

By Senator Richter

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1 A bill to be entitled
2 An act relating to the regulation of oil and gas
3 resources; amending s. 377.06, F.S.; preempting the
4 regulation of all matters relating to the exploration,
5 development, production, processing, storage, and
6 transportation of oil and gas; declaring existing
7 ordinances and regulations relating thereto void;
8 providing an exception for certain zoning ordinances;
9 amending s. 377.19, F.S.; applying the definitions of
10 certain terms to additional sections of ch. 377, F.S.;
11 revising the definition of the term "division";
12 conforming a cross-reference; defining the term "high-
13 pressure well stimulation"; amending s. 377.22, F.S.;
14 revising the rulemaking authority of the Department of
15 Environmental Protection; amending s. 377.24, F.S.;
16 requiring that a permit be obtained before the
17 performance of a high-pressure well stimulation;
18 specifying that a permit may authorize single or
19 multiple activities; deleting provisions that prohibit
20 the Division of Water Resource Management from
21 granting permits to drill gas or oil wells within the
22 limits of a municipality without approval of the
23 governing authority of the municipality; prohibiting
24 the department from approving permits for high-
25 pressure well stimulation until certain rules are
26 adopted; amending s. 377.241, F.S.; requiring the
27 Division of Water Resource Management to give
28 consideration to and be guided by certain additional
29 criteria when issuing permits; amending s. 377.242,

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30 F.S.; authorizing the department to issue permits for
31 the performance of a high-pressure well stimulation;
32 revising permit requirements that permit holders agree
33 not to prevent division inspections; amending s.
34 377.2425, F.S.; requiring an applicant or operator to
35 provide surety that performance of a high-pressure
36 well stimulation will be conducted in a safe and
37 environmentally compatible manner; creating s.
38 377.2436, F.S.; requiring the department to conduct a
39 study on high-pressure well stimulation; providing
40 study criteria; requiring the study to be submitted to
41 the Governor and Legislature and posted on the
42 department website; amending s. 377.37, F.S.;
43 increasing the maximum amount of a civil penalty;
44 creating s. 377.45, F.S.; requiring the department to
45 designate the national chemical disclosure registry as
46 the state's registry; requiring service providers,
47 vendors, and well owners or operators to report
48 certain information to the department; requiring the
49 department to report certain information to the
50 national chemical registry; providing applicability;
51 requiring the department to adopt rules; amending ss.
52 377.07, 377.10, 377.243, and 377.244, F.S.; making
53 technical changes; conforming provisions to changes
54 made by the act; providing an appropriation; providing
55 an effective date.

56
57 Be It Enacted by the Legislature of the State of Florida:
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59 Section 1. Section 377.06, Florida Statutes, is amended to
60 read:

61 377.06 Public policy of state concerning natural resources
62 of oil and gas; preemption.-

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

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

84 (3) The Legislature declares that all matters relating to
85 the regulation of the exploration, development, production,
86 processing, storage, and transportation of oil and gas are
87 preempted to the state, to the exclusion of all existing and

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88 future ordinances or regulations relating thereto adopted by any
89 county, municipality, or other political subdivision of the
90 state. Any such existing ordinance or regulation is void. A
91 county or municipality may, however, enforce an existing zoning
92 ordinance adopted before January 1, 2015, if the ordinance is
93 otherwise valid.

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

96 377.19 Definitions.—As used in ss. 377.06, 377.07, and
97 377.10-377.45 ~~377.10-377.40~~, the term:

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

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

104 (3) "Division" means the Division of Water Resource
105 Management of the Department of Environmental Protection.

106 (4) "Field" means the general area that is underlaid, or
107 appears to be underlaid, by at least one pool. The term includes
108 the underground reservoir, or reservoirs, containing oil or gas,
109 or both. The terms "field" and "pool" mean the same thing if
110 only one underground reservoir is involved; however, the term
111 "field," unlike the term "pool," may relate to two or more
112 pools.

113 (5) "Gas" means all natural gas, including casinghead gas,
114 and all other hydrocarbons not defined as oil in subsection (16)
115 ~~(15)~~.

116 (6) "High-pressure well stimulation" means all stages of a

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117 well intervention performed by injecting fluids into a rock
118 formation at high pressure that exceeds the fracture gradient of
119 the rock formation in order to propagate fractures in such
120 formation to increase production at an oil or gas well by
121 improving the flow of hydrocarbons from the formation into the
122 wellbore. The term does not include well stimulation or
123 conventional workover procedures that may incidentally fracture
124 the formation near the wellbore.

125 (7)~~(6)~~ "Horizontal well" means a well completed with the
126 wellbore in a horizontal or nearly horizontal orientation within
127 10 degrees of horizontal within the producing formation.

128 (8)~~(7)~~ "Illegal gas" means gas that has been produced
129 within the state from any well or wells in excess of the amount
130 allowed by any rule, regulation, or order of the division, as
131 distinguished from gas produced within the State of Florida from
132 a well not producing in excess of the amount so allowed, which
133 is "legal gas."

134 (9)~~(8)~~ "Illegal oil" means oil that has been produced
135 within the state from any well or wells in excess of the amount
136 allowed by rule, regulation, or order of the division, as
137 distinguished from oil produced within the state from a well not
138 producing in excess of the amount so allowed, which is "legal
139 oil."

140 (10)~~(9)~~ "Illegal product" means a product of oil or gas,
141 any part of which was processed or derived, in whole or in part,
142 from illegal gas or illegal oil or from any product thereof, as
143 distinguished from "legal product," which is a product processed
144 or derived to no extent from illegal oil or illegal gas.

145 (11)~~(10)~~ "Lateral storage reservoir boundary" means the

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146 projection up to the land surface of the maximum horizontal
147 extent of the gas volume contained in a natural gas storage
148 reservoir.

149 (12)~~(11)~~ "Native gas" means gas that occurs naturally
150 within this state and does not include gas produced outside the
151 state, transported to this state, and injected into a permitted
152 natural gas storage facility.

153 (13)~~(12)~~ "Natural gas storage facility" means an
154 underground reservoir from which oil or gas has previously been
155 produced and which is used or to be used for the underground
156 storage of natural gas, and any surface or subsurface structure,
157 or infrastructure, except wells. The term also includes a right
158 or appurtenance necessary or useful in the operation of the
159 facility for the underground storage of natural gas, including
160 any necessary or reasonable reservoir protective area as
161 designated for the purpose of ensuring the safe operation of the
162 storage of natural gas or protecting the natural gas storage
163 facility from pollution, invasion, escape, or migration of gas,
164 or any subsequent extension thereof. The term does not mean a
165 transmission, distribution, or gathering pipeline or system that
166 is not used primarily as integral piping for a natural gas
167 storage facility.

168 (14)~~(13)~~ "Natural gas storage reservoir" means a pool or
169 field from which gas or oil has previously been produced and
170 which is suitable for or capable of being made suitable for the
171 injection, storage, and recovery of gas, as identified in a
172 permit application submitted to the department under s.
173 377.2407.

174 (15)~~(14)~~ "New field well" means an oil or gas well

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175 completed after July 1, 1997, in a new field as designated by
176 the Department of Environmental Protection.

177 (16)~~(15)~~ "Oil" means crude petroleum oil and other
178 hydrocarbons, regardless of gravity, which are produced at the
179 well in liquid form by ordinary production methods, and which
180 are not the result of condensation of gas after it leaves the
181 reservoir.

182 (17)~~(16)~~ "Oil and gas" has the same meaning as the term
183 "oil or gas."

184 (18)~~(17)~~ "Oil and gas administrator" means the State
185 Geologist.

186 (19)~~(18)~~ "Operator" means the entity who:

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

192 (20)~~(19)~~ "Owner" means the person who has the right to
193 drill into and to produce from any pool and to appropriate the
194 production for the person or for the person and another, or
195 others.

196 (21)~~(20)~~ "Person" means a natural person, corporation,
197 association, partnership, receiver, trustee, guardian, executor,
198 administrator, fiduciary, or representative of any kind.

199 (22)~~(21)~~ "Pool" means an underground reservoir containing
200 or appearing to contain a common accumulation of oil or gas or
201 both. Each zone of a general structure which is completely
202 separated from any other zone on the structure is considered a
203 separate pool as used herein.

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204 (23)~~(22)~~ "Producer" means the owner or operator of a well
205 or wells capable of producing oil or gas, or both.

206 (24)~~(23)~~ "Product" means a commodity made from oil or gas
207 and includes refined crude oil, crude tops, topped crude,
208 processed crude petroleum, residue from crude petroleum,
209 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
210 residuum, gas oil, casinghead gasoline, natural gas gasoline,
211 naphtha, distillate, condensate, gasoline, waste oil, kerosene,
212 benzine, wash oil, blended gasoline, lubricating oil, blends or
213 mixtures of oil with one or more liquid products or byproducts
214 derived from oil or gas, and blends or mixtures of two or more
215 liquid products or byproducts derived from oil or gas, whether
216 hereinabove enumerated or not.

217 (25)~~(24)~~ "Reasonable market demand" means the amount of oil
218 reasonably needed for current consumption, together with a
219 reasonable amount of oil for storage and working stocks.

220 (26)~~(25)~~ "Reservoir protective area" means the area
221 extending up to and including 2,000 feet surrounding a natural
222 gas storage reservoir.

223 (27)~~(26)~~ "Shut-in bottom hole pressure" means the pressure
224 at the bottom of a well when all valves are closed and no oil or
225 gas has been allowed to escape for at least 24 hours.

226 (28)~~(27)~~ "Shut-in well" means an oil or gas well that has
227 been taken out of service for economic reasons or mechanical
228 repairs.

229 (29)~~(28)~~ "State" means the State of Florida.

230 (30)~~(29)~~ "Temporarily abandoned well" means a permitted
231 well or wellbore that has been abandoned by plugging in a manner
232 that allows reentry and redevelopment in accordance with oil or

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233 gas rules of the Department of Environmental Protection.

234 (31)~~(30)~~ "Tender" means a permit or certificate of
235 clearance for the transportation or the delivery of oil, gas, or
236 products, approved and issued or registered under the authority
237 of the division.

238 (32)~~(31)~~ "Waste," in addition to its ordinary meaning,
239 means "physical waste" as that term is generally understood in
240 the oil and gas industry. The term "waste" includes:

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

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

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

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

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

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

260 (g) The creation of unnecessary fire hazards.

261 (h) The escape into the open air, from a well producing

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262 both oil and gas, of gas in excess of the amount that is
263 necessary in the efficient drilling or operation of the well.

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

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

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

271 (33)~~(32)~~ "Well site" means the general area around a well,
272 which area has been disturbed from its natural or existing
273 condition, as well as the drilling or production pad, mud and
274 water circulation pits, and other operation areas necessary to
275 drill for or produce oil or gas, or to inject gas into and
276 recover gas from a natural gas storage facility.

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

279 377.22 Rules and orders.—

280 (2) The department shall issue orders and adopt rules
281 pursuant to ss. 120.536 and 120.54 to implement and enforce ~~the~~
282 ~~provisions of~~ this chapter. Such rules and orders shall ensure
283 that all precautions are taken to prevent the spillage of oil or
284 any other pollutant in all phases of the drilling for, and
285 extracting of, oil, gas, or other petroleum products, including
286 high-pressure well stimulations, or during the injection of gas
287 into and recovery of gas from a natural gas storage reservoir.
288 The department shall revise such rules from time to time as
289 necessary for the proper administration and enforcement of this
290 chapter. Rules adopted and orders issued in accordance with this

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291 section are for, but not limited to, the following purposes:

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

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

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

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

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

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

319 (g) To require and carry out a reasonable program of

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320 monitoring and inspecting ~~or inspection of~~ all drilling
321 operations, high-pressure well stimulations, producing wells, ~~or~~
322 injecting wells, and well sites, including regular inspections
323 by division personnel. Inspections are required during the
324 testing of blowout preventers, during the pressure testing of
325 the casing and casing shoe, and during the integrity testing of
326 the cement plugs in plugging and abandonment operations.

327 (h) To require the making of reports showing the location
328 of all oil and gas wells; the making and filing of logs; the
329 taking and filing of directional surveys; the filing of
330 electrical, sonic, radioactive, and mechanical logs of oil and
331 gas wells; if taken, the saving of cutting and cores, the cuts
332 of which shall be given to the Bureau of Geology; and the making
333 of reports with respect to drilling and production records.
334 However, such information, or any part thereof, at the request
335 of the operator, shall be exempt from ~~the provisions of s.~~
336 119.07(1) and held confidential by the division for ~~a period of~~
337 1 year after the completion of a well.

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

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

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

348 (l) To prevent "blowouts," "caving," and "seepage," in the

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349 sense that conditions indicated by such terms are generally
350 understood in the oil and gas business.

351 (m) To prevent fires.

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

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

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

360 (q) To regulate gas cycling operations.

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

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

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

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

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

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

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

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

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

387 Section 4. Subsections (1), (2), (4), and (5) of section
388 377.24, Florida Statutes, are amended, present subsections (6)
389 through (9) of that section are redesignated as subsections (5)
390 through (8), respectively, and a new subsection (9) is added to
391 that section, to read:

392 377.24 Notice of intention to drill well; permits;
393 abandoned wells and dry holes.—

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

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407 (2) An application for the drilling of a well in search of
408 oil or gas, for the performance of a high-pressure well
409 stimulation, or for the storing of gas in and recovering of gas
410 from a natural gas storage reservoir⁷ in this state must include
411 the address of the residence of the applicant⁷ or applicants,
412 which must be the address of each person involved in accordance
413 with the records of the Division of Water Resource Management
414 until such address is changed on the records of the division
415 after written request.

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

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

423 (9) The department may not approve a permit to authorize a
424 high-pressure well stimulation until the department adopts rules
425 for high-pressure well stimulation.

426 Section 5. Subsections (5) and (6) are added to section
427 377.241, Florida Statutes, to read:

428 377.241 Criteria for issuance of permits.—The division, in
429 the exercise of its authority to issue permits as hereinafter
430 provided, shall give consideration to and be guided by the
431 following criteria:

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

435 (a) The groundwater through which the well will be or has

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436 been drilled is not contaminated by the high-pressure well
437 stimulation; and

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

440 (6) As a basis for permit denial or imposition of specific
441 permit conditions, including increased bonding up to five times
442 the applicable limits and increased monitoring, the history of
443 past adjudicated violations committed by the applicant or an
444 affiliated entity of the applicant of any substantive and
445 material rule or law pertaining to the regulation of oil or gas,
446 including violations that occurred outside the state.

447 Section 6. Section 377.242, Florida Statutes, is amended to
448 read:

449 377.242 Permits for drilling or exploring and extracting
450 through well holes or by other means.—The department is vested
451 with the power and authority:

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

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

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

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465 of the state.

466 3. A ~~Ne~~ structure intended for the drilling for, or
467 production of, oil, gas, or other petroleum products may not be
468 permitted or constructed within 1 mile of the seaward boundary
469 of any state, local, or federal park or aquatic or wildlife
470 preserve or on the surface of a freshwater lake, river, or
471 stream.

472 4. A ~~Ne~~ structure intended for the drilling for, or
473 production of, oil, gas, or other petroleum products may not be
474 permitted or constructed within 1 mile inland from the shoreline
475 of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
476 or within 1 mile of any freshwater lake, river, or stream unless
477 the department is satisfied that the natural resources of such
478 bodies of water and shore areas of the state will be adequately
479 protected in the event of accident or blowout.

480 5. Without exception, after July 1, 1989, a ~~ne~~ structure
481 intended for the drilling for, or production of, oil, gas, or
482 other petroleum products may not be permitted or constructed
483 south of 26°00'00" north latitude off Florida's west coast and
484 south of 27°00'00" north latitude off Florida's east coast,
485 within the boundaries of Florida's territorial seas as defined
486 in 43 U.S.C. s. 1301. After July 31, 1990, a ~~ne~~ structure
487 intended for the drilling for, or production of, oil, gas, or
488 other petroleum products may not be permitted or constructed
489 north of 26°00'00" north latitude off Florida's west coast to
490 the western boundary of the state bordering Alabama as set forth
491 in s. 1, Art. II of the State Constitution, or located north of
492 27°00'00" north latitude off Florida's east coast to the
493 northern boundary of the state bordering Georgia as set forth in

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494 s. 1, Art. II of the State Constitution, within the boundaries
495 of Florida's territorial seas as defined in 43 U.S.C. s. 1301.

496 (b) Subparagraphs (a)1. and 4. do not apply to permitting
497 or construction of structures intended for the drilling for, or
498 production of, oil, gas, or other petroleum products pursuant to
499 an oil, gas, or mineral lease of such lands by the state under
500 which lease any valid drilling permits are in effect on the
501 effective date of this act. In the event that such permits
502 contain conditions or stipulations, such conditions and
503 stipulations shall govern and supersede subparagraphs (a)1. and
504 4.

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

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

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

515
516 Each permit shall contain an agreement by the permitholder that
517 the permitholder will not prevent inspection by division
518 personnel at any time, including during installation and
519 cementing of casing, during the testing of blowout preventers,
520 during the pressure testing of the casing and casing shoe, and
521 during the integrity testing of the cement plugs in plugging and
522 abandonment operations. The provisions of this section

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523 prohibiting permits for drilling or exploring for oil in coastal
524 waters do not apply to any leases entered into before June 7,
525 1991.

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

528 377.2425 Manner of providing security for geophysical
529 exploration, drilling, and production.—

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

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

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

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

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

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

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

567 2. For each subsequent year, or part of a year, the fee is
568 \$1,500 per permitted well.

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

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

577 (c) An applicant for a drilling or operating permit for
578 operations planned in coastal waters that by their nature
579 warrant greater surety shall provide surety only in accordance
580 with paragraph (a), or similar proof of financial responsibility

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581 other than as provided in paragraph (b). For all such
582 applications, including applications pending at the effective
583 date of this act and notwithstanding ~~the provisions of~~ paragraph
584 (b), the Governor and Cabinet in their capacity as the
585 Administration Commission, at the recommendation of the
586 department ~~of Environmental Protection~~, shall set a reasonable
587 amount of surety required under this subsection. The surety
588 amount shall be based on the projected cleanup costs and natural
589 resources damages resulting from a maximum oil spill and adverse
590 hydrographic and atmospheric conditions that would tend to
591 transport the oil into environmentally sensitive areas, as
592 determined by the department ~~of Environmental Protection~~.

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

595 377.2436 Study on high-pressure well stimulations.-

596 (1) The department shall conduct a study on high-pressure
597 well stimulations. The study must:

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

603 (b) Evaluate the potential hazards and risks that high-
604 pressure well stimulation poses to surface water or groundwater
605 resources. The study must assess the potential impacts of high-
606 pressure well stimulation on drinking water resources and
607 identify the main factors affecting the severity and frequency
608 of impacts and must analyze the potential for the use or reuse
609 of recycled water in well stimulation fluids while meeting

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610 appropriate water quality standards.

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

616 (d) Review and evaluate the ultimate disposition of high-
617 pressure well stimulation fluids after use in high-pressure well
618 stimulation processes.

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

625 (3) The study is subject to independent scientific peer
626 review.

627 (4) The department shall submit the findings of the study
628 to the Governor, the President of the Senate, and the Speaker of
629 the House of Representatives by June 30, 2017, and shall
630 prominently post the findings on its website.

631 Section 9. Paragraph (a) of subsection (1) of section
632 377.37, Florida Statutes, is amended to read:

633 377.37 Penalties.—

634 (1) (a) A ~~Any~~ person who violates any provision of this
635 chapter law or any rule, regulation, or order of the division
636 made under this chapter or who violates the terms of any permit
637 to drill for or produce oil, gas, or other petroleum products
638 referred to in s. 377.242(1) or to store gas in a natural gas

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639 storage facility, or any lessee, permitholder, or operator of
640 equipment or facilities used in the exploration for, drilling
641 for, or production of oil, gas, or other petroleum products, or
642 storage of gas in a natural gas storage facility, who refuses
643 inspection by the division as provided in this chapter, is
644 liable to the state for any damage caused to the air, waters, or
645 property, including animal, plant, or aquatic life, of the state
646 and for reasonable costs and expenses of the state in tracing
647 the source of the discharge, in controlling and abating the
648 source and the pollutants, and in restoring the air, waters, and
649 property, including animal, plant, and aquatic life, of the
650 state. Furthermore, such person, lessee, permitholder, or
651 operator is subject to the judicial imposition of a civil
652 penalty ~~in an amount~~ of not more than \$25,000 ~~\$10,000~~ for each
653 offense. However, the court may receive evidence in mitigation.
654 Each day during any portion of which such violation occurs
655 constitutes a separate offense. This paragraph does not ~~Nothing~~
656 ~~herein shall~~ give the department the right to bring an action on
657 behalf of a ~~any~~ private person.

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

660 377.45 High-pressure well stimulation chemical disclosure
661 registry.-

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

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668 through its website.

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

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

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

678 3. The county in which the well is located.

679 4. The API Well Number.

680 5. The well name and number.

681 6. The longitude and latitude of the wellhead.

682 7. The total vertical depth of the well.

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

685 9. Each chemical ingredient that is subject to 29 C.F.R. s.
686 1910.1200(g)(2) and the ingredient concentration in the high-
687 pressure well stimulation fluid by mass for each well on which a
688 high-pressure well stimulation is performed.

689 10. The trade or common name and the CAS Registry Number
690 for each chemical ingredient.

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

694 (d) If FracFocus cannot accept and make publicly available
695 any information specified in this section, the department shall
696 post the information on its website, excluding any information

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697 subject to chapter 688.

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

700 (a) Report the information required under subsection (1) to
 701 the department within 60 days after the initiation of the high-
 702 pressure well stimulation for each well on which such high-
 703 pressure well stimulation is performed.

704 (b) Notify the department if any chemical ingredient not
 705 previously reported is intentionally included and used for the
 706 purpose of performing a high-pressure well stimulation.

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

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

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

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

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

716 377.07 Division of Water Resource Management; powers,
 717 duties, and authority.—The Division of Water Resource Management
 718 of the Department of Environmental Protection is ~~hereby~~ vested
 719 with power, authority, and duty to administer, carry out, and
 720 enforce ~~the provisions of this part law as directed in s.~~
 721 ~~370.02(3).~~

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

724 377.10 Certain persons not to be employed by division.—A ~~No~~
 725 person in the employ of, or holding any official connection or

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726 position with any person, firm, partnership, corporation, or
727 association of any kind, engaged in the business of buying or
728 selling mineral leases, drilling wells in the search of oil or
729 gas, producing, transporting, refining, or distributing oil or
730 gas may not ~~shall~~ hold any position under, or be employed by,
731 the Division of Water Resource Management in the prosecution of
732 its duties under this part ~~law~~.

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

735 377.243 Conditions for granting permits for extraction
736 through well holes.—

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

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

748 377.244 Conditions for granting permits for surface
749 exploratory and extraction operations.—

750 (1) Exploration for and extraction of minerals under ~~and by~~
751 ~~virtue of~~ the authority of a grant of oil, gas, or mineral
752 rights, or which, subsequent to such grant, may ~~be interpreted~~
753 ~~to~~ include the right to explore for and extract minerals which
754 are subject to extraction from the land by means other than

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755 through a well hole, that is by means of surface exploratory and
756 extraction operations such as sifting of the sands, dragline,
757 open pit mining, or other type of surface operation, which would
758 include movement of sands, dirt, rock, or minerals, shall be
759 exercised only pursuant to a permit issued by the Division of
760 Water Resource Management upon the applicant's compliance
761 ~~applicant complying~~ with the following conditions:

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

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

775 Section 15. For the 2016-2017 fiscal year, the sum of \$1
776 million in nonrecurring funds is appropriated from the General
777 Revenue Fund to the Department of Environmental Protection to
778 conduct a high-pressure well stimulation study pursuant to s.
779 377.2436, Florida Statutes.

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