

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

27 Management to give consideration to and be guided by
28 certain additional criteria when issuing permits;
29 amending s. 377.242, F.S.; authorizing the department
30 to issue permits for the performance of a high-
31 pressure well stimulation; revising permit
32 requirements that permitholders agree not to prevent
33 division inspections; amending s. 377.2425, F.S.;
34 requiring an applicant or operator to provide surety
35 that performance of a high-pressure well stimulation
36 will be conducted in a safe and environmentally
37 compatible manner; creating s. 377.2436, F.S.;
38 directing the department to conduct a study on high-
39 pressure well stimulation; providing study criteria;
40 requiring the study to be submitted to the Governor
41 and Legislature; amending s. 377.37, F.S.; increasing
42 the maximum amount of a civil penalty; creating s.
43 377.45, F.S.; requiring the department to designate
44 the national chemical registry as the state's
45 registry; requiring service providers, vendors, and
46 well owners or operators to report certain information
47 to the department; requiring the department to report
48 certain information to the national chemical registry;
49 providing applicability; requiring the department to
50 adopt rules; amending ss. 377.07, 377.10, 377.243, and
51 377.244, F.S.; conforming provisions; providing an
52 appropriation; providing an effective date.

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

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

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

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

(2) ~~Further,~~ It is the public policy of this state ~~declared~~ that underground storage of natural gas is in the public interest because underground storage promotes conservation of natural gas, and makes gas more readily available to the domestic, commercial, and industrial consumers of this state, and allows the accumulation of large quantities of gas in reserve for orderly withdrawal during emergencies or periods

79 of peak demand. It is not the intention of this section to
 80 limit, restrict, or modify in any way the provisions of this
 81 law.

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

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

94 377.19 Definitions.—As used in ss. 377.06, 377.07, and
 95 377.10-377.45 ~~377.10-377.40~~, the term:

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

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

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

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

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

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

124 (7)~~(6)~~ "Horizontal well" means a well completed with the
 125 wellbore in a horizontal or nearly horizontal orientation within
 126 10 degrees of horizontal within the producing formation.

127 (8)~~(7)~~ "Illegal gas" means gas that has been produced
 128 within the state from any well or wells in excess of the amount
 129 allowed by any rule, regulation, or order of the division, as
 130 distinguished from gas produced within the State of Florida from

131 a well not producing in excess of the amount so allowed, which
132 is "legal gas."

133 (9)~~(8)~~ "Illegal oil" means oil that has been produced
134 within the state from any well or wells in excess of the amount
135 allowed by rule, regulation, or order of the division, as
136 distinguished from oil produced within the state from a well not
137 producing in excess of the amount so allowed, which is "legal
138 oil."

139 (10)~~(9)~~ "Illegal product" means a product of oil or gas,
140 any part of which was processed or derived, in whole or in part,
141 from illegal gas or illegal oil or from any product thereof, as
142 distinguished from "legal product," which is a product processed
143 or derived to no extent from illegal oil or illegal gas.

144 (11)~~(10)~~ "Lateral storage reservoir boundary" means the
145 projection up to the land surface of the maximum horizontal
146 extent of the gas volume contained in a natural gas storage
147 reservoir.

148 (12)~~(11)~~ "Native gas" means gas that occurs naturally
149 within this state and does not include gas produced outside the
150 state, transported to this state, and injected into a permitted
151 natural gas storage facility.

152 (13)~~(12)~~ "Natural gas storage facility" means an
153 underground reservoir from which oil or gas has previously been
154 produced and which is used or to be used for the underground
155 storage of natural gas, and any surface or subsurface structure,
156 or infrastructure, except wells. The term also includes a right

157 or appurtenance necessary or useful in the operation of the
158 facility for the underground storage of natural gas, including
159 any necessary or reasonable reservoir protective area as
160 designated for the purpose of ensuring the safe operation of the
161 storage of natural gas or protecting the natural gas storage
162 facility from pollution, invasion, escape, or migration of gas,
163 or any subsequent extension thereof. The term does not mean a
164 transmission, distribution, or gathering pipeline or system that
165 is not used primarily as integral piping for a natural gas
166 storage facility.

167 (14)~~(13)~~ "Natural gas storage reservoir" means a pool or
168 field from which gas or oil has previously been produced and
169 which is suitable for or capable of being made suitable for the
170 injection, storage, and recovery of gas, as identified in a
171 permit application submitted to the department under s.
172 377.2407.

173 (15)~~(14)~~ "New field well" means an oil or gas well
174 completed after July 1, 1997, in a new field as designated by
175 the Department of Environmental Protection.

176 (16)~~(15)~~ "Oil" means crude petroleum oil and other
177 hydrocarbons, regardless of gravity, which are produced at the
178 well in liquid form by ordinary production methods, and which
179 are not the result of condensation of gas after it leaves the
180 reservoir.

181 (17)~~(16)~~ "Oil and gas" has the same meaning as the term
182 "oil or gas."

183 (18)~~(17)~~ "Oil and gas administrator" means the State
 184 Geologist.

185 (19)~~(18)~~ "Operator" means the entity who:

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

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

191 (20)~~(19)~~ "Owner" means the person who has the right to
 192 drill into and to produce from any pool and to appropriate the
 193 production for the person or for the person and another, or
 194 others.

195 (21)~~(20)~~ "Person" means a natural person, corporation,
 196 association, partnership, receiver, trustee, guardian, executor,
 197 administrator, fiduciary, or representative of any kind.

198 (22)~~(21)~~ "Pool" means an underground reservoir containing
 199 or appearing to contain a common accumulation of oil or gas or
 200 both. Each zone of a general structure which is completely
 201 separated from any other zone on the structure is considered a
 202 separate pool as used herein.

203 (23)~~(22)~~ "Producer" means the owner or operator of a well
 204 or wells capable of producing oil or gas, or both.

205 (24)~~(23)~~ "Product" means a commodity made from oil or gas
 206 and includes refined crude oil, crude tops, topped crude,
 207 processed crude petroleum, residue from crude petroleum,
 208 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,

209 residuum, gas oil, casinghead gasoline, natural gas gasoline,
 210 naphtha, distillate, condensate, gasoline, waste oil, kerosene,
 211 benzine, wash oil, blended gasoline, lubricating oil, blends or
 212 mixtures of oil with one or more liquid products or byproducts
 213 derived from oil or gas, and blends or mixtures of two or more
 214 liquid products or byproducts derived from oil or gas, whether
 215 hereinabove enumerated or not.

216 (25)~~(24)~~ "Reasonable market demand" means the amount of
 217 oil reasonably needed for current consumption, together with a
 218 reasonable amount of oil for storage and working stocks.

219 (26)~~(25)~~ "Reservoir protective area" means the area
 220 extending up to and including 2,000 feet surrounding a natural
 221 gas storage reservoir.

222 (27)~~(26)~~ "Shut-in bottom hole pressure" means the pressure
 223 at the bottom of a well when all valves are closed and no oil or
 224 gas has been allowed to escape for at least 24 hours.

225 (28)~~(27)~~ "Shut-in well" means an oil or gas well that has
 226 been taken out of service for economic reasons or mechanical
 227 repairs.

228 (29)~~(28)~~ "State" means the State of Florida.

229 (30)~~(29)~~ "Temporarily abandoned well" means a permitted
 230 well or wellbore that has been abandoned by plugging in a manner
 231 that allows reentry and redevelopment in accordance with oil or
 232 gas rules of the Department of Environmental Protection.

233 (31)~~(30)~~ "Tender" means a permit or certificate of
 234 clearance for the transportation or the delivery of oil, gas, or

235 products, approved and issued or registered under the authority
 236 of the division.

237 (32)~~(31)~~ "Waste," in addition to its ordinary meaning,
 238 means "physical waste" as that term is generally understood in
 239 the oil and gas industry. The term "waste" includes:

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

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

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

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

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

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

259 (g) The creation of unnecessary fire hazards.

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

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

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

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

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

270 (33)~~(32)~~ "Well site" means the general area around a well,
 271 which area has been disturbed from its natural or existing
 272 condition, as well as the drilling or production pad, mud and
 273 water circulation pits, and other operation areas necessary to
 274 drill for or produce oil or gas, or to inject gas into and
 275 recover gas from a natural gas storage facility.

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

278 377.22 Rules and orders.—

279 (2) The department shall issue orders and adopt rules
 280 pursuant to ss. 120.536 and 120.54 to implement and enforce ~~the~~
 281 ~~provisions of~~ this chapter. Such rules and orders shall ensure
 282 that all precautions are taken to prevent the spillage of oil or
 283 any other pollutant in all phases of the drilling for, and
 284 extracting of, oil, gas, or other petroleum products, including
 285 high-pressure well stimulations, or during the injection of gas
 286 into and recovery of gas from a natural gas storage reservoir.

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

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

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

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

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

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

309 (f) To require a reasonable bond, or other form of
310 security acceptable to the department, conditioned upon properly
311 drilling, casing, producing, and operating each well, and
312 properly plugging ~~the performance of the duty to plug properly~~

313 each dry and abandoned well and the full and complete
314 restoration by the applicant of the area over which geophysical
315 exploration, drilling, or production is conducted to the similar
316 contour and general condition in existence before ~~prior to~~ such
317 operation.

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

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

337 (i) To prevent wells from being drilled, operated, or
338 produced in such a manner as to cause injury to neighboring

339 leases, property, or natural gas storage reservoirs.

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

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

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

350 (m) To prevent fires.

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

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

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

359 (q) To regulate gas cycling operations.

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

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

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

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

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

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

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

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

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

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

391 377.24 Notice of intention to drill well; permits;
392 abandoned wells and dry holes.—

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

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

415 (4) Application for permission to drill or abandon any
416 well or perform a high-pressure well stimulation may be denied

417 by the division for only just and lawful cause.

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

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

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

427 377.241 Criteria for issuance of permits.—The division, in
428 the exercise of its authority to issue permits as hereinafter
429 provided, shall give consideration to and be guided by the
430 following criteria:

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

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

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

439 (6) As a basis for permit denial or imposition of specific
440 permit conditions, including increased bonding up to five times
441 the applicable limits and increased monitoring, the history of
442 past adjudicated violations committed by the applicant or an

443 affiliated entity of the applicant of any substantive and
444 material rule or law pertaining to the regulation of oil or gas,
445 including violations that occurred outside the state.

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

448 377.242 Permits for drilling or exploring and extracting
449 through well holes or by other means.—The department is vested
450 with the power and authority:

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

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

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

465 3. A ~~No~~ structure intended for the drilling for, or
466 production of, oil, gas, or other petroleum products may not be
467 permitted or constructed within 1 mile of the seaward boundary
468 of any state, local, or federal park or aquatic or wildlife

469 preserve or on the surface of a freshwater lake, river, or
470 stream.

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

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

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

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

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

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

514
515 Each permit shall contain an agreement by the permit holder that
516 the permit holder will not prevent inspection by division
517 personnel at any time, including during installation and
518 cementing of casing, testing of blowout preventers, pressure
519 testing of the casing and casing shoe, and integrity testing of
520 the cement plugs in plugging and abandonment operations. The

521 provisions of this section prohibiting permits for drilling or
 522 exploring for oil in coastal waters do not apply to any leases
 523 entered into before June 7, 1991.

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

526 377.2425 Manner of providing security for geophysical
 527 exploration, drilling, and production.-

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

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

540 1. A deposit of cash or other securities made payable to
 541 the Minerals Trust Fund. Such cash or securities so deposited
 542 shall be held at interest by the Chief Financial Officer to
 543 satisfy safety and environmental performance provisions of this
 544 chapter. The interest shall be credited to the Minerals Trust
 545 Fund. Such cash or other securities shall be released by the
 546 Chief Financial Officer upon request of the applicant and

547 certification by the department that all safety and
548 environmental performance provisions established by the
549 department for permitted activities have been fulfilled.

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

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

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

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

565 2. For each subsequent year, or part of a year, the fee is
566 \$1,500 per permitted well.

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

571 4. The fees set forth in subparagraphs 1., 2., and 3.
572 shall be reviewed by the department on a biennial basis and

573 adjusted for the cost of inflation. The department shall
 574 establish by rule a suitable index for implementing such fee
 575 revisions.

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

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

594 377.2436 Study on high-pressure well stimulation.-

595 (1) The department shall conduct a study on high-pressure
 596 well stimulation. The study shall:

597 (a) Evaluate the underlying geologic features present in
 598 the counties where oil wells have been permitted and analyze the

599 potential impact that high-pressure well stimulation and
600 wellbore construction may have on the underlying geologic
601 features.

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

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

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

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

623 (3) The study is subject to independent scientific peer
624 review.

625 (4) The findings of the study shall be submitted to the
 626 Governor, the President of the Senate, and the Speaker of the
 627 House of Representatives by June 30, 2017, and shall be
 628 prominently posted on the department website.

629 Section 9. Paragraph (a) of subsection (1) of section
 630 377.37, Florida Statutes, is amended to read:

631 377.37 Penalties.—

632 (1) (a) A ~~Any~~ person who violates any provision of this
 633 chapter law or any rule, regulation, or order of the division
 634 made under this chapter or who violates the terms of any permit
 635 to drill for or produce oil, gas, or other petroleum products
 636 referred to in s. 377.242(1) or to store gas in a natural gas
 637 storage facility, or any lessee, permitholder, or operator of
 638 equipment or facilities used in the exploration for, drilling
 639 for, or production of oil, gas, or other petroleum products, or
 640 storage of gas in a natural gas storage facility, who refuses
 641 inspection by the division as provided in this chapter, is
 642 liable to the state for any damage caused to the air, waters, or
 643 property, including animal, plant, or aquatic life, of the state
 644 and for reasonable costs and expenses of the state in tracing
 645 the source of the discharge, in controlling and abating the
 646 source and the pollutants, and in restoring the air, waters, and
 647 property, including animal, plant, and aquatic life, of the
 648 state. Furthermore, such person, lessee, permitholder, or
 649 operator is subject to the judicial imposition of a civil
 650 penalty ~~in an amount~~ of not more than \$25,000 ~~\$10,000~~ for each

651 offense. However, the court may receive evidence in mitigation.
 652 Each day during any portion of which such violation occurs
 653 constitutes a separate offense. This paragraph does not ~~Nothing~~
 654 ~~herein shall~~ give the department the right to bring an action on
 655 behalf of a ~~any~~ private person.

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

658 377.45 High-pressure well stimulation chemical disclosure
 659 registry.-

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

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

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

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

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

677 4. The API number for the well.

678 5. The well name and number.

679 6. The longitude and latitude of the wellhead.

680 7. The total vertical depth of the well.

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

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

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

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

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

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

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

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

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

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

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

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

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

715 377.07 Division of Water Resource Management; powers,
 716 duties, and authority.—The Division of Water Resource Management
 717 of the Department of Environmental Protection is ~~hereby~~ vested
 718 with power, authority, and duty to administer, carry out, and
 719 enforce ~~the provisions of this part law as directed in s.~~
 720 ~~370.02(3).~~

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

723 377.10 Certain persons not to be employed by division.—A
 724 ~~No~~ person in the employ of, or holding any official connection
 725 or position with any person, firm, partnership, corporation, or
 726 association of any kind, engaged in the business of buying or
 727 selling mineral leases, drilling wells in the search of oil or
 728 gas, producing, transporting, refining, or distributing oil or

729 gas may not ~~shall~~ hold any position under, or be employed by,
 730 the Division of Water Resource Management in the prosecution of
 731 its duties under this part ~~law~~.

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

734 377.243 Conditions for granting permits for extraction
 735 through well holes.—

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

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

747 377.244 Conditions for granting permits for surface
 748 exploratory and extraction operations.—

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

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

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

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

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

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