



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



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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. All such ordinances or regulations are hereby declared
102 void as a matter of law, including those that impose a
103 moratorium or effect a ban on one or more of these activities. A
104 county or municipality may, however, adopt and enforce zoning or



105 | land use requirements which affect the use of property for the
106 | exploration, development, production, processing, storage, or
107 | transportation of oil and gas, with the exception of geophysical
108 | operations pursuant to s. 377.2424(3), so long as such zoning or
109 | land use requirements would not impose a moratorium on,
110 | effectively prohibit, or inordinately burden one or more of
111 | these activities on a subject property.

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

114 | 377.19 Definitions.—As used in ss. 377.06, 377.07, and
115 | 377.10-377.45 ~~377.10-377.40~~, the term:

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

121 | (2) "Department" means the Department of Environmental
122 | Protection.

123 | (3) "Division" means the Division of Water Resource
124 | Management of the Department of Environmental Protection.

125 | (4) "Field" means the general area that is underlaid, or
126 | appears to be underlaid, by at least one pool. The term includes
127 | the underground reservoir, or reservoirs, containing oil or gas,
128 | or both. The terms "field" and "pool" mean the same thing if
129 | only one underground reservoir is involved; however, the term
130 | "field," unlike the term "pool," may relate to two or more



131 pools.

132 (5) "Gas" means all natural gas, including casinghead gas,
 133 and all other hydrocarbons not defined as oil in subsection (16)
 134 ~~(15)~~.

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

144 (7)~~(6)~~ "Horizontal well" means a well completed with the
 145 wellbore in a horizontal or nearly horizontal orientation within
 146 10 degrees of horizontal within the producing formation.

147 (8)~~(7)~~ "Illegal gas" means gas that has been produced
 148 within the state from any well or wells in excess of the amount
 149 allowed by any rule, regulation, or order of the division, as
 150 distinguished from gas produced within the State of Florida from
 151 a well not producing in excess of the amount so allowed, which
 152 is "legal gas."

153 (9)~~(8)~~ "Illegal oil" means oil that has been produced
 154 within the state from any well or wells in excess of the amount
 155 allowed by rule, regulation, or order of the division, as
 156 distinguished from oil produced within the state from a well not



157 producing in excess of the amount so allowed, which is "legal
158 oil."

159 (10)~~(9)~~ "Illegal product" means a product of oil or gas,
160 any part of which was processed or derived, in whole or in part,
161 from illegal gas or illegal oil or from any product thereof, as
162 distinguished from "legal product," which is a product processed
163 or derived to no extent from illegal oil or illegal gas.

164 (11)~~(10)~~ "Lateral storage reservoir boundary" means the
165 projection up to the land surface of the maximum horizontal
166 extent of the gas volume contained in a natural gas storage
167 reservoir.

168 (12)~~(11)~~ "Native gas" means gas that occurs naturally
169 within this state and does not include gas produced outside the
170 state, transported to this state, and injected into a permitted
171 natural gas storage facility.

172 (13)~~(12)~~ "Natural gas storage facility" means an
173 underground reservoir from which oil or gas has previously been
174 produced and which is used or to be used for the underground
175 storage of natural gas, and any surface or subsurface structure,
176 or infrastructure, except wells. The term also includes a right
177 or appurtenance necessary or useful in the operation of the
178 facility for the underground storage of natural gas, including
179 any necessary or reasonable reservoir protective area as
180 designated for the purpose of ensuring the safe operation of the
181 storage of natural gas or protecting the natural gas storage
182 facility from pollution, invasion, escape, or migration of gas,



183 or any subsequent extension thereof. The term does not mean a
184 transmission, distribution, or gathering pipeline or system that
185 is not used primarily as integral piping for a natural gas
186 storage facility.

187 (14)~~(13)~~ "Natural gas storage reservoir" means a pool or
188 field from which gas or oil has previously been produced and
189 which is suitable for or capable of being made suitable for the
190 injection, storage, and recovery of gas, as identified in a
191 permit application submitted to the department under s.
192 377.2407.

193 (15)~~(14)~~ "New field well" means an oil or gas well
194 completed after July 1, 1997, in a new field as designated by
195 the Department of Environmental Protection.

196 (16)~~(15)~~ "Oil" means crude petroleum oil and other
197 hydrocarbons, regardless of gravity, which are produced at the
198 well in liquid form by ordinary production methods, and which
199 are not the result of condensation of gas after it leaves the
200 reservoir.

201 (17)~~(16)~~ "Oil and gas" has the same meaning as the term
202 "oil or gas."

203 (18)~~(17)~~ "Oil and gas administrator" means the State
204 Geologist.

205 (19)~~(18)~~ "Operator" means the entity who:

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

207 (b) As part of a natural gas storage facility, injects, or
208 is engaged in the work of preparing to inject, gas into a



209 natural gas storage reservoir; or stores gas in, or removes gas
210 from, a natural gas storage reservoir.

211 (20)~~(19)~~ "Owner" means the person who has the right to
212 drill into and to produce from any pool and to appropriate the
213 production for the person or for the person and another, or
214 others.

215 (21)~~(20)~~ "Person" means a natural person, corporation,
216 association, partnership, receiver, trustee, guardian, executor,
217 administrator, fiduciary, or representative of any kind.

218 (22)~~(21)~~ "Pool" means an underground reservoir containing
219 or appearing to contain a common accumulation of oil or gas or
220 both. Each zone of a general structure which is completely
221 separated from any other zone on the structure is considered a
222 separate pool as used herein.

223 (23)~~(22)~~ "Producer" means the owner or operator of a well
224 or wells capable of producing oil or gas, or both.

225 (24)~~(23)~~ "Product" means a commodity made from oil or gas
226 and includes refined crude oil, crude tops, topped crude,
227 processed crude petroleum, residue from crude petroleum,
228 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
229 residuum, gas oil, casinghead gasoline, natural gas gasoline,
230 naphtha, distillate, condensate, gasoline, waste oil, kerosene,
231 benzine, wash oil, blended gasoline, lubricating oil, blends or
232 mixtures of oil with one or more liquid products or byproducts
233 derived from oil or gas, and blends or mixtures of two or more
234 liquid products or byproducts derived from oil or gas, whether



235 | hereinabove enumerated or not.

236 | (25)~~(24)~~ "Reasonable market demand" means the amount of
 237 | oil reasonably needed for current consumption, together with a
 238 | reasonable amount of oil for storage and working stocks.

239 | (26)~~(25)~~ "Reservoir protective area" means the area
 240 | extending up to and including 2,000 feet surrounding a natural
 241 | gas storage reservoir.

242 | (27)~~(26)~~ "Shut-in bottom hole pressure" means the pressure
 243 | at the bottom of a well when all valves are closed and no oil or
 244 | gas has been allowed to escape for at least 24 hours.

245 | (28)~~(27)~~ "Shut-in well" means an oil or gas well that has
 246 | been taken out of service for economic reasons or mechanical
 247 | repairs.

248 | (29)~~(28)~~ "State" means the State of Florida.

249 | (30)~~(29)~~ "Temporarily abandoned well" means a permitted
 250 | well or wellbore that has been abandoned by plugging in a manner
 251 | that allows reentry and redevelopment in accordance with oil or
 252 | gas rules of the Department of Environmental Protection.

253 | (31)~~(30)~~ "Tender" means a permit or certificate of
 254 | clearance for the transportation or the delivery of oil, gas, or
 255 | products, approved and issued or registered under the authority
 256 | of the division.

257 | (32)~~(31)~~ "Waste," in addition to its ordinary meaning,
 258 | means "physical waste" as that term is generally understood in
 259 | the oil and gas industry. The term "waste" includes:

260 | (a) The inefficient, excessive, or improper use or



261 dissipation of reservoir energy; and the locating, spacing,
262 drilling, equipping, operating, or producing of any oil or gas
263 well or wells in a manner that results, or tends to result, in
264 reducing the quantity of oil or gas ultimately to be stored or
265 recovered from any pool in this state.

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

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

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

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

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

279 (g) The creation of unnecessary fire hazards.

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

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

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

286 (k) The abuse of the correlative rights and opportunities



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287 of each owner of oil and gas in a common reservoir due to
288 nonuniform, disproportionate, and unratable withdrawals, causing
289 undue drainage between tracts of land.

290 ~~(33)-(32)~~ "Well site" means the general area around a well,
291 which area has been disturbed from its natural or existing
292 condition, as well as the drilling or production pad, mud and
293 water circulation pits, and other operation areas necessary to
294 drill for or produce oil or gas, or to inject gas into and
295 recover gas from a natural gas storage facility.

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

298 377.22 Rules and orders.—

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

311 (a) To require the drilling, casing, and plugging of wells
312 to be done in such a manner as to prevent the pollution of the



313 fresh, salt, or brackish waters or the lands of the state and to
314 protect the integrity of natural gas storage reservoirs.

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

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

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

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

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

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



339 monitoring and inspecting ~~or inspection of~~ all drilling
340 operations, high-pressure well stimulations, producing wells, ~~or~~
341 injecting wells, and well sites, including regular inspections
342 by division personnel. Inspections are required during the
343 testing of blowout preventers, during the pressure testing of
344 the casing and casing shoe, and during the integrity testing of
345 the cement plugs in plugging and abandonment operations.

346 (h) To require the making of reports showing the location
347 of all oil and gas wells; the making and filing of logs; the
348 taking and filing of directional surveys; the filing of
349 electrical, sonic, radioactive, and mechanical logs of oil and
350 gas wells; if taken, the saving of cutting and cores, the cuts
351 of which shall be given to the Bureau of Geology; and the making
352 of reports with respect to drilling and production records.
353 However, such information, or any part thereof, at the request
354 of the operator, shall be exempt from ~~the provisions of s.~~
355 119.07(1) and held confidential by the division for ~~a period of~~
356 1 year after the completion of a well.

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

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



365 (k) To require the operation of wells with efficient gas-
366 oil ratio~~7~~, and to fix such ratios.

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

370 (m) To prevent fires.

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

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

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

379 (q) To regulate gas cycling operations.

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

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

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

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

390 (v) To prevent, so far as is practicable, reasonably



391 avoidable drainage from each developed unit which is not
392 equalized by counterdrainage.

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

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

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

402 (z) To evaluate the history of past adjudicated,
403 uncontested, or settled violations committed by permit
404 applicants or the applicants' affiliated entities of any
405 substantive and material rule or law pertaining to the
406 regulation of oil or gas.

407 Section 4. Subsections (1), (2), (4), and (5) of section
408 377.24, Florida Statutes, are amended, and subsections (10) and
409 (11) are added to that section, to read:

410 377.24 Notice of intention to drill well; permits;
411 abandoned wells and dry holes.—

412 (1) Before drilling a well in search of oil or gas, before
413 performing a high-pressure well stimulation, or before storing
414 gas in or recovering gas from a natural gas storage reservoir,
415 the person who desires to drill for, store, or recover gas, ~~or~~
416 drill for oil or gas, or perform a high-pressure well



417 stimulation shall notify the division upon such form as it may
418 prescribe and shall pay a reasonable fee set by rule of the
419 department not to exceed the actual cost of processing and
420 inspecting for each well or reservoir. The drilling of any well,
421 the performance of any high-pressure well stimulation, and the
422 storing and recovering of gas are prohibited until such notice
423 is given, the fee is paid, and a ~~the~~ permit is granted. A permit
424 may authorize a single activity or multiple activities.

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

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

437 (5) The department may not grant a ~~No~~ permit to drill a
438 gas or oil well within the jurisdictional boundaries of a county
439 or municipality unless the applicant provides notice of the
440 permit application by certified mail to the governing authority
441 of the county or municipality. The applicant shall include a
442 copy of the notice with the permit application ~~shall be granted~~



443 ~~within the corporate limits of any municipality, unless the~~
444 ~~governing authority of the municipality shall have first duly~~
445 ~~approved the application for such permit by resolution.~~

446 (10) The department may not approve a permit to authorize
447 a high-pressure well stimulation until the department adopts
448 rules for high-pressure well stimulations which are based on the
449 findings of the study required pursuant to s. 377.2436 and such
450 rules take effect.

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

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

457 377.241 Criteria for issuance of permits.—The division, in
458 the exercise of its authority to issue permits as hereinafter
459 provided, shall give consideration to and be guided by the
460 following criteria:

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

464 (a) The groundwater near the well location, including
465 groundwater through which the well will be or has been drilled,
466 is not contaminated as a result of the high-pressure well
467 stimulation; and

468 (b) The high-pressure well stimulation is consistent with



469 the public policy of this state as specified in s. 377.06.

470 (6) As a basis for permit denial or imposition of specific
471 permit conditions, including increased bonding up to five times
472 the applicable limits and increased monitoring, the history of
473 past adjudicated, uncontested, or settled violations committed
474 by the applicant or an affiliated entity of the applicant of any
475 substantive and material rule or law pertaining to the
476 regulation of oil or gas, including violations that occurred
477 outside the state.

478 (7) Matters raised in comments timely submitted by a
479 county or municipality to the division pursuant to s. 377.24(5).

480 Section 6. Section 377.242, Florida Statutes, is amended
481 to read:

482 377.242 Permits for drilling or exploring and extracting
483 through well holes or by other means.—The department is vested
484 with the power and authority:

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

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



495 2. A ~~Ne~~ structure intended for the drilling for, or
496 production of, oil, gas, or other petroleum products may not be
497 permitted or constructed within 1 mile seaward of the coastline
498 of the state.

499 3. A ~~Ne~~ structure intended for the drilling for, or
500 production of, oil, gas, or other petroleum products may not be
501 permitted or constructed within 1 mile of the seaward boundary
502 of any state, local, or federal park or aquatic or wildlife
503 preserve or on the surface of a freshwater lake, river, or
504 stream.

505 4. A ~~Ne~~ structure intended for the drilling for, or
506 production of, oil, gas, or other petroleum products may not be
507 permitted or constructed within 1 mile inland from the shoreline
508 of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
509 or within 1 mile of any freshwater lake, river, or stream unless
510 the department is satisfied that the natural resources of such
511 bodies of water and shore areas of the state will be adequately
512 protected in the event of accident or blowout.

513 5. Without exception, after July 1, 1989, a ~~ne~~ structure
514 intended for the drilling for, or production of, oil, gas, or
515 other petroleum products may not be permitted or constructed
516 south of 26°00'00" north latitude off Florida's west coast and
517 south of 27°00'00" north latitude off Florida's east coast,
518 within the boundaries of Florida's territorial seas as defined
519 in 43 U.S.C. s. 1301. After July 31, 1990, a ~~ne~~ structure
520 intended for the drilling for, or production of, oil, gas, or



521 other petroleum products may not be permitted or constructed
522 north of 26°00'00" north latitude off Florida's west coast to
523 the western boundary of the state bordering Alabama as set forth
524 in s. 1, Art. II of the State Constitution, or located north of
525 27°00'00" north latitude off Florida's east coast to the
526 northern boundary of the state bordering Georgia as set forth in
527 s. 1, Art. II of the State Constitution, within the boundaries
528 of Florida's territorial seas as defined in 43 U.S.C. s. 1301.

529 (b) Subparagraphs (a)1. and 4. do not apply to permitting
530 or construction of structures intended for the drilling for, or
531 production of, oil, gas, or other petroleum products pursuant to
532 an oil, gas, or mineral lease of such lands by the state under
533 which lease any valid drilling permits are in effect on the
534 effective date of this act. In the event that such permits
535 contain conditions or stipulations, such conditions and
536 stipulations shall govern and supersede subparagraphs (a)1. and
537 4.

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

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

545 (3) To issue permits to establish natural gas storage
546 facilities or construct wells for the injection and recovery of



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547 any natural gas for storage in natural gas storage reservoirs.

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

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

561 377.2425 Manner of providing security for geophysical
562 exploration, drilling, and production.—

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

571 (a) The applicant for a drilling, production, high-
572 pressure well stimulation, or injection well permit or a



573 geophysical permit may provide the following types of surety to
574 the department for this purpose:

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

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

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

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

597 1. For the first year, or part of a year, of a drilling,
598 production, high-pressure well stimulation, or injection well



599 permit, or change of operator, the fee is \$4,000 per permitted
600 well.

601 2. For each subsequent year, or part of a year, the fee is
602 \$1,500 per permitted well.

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

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

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



625 hydrographic and atmospheric conditions that would tend to
626 transport the oil into environmentally sensitive areas, as
627 determined by the department ~~of Environmental Protection~~.

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

630 377.2436 Study on high-pressure well stimulations.-

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

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

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

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



651 stimulation.

652 (d) Review and evaluate the ultimate disposition of high-
653 pressure well stimulation fluids after use in high-pressure well
654 stimulation processes.

655 (e) Review and evaluate the potential direct and indirect
656 economic benefits from the use of high-pressure well
657 stimulation, including the effect on state and local tax
658 revenues, royalty payments, employment opportunities, and demand
659 for goods and services.

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

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

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

671 (3) The study is subject to independent scientific peer
672 review.

673 (4) The department shall submit the findings of the study
674 to the Governor, the President of the Senate, and the Speaker of
675 the House of Representatives by June 30, 2017, and shall
676 prominently post the findings on its website.



677 (5) The department may not adopt rules for high-pressure
678 well stimulation until the findings of the study are submitted
679 to the Legislature. However, by March 1, 2018, the department
680 shall adopt rules to implement the findings of the study if such
681 rules are warranted to protect public health, safety, and the
682 environment.

683 Section 9. Paragraph (a) of subsection (1) of section
684 377.37, Florida Statutes, is amended to read:

685 377.37 Penalties.—

686 (1) (a) A ~~Any~~ person who violates any provision of this
687 chapter law or any rule, regulation, or order of the division
688 made under this chapter or who violates the terms of any permit
689 to drill for or produce oil, gas, or other petroleum products
690 referred to in s. 377.242(1) or to store gas in a natural gas
691 storage facility, or any lessee, permitholder, or operator of
692 equipment or facilities used in the exploration for, drilling
693 for, or production of oil, gas, or other petroleum products, or
694 storage of gas in a natural gas storage facility, who refuses
695 inspection by the division as provided in this chapter, is
696 liable to the state for any damage caused to the air, waters, or
697 property, including animal, plant, or aquatic life, of the state
698 and for reasonable costs and expenses of the state in tracing
699 the source of the discharge, in controlling and abating the
700 source and the pollutants, and in restoring the air, waters, and
701 property, including animal, plant, and aquatic life, of the
702 state. Furthermore, such person, lessee, permitholder, or



703 operator is subject to the judicial imposition of a civil
704 penalty ~~in an amount~~ of not more than \$25,000 ~~\$10,000~~ for each
705 offense. However, the court may receive evidence in mitigation.
706 Each day during any portion of which such violation occurs
707 constitutes a separate offense. This paragraph does not
708 authorize ~~Nothing herein shall give~~ the department ~~the right~~ to
709 bring an action on behalf of a ~~any~~ private person.

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

712 377.45 High-pressure well stimulation chemical disclosure
713 registry.—

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

721 (b) In addition to a permit applicant having to provide
722 the following information to the department as part of the
723 permit application process, a service provider, vendor, or well
724 owner or operator shall report, as established by department
725 rule, to the department, at a minimum, the following
726 information:

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



- 729 2. The date of completion of the high-pressure well
730 stimulation.
- 731 3. The county in which the well is located.
- 732 4. The API Well Number.
- 733 5. The well name and number.
- 734 6. The longitude and latitude of the wellhead.
- 735 7. The total vertical depth of the well.
- 736 8. The total volume of water used in the high-pressure
737 well stimulation.
- 738 9. Each chemical ingredient that is subject to 29 C.F.R.
739 s. 1910.1200(g) (2) and the ingredient concentration in the high-
740 pressure well stimulation fluid by mass for each well on which a
741 high-pressure well stimulation is performed.
- 742 10. The trade or common name and the CAS Registry Number
743 for each chemical ingredient.
- 744 (c) The department shall report to FracFocus all
745 information received under paragraph (b), excluding any
746 information protected under chapter 688.
- 747 (d) If FracFocus cannot accept and make publicly available
748 any information specified in this section, the department shall
749 post the information on its website, excluding any information
750 protected under chapter 688.
- 751 (2) A service provider, vendor, or well owner or operator
752 shall:
- 753 (a) Report the information required under subsection (1)
754 to the department within 60 days after the initiation of the



755 high-pressure well stimulation for each well on which such high-
756 pressure well stimulation is performed.

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

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

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

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

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

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

769 377.07 Division of Water Resource Management; powers,
770 duties, and authority.—The Division of Water Resource Management
771 of the Department of Environmental Protection is ~~hereby~~ vested
772 with power, authority, and duty to administer, carry out, and
773 enforce ~~the provisions of this part law as directed in s.~~
774 ~~370.02(3).~~

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

777 377.10 Certain persons not to be employed by division.—A
778 ~~No~~ person in the employ of, or holding any official connection
779 or position with, any person, firm, partnership, corporation, or
780 association of any kind, ~~7~~ engaged in the business of buying or



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781 selling mineral leases, drilling wells in the search of oil or
782 gas, or producing, transporting, refining, or distributing oil
783 or gas may not ~~shall~~ hold any position under, or be employed by,
784 the Division of Water Resource Management in the prosecution of
785 its duties under this part ~~law~~.

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

788 377.243 Conditions for granting permits for extraction
789 through well holes.—

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

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

801 377.244 Conditions for granting permits for surface
802 exploratory and extraction operations.—

803 (1) Exploration for and extraction of minerals under ~~and~~
804 ~~by virtue of~~ the authority of a grant of oil, gas, or mineral
805 rights, or which, subsequent to such grant, may ~~be interpreted~~
806 ~~to~~ include the right to explore for and extract minerals which



807 are subject to extraction from the land by means other than
808 through a well hole, that is by means of surface exploratory and
809 extraction operations such as sifting of the sands, dragline,
810 open pit mining, or other type of surface operation, which would
811 include movement of sands, dirt, rock, or minerals, shall be
812 exercised only pursuant to a permit issued by the Division of
813 Water Resource Management upon the applicant's compliance
814 ~~applicant complying~~ with the following conditions:

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

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

828 Section 15. For the 2016-2017 fiscal year, the sum of \$1
829 million in nonrecurring funds is appropriated from the General
830 Revenue Fund to the Department of Environmental Protection to
831 conduct a high-pressure well stimulation study pursuant to s.
832 377.2436, Florida Statutes, as created by this act.



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