

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/CS/HB 695 (2012)

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>      </u>	(Y/N)
ADOPTED AS AMENDED	<u>      </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>      </u>	(Y/N)
FAILED TO ADOPT	<u>      </u>	(Y/N)
WITHDRAWN	<u>      </u>	(Y/N)
OTHER	<u>      </u>	

1 Committee/Subcommittee hearing bill: State Affairs Committee  
2 Representative Ford offered the following:

3  
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. (1) DUTIES; AUTHORITY.—Notwithstanding the  
7 provisions in ss. 253.52, 253.53, and 253.54, Florida Statutes,  
8 if the Board of Trustees of the Internal Improvement Trust Fund  
9 determines that there is an opportunity to develop oil and gas  
10 resources under onshore lands owned by a board, department, or  
11 agency of this state to yield greater, near-term revenue returns  
12 for the state, the Board of Trustees may participate with a  
13 business entity authorized to conduct business in the state in a  
14 public-private partnership contract. This section applies only  
15 to lands in the Blackwater River State Forest.

16 (2) PRIVATE-PARTNER RESPONSIBILITIES.—The financial,  
17 technical, and operational risk for the exploration,  
18 development, and production of oil and gas resources is the  
19 responsibility of the private business entity.

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Amendment No.

20 (3) PROPOSAL SELECTION.—

21 (a) A business entity seeking a public-private partnership  
22 contract shall submit a business proposal that describes the  
23 exploration for oil or gas resources and the development of  
24 state lands for those purposes. The business entity may nominate  
25 state land that is to be explored and developed under the  
26 public-private partnership contract. The proposal shall provide  
27 an estimate of the revenues that the project is expected to  
28 generate for the state. The proposal for upland state lands must  
29 be consistent with approved land management plans approved  
30 pursuant to s. 253.034, Florida Statutes.

31 (b) The Board of Trustees shall review the business  
32 proposal in a timely manner and in a manner that is consistent  
33 with contemporary industry practices. The geophysical seismic  
34 exploration, drilling, and production activities proposed shall  
35 be of a duration consistent with industry practices.

36 (c) The Board of Trustees shall select a private partner  
37 based on the business proposal. The Board of Trustees'  
38 consideration must include, but need not be limited to, the  
39 technical quality of the exploration program proposed and the  
40 proposed timetable of geophysical and drilling activities which  
41 expedites the potential for generating revenues. If more than  
42 one entity submits a proposal for a public-private partnership  
43 for substantially the same area, the Board of Trustees shall  
44 evaluate and select the single proposal that will provide the  
45 best value for the state.

46 (d) The geophysical data acquired and the subsequent  
47 interpretation shall be made available to the Board of Trustees

Amendment No.

48 or its representatives for review during the period provided in  
49 paragraph (4) (a), but shall remain in the sole possession of the  
50 business entity until the business entity has selected the lease  
51 areas.

52 (4) PUBLIC-PRIVATE PARTNERSHIP CONTRACT.--The public-  
53 private partnership contract shall provide for:

54 (a) A period of 3 years or longer during which the private  
55 partner may explore specified state lands by geophysical seismic  
56 methods for the feasibility of oil and gas resource development  
57 and production;

58 (b) A selection process after geophysical operations are  
59 concluded in which the private partner may select and lease  
60 prospective parcels of state land for the purpose of exploration  
61 and production;

62 (c) The leasing of state lands identified as a result of  
63 the geophysical seismic operations, which shall be for a term of  
64 at least 5 years; and

65 (d) Negotiated royalty rates and a lease bonus.

66 Section 2. This act shall take effect upon becoming a law.

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70 **T I T L E A M E N D M E N T**

71 Remove the entire title and insert:

72 A bill to be entitled

73 An act relating to the development of oil and gas

74 resources; authorizing the Board of Trustees of the

75 Internal Improvement Trust Fund to enter into a

Amendment No.

76 public-private partnership with a business entity to  
77 develop oil and gas resources upon certain onshore  
78 state lands if the development yields near-term  
79 revenues for the state; providing that the financial,  
80 technical, and operational risk for the exploration,  
81 development, and production of oil and gas resources  
82 is the responsibility of the private business entity;  
83 requiring that a business entity seeking a public-  
84 private partnership contract submit a business  
85 proposal to the Board for review; specifying the  
86 information to be included in the business proposal;  
87 providing criteria for the Board to use in selecting  
88 the exploration proposal by a business entity;  
89 requiring that the geophysical data and the subsequent  
90 interpretation be made available to the Board or its  
91 representative for review but remain in the possession  
92 of the business entity; providing criteria for the  
93 public-private partnership contract; providing an  
94 effective date.

95  
96 WHEREAS, the exploration and development of oil and gas  
97 deposits under onshore lands owned by a board, department, or  
98 agency of the state may provide the opportunity to produce  
99 higher, near-term revenues to the state, and

100 WHEREAS, the monetary reward for discovering new reserves  
101 of oil and gas deposits may be significant, and

102 WHEREAS, the exploration for oil and gas deposits via  
103 modern three-dimensional, geophysical seismic methods and

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Amendment No.

104 production, with its technological improvements, including  
105 directional and horizontal drilling, although costly, is more  
106 efficient and yields better results than older methods of  
107 exploration and production employed during the past 50 years,  
108 NOW, THEREFORE,