

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 to the
4 state all matters relating to regulation of the
5 exploration, development, production, processing,
6 storage, and transportation of oil and gas; declaring
7 existing ordinances and regulations relating thereto
8 void; providing an exception for certain zoning
9 ordinances; amending s. 377.19, F.S.; applying the
10 definitions of certain terms to additional sections of
11 chapter 377, F.S.; revising the definition of the term
12 "division"; defining the term "high-pressure well
13 stimulation"; amending s. 377.22, F.S.; revising the
14 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; requiring the applicant to notify
20 counties or municipalities of permit applications
21 within their jurisdictional boundaries; deleting
22 provisions that prohibit the Division of Water
23 Resource Management from granting permits to drill gas
24 or oil wells within the limits of a municipality
25 without approval of the governing authority of the
26 municipality; prohibiting the department from

27 approving permits for high-pressure well stimulation
28 until certain rules are adopted and take effect;
29 requiring legislative ratification of such rules;
30 amending s. 377.241, F.S.; requiring the division to
31 give consideration to and be guided by additional
32 criteria when issuing permits; amending s. 377.242,
33 F.S.; authorizing the department to issue permits for
34 the performance of a high-pressure well stimulation;
35 revising permit requirements to specify that
36 permitholders agree not to prevent certain division
37 inspections; amending s. 377.2425, F.S.; requiring an
38 applicant or operator to provide surety that
39 performance of a high-pressure well stimulation will
40 be conducted in a safe and environmentally compatible
41 manner; creating s. 377.2436, F.S.; requiring the
42 department to conduct a study on high-pressure well
43 stimulation; providing study criteria; requiring the
44 department's findings from the study to be submitted
45 to the Governor and Legislature and posted on the
46 department's website; prohibiting the department from
47 adopting rules until the study is submitted to the
48 Legislature; requiring the department to adopt rules
49 under certain conditions by a specified date; amending
50 s. 377.37, F.S.; increasing the maximum amount of a
51 civil penalty; creating s. 377.45, F.S.; requiring the
52 department to designate the national chemical

53 disclosure registry as the state's registry; requiring
 54 service providers, vendors, and well owners or
 55 operators to report certain information to the
 56 department; requiring the department to report certain
 57 information to the national chemical registry;
 58 requiring the national chemical disclosure registry to
 59 provide certain information to the department if it is
 60 unable to make the information public; providing
 61 applicability; requiring the department to adopt
 62 rules; amending ss. 377.07, 377.10, 377.243, and
 63 377.244, F.S.; conforming provisions to changes made
 64 by the act; providing an appropriation; providing an
 65 effective date.

66
 67 Be It Enacted by the Legislature of the State of Florida:

68
 69 Section 1. Section 377.06, Florida Statutes, is amended to
 70 read:

71 377.06 Public policy of state concerning natural resources
 72 of oil and gas; preemption.-

73 (1) It is ~~hereby declared~~ the public policy of this state
 74 to conserve and control the natural resources of oil and gas in
 75 this state, and the products made from oil and gas in this
 76 state; to prevent waste of natural resources; to provide for the
 77 protection and adjustment of the correlative rights of the
 78 owners of the land in which the natural resources lie, of the

79 owners and producers of oil and gas resources and the products
80 made from oil and gas, and of others interested in these
81 resources and products; and to safeguard the health, property,
82 and public welfare of the residents of this state and other
83 interested persons ~~and for all purposes indicated by the~~
84 ~~provisions in this section.~~

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

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

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

107 377.19 Definitions.—As used in ss. 377.06, 377.07, and
 108 377.10-377.45 ~~377.10-377.40~~, the term:

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

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

116 (3) "Division" means the Division of Water Resource
 117 Management of the Department of Environmental Protection.

118 (4) "Field" means the general area that is underlaid, or
 119 appears to be underlaid, by at least one pool. The term includes
 120 the underground reservoir, or reservoirs, containing oil or gas,
 121 or both. The terms "field" and "pool" mean the same thing if
 122 only one underground reservoir is involved; however, the term
 123 "field," unlike the term "pool," may relate to two or more
 124 pools.

125 (5) "Gas" means all natural gas, including casinghead gas,
 126 and all other hydrocarbons not defined as oil in subsection (16)
 127 ~~(15)~~.

128 (6) "High-pressure well stimulation" means all stages of a
 129 well intervention performed by injecting fluids into a rock
 130 formation at high pressure that exceeds the fracture gradient of

131 the rock formation in order to propagate fractures in such
132 formation to increase production at an oil or gas well by
133 improving the flow of hydrocarbons from the formation into the
134 wellbore. The term does not include well stimulation or
135 conventional workover procedures that may incidentally fracture
136 the formation near the wellbore.

137 (7)-(6) "Horizontal well" means a well completed with the
138 wellbore in a horizontal or nearly horizontal orientation within
139 10 degrees of horizontal within the producing formation.

140 (8)-(7) "Illegal gas" means gas that has been produced
141 within the state from any well or wells in excess of the amount
142 allowed by any rule, regulation, or order of the division, as
143 distinguished from gas produced within the State of Florida from
144 a well not producing in excess of the amount so allowed, which
145 is "legal gas."

146 (9)-(8) "Illegal oil" means oil that has been produced
147 within the state from any well or wells in excess of the amount
148 allowed by rule, regulation, or order of the division, as
149 distinguished from oil produced within the state from a well not
150 producing in excess of the amount so allowed, which is "legal
151 oil."

152 (10)-(9) "Illegal product" means a product of oil or gas,
153 any part of which was processed or derived, in whole or in part,
154 from illegal gas or illegal oil or from any product thereof, as
155 distinguished from "legal product," which is a product processed
156 or derived to no extent from illegal oil or illegal gas.

157 (11)~~(10)~~ "Lateral storage reservoir boundary" means the
 158 projection up to the land surface of the maximum horizontal
 159 extent of the gas volume contained in a natural gas storage
 160 reservoir.

161 (12)~~(11)~~ "Native gas" means gas that occurs naturally
 162 within this state and does not include gas produced outside the
 163 state, transported to this state, and injected into a permitted
 164 natural gas storage facility.

165 (13)~~(12)~~ "Natural gas storage facility" means an
 166 underground reservoir from which oil or gas has previously been
 167 produced and which is used or to be used for the underground
 168 storage of natural gas, and any surface or subsurface structure,
 169 or infrastructure, except wells. The term also includes a right
 170 or appurtenance necessary or useful in the operation of the
 171 facility for the underground storage of natural gas, including
 172 any necessary or reasonable reservoir protective area as
 173 designated for the purpose of ensuring the safe operation of the
 174 storage of natural gas or protecting the natural gas storage
 175 facility from pollution, invasion, escape, or migration of gas,
 176 or any subsequent extension thereof. The term does not mean a
 177 transmission, distribution, or gathering pipeline or system that
 178 is not used primarily as integral piping for a natural gas
 179 storage facility.

180 (14)~~(13)~~ "Natural gas storage reservoir" means a pool or
 181 field from which gas or oil has previously been produced and
 182 which is suitable for or capable of being made suitable for the

183 injection, storage, and recovery of gas, as identified in a
 184 permit application submitted to the department under s.
 185 377.2407.

186 (15)~~(14)~~ "New field well" means an oil or gas well
 187 completed after July 1, 1997, in a new field as designated by
 188 the Department of Environmental Protection.

189 (16)~~(15)~~ "Oil" means crude petroleum oil and other
 190 hydrocarbons, regardless of gravity, which are produced at the
 191 well in liquid form by ordinary production methods, and which
 192 are not the result of condensation of gas after it leaves the
 193 reservoir.

194 (17)~~(16)~~ "Oil and gas" has the same meaning as the term
 195 "oil or gas."

196 (18)~~(17)~~ "Oil and gas administrator" means the State
 197 Geologist.

198 (19)~~(18)~~ "Operator" means the entity who:

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

204 (20)~~(19)~~ "Owner" means the person who has the right to
 205 drill into and to produce from any pool and to appropriate the
 206 production for the person or for the person and another, or
 207 others.

208 (21)~~(20)~~ "Person" means a natural person, corporation,

209 association, partnership, receiver, trustee, guardian, executor,
 210 administrator, fiduciary, or representative of any kind.

211 (22)~~(21)~~ "Pool" means an underground reservoir containing
 212 or appearing to contain a common accumulation of oil or gas or
 213 both. Each zone of a general structure which is completely
 214 separated from any other zone on the structure is considered a
 215 separate pool as used herein.

216 (23)~~(22)~~ "Producer" means the owner or operator of a well
 217 or wells capable of producing oil or gas, or both.

218 (24)~~(23)~~ "Product" means a commodity made from oil or gas
 219 and includes refined crude oil, crude tops, topped crude,
 220 processed crude petroleum, residue from crude petroleum,
 221 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
 222 residuum, gas oil, casinghead gasoline, natural gas gasoline,
 223 naphtha, distillate, condensate, gasoline, waste oil, kerosene,
 224 benzine, wash oil, blended gasoline, lubricating oil, blends or
 225 mixtures of oil with one or more liquid products or byproducts
 226 derived from oil or gas, and blends or mixtures of two or more
 227 liquid products or byproducts derived from oil or gas, whether
 228 hereinabove enumerated or not.

229 (25)~~(24)~~ "Reasonable market demand" means the amount of
 230 oil reasonably needed for current consumption, together with a
 231 reasonable amount of oil for storage and working stocks.

232 (26)~~(25)~~ "Reservoir protective area" means the area
 233 extending up to and including 2,000 feet surrounding a natural
 234 gas storage reservoir.

235 (27)~~(26)~~ "Shut-in bottom hole pressure" means the pressure
 236 at the bottom of a well when all valves are closed and no oil or
 237 gas has been allowed to escape for at least 24 hours.

238 (28)~~(27)~~ "Shut-in well" means an oil or gas well that has
 239 been taken out of service for economic reasons or mechanical
 240 repairs.

241 (29)~~(28)~~ "State" means the State of Florida.

242 (30)~~(29)~~ "Temporarily abandoned well" means a permitted
 243 well or wellbore that has been abandoned by plugging in a manner
 244 that allows reentry and redevelopment in accordance with oil or
 245 gas rules of the Department of Environmental Protection.

246 (31)~~(30)~~ "Tender" means a permit or certificate of
 247 clearance for the transportation or the delivery of oil, gas, or
 248 products, approved and issued or registered under the authority
 249 of the division.

250 (32)~~(31)~~ "Waste," in addition to its ordinary meaning,
 251 means "physical waste" as that term is generally understood in
 252 the oil and gas industry. The term "waste" includes:

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

259 (b) The inefficient storing of oil; and the locating,
 260 spacing, drilling, equipping, operating, or producing of any oil

261 or gas well or wells in a manner that causes, or tends to cause,
 262 unnecessary or excessive surface loss or destruction of oil or
 263 gas.

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

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

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

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

272 (g) The creation of unnecessary fire hazards.

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

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

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

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

283 (33)~~(32)~~ "Well site" means the general area around a well,
 284 which area has been disturbed from its natural or existing
 285 condition, as well as the drilling or production pad, mud and
 286 water circulation pits, and other operation areas necessary to

287 | drill for or produce oil or gas, or to inject gas into and
 288 | recover gas from a natural gas storage facility.

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

291 | 377.22 Rules and orders.—

292 | (2) The department shall issue orders and adopt rules
 293 | pursuant to ss. 120.536 and 120.54 to implement and enforce ~~the~~
 294 | ~~provisions of~~ this chapter. Such rules and orders shall ensure
 295 | that all precautions are taken to prevent the spillage of oil or
 296 | any other pollutant in all phases of the drilling for, and
 297 | extracting of, oil, gas, or other petroleum products, including
 298 | high-pressure well stimulations, or during the injection of gas
 299 | into and recovery of gas from a natural gas storage reservoir.

300 | The department shall revise such rules from time to time as
 301 | necessary for the proper administration and enforcement of this
 302 | chapter. Rules adopted and orders issued in accordance with this
 303 | section are for, but not limited to, the following purposes:

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

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

310 | (c) To require that appropriate safety equipment be
 311 | installed to minimize the possibility of an escape of oil or
 312 | other petroleum products in the event of accident, human error,

313 or a natural disaster during drilling, casing, or plugging of
314 any well and during extraction operations.

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

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

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

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

339 (h) To require the making of reports showing the location
 340 of all oil and gas wells; the making and filing of logs; the
 341 taking and filing of directional surveys; the filing of
 342 electrical, sonic, radioactive, and mechanical logs of oil and
 343 gas wells; if taken, the saving of cutting and cores, the cuts
 344 of which shall be given to the Bureau of Geology; and the making
 345 of reports with respect to drilling and production records.
 346 However, such information, or any part thereof, at the request
 347 of the operator, shall be exempt from ~~the provisions of s.~~
 348 119.07(1) and held confidential by the division for ~~a period of~~
 349 1 year after the completion of a well.

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

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

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

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

363 (m) To prevent fires.

364 (n) To identify the ownership of all oil or gas wells,

365 producing leases, refineries, tanks, plants, structures, and
 366 storage and transportation equipment and facilities.

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

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

372 (q) To regulate gas cycling operations.

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

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

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

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

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

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

390 (x) To regulate aboveground crude oil storage tanks in a

391 manner which will protect the water resources of the state.

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

395 (z) To evaluate the history of past adjudicated,
 396 uncontested, or settled violations committed by permit
 397 applicants or the applicants' affiliated entities of any
 398 substantive and material rule or law pertaining to the
 399 regulation of oil or gas.

400 Section 4. Subsections (1), (2), (4), and (5) of section
 401 377.24, Florida Statutes, are amended, and subsections (10) and
 402 (11) are added to that section, to read:

403 377.24 Notice of intention to drill well; permits;
 404 abandoned wells and dry holes.—

405 (1) Before drilling a well in search of oil or gas, before
 406 performing a high-pressure well stimulation, or before storing
 407 gas in or recovering gas from a natural gas storage reservoir,
 408 the person who desires to drill for, store, or recover gas, ~~or~~
 409 drill for oil or gas, or perform a high-pressure well
 410 stimulation shall notify the division upon such form as it may
 411 prescribe and shall pay a reasonable fee set by rule of the
 412 department not to exceed the actual cost of processing and
 413 inspecting for each well or reservoir. The drilling of any well,
 414 the performance of any high-pressure well stimulation, and the
 415 storing and recovering of gas are prohibited until such notice
 416 is given, the fee is paid, and a ~~the~~ permit is granted. A permit

417 may authorize a single activity or multiple activities.

418 (2) An application for the drilling of a well in search of
419 oil or gas, for the performance of a high-pressure well
420 stimulation, or for the storing of gas in and recovering of gas
421 from a natural gas storage reservoir~~7~~ in this state must include
422 the address of the residence of the applicant~~7~~ or applicants,
423 which must be the address of each person involved in accordance
424 with the records of the Division of Water Resource Management
425 until such address is changed on the records of the division
426 after written request.

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

430 (5) The department may not grant a ~~Ne~~ permit to drill a
431 gas or oil well within the jurisdictional boundaries of a county
432 or municipality unless the applicant provides notice of the
433 permit application by certified mail to the governing authority
434 of the county or municipality. The applicant shall include a
435 copy of the notice with the permit application ~~shall be granted~~
436 ~~within the corporate limits of any municipality, unless the~~
437 ~~governing authority of the municipality shall have first duly~~
438 ~~approved the application for such permit by resolution.~~

439 (10) The department may not approve a permit to authorize
440 a high-pressure well stimulation until the department adopts
441 rules for high-pressure well stimulations which are based on the
442 findings of the study required pursuant to s. 377.2436 and such

443 rules take effect.

444 (11) The rules for high-pressure well stimulation shall be
445 submitted to the President of the Senate and Speaker of the
446 House of Representatives and may not take effect until they are
447 ratified by the Legislature.

448 Section 5. Subsections (5), (6), and (7) are added to
449 section 377.241, Florida Statutes, to read:

450 377.241 Criteria for issuance of permits.—The division, in
451 the exercise of its authority to issue permits as hereinafter
452 provided, shall give consideration to and be guided by the
453 following criteria:

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

457 (a) The groundwater near the well location, including
458 groundwater through which the well will be or has been drilled,
459 is not contaminated as a result of the high-pressure well
460 stimulation; and

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

463 (6) As a basis for permit denial or imposition of specific
464 permit conditions, including increased bonding up to five times
465 the applicable limits and increased monitoring, the history of
466 past adjudicated, uncontested, or settled violations committed
467 by the applicant or an affiliated entity of the applicant of any
468 substantive and material rule or law pertaining to the

469 regulation of oil or gas, including violations that occurred
 470 outside the state.

471 (7) Matters raised in comments timely submitted by a
 472 municipality to the division pursuant to s. 377.24(5).

473 Section 6. Section 377.242, Florida Statutes, is amended
 474 to read:

475 377.242 Permits for drilling or exploring and extracting
 476 through well holes or by other means.—The department is vested
 477 with the power and authority:

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

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

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

492 3. A ~~No~~ structure intended for the drilling for, or
 493 production of, oil, gas, or other petroleum products may not be
 494 permitted or constructed within 1 mile of the seaward boundary

495 of any state, local, or federal park or aquatic or wildlife
496 preserve or on the surface of a freshwater lake, river, or
497 stream.

498 4. A ~~NE~~ structure intended for the drilling for, or
499 production of, oil, gas, or other petroleum products may not be
500 permitted or constructed within 1 mile inland from the shoreline
501 of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
502 or within 1 mile of any freshwater lake, river, or stream unless
503 the department is satisfied that the natural resources of such
504 bodies of water and shore areas of the state will be adequately
505 protected in the event of accident or blowout.

506 5. Without exception, after July 1, 1989, a ~~ne~~ structure
507 intended for the drilling for, or production of, oil, gas, or
508 other petroleum products may not be permitted or constructed
509 south of 26°00'00" north latitude off Florida's west coast and
510 south of 27°00'00" north latitude off Florida's east coast,
511 within the boundaries of Florida's territorial seas as defined
512 in 43 U.S.C. s. 1301. After July 31, 1990, a ~~ne~~ structure
513 intended for the drilling for, or production of, oil, gas, or
514 other petroleum products may not be permitted or constructed
515 north of 26°00'00" north latitude off Florida's west coast to
516 the western boundary of the state bordering Alabama as set forth
517 in s. 1, Art. II of the State Constitution, or located north of
518 27°00'00" north latitude off Florida's east coast to the
519 northern boundary of the state bordering Georgia as set forth in
520 s. 1, Art. II of the State Constitution, within the boundaries

521 of Florida's territorial seas as defined in 43 U.S.C. s. 1301.

522 (b) Subparagraphs (a)1. and 4. do not apply to permitting
523 or construction of structures intended for the drilling for, or
524 production of, oil, gas, or other petroleum products pursuant to
525 an oil, gas, or mineral lease of such lands by the state under
526 which lease any valid drilling permits are in effect on the
527 effective date of this act. In the event that such permits
528 contain conditions or stipulations, such conditions and
529 stipulations shall govern and supersede subparagraphs (a)1. and
530 4.

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

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

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

541
542 Each permit shall contain an agreement by the permitholder that
543 the permitholder will not prevent inspection by division
544 personnel at any time, including during installation and
545 cementing of the casing, during the testing of blowout
546 preventers, during the pressure testing of the casing and casing

547 shoe, and during the integrity testing of the cement plugs in
548 plugging and abandonment operations. The provisions of this
549 section prohibiting permits for drilling or exploring for oil in
550 coastal waters do not apply to any leases entered into before
551 June 7, 1991.

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

554 377.2425 Manner of providing security for geophysical
555 exploration, drilling, and production.—

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

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

568 1. A deposit of cash or other securities made payable to
569 the Minerals Trust Fund. Such cash or securities so deposited
570 shall be held at interest by the Chief Financial Officer to
571 satisfy safety and environmental performance provisions of this
572 chapter. The interest shall be credited to the Minerals Trust

573 Fund. Such cash or other securities shall be released by the
574 Chief Financial Officer upon request of the applicant and
575 certification by the department that all safety and
576 environmental performance provisions established by the
577 department for permitted activities have been fulfilled.

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

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

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

590 1. For the first year, or part of a year, of a drilling,
591 production, high-pressure well stimulation, or injection well
592 permit, or change of operator, the fee is \$4,000 per permitted
593 well.

594 2. For each subsequent year, or part of a year, the fee is
595 \$1,500 per permitted well.

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

599 effect.

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

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

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

623 377.2436 Study on high-pressure well stimulations.-

624 (1) The department shall conduct a study on high-pressure

625 well stimulations. The study must:

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

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

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

645 (d) Review and evaluate the ultimate disposition of high-
646 pressure well stimulation fluids after use in high-pressure well
647 stimulation processes.

648 (e) Review and evaluate the potential direct and indirect
649 economic benefits from the use of high-pressure well
650 stimulation, including the effect on state and local tax

651 revenues, royalty payments, employment opportunities, and demand
652 for goods and services.

653 (f) Review and evaluate potential seismic activity
654 associated with high-pressure well stimulation and deep-well
655 disposal of oil and gas production wastewater.

656 (g) Review and evaluate the feasibility and impact of
657 waterless fracking to perform high-pressure well stimulation.

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

664 (3) The study is subject to independent scientific peer
665 review.

666 (4) The department shall submit the findings of the study
667 to the Governor, the President of the Senate, and the Speaker of
668 the House of Representatives by June 30, 2017, and shall
669 prominently post the findings on its website.

670 (5) The department may not adopt rules for high-pressure
671 well stimulation until the findings of the study are submitted
672 to the Legislature. However, by March 1, 2018, the department
673 shall adopt rules to implement the findings of the study if such
674 rules are warranted to protect public health, safety, and the
675 environment.

676 Section 9. Paragraph (a) of subsection (1) of section

677 377.37, Florida Statutes, is amended to read:

678 377.37 Penalties.—

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

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

705 377.45 High-pressure well stimulation chemical disclosure
 706 registry.—

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

714 (b) In addition to a permit applicant having to provide
 715 the following information to the department as part of the
 716 permit application process, a service provider, vendor, or well
 717 owner or operator shall report, as established by department
 718 rule, to the department, at a minimum, the following
 719 information:

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

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

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

725 4. The API Well Number.

726 5. The well name and number.

727 6. The longitude and latitude of the wellhead.

728 7. The total vertical depth of the well.

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

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

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

737 (c) The department shall report to FracFocus all
738 information received under paragraph (b), excluding any
739 information protected under chapter 688.

740 (d) If FracFocus cannot accept and make publicly available
741 any information specified in this section, the department shall
742 post the information on its website, excluding any information
743 protected under chapter 688.

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

746 (a) Report the information required under subsection (1)
747 to the department within 60 days after the initiation of the
748 high-pressure well stimulation for each well on which such high-
749 pressure well stimulation is performed.

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

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

754 (a) Is not intentionally added to the high-pressure well

755 stimulation; or

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

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

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

762 377.07 Division of Water Resource Management; powers,
 763 duties, and authority.—The Division of Water Resource Management
 764 of the Department of Environmental Protection is ~~hereby~~ vested
 765 with power, authority, and duty to administer, carry out, and
 766 enforce ~~the provisions of this part law as directed in s.~~
 767 ~~370.02(3).~~

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

770 377.10 Certain persons not to be employed by division.—A
 771 ~~No~~ person in the employ of, or holding any official connection
 772 or position with, any person, firm, partnership, corporation, or
 773 association of any kind, ~~engaged~~ in the business of buying or
 774 selling mineral leases, drilling wells in the search of oil or
 775 gas, or producing, transporting, refining, or distributing oil
 776 or gas may not ~~shall~~ hold any position under, or be employed by,
 777 the Division of Water Resource Management in the prosecution of
 778 its duties under this part ~~law~~.

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

781 377.243 Conditions for granting permits for extraction
 782 through well holes.—

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

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

794 377.244 Conditions for granting permits for surface
 795 exploratory and extraction operations.—

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

807 ~~applicant complying~~ with the following conditions:

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

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

821 Section 15. For the 2016-2017 fiscal year, the sum of \$1
822 million in nonrecurring funds is appropriated from the General
823 Revenue Fund to the Department of Environmental Protection to
824 conduct a high-pressure well stimulation study pursuant to s.
825 377.2436, Florida Statutes, as created by this act.

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