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Proposed Committee Substitute by the Committee on Appropriations  
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to the regulation of oil and gas resources; amending s. 377.06, F.S.; preempting the regulation of all matters relating to the exploration, development, production, processing, storage, and transportation of oil and gas; declaring ordinances and regulations relating thereto void; providing an exception for certain zoning or land use requirements; ordinances and regulations relating thereto void; providing an exception for certain zoning ordinances; amending s. 377.19, F.S.; applying the definitions of certain terms to additional sections of ch. 377, F.S.; revising the definition of the term "division"; conforming a cross-reference; defining the term "high-pressure well stimulation"; amending s. 377.22, F.S.; revising the rulemaking authority of the Department of Environmental Protection; amending s. 377.24, F.S.; requiring that a permit be obtained before the performance of a high-pressure well stimulation; specifying that a permit may authorize single or multiple activities; revising provisions that prohibit the Division of Water Resource Management from granting permits to drill gas or oil wells; providing notice requirements for an application of such permit; prohibiting the department from approving permits for high-pressure well stimulation until certain rules are adopted and take effect; requiring legislative



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28 ratification of such rules; amending s. 377.241, F.S.;

29 requiring the Division of Water Resource Management to

30 give consideration to and be guided by certain

31 additional criteria when issuing permits; amending s.

32 377.242, F.S.; authorizing the department to issue

33 permits for the performance of a high-pressure well

34 stimulation; revising permit requirements that

35 permit holders agree not to prevent division

36 inspections; amending s. 377.2425, F.S.; requiring an

37 applicant or operator to provide surety that

38 performance of a high-pressure well stimulation will

39 be conducted in a safe and environmentally compatible

40 manner; creating s. 377.2436, F.S.; requiring the

41 department to conduct a study on high-pressure well

42 stimulation; providing study criteria; requiring the

43 study to be submitted to the Governor and Legislature

44 and posted on the department website; prohibiting the

45 department from adopting rules until the study has

46 been submitted to the Legislature; requiring the

47 department to adopt rules under certain conditions by

48 a specified date; amending s. 377.37, F.S.; increasing

49 the maximum amount of a civil penalty; creating s.

50 377.45, F.S.; requiring the department to designate

51 the national chemical disclosure registry as the

52 state's registry; requiring service providers,

53 vendors, and well owners or operators to report

54 certain information to the department; requiring the

55 department to report certain information to the

56 national chemical registry; providing applicability;



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57 requiring the department to adopt rules; amending ss.  
58 377.07, 377.10, 377.243, and 377.244, F.S.; making  
59 technical changes; conforming provisions to changes  
60 made by the act; providing an appropriation; providing  
61 an effective date.

62  
63 Be It Enacted by the Legislature of the State of Florida:

64  
65 Section 1. Section 377.06, Florida Statutes, is amended to  
66 read:

67 377.06 Public policy of state concerning natural resources  
68 of oil and gas; preemption.-

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

81 (2) ~~Further,~~ It is the public policy of this state declared  
82 that underground storage of natural gas is in the public  
83 interest because underground storage promotes conservation of  
84 natural gas, + makes gas more readily available to the domestic,  
85 commercial, and industrial consumers of this state, + and allows



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86 the accumulation of large quantities of gas in reserve for  
87 orderly withdrawal during emergencies or periods of peak demand.  
88 It is not the intention of this section to limit, restrict, or  
89 modify in any way the provisions of this law.

90 (3) The Legislature declares that all matters relating to  
91 the regulation of the exploration, development, production,  
92 processing, storage, and transportation of oil and gas are  
93 preempted to the state, to the exclusion of all existing and  
94 future ordinances or regulations relating thereto adopted by any  
95 county, municipality, or other political subdivision of the  
96 state. All such ordinances or regulations are hereby declared  
97 void as a matter of law, including those that impose a  
98 moratorium or effect a ban on one or more of these activities. A  
99 county or municipality may, however, adopt and enforce zoning or  
100 land use requirements which affect the use of property for the  
101 exploration, development, production, processing, storage or  
102 transportation of oil and gas, with the exception of geophysical  
103 operations pursuant to s. 377.2424(3), so long as such zoning or  
104 land use requirements would not impose a moratorium on,  
105 effectively prohibit, or inordinately burden one or more of  
106 these activities on a subject property.

107 Section 2. Section 377.19, Florida Statutes, is amended to  
108 read:

109 377.19 Definitions.—As used in ss. 377.06, 377.07, and  
110 377.10-377.45 ~~377.10-377.40~~, the term:

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



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

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

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

126 (5) "Gas" means all natural gas, including casinghead gas,  
127 and all other hydrocarbons not defined as oil in subsection (16)  
128 ~~(15)~~.

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

138 (7)~~(6)~~ "Horizontal well" means a well completed with the  
139 wellbore in a horizontal or nearly horizontal orientation within  
140 10 degrees of horizontal within the producing formation.

141 (8)~~(7)~~ "Illegal gas" means gas that has been produced  
142 within the state from any well or wells in excess of the amount  
143 allowed by any rule, regulation, or order of the division, as



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144 distinguished from gas produced within the State of Florida from  
145 a well not producing in excess of the amount so allowed, which  
146 is "legal gas."

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

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

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

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

166 (13)~~(12)~~ "Natural gas storage facility" means an  
167 underground reservoir from which oil or gas has previously been  
168 produced and which is used or to be used for the underground  
169 storage of natural gas, and any surface or subsurface structure,  
170 or infrastructure, except wells. The term also includes a right  
171 or appurtenance necessary or useful in the operation of the  
172 facility for the underground storage of natural gas, including



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173 any necessary or reasonable reservoir protective area as  
174 designated for the purpose of ensuring the safe operation of the  
175 storage of natural gas or protecting the natural gas storage  
176 facility from pollution, invasion, escape, or migration of gas,  
177 or any subsequent extension thereof. The term does not mean a  
178 transmission, distribution, or gathering pipeline or system that  
179 is not used primarily as integral piping for a natural gas  
180 storage facility.

181 ~~(14)~~ ~~(13)~~ "Natural gas storage reservoir" means a pool or  
182 field from which gas or oil has previously been produced and  
183 which is suitable for or capable of being made suitable for the  
184 injection, storage, and recovery of gas, as identified in a  
185 permit application submitted to the department under s.  
186 377.2407.

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

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

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

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

199 ~~(19)~~ ~~(18)~~ "Operator" means the entity who:

- 200 (a) Has the right to drill and to produce a well; or  
201 (b) As part of a natural gas storage facility, injects, or



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202 is engaged in the work of preparing to inject, gas into a  
203 natural gas storage reservoir; or stores gas in, or removes gas  
204 from, a natural gas storage reservoir.

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

209 (21)~~(20)~~ "Person" means a natural person, corporation,  
210 association, partnership, receiver, trustee, guardian, executor,  
211 administrator, fiduciary, or representative of any kind.

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

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

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

230 (25)~~(24)~~ "Reasonable market demand" means the amount of oil





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231 reasonably needed for current consumption, together with a  
232 reasonable amount of oil for storage and working stocks.

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

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

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

242 ~~(29)~~~~(28)~~ "State" means the State of Florida.

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

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

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

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



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260 (b) The inefficient storing of oil; and the locating,  
261 spacing, drilling, equipping, operating, or producing of any oil  
262 or gas well or wells in a manner that causes, or tends to cause,  
263 unnecessary or excessive surface loss or destruction of oil or  
264 gas.

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

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

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

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

273 (g) The creation of unnecessary fire hazards.

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

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

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

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

284 ~~(33)~~<sup>(32)</sup> "Well site" means the general area around a well,  
285 which area has been disturbed from its natural or existing  
286 condition, as well as the drilling or production pad, mud and  
287 water circulation pits, and other operation areas necessary to  
288 drill for or produce oil or gas, or to inject gas into and



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289 recover gas from a natural gas storage facility.

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

292 377.22 Rules and orders.—

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

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

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

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

316 (d) To require the drilling, casing, and plugging of wells  
317 to be done in such a manner as to prevent the escape of oil or



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318 other petroleum products from one stratum to another.

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

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

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

340 (h) To require the making of reports showing the location  
341 of all oil and gas wells; the making and filing of logs; the  
342 taking and filing of directional surveys; the filing of  
343 electrical, sonic, radioactive, and mechanical logs of oil and  
344 gas wells; if taken, the saving of cutting and cores, the cuts  
345 of which shall be given to the Bureau of Geology; and the making  
346 of reports with respect to drilling and production records.



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347 However, such information, or any part thereof, at the request  
348 of the operator, shall be exempt from ~~the provisions of s.~~  
349 119.07(1) and held confidential by the division for ~~a period of~~  
350 1 year after the completion of a well.

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

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

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

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

364 (m) To prevent fires.

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

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

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

373 (q) To regulate gas cycling operations.

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



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

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

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

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

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

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

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

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

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

404 377.24 Notice of intention to drill well; permits;



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405 abandoned wells and dry holes.-

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

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

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

431 (5) No permit to drill a gas or oil well shall be granted  
432 within the jurisdictional boundaries of any municipality or  
433 county, unless the applicant provides notice of the permit



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434 application, by certified mail, to the corporate limits of any  
435 municipality, unless the governing authority of the county or  
436 municipality. The applicant shall include a copy of the notice  
437 with the permit application shall have first duly approved the  
438 application for such permit by resolution.

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

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

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

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

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

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

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





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

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

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

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

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

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

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



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492           3. A ~~Ne~~ structure intended for the drilling for, or  
493 production of, oil, gas, or other petroleum products may not be  
494 permitted or constructed within 1 mile of the seaward boundary  
495 of any state, local, or federal park or aquatic or wildlife  
496 preserve or on the surface of a freshwater lake, river, or  
497 stream.

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

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



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

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

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

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

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

541  
542 Each permit shall contain an agreement by the permitholder that  
543 the permitholder will not prevent inspection by division  
544 personnel at any time, including during installation and  
545 cementing of casing, during the testing of blowout preventers,  
546 during the pressure testing of the casing and casing shoe, and  
547 during the integrity testing of the cement plugs in plugging and  
548 abandonment operations. The provisions of this section  
549 prohibiting permits for drilling or exploring for oil in coastal



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550 waters do not apply to any leases entered into before June 7,  
551 1991.

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

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

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

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

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

578 2. A bond of a surety company authorized to do business in



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579 the state in an amount as provided by rule.

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

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

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

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

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

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

603 (c) An applicant for a drilling or operating permit for  
604 operations planned in coastal waters that by their nature  
605 warrant greater surety shall provide surety only in accordance  
606 with paragraph (a), or similar proof of financial responsibility  
607 other than as provided in paragraph (b). For all such



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608 applications, including applications pending at the effective  
609 date of this act and notwithstanding ~~the provisions of~~ paragraph  
610 (b), the Governor and Cabinet in their capacity as the  
611 Administration Commission, at the recommendation of the  
612 department ~~of Environmental Protection~~, shall set a reasonable  
613 amount of surety required under this subsection. The surety  
614 amount shall be based on the projected cleanup costs and natural  
615 resources damages resulting from a maximum oil spill and adverse  
616 hydrographic and atmospheric conditions that would tend to  
617 transport the oil into environmentally sensitive areas, as  
618 determined by the department ~~of Environmental Protection~~.

619 Section 8. Section 377.2436, Florida Statutes, is created  
620 to read:

621 377.2436 Study on high-pressure well stimulations.-

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

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

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



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

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

646       (e) Review and evaluate the potential direct and indirect  
647 economic benefits resulting from the use of high-pressure well  
648 stimulation, including effects on state and local tax revenues,  
649 royalty payments, employment opportunities, and demand for goods  
650 and services.

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

654       (g) Review and evaluate the feasibility and impact of  
655 waterless fracturing technologies to perform high-pressure well  
656 stimulation.

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

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

665       (4) The department shall submit the findings of the study



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666 to the Governor, the President of the Senate, and the Speaker of  
667 the House of Representatives by June 30, 2017, and shall  
668 prominently post the findings on its website.

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

675 Section 9. Paragraph (a) of subsection (1) of section  
676 377.37, Florida Statutes, is amended to read:

677 377.37 Penalties.-

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





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

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

704 377.45 High-pressure well stimulation chemical disclosure  
705 registry.-

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

713 (b) In addition to providing the following information to  
714 the department as part of the permitting process, a service  
715 provider, vendor, or well owner or operator shall report, as  
716 established by department rule, to the department, at a minimum,  
717 the following information:

718 1. The name of the service provider, vendor, or owner or  
719 operator.

720 2. The date of completion of the high-pressure well  
721 stimulation.

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

723 4. The API Well Number.



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



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753 stimulation; or

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

756 (4) The department shall adopt rules to administer this  
757 section.

758 Section 11. Section 377.07, Florida Statutes, is amended to  
759 read:

760 377.07 Division of Water Resource Management; powers,  
761 duties, and authority.—The Division of Water Resource Management  
762 of the Department of Environmental Protection is ~~hereby~~ vested  
763 with power, authority, and duty to administer, carry out, and  
764 enforce ~~the provisions of this part law as directed in s.~~  
765 ~~370.02(3).~~

766 Section 12. Section 377.10, Florida Statutes, is amended to  
767 read:

768 377.10 Certain persons not to be employed by division.—~~A~~ ~~No~~  
769 person in the employ of, or holding any official connection or  
770 position with any person, firm, partnership, corporation, or  
771 association of any kind, engaged in the business of buying or  
772 selling mineral leases, drilling wells in the search of oil or  
773 gas, producing, transporting, refining, or distributing oil or  
774 gas may not ~~shall~~ hold any position under, or be employed by,  
775 the Division of Water Resource Management in the prosecution of  
776 its duties under this part ~~law~~.

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

779 377.243 Conditions for granting permits for extraction  
780 through well holes.—

781 (1) Before applying ~~Prior to the application~~ to the



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

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

792 377.244 Conditions for granting permits for surface  
793 exploratory and extraction operations.—

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

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

810 (b) The applicant shall post a good and sufficient surety



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

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

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