gradient of the rock formation in order to propagate fractures in such formation to increase production at an oil or gas well by improving the flow of hydrocarbons from the formation into the wellbore. The term does not include well stimulation or conventional workover procedures that may incidentally fracture the formation near the wellbore.

(7) "Horizontal well" means a well completed with the wellbore in a horizontal or nearly horizontal orientation within 10 degrees of horizontal within the producing formation.

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

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

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

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

(12) "Native gas" means gas that occurs naturally within this state and does not include gas produced outside the state, transported to this state, and injected into a permitted natural gas storage facility.

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

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

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

(16) "Oil" means crude petroleum oil and other
hydrocarbons, regardless of gravity, which are produced at the
core in liquid form by ordinary production methods, and which
are not the result of condensation of gas after it leaves the
reservoir.

(17) "Oil and gas" has the same meaning as the term
"oil or gas."
"Oil and gas administrator" means the State Geologist.

"Operator" means the entity who:

(a) Has the right to drill and to produce a well; or
(b) As part of a natural gas storage facility, injects, or is engaged in the work of preparing to inject, gas into a natural gas storage reservoir; or stores gas in, or removes gas from, a natural gas storage reservoir.

"Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production for the person or for the person and another, or others.

"Person" means a natural person, corporation, association, partnership, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind.

"Pool" means an underground reservoir containing or appearing to contain a common accumulation of oil or gas or both. Each zone of a general structure which is completely separated from any other zone on the structure is considered a separate pool as used herein.

"Producer" means the owner or operator of a well or wells capable of producing oil or gas, or both.

"Product" means a commodity made from oil or gas and includes refined crude oil, crude tops, topped crude, processed crude petroleum, residue from crude petroleum, cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
residuum, gas oil, casinghead gasoline, natural gas gasoline, naphtha, distillate, condensate, gasoline, waste oil, kerosene, benzine, wash oil, blended gasoline, lubricating oil, blends or mixtures of oil with one or more liquid products or byproducts derived from oil or gas, and blends or mixtures of two or more liquid products or byproducts derived from oil or gas, whether hereinabove enumerated or not.

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

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

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

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

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

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

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

"Waste," in addition to its ordinary meaning, means "physical waste" as that term is generally understood in the oil and gas industry. The term "waste" includes:

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

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

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

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

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

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

(g) The creation of unnecessary fire hazards.

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

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

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

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

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

Section 3. Subsection (2) of section 377.22, Florida
Statutes, is amended to read:

377.22 Rules and orders.—

(2) The department shall issue orders and adopt rules
pursuant to ss. 120.536 and 120.54 to implement and enforce the
provisions of this chapter. Such rules and orders shall ensure
that all precautions are taken to prevent the spillage of oil or
any other pollutant in all phases of the drilling for, and
extracting of, oil, gas, or other petroleum products, including
high-pressure well stimulations, or during the injection of gas
into and recovery of gas from a natural gas storage reservoir.
The department shall revise such rules from time to time as necessary for the proper administration and enforcement of this chapter. Rules adopted and orders issued in accordance with this section are for, but not limited to, the following purposes:

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

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

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

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

(e) To prevent the intrusion of water into an oil or gas stratum from a separate stratum, except as provided by rules of the division relating to the injection of water for proper reservoir conservation and brine disposal.

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

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

(h) To require the making of reports showing the location of all oil and gas wells; the making and filing of logs; the taking and filing of directional surveys; the filing of electrical, sonic, radioactive, and mechanical logs of oil and gas wells; if taken, the saving of cutting and cores, the cuts of which shall be given to the Bureau of Geology; and the making of reports with respect to drilling and production records. However, such information, or any part thereof, at the request of the operator, shall be exempt from the provisions of s. 119.07(1) and held confidential by the division for a period of 1 year after the completion of a well.

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

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

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

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

(m) To prevent fires.

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

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

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

(q) To regulate gas cycling operations.

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

(s) If necessary for the prevention of waste, as herein defined, to determine, limit, and prorate the production of oil or gas, or both, from any pool or field in the state.
(t) To require, either generally or in or from particular areas, certificates of clearance or tenders in connection with the transportation or delivery of oil or gas, or any product.

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

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

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

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

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

(z) To evaluate the history of past adjudicated violations committed by permit applicants or the applicants’ affiliated entities of any substantive and material rule or law pertaining to the regulation of oil or gas.

Section 4. Subsections (6) through (9) of section 377.24, Florida Statutes, are renumbered as subsections (5) through (8), respectively, present subsections (1), (2), (4), and (5) are amended, and a new subsection (9) is added to that section, to read:
377.24 Notice of intention to drill well; permits; abandoned wells and dry holes.–

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

2) An application for the drilling of a well in search of oil or gas, for the performance of a high-pressure well stimulation, or for the storing of gas in and recovering of gas from a natural gas storage reservoir in this state must include the address of the residence of the applicant or applicants, which must be the address of each person involved in accordance with the records of the Division of Water Resource Management until such address is changed on the records of the division after written request.

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

(5) No permit to drill a gas or oil well shall be granted within the corporate limits of any municipality, unless the governing authority of the municipality shall have first duly approved the application for such permit by resolution.

(9) The department may not approve a permit to authorize a high-pressure well stimulation until rules for high-pressure well stimulation are adopted.

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

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

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

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

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

(6) As a basis for permit denial or imposition of specific permit conditions, including increased bonding up to five times the applicable limits and increased monitoring, the history of past adjudicated violations committed by the applicant or an
Section 6. Section 377.242, Florida Statutes, is amended to read:

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

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

1. A No structure intended for the drilling for, or production of, oil, gas, or other petroleum products may not be permitted or constructed on any submerged land within any bay or estuary.

2. A No structure intended for the drilling for, or production of, oil, gas, or other petroleum products may not be permitted or constructed within 1 mile seaward of the coastline of the state.

3. A No structure intended for the drilling for, or production of, oil, gas, or other petroleum products may not be permitted or constructed within 1 mile of the seaward boundary of any state, local, or federal park or aquatic or wildlife
preserve or on the surface of a freshwater lake, river, or stream.

4. A **no** structure intended for the drilling for, or production of, oil, gas, or other petroleum products may **not** be permitted or constructed within 1 mile inland from the shoreline of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary or within 1 mile of any freshwater lake, river, or stream unless the department is satisfied that the natural resources of such bodies of water and shore areas of the state will be adequately protected in the event of accident or blowout.

5. Without exception, after July 1, 1989, a **no** structure intended for the drilling for, or production of, oil, gas, or other petroleum products may **not** be permitted or constructed south of 26°00′00″ north latitude off Florida's west coast and south of 27°00′00″ north latitude off Florida's east coast, within the boundaries of Florida's territorial seas as defined in 43 U.S.C. s. 1301. After July 31, 1990, a **no** structure intended for the drilling for, or production of, oil, gas, or other petroleum products may **not** be permitted or constructed north of 26°00′00″ north latitude off Florida's west coast to the western boundary of the state bordering Alabama as set forth in s. 1, Art. II of the State Constitution, or located north of 27°00′00″ north latitude off Florida's east coast to the northern boundary of the state bordering Georgia as set forth in s. 1, Art. II of the State Constitution, within the boundaries of Florida's territorial seas as defined in 43 U.S.C. s. 1301.
(b) Subparagraphs (a)1. and 4. do not apply to permitting or construction of structures intended for the drilling for, or production of, oil, gas, or other petroleum products pursuant to an oil, gas, or mineral lease of such lands by the state under which lease any valid drilling permits are in effect on the effective date of this act. In the event that such permits contain conditions or stipulations, such conditions and stipulations shall govern and supersede subparagraphs (a)1. and 4.

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

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

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

Each permit shall contain an agreement by the permitholder that the permitholder will not prevent inspection by division personnel at any time, including during installation and cementing of casing, testing of blowout preventers, pressure testing of the casing and casing shoe, and integrity testing of the cement plugs in plugging and abandonment operations. The
provisions of this section prohibiting permits for drilling or exploring for oil in coastal waters do not apply to any leases entered into before June 7, 1991.

Section 7. Subsection (1) of section 377.2425, Florida Statutes, is amended to read:

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

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

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

1. A deposit of cash or other securities made payable to the Minerals Trust Fund. Such cash or securities so deposited shall be held at interest by the Chief Financial Officer to satisfy safety and environmental performance provisions of this chapter. The interest shall be credited to the Minerals Trust Fund. Such cash or other securities shall be released by the Chief Financial Officer upon request of the applicant and
certification by the department that all safety and 
environmental performance provisions established by the 
department for permitted activities have been fulfilled.

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

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

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

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

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

3. The maximum fee that an applicant or permittee may be 
required to pay into the trust fund is $30,000 per calendar 
year, regardless of the number of permits applied for or in 
effect.

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

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

Section 8. Section 377.2436, Florida Statutes, is created to read:

377.2436 Study on high-pressure well stimulation.—
(1) The department shall conduct a study on high-pressure well stimulation. The study shall:

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

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

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

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

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

(3) The study is subject to independent scientific peer review.
(4) The findings of the study shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by June 30, 2017, and shall be prominently posted on the department website.

Section 9. Paragraph (a) of subsection (1) of section 377.37, Florida Statutes, is amended to read:

377.37 Penalties.—

(1)(a) Any person who violates any provision of this chapter or any rule, regulation, or order of the division made under this chapter or who violates the terms of any permit to drill for or produce oil, gas, or other petroleum products referred to in s. 377.242(1) or to store gas in a natural gas storage facility, or any lessee, permitholder, or operator of equipment or facilities used in the exploration for, drilling for, or production of oil, gas, or other petroleum products, or storage of gas in a natural gas storage facility, who refuses inspection by the division as provided in this chapter, is liable to the state for any damage caused to the air, waters, or property, including animal, plant, or aquatic life, of the state and for reasonable costs and expenses of the state in tracing the source of the discharge, in controlling and abating the source and the pollutants, and in restoring the air, waters, and property, including animal, plant, and aquatic life, of the state. Furthermore, such person, lessee, permitholder, or operator is subject to the judicial imposition of a civil penalty in an amount of not more than $25,000 $10,000 for each
offense. However, the court may receive evidence in mitigation. Each day during any portion of which such violation occurs constitutes a separate offense. This paragraph does not Nothing herein shall give the department the right to bring an action on behalf of any private person.

Section 10. Section 377.45, Florida Statutes, is created to read:

377.45 High-pressure well stimulation chemical disclosure registry.—

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

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

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

2. The date of completion of the high-pressure well stimulation.

3. The county in which the well is located.
4. The API number for the well.

5. The well name and number.

6. The longitude and latitude of the wellhead.

7. The total vertical depth of the well.

8. The total volume of water used in the high-pressure well stimulation.

9. Each chemical ingredient that is subject to 29 C.F.R. s. 1910.1200(g)(2) and the ingredient concentration in the high-pressure well stimulation fluid by mass for each well on which a high-pressure well stimulation is performed.

10. The trade or common name and the CAS registry number for each chemical ingredient.

(c) The department shall report to FracFocus all information received pursuant to paragraph (b), excluding any information subject to chapter 688.

(d) If the chemical disclosure registry cannot accept and make publicly available any information specified in this section, the department shall post the information on the department's website, excluding any information subject to chapter 688.

(2) A service provider, vendor, or well owner or operator shall:

(a) Report the information required under subsection (1) to the department within 60 days after the initiation of the high-pressure well stimulation for each well on which such high-pressure well stimulation is performed.
(b) Notify the department if any chemical ingredient not previously reported is intentionally included and used for the purpose of performing a high-pressure well stimulation.

(3) This section does not apply to an ingredient that:

(a) Is not intentionally added to the high-pressure well stimulation; or

(b) Occurs incidentally or is otherwise unintentionally present in a high-pressure well stimulation.

(4) The department shall adopt rules to administer this section.

Section 11. Section 377.07, Florida Statutes, is amended to read:

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

Section 12. Section 377.10, Florida Statutes, is amended to read:

377.10 Certain persons not to be employed by division.—A

No person in the employ of, or holding any official connection or position with any person, firm, partnership, corporation, or association of any kind, engaged in the business of buying or selling mineral leases, drilling wells in the search of oil or gas, producing, transporting, refining, or distributing oil or
gas **may not shall** hold any position under, or be employed by, the Division of **Water** Resource Management in the prosecution of its duties under this **part** law.

Section 13. Subsection (1) of section 377.243, Florida Statutes, is amended to read:

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

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

Section 14. Subsection (1) of section 377.244, Florida Statutes, is amended to read:

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

(1) Exploration for and extraction of minerals under and by virtue of the authority of a grant of oil, gas, or mineral rights, or which, subsequent to such grant, may be interpreted to include the right to explore for and extract minerals which are subject to extraction from the land by means other than through a well hole, that is by means of surface exploratory and
extraction operations such as sifting of the sands, dragline, open pit mining, or other type of surface operation, which would include movement of sands, dirt, rock, or minerals, shall be exercised only pursuant to a permit issued by the Division of Water Resource Management upon the applicant's compliance with the following conditions:

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

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

Section 15. For the 2016-2017 fiscal year, the sum of $1 million in nonrecurring funds is appropriated from the General Revenue Fund to the Department of Environmental Protection to perform a high-pressure well stimulation study pursuant to s. 377.2436, Florida Statutes.

Section 16. This act shall take effect July 1, 2016.

CODING: Words stricken are deletions; words underlined are additions.