

1 A bill to be entitled
2 An act relating to the regulation of oil and gas
3 resources; amending s. 377.19, F.S.; applying the
4 definitions of certain terms to additional sections of
5 chapter 377, F.S.; conforming a cross-reference;
6 defining the term "high-pressure well stimulation";
7 amending s. 377.22, F.S.; revising the rulemaking
8 authority of the Department of Environmental
9 Protection; amending s. 377.24, F.S.; requiring that a
10 permit be obtained before the performance of a high-
11 pressure well stimulation; specifying that a permit
12 may authorize single or multiple activities; amending
13 s. 377.241, F.S.; requiring the Division of Resource
14 Management to give consideration to and be guided by
15 certain additional criteria when issuing permits;
16 amending s. 377.242, F.S.; authorizing the department
17 to issue permits for the performance of a high-
18 pressure well stimulation; revising permit
19 requirements that permit holders agree not to prevent
20 division inspections; prohibiting a county,
21 municipality, or other political subdivision of the
22 state from adopting or establishing permitting
23 programs for certain oil and gas activities; amending
24 s. 377.2425, F.S.; requiring an applicant or operator
25 to provide surety that performance of a high-pressure
26 well stimulation will be conducted in a safe and

27 | environmentally compatible manner; creating s.
 28 | 377.2436, F.S.; directing the Department of
 29 | Environmental Protection to conduct a study on high-
 30 | pressure well stimulation; providing study criteria;
 31 | requiring the study to be submitted to the Governor
 32 | and Legislature; requiring rulemaking under certain
 33 | circumstances; amending s. 377.37, F.S.; increasing
 34 | the maximum amount of a civil penalty; creating s.
 35 | 377.45, F.S.; requiring the department to designate
 36 | the national chemical registry as the state's
 37 | registry; requiring service providers, vendors, and
 38 | well owners or operators to report certain information
 39 | to the department; providing applicability; requiring
 40 | the department to adopt rules; providing an
 41 | appropriation; providing an effective date.

42 |

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

44 |

45 | Section 1. Section 377.19, Florida Statutes, is amended to
 46 | read:

47 | 377.19 Definitions.—As used in ss. 377.06, 377.07, and
 48 | 377.10-377.45 ~~377.10-377.40~~, the term:

49 | (1) "Completion date" means the day, month, and year that
 50 | a new productive well, a previously shut-in well, or a
 51 | temporarily abandoned well is completed, repaired, or
 52 | recompleted and the operator begins producing oil or gas in

53 commercial quantities.

54 (2) "Department" means the Department of Environmental
55 Protection.

56 (3) "Division" means the Division of Resource Management
57 of the Department of Environmental Protection.

58 (4) "Field" means the general area that is underlaid, or
59 appears to be underlaid, by at least one pool. The term includes
60 the underground reservoir, or reservoirs, containing oil or gas,
61 or both. The terms "field" and "pool" mean the same thing if
62 only one underground reservoir is involved; however, the term
63 "field," unlike the term "pool," may relate to two or more
64 pools.

65 (5) "Gas" means all natural gas, including casinghead gas,
66 and all other hydrocarbons not defined as oil in subsection (16)
67 ~~(15)~~.

68 (6) "High-pressure well stimulation" means a well
69 intervention performed by injecting more than 100,000 gallons of
70 fluid into a rock formation at high pressure that exceeds the
71 fracture gradient of the rock formation in order to propagate
72 fractures in such formation to increase production at an oil or
73 gas well by improving the flow of hydrocarbons from the
74 formation into the wellbore.

75 (7)~~(6)~~ "Horizontal well" means a well completed with the
76 wellbore in a horizontal or nearly horizontal orientation within
77 10 degrees of horizontal within the producing formation.

78 (8)~~(7)~~ "Illegal gas" means gas that has been produced

79 | within the state from any well or wells in excess of the amount
80 | allowed by any rule, regulation, or order of the division, as
81 | distinguished from gas produced within the State of Florida from
82 | a well not producing in excess of the amount so allowed, which
83 | is "legal gas."

84 | (9)~~(8)~~ "Illegal oil" means oil that has been produced
85 | within the state from any well or wells in excess of the amount
86 | allowed by rule, regulation, or order of the division, as
87 | distinguished from oil produced within the state from a well not
88 | producing in excess of the amount so allowed, which is "legal
89 | oil."

90 | (10)~~(9)~~ "Illegal product" means a product of oil or gas,
91 | any part of which was processed or derived, in whole or in part,
92 | from illegal gas or illegal oil or from any product thereof, as
93 | distinguished from "legal product," which is a product processed
94 | or derived to no extent from illegal oil or illegal gas.

95 | (11)~~(10)~~ "Lateral storage reservoir boundary" means the
96 | projection up to the land surface of the maximum horizontal
97 | extent of the gas volume contained in a natural gas storage
98 | reservoir.

99 | (12)~~(11)~~ "Native gas" means gas that occurs naturally
100 | within this state and does not include gas produced outside the
101 | state, transported to this state, and injected into a permitted
102 | natural gas storage facility.

103 | (13)~~(12)~~ "Natural gas storage facility" means an
104 | underground reservoir from which oil or gas has previously been

105 produced and which is used or to be used for the underground
 106 storage of natural gas, and any surface or subsurface structure,
 107 or infrastructure, except wells. The term also includes a right
 108 or appurtenance necessary or useful in the operation of the
 109 facility for the underground storage of natural gas, including
 110 any necessary or reasonable reservoir protective area as
 111 designated for the purpose of ensuring the safe operation of the
 112 storage of natural gas or protecting the natural gas storage
 113 facility from pollution, invasion, escape, or migration of gas,
 114 or any subsequent extension thereof. The term does not mean a
 115 transmission, distribution, or gathering pipeline or system that
 116 is not used primarily as integral piping for a natural gas
 117 storage facility.

118 (14)~~(13)~~ "Natural gas storage reservoir" means a pool or
 119 field from which gas or oil has previously been produced and
 120 which is suitable for or capable of being made suitable for the
 121 injection, storage, and recovery of gas, as identified in a
 122 permit application submitted to the department under s.
 123 377.2407.

124 (15)~~(14)~~ "New field well" means an oil or gas well
 125 completed after July 1, 1997, in a new field as designated by
 126 the Department of Environmental Protection.

127 (16)~~(15)~~ "Oil" means crude petroleum oil and other
 128 hydrocarbons, regardless of gravity, which are produced at the
 129 well in liquid form by ordinary production methods, and which
 130 are not the result of condensation of gas after it leaves the

131 reservoir.

132 (17)~~(16)~~ "Oil and gas" has the same meaning as the term
133 "oil or gas."

134 (18)~~(17)~~ "Oil and gas administrator" means the State
135 Geologist.

136 (19)~~(18)~~ "Operator" means the entity who:

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

138 (b) As part of a natural gas storage facility, injects, or
139 is engaged in the work of preparing to inject, gas into a
140 natural gas storage reservoir; or stores gas in, or removes gas
141 from, a natural gas storage reservoir.

142 (20)~~(19)~~ "Owner" means the person who has the right to
143 drill into and to produce from any pool and to appropriate the
144 production for the person or for the person and another, or
145 others.

146 (21)~~(20)~~ "Person" means a natural person, corporation,
147 association, partnership, receiver, trustee, guardian, executor,
148 administrator, fiduciary, or representative of any kind.

149 (22)~~(21)~~ "Pool" means an underground reservoir containing
150 or appearing to contain a common accumulation of oil or gas or
151 both. Each zone of a general structure which is completely
152 separated from any other zone on the structure is considered a
153 separate pool as used herein.

154 (23)~~(22)~~ "Producer" means the owner or operator of a well
155 or wells capable of producing oil or gas, or both.

156 (24)~~(23)~~ "Product" means a commodity made from oil or gas

157 and includes refined crude oil, crude tops, topped crude,
158 processed crude petroleum, residue from crude petroleum,
159 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
160 residuum, gas oil, casinghead gasoline, natural gas gasoline,
161 naphtha, distillate, condensate, gasoline, waste oil, kerosene,
162 benzine, wash oil, blended gasoline, lubricating oil, blends or
163 mixtures of oil with one or more liquid products or byproducts
164 derived from oil or gas, and blends or mixtures of two or more
165 liquid products or byproducts derived from oil or gas, whether
166 hereinabove enumerated or not.

167 (25)~~(24)~~ "Reasonable market demand" means the amount of
168 oil reasonably needed for current consumption, together with a
169 reasonable amount of oil for storage and working stocks.

170 (26)~~(25)~~ "Reservoir protective area" means the area
171 extending up to and including 2,000 feet surrounding a natural
172 gas storage reservoir.

173 (27)~~(26)~~ "Shut-in bottom hole pressure" means the pressure
174 at the bottom of a well when all valves are closed and no oil or
175 gas has been allowed to escape for at least 24 hours.

176 (28)~~(27)~~ "Shut-in well" means an oil or gas well that has
177 been taken out of service for economic reasons or mechanical
178 repairs.

179 (29)~~(28)~~ "State" means the State of Florida.

180 (30)~~(29)~~ "Temporarily abandoned well" means a permitted
181 well or wellbore that has been abandoned by plugging in a manner
182 that allows reentry and redevelopment in accordance with oil or

183 gas rules of the Department of Environmental Protection.

184 (31)~~(30)~~ "Tender" means a permit or certificate of
185 clearance for the transportation or the delivery of oil, gas, or
186 products, approved and issued or registered under the authority
187 of the division.

188 (32)~~(31)~~ "Waste," in addition to its ordinary meaning,
189 means "physical waste" as that term is generally understood in
190 the oil and gas industry. The term "waste" includes:

191 (a) The inefficient, excessive, or improper use or
192 dissipation of reservoir energy; and the locating, spacing,
193 drilling, equipping, operating, or producing of any oil or gas
194 well or wells in a manner that results, or tends to result, in
195 reducing the quantity of oil or gas ultimately to be stored or
196 recovered from any pool in this state.

197 (b) The inefficient storing of oil; and the locating,
198 spacing, drilling, equipping, operating, or producing of any oil
199 or gas well or wells in a manner that causes, or tends to cause,
200 unnecessary or excessive surface loss or destruction of oil or
201 gas.

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

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

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

208 (f) The underground waste, however caused and whether or

209 not defined.

210 (g) The creation of unnecessary fire hazards.

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

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

215 (j) Permitting gas produced from a gas well to escape into
 216 the air.

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

221 (33)~~(32)~~ "Well site" means the general area around a well,
 222 which area has been disturbed from its natural or existing
 223 condition, as well as the drilling or production pad, mud and
 224 water circulation pits, and other operation areas necessary to
 225 drill for or produce oil or gas, or to inject gas into and
 226 recover gas from a natural gas storage facility.

227 Section 2. Subsection (2) of section 377.22, Florida
 228 Statutes, is amended to read:

229 377.22 Rules and orders.—

230 (2) The department shall issue orders and adopt rules
 231 pursuant to ss. 120.536 and 120.54 to implement and enforce ~~the~~
 232 ~~provisions of~~ this chapter. Such rules and orders shall ensure
 233 that all precautions are taken to prevent the spillage of oil or
 234 any other pollutant in all phases of the drilling for, and

235 extracting of, oil, gas, or other petroleum products, including
236 high-pressure well stimulations, or during the injection of gas
237 into and recovery of gas from a natural gas storage reservoir.
238 The department shall revise such rules from time to time as
239 necessary for the proper administration and enforcement of this
240 chapter. Rules adopted and orders issued in accordance with this
241 section are for, but not limited to, the following purposes:

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

246 (b) To prevent the alteration of the sheet flow of water
247 in any area.

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

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

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

260 (f) To require a reasonable bond, or other form of

261 security acceptable to the department, conditioned upon properly
262 drilling, casing, producing, and operating each well, and
263 properly plugging ~~the performance of the duty to plug properly~~
264 each dry and abandoned well and the full and complete
265 restoration by the applicant of the area over which geophysical
266 exploration, drilling, or production is conducted to the similar
267 contour and general condition in existence before ~~prior to~~ such
268 operation.

269 (g) To require and carry out a reasonable program of
270 monitoring and inspecting ~~or inspection of~~ all drilling
271 operations, high-pressure well stimulations, producing wells, ~~or~~
272 injecting wells, and well sites, including regular inspections
273 by division personnel. Inspections will be required during the
274 testing of blowout preventers, during the pressure testing of
275 the casing and casing shoe, and during the integrity testing of
276 the cement plugs in plugging and abandonment operations.

277 (h) To require the making of reports showing the location
278 of all oil and gas wells; the making and filing of logs; the
279 taking and filing of directional surveys; the filing of
280 electrical, sonic, radioactive, and mechanical logs of oil and
281 gas wells; if taken, the saving of cutting and cores, the cuts
282 of which shall be given to the Bureau of Geology; and the making
283 of reports with respect to drilling and production records.
284 However, such information, or any part thereof, at the request
285 of the operator, shall be exempt from ~~the provisions of~~ s.
286 119.07(1) and held confidential by the division for ~~a period of~~

287 | 1 year after the completion of a well.

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

291 | (j) To prevent the drowning by water of any stratum, or
292 | part thereof, capable of producing oil or gas in paying
293 | quantities and to prevent the premature and irregular
294 | encroachment of water which reduces, or tends to reduce, the
295 | total ultimate recovery of oil or gas from any pool.

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

298 | (l) To prevent "blowouts," "caving," and "seepage," in the
299 | sense that conditions indicated by such terms are generally
300 | understood in the oil and gas business.

301 | (m) To prevent fires.

302 | (n) To identify the ownership of all oil or gas wells,
303 | producing leases, refineries, tanks, plants, structures, and
304 | storage and transportation equipment and facilities.

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

307 | (p) To regulate secondary recovery methods, including the
308 | introduction of gas, air, water, or other substance into
309 | producing formations.

310 | (q) To regulate gas cycling operations.

311 | (r) To regulate the storage and recovery of gas injected
312 | into natural gas storage facilities.

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

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

319 (u) To regulate the spacing of wells and to establish
320 drilling units.

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

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

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

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

333 (z) To evaluate the history of past adjudicated violations
334 committed by permit applicants or the applicants' affiliated
335 entities of any substantive and material rule or law pertaining
336 to the regulation of oil or gas.

337 Section 3. Subsections (1), (2), and (4) of section
338 377.24, Florida Statutes, are amended to read:

339 377.24 Notice of intention to drill well; permits;
340 abandoned wells and dry holes.—

341 (1) Before drilling a well in search of oil or gas, before
342 performing a high-pressure well stimulation, or before storing
343 gas in or recovering gas from a natural gas storage reservoir,
344 the person who desires to drill for, store, or recover gas, ~~or~~
345 drill for oil or gas, or perform a high-pressure well
346 stimulation shall notify the division upon such form as it may
347 prescribe and shall pay a reasonable fee set by rule of the
348 department not to exceed the actual cost of processing and
349 inspecting for each well or reservoir. The drilling of any well,
350 the performance of any high-pressure well stimulation, and the
351 storing and recovering of gas are prohibited until such notice
352 is given, the fee is paid, and a ~~the~~ permit is granted. A permit
353 may authorize a single activity or multiple activities.

354 (2) An application for the drilling of a well in search of
355 oil or gas, for the performance of a high-pressure well
356 stimulation, or for the storing of gas in and recovering of gas
357 from a natural gas storage reservoir~~r~~ in this state must include
358 the address of the residence of the applicant~~r~~ or applicants,
359 which must be the address of each person involved in accordance
360 with the records of the Division of Resource Management until
361 such address is changed on the records of the division after
362 written request.

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

365 by the division for only just and lawful cause.

366 Section 4. Subsections (5) and (6) are added to section
367 377.241, Florida Statutes, to read:

368 377.241 Criteria for issuance of permits.—The division, in
369 the exercise of its authority to issue permits as hereinafter
370 provided, shall give consideration to and be guided by the
371 following criteria:

372 (5) For high-pressure well stimulations, whether the high-
373 pressure well stimulation as proposed is designed to ensure
374 that:

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

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

380 (6) As a basis for permit denial or imposition of specific
381 permit conditions, including increased bonding up to five times
382 the applicable limits and increased monitoring, the history of
383 past adjudicated violations committed by the applicant or an
384 affiliated entity of the applicant of any substantive and
385 material rule or law pertaining to the regulation of oil or gas,
386 including violations that occurred outside the state.

387 Section 5. Section 377.242, Florida Statutes, is amended
388 to read:

389 377.242 Permits for drilling or exploring and extracting
390 through well holes or by other means.—The department is vested

391 with the power and authority:

392 (1)(a) To issue permits for the drilling for, exploring
393 for, performance of a high-pressure well stimulation, or
394 production of, oil, gas, or other petroleum products that ~~which~~
395 are to be extracted from below the surface of the land,
396 including submerged land, only through the well hole drilled for
397 oil, gas, and other petroleum products.

398 1. No structure intended for the drilling for, or
399 production of, oil, gas, or other petroleum products may be
400 permitted or constructed on any submerged land within any bay or
401 estuary.

402 2. No structure intended for the drilling for, or
403 production of, oil, gas, or other petroleum products may be
404 permitted or constructed within 1 mile seaward of the coastline
405 of the state.

406 3. No structure intended for the drilling for, or
407 production of, oil, gas, or other petroleum products may be
408 permitted or constructed within 1 mile of the seaward boundary
409 of any state, local, or federal park or aquatic or wildlife
410 preserve or on the surface of a freshwater lake, river, or
411 stream.

412 4. No structure intended for the drilling for, or
413 production of, oil, gas, or other petroleum products may be
414 permitted or constructed within 1 mile inland from the shoreline
415 of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
416 or within 1 mile of any freshwater lake, river, or stream unless

417 the department is satisfied that the natural resources of such
418 bodies of water and shore areas of the state will be adequately
419 protected in the event of accident or blowout.

420 5. Without exception, after July 1, 1989, no structure
421 intended for the drilling for, or production of, oil, gas, or
422 other petroleum products may be permitted or constructed south
423 of 26°00'00" north latitude off Florida's west coast and south
424 of 27°00'00" north latitude off Florida's east coast, within the
425 boundaries of Florida's territorial seas as defined in 43 U.S.C.
426 s. 1301. After July 31, 1990, no structure intended for the
427 drilling for, or production of, oil, gas, or other petroleum
428 products may be permitted or constructed north of 26°00'00"
429 north latitude off Florida's west coast to the western boundary
430 of the state bordering Alabama as set forth in s. 1, Art. II of
431 the State Constitution, or located north of 27°00'00" north
432 latitude off Florida's east coast to the northern boundary of
433 the state bordering Georgia as set forth in s. 1, Art. II of the
434 State Constitution, within the boundaries of Florida's
435 territorial seas as defined in 43 U.S.C. s. 1301.

436 (b) Subparagraphs (a)1. and 4. do not apply to permitting
437 or construction of structures intended for the drilling for, or
438 production of, oil, gas, or other petroleum products pursuant to
439 an oil, gas, or mineral lease of such lands by the state under
440 which lease any valid drilling permits are in effect on the
441 effective date of this act. In the event that such permits
442 contain conditions or stipulations, such conditions and

443 stipulations shall govern and supersede subparagraphs (a)1. and
444 4.

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

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

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

455
456 Each permit shall contain an agreement by the permit holder that
457 the permit holder will not prevent inspection by division
458 personnel at any time, including during installation and
459 cementing of casing, testing of blowout preventers, pressure
460 testing of the casing and casing shoe, and integrity testing of
461 the cement plugs in plugging and abandonment operations. The
462 provisions of this section prohibiting permits for drilling or
463 exploring for oil in coastal waters do not apply to any leases
464 entered into before June 7, 1991.

465 (4) To avoid unnecessary duplication, a county,
466 municipality, or other political subdivision of the state may
467 not adopt or establish programs to accomplish the purposes of
468 this section.

469 Section 6. Subsection (1) of section 377.2425, Florida
 470 Statutes, is amended to read:

471 377.2425 Manner of providing security for geophysical
 472 exploration, drilling, and production.—

473 (1) Before ~~Prior to~~ granting a permit for conducting ~~to~~
 474 ~~conduct~~ geophysical operations; drilling of exploratory,
 475 injection, or production wells; producing oil and gas from a
 476 wellhead; performing a high-pressure well stimulation; or
 477 transporting oil and gas through a field-gathering system, the
 478 department shall require the applicant or operator to provide
 479 surety that these operations will be conducted in a safe and
 480 environmentally compatible manner.

481 (a) The applicant for a drilling, production, high-
 482 pressure well stimulation, or injection well permit or a
 483 geophysical permit may provide the following types of surety to
 484 the department for this purpose:

485 1. A deposit of cash or other securities made payable to
 486 the Minerals Trust Fund. Such cash or securities so deposited
 487 shall be held at interest by the Chief Financial Officer to
 488 satisfy safety and environmental performance provisions of this
 489 chapter. The interest shall be credited to the Minerals Trust
 490 Fund. Such cash or other securities shall be released by the
 491 Chief Financial Officer upon request of the applicant and
 492 certification by the department that all safety and
 493 environmental performance provisions established by the
 494 department for permitted activities have been fulfilled.

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

497 3. A surety in the form of an irrevocable letter of credit
498 in an amount as provided by rule guaranteed by an acceptable
499 financial institution.

500 (b) An applicant for a drilling, production, high-pressure
501 well stimulation, or injection well permit, or a permittee who
502 intends to continue participating in long-term production
503 activities of such wells, has the option to provide surety to
504 the department by paying an annual fee to the Minerals Trust
505 Fund. For an applicant or permittee choosing this option the
506 following shall apply:

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

510 2. For each subsequent year, or part of a year, the fee is
511 \$1,500 per permitted well.

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

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

521 (c) An applicant for a drilling or operating permit for
522 operations planned in coastal waters that by their nature
523 warrant greater surety shall provide surety only in accordance
524 with paragraph (a), or similar proof of financial responsibility
525 other than as provided in paragraph (b). For all such
526 applications, including applications pending at the effective
527 date of this act and notwithstanding ~~the provisions of~~ paragraph
528 (b), the Governor and Cabinet in their capacity as the
529 Administration Commission, at the recommendation of the
530 department ~~of Environmental Protection~~, shall set a reasonable
531 amount of surety required under this subsection. The surety
532 amount shall be based on the projected cleanup costs and natural
533 resources damages resulting from a maximum oil spill and adverse
534 hydrographic and atmospheric conditions that would tend to
535 transport the oil into environmentally sensitive areas, as
536 determined by the department ~~of Environmental Protection~~.

537 Section 7. Section 377.2436, Florida Statutes, is created
538 to read:

539 377.2436 Study on high-pressure well stimulation.-

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

542 (a) Evaluate the underlying geologic features present in
543 the counties where oil wells have been permitted and analyze the
544 potential impact that high-pressure well stimulation and
545 wellbore construction may have on the underlying geologic
546 features.

547 (b) Evaluate the potential hazards and risks that high-
548 pressure well stimulation poses to surface water or groundwater
549 resources. The study shall assess the potential impacts of high-
550 pressure well stimulation on drinking water resources and
551 identify the main factors affecting the severity and frequency
552 of impacts and shall analyze the potential for the use or reuse
553 of recycled water in well stimulation fluids while meeting
554 appropriate water quality standards.

555 (c) Review and evaluate the potential for groundwater
556 contamination from conducting high-pressure well stimulation
557 under wells that have been previously abandoned and plugged and
558 identify a setback radius from previously plugged and abandoned
559 wells that could be impacted by high-pressure well stimulation.

560 (d) Review and evaluate the ultimate disposition of well
561 stimulation after use in well stimulation processes.

562 (2) The department shall continue normal oil and gas
563 business operations during the performance of the study. There
564 shall not be a moratorium on the evaluation and issuance of
565 permits for conventional drilling, exploration, conventional
566 completions, or conventional workovers during the performance of
567 the study.

568 (3) The study is subject to independent scientific peer
569 review.

570 (4) The findings of the study shall be submitted to the
571 Governor, the President of the Senate, and the Speaker of the
572 House of Representatives by March 1, 2016, and shall be

573 prominently posted on the department website.

574 (5) The department shall adopt rules to implement the
575 findings of the study if such rules are warranted by the study
576 and the department determines that additional legislation is not
577 needed. If the department determines legislation is needed to
578 protect groundwater or surface water resources, the department
579 shall provide recommendations for such legislation to the
580 Legislature.

581 Section 8. Paragraph (a) of subsection (1) of section
582 377.37, Florida Statutes, is amended to read:

583 377.37 Penalties.—

584 (1) (a) A ~~Any~~ person who violates any provision of this law
585 or any rule, regulation, or order of the division made under
586 this chapter or who violates the terms of any permit to drill
587 for or produce oil, gas, or other petroleum products referred to
588 in s. 377.242(1) or to store gas in a natural gas storage
589 facility, or any lessee, permitholder, or operator of equipment
590 or facilities used in the exploration for, drilling for, or
591 production of oil, gas, or other petroleum products, or storage
592 of gas in a natural gas storage facility, who refuses inspection
593 by the division as provided in this chapter, is liable to the
594 state for any damage caused to the air, waters, or property,
595 including animal, plant, or aquatic life, of the state and for
596 reasonable costs and expenses of the state in tracing the source
597 of the discharge, in controlling and abating the source and the
598 pollutants, and in restoring the air, waters, and property,

599 including animal, plant, and aquatic life, of the state.
600 Furthermore, such person, lessee, permitholder, or operator is
601 subject to the judicial imposition of a civil penalty ~~in an~~
602 ~~amount~~ of not more than \$25,000 ~~\$10,000~~ for each offense.
603 However, the court may receive evidence in mitigation. Each day
604 during any portion of which such violation occurs constitutes a
605 separate offense. Nothing herein shall give the department the
606 right to bring an action on behalf of any private person.

607 Section 9. Section 377.45, Florida Statutes, is created to
608 read:

609 377.45 High-pressure well stimulation chemical disclosure
610 registry.-

611 (1) (a) The department shall designate the national
612 chemical registry, known as FracFocus, developed by the Ground
613 Water Protection Council and the Interstate Oil and Gas Compact
614 Commission, as the state's registry for chemical disclosure for
615 all wells on which high-pressure well stimulations are
616 performed. The department shall provide a link to FracFocus
617 through the department's website.

618 (b) In accordance with department rule, a service
619 provider, vendor, or well owner or operator shall report to the
620 department, at a minimum, the following information:

621 1. The name of the service provider, vendor, or owner or
622 operator;

623 2. The date of completion of the high-pressure well
624 stimulation;

- 625 3. The county in which the well is located;
- 626 4. The API number for the well;
- 627 5. The well name and number;
- 628 6. The longitude and latitude of the wellhead;
- 629 7. The total vertical depth of the well;
- 630 8. The total volume of water used in the high-pressure
 631 well stimulation; and
- 632 9. Each chemical ingredient that is subject to 29 C.F.R.
 633 s. 1910.1200(g) (2) and the ingredient concentration in the high
 634 pressure well stimulation fluid by mass for each well on which a
 635 high-pressure well stimulation is performed.
- 636 (c) If the chemical disclosure registry cannot accept and
 637 make publicly available any information specified in this
 638 section, the department shall post the information on the
 639 department's website.
- 640 (2) A service provider, vendor, or well owner or operator
 641 shall:
- 642 (a) Report the information required under subsection (1)
 643 to the department within 60 days after the initiation of the
 644 high-pressure well stimulation for each well on which such high-
 645 pressure well stimulation is performed; and
- 646 (b) Notify the department if any chemical ingredient not
 647 previously reported is intentionally included and used for the
 648 purpose of performing a high-pressure well stimulation.
- 649 (3) This section does not apply to an ingredient that:
- 650 (a) Is not intentionally added to the high-pressure well

651 stimulation; or

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

654 (4) The department shall adopt rules to administer this
 655 section.

656 Section 10. For the 2015-2016 fiscal year, the sum of \$1
 657 million in nonrecurring funds is appropriated from the General
 658 Revenue Fund to the Department of Environmental Protection to
 659 perform a high-pressure well stimulation study pursuant to s.
 660 377.2436, Florida Statutes.

661 Section 11. This act shall take effect July 1, 2015.