

# The Florida Senate

## 2018 Florida Statutes

Title XXVIII

NATURAL RESOURCES; CONSERVATION,  
RECLAMATION, AND USE

**Chapter 377**

**ENERGY RESOURCES**

**CHAPTER 377**  
**ENERGY RESOURCES**

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**377.01 Governor to enter into interstate compact to conserve oil and gas.**— The Governor of the state is hereby authorized and directed, for and in the name of the state, to join with other states in the interstate compact to conserve oil and gas, which was heretofore executed in the City of Dallas, Texas, on February 16, 1935, and is now deposited with the Department of State of the United States, and which has been extended with the consent of Congress to September 1, 1947.

**History.**—s. 1, ch. 22823, 1945.

**377.03 Extension of compact.**— The Governor of Florida is further authorized and empowered, for and in the name of the state, to execute agreements for the further extension of the expiration date of the said “The Interstate Oil Compact” to conserve oil and gas, and to determine if and when it shall be for the best interest of the state to withdraw from said compact upon 60 days’ notice as provided by its terms. In the event the Governor shall determine that the state should withdraw from said compact he or she shall have full power and authority to give necessary notice and to take any and all steps necessary and proper to effect the withdrawal of the state from said compact.

**History.**—s. 3, ch. 22823, 1945; s. 619, ch. 95-148.

**377.04 Official report of state.**— The Governor shall be the official representative of the state on the Interstate Oil Compact Commission, provided for in the compact to conserve oil and gas, and shall exercise and perform for the

state all the powers and duties as a member of the Interstate Oil Compact Commission; provided, that the Governor shall have the authority to appoint an assistant representative who shall act in his or her stead as the official representative of the state as a member of said commission. Said assistant representative shall take the oath of office prescribed by the Constitution, which shall be filed with the Department of State.

**History.**—s. 4, ch. 22823, 1945; ss. 10, 35, ch. 69-106; s. 620, ch. 95-148.

**377.06 Public policy of state concerning natural resources of oil and gas.**— 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 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; 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. Further, it is declared that underground storage of natural gas is in the public interest because underground storage promotes conservation of natural gas; 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 of peak demand. It is not the intention of this section to limit, restrict, or modify in any way the provisions of this law.

**History.**—s. 1, ch. 22819, 1945; s. 25, ch. 90-54; s. 5, ch. 2013-205.

**377.07 Division of Resource Management; powers, duties, and authority.**— The Division of Resource Management of the Department of Environmental Protection is hereby vested with power, authority, and duty to administer, carry out, and enforce the provisions of this law as directed in <sup>1</sup>s. 370.02(3).

**History.**—s. 2, ch. 22819, 1945; s. 8, ch. 61-231; ss. 25, 35, ch. 69-106; s. 64, ch. 79-65; s. 307, ch. 94-356.

<sup>1</sup>**Note.**— Repealed by s. 4, ch. 94-356.

**377.075 Division of Technical Services; geological functions.**—

(1) **PERSONNEL.**—The Department of Environmental Protection shall, through the Division of Technical Services, establish the Florida Geological Survey and employ such suitable persons as in the judgment of the department may be necessary to conduct the geological survey of the state.

(2) **DISBURSEMENTS; SURVEY EXPENSES.**—For the purpose of expeditiously and thoroughly carrying out the geological survey, there shall be included a sufficient appropriation in the annual General Appropriations Act. The amount annually appropriated, or so much thereof as may be necessary, shall be expended for the salaries and for the contingent expenses of the survey, including compensation of all temporary and permanent assistance; travel expenses of the division, purchase of materials, or other necessary expenses for outfit; expenses incurred in providing for the transportation, arrangement, and proper exhibition of the geological and other collections made under the provisions of this law and for postage, stationery, and printing and the printing and engraving of maps and sections to illustrate the annual reports.

(3) **STATE GEOLOGIST.**—The geological functions of the division shall be under the direction of a full-time professional geologist who is registered in this state, who shall be of established reputation, and who shall be known as the State Geologist.

(4) **DUTIES.**—The Florida Geological Survey shall make periodic reports of the progress of its surveys and explorations of minerals, water supply, and other natural resources of the state and shall include in such reports a full description of such surveys and explorations, occurrences and location of mineral and other deposits of value, surface and subterranean water supply, and the best and most economical method of development, together with analyses of sediments, minerals, and mineral waters, with maps, charts, and drawings of the same.

(a) The State Geologist and his or her professional staff shall conduct field and laboratory investigations of the geologic structure of this state; the nature and composition of the igneous, metamorphic, and sedimentary rocks and economic minerals; the nature of physiographic features; and other aspects of geology and hydrology which may lead

to a better understanding of the geology of this state, with special reference to the practical bearing of the subjects of such investigations on the well-being of this state and the citizens of this state.

(b) The State Geologist shall provide technical assistance to, and consult and cooperate with, the general public; other agencies of federal, state, and local government; and industry. The State Geologist shall also consider scientific, educational, and economic questions related to the geology and hydrology of the state which are of value to the people of this state.

(c) The State Geologist shall prepare and publish Florida Geological Survey reports, with necessary illustrations and maps, which provide general and detailed descriptions of the geology and earth resources of this state, shall maintain a comprehensive research library, open to the public, of published and unpublished geological information, and shall otherwise disseminate geological information to the citizens of this state.

(d) The department may contract with the government of the United States, or any agency or instrumentality thereof, or with this state or any county, municipality, district authority, or political subdivision of this state, or with any private person, to assist in providing this state with geologic information or to accomplish the purposes of this act. The department may receive and accept from any federal agency, state agency, or other public body grants or loans for or in aid of the purposes of this act, and the department may receive and accept aid, contributions, or loans from any other source of money, property, labor, or other thing of value to be held, used, and applied only for the purposes for which such aid, grants, or loans were made.

(e) The Florida Geological Survey shall cooperate or coordinate with, or act as a clearinghouse for, other agencies funded by the state who contribute to the study or revision of geologic interpretations and nomenclature. The State Geologist, through the Division of Technical Services, shall designate areas as "state geological sites" or "state invertebrate paleontological sites" pursuant to the provisions of this section, which areas are determined to be of great and continuing significance to the scientific study and public understanding of the geological history of this state. No privately owned site shall be so designated without the express written consent of the private surface and mineral owners of the site. The State Geologist shall provide written notice to the surface and mineral owners and occupants of a site designated by the State Geologist as a state geological or invertebrate paleontological site. Once such a site has been so designated, no person may conduct geological or paleontological field investigations on the site without first securing a consent letter from the division.

(f) The State Geologist shall cooperate or coordinate with various federal agencies, including, but not limited to, the United States Geological Survey, Bureau of Mines, and the Minerals Management Service, and various state and local agencies to collect and maintain data on the economic mineral industry of this state. Data shall include commodities mined, amount extracted, reserves, market and market trends, estimated value, and any other parameters determined necessary by the State Geologist to comply with this section. Such information shall be periodically updated and company data may be maintained confidential subject to the same requirements as that required by the federal agency of jurisdiction or, if no specific language exists in federal law, the confidential period shall not exceed 10 years.

(g) The Florida Geological Survey shall prepare, maintain, and make available, in both paper and electronic or computer-based formats, maps identifying the location in latitude and longitude of all oil field wells and gas field wells, oil test wells and gas test wells, nonoil test wells and nongas test wells, and stratigraphic test wells, and seismic line recording points, or any other deep, geologic information that may provide useful subsurface information for industry and other public agencies. When available, fluid levels in any oil, gas, or other test well shall be measured or obtained from the operator or owner and shall be tested for water chemistry. The department may use for such tasks such funds from the Petroleum Exploration and Production Bond Trust Fund as may be appropriated by the Legislature.

(5) COLLECTION OF GEOLOGICAL SPECIMENS.—The Division of Technical Services shall, through the geological staff, make collections of specimens illustrating the geological and mineral features of the state, including lands beneath the sovereign water of this state. The staff shall operate and maintain a central, statewide repository for such specimens, for well cuttings and cores and related surface and subsurface samples, and associated supplemental data.

(6) **NOTIFYING OWNER OF DEPOSITS LOCATED.**—The State Geologist and his or her assistants, when they discover any mineral deposits or other geologic substance of value, shall make a reasonable attempt to notify the owner of the land upon which such deposits occur.

**History.**—s. 2, ch. 28145, 1953; s. 4, ch. 61-231; ss. 25, 35, ch. 69-106; s. 322, ch. 71-136; s. 1, ch. 73-305; s. 65, ch. 79-65; s. 1, ch. 83-176; ss. 308, 483, ch. 94-356; s. 1020, ch. 95-148; s. 72, ch. 96-323; s. 49, ch. 97-96.

**Note.**—Former ss. 370.04, 373.011.

**377.10 Certain persons not to be employed by division.**—No person in the employ of, or holding any official connection or position with any person, firm, partnership, corporation, or association of any kind, engaged in the business of buying or selling mineral leases, drilling wells in the search of oil or gas, producing, transporting, refining, or distributing oil or gas shall hold any position under, or be employed by, the Division of Resource Management in the prosecution of its duties under this law.

**History.**—s. 5, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 66, ch. 79-65.

**377.18 Common sources of oil and gas.**—All common sources of supply of oil or native gas shall have the production controlled or regulated in accordance with the provisions of this law.

**History.**—s. 13, ch. 22819, 1945; s. 6, ch. 2013-205.

**377.19 Definitions.**—As used in ss. 377.06, 377.07, and 377.10-377.40, the term:

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

(2) “Department” means the Department of Environmental Protection.

(3) “Division” means the Division of Resource Management of the Department of Environmental Protection.

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

(5) “Gas” means all natural gas, including casinghead gas, and all other hydrocarbons not defined as oil in subsection (15).

(6) “Horizontal well” means a well completed with the wellbore in a horizontal or nearly horizontal orientation within 10 degrees of horizontal within the producing formation.

(7) “Illegal gas” means gas that has been produced within the state from any well or wells in excess of the amount allowed by any rule, regulation, or order of the division, as distinguished from gas produced within the State of Florida from a well not producing in excess of the amount so allowed, which is “legal gas.”

(8) “Illegal oil” means oil that has been produced within the state from any well or wells in excess of the amount allowed by rule, regulation, or order of the division, as distinguished from oil produced within the state from a well not producing in excess of the amount so allowed, which is “legal oil.”

(9) “Illegal product” means a product of oil or gas, any part of which was processed or derived, in whole or in part, from illegal gas or illegal oil or from any product thereof, as distinguished from “legal product,” which is a product processed or derived to no extent from illegal oil or illegal gas.

(10) “Lateral storage reservoir boundary” means the projection up to the land surface of the maximum horizontal extent of the gas volume contained in a natural gas storage reservoir.

(11) “Native gas” means gas that occurs naturally within this state and does not include gas produced outside the state, transported to this state, and injected into a permitted natural gas storage facility.

(12) “Natural gas storage facility” means an underground reservoir from which oil or gas has previously been produced and which is used or to be used for the underground storage of natural gas, and any surface or subsurface structure, or infrastructure, except wells. The term also includes a right or appurtenance necessary or useful in the operation of the facility for the underground storage of natural gas, including any necessary or reasonable reservoir protective area as designated for the purpose of ensuring the safe operation of the storage of natural gas or protecting

the natural gas storage facility from pollution, invasion, escape, or migration of gas, or any subsequent extension thereof. The term does not mean a transmission, distribution, or gathering pipeline or system that is not used primarily as integral piping for a natural gas storage facility.

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

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

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

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

(17) "Oil and gas administrator" means the State Geologist.

(18) "Operator" means the entity who:

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

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

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

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

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

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

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

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

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

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

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

(28) "State" means the State of Florida.

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

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

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

(a) The inefficient, excessive, or improper use or dissipation of reservoir energy; and the locating, spacing, drilling, equipping, operating, or producing of any oil or gas well or wells in a manner that results, or tends to result, in

reducing the quantity of oil or gas ultimately to be stored or recovered from any pool in this state.

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

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

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

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

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

(g) The creation of unnecessary fire hazards.

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

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

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

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

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

**History.**—s. 14, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 138, ch. 71-377; s. 1, ch. 76-104; s. 1, ch. 77-174; s. 67, ch. 79-65; s. 1, ch. 94-193; s. 309, ch. 94-356; s. 1021, ch. 95-148; s. 74, ch. 96-323; s. 7, ch. 2013-205.

**377.20 Waste prohibited.**—Waste of oil or gas defined in this law is hereby prohibited.

**History.**—s. 15, ch. 22819, 1945.

**377.21 Jurisdiction of division.**—

(1) The division shall have jurisdiction and authority over all persons and property necessary to administer and enforce effectively the provisions of this law and all other laws relating to the conservation of oil and gas or to the storage of gas in and recovery of gas from natural gas storage reservoirs.

(2) The division shall have authority, and it shall be its duty, to make such inquiries as it may deem proper to determine whether waste, over which it has jurisdiction, exists or is imminent. In the exercise of such power, the division shall have the authority to:

(a) Collect data.

(b) Make investigations and inspections.

(c) Examine properties, leases, papers, books, and records and to examine, survey, check, test, and gauge oil and gas wells, tanks, storage tanks, treatment plants and facilities, and modes of transportation used to gather and process crude oil or gas and products derived from wells within the state, prior to delivery to a common carrier.

(d) Hold hearings.

(e) Provide for the keeping of records and the making of reports.

(f) Take such action as may be reasonably necessary to enforce this law.

(3) The jurisdiction of the division shall extend to the state boundaries as set forth in s. 1, Art. II of the State Constitution.

**History.**—s. 16, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 1, ch. 72-394; s. 1, ch. 76-188; s. 8, ch. 2013-205.

**377.22 Rules and orders.**—

(1) The department shall provide, by rule, for ratable takings in all pools on a reasonable and equitable basis.

(2) The department shall issue orders and adopt rules pursuant to ss. 120.536 and 120.54 to implement and enforce the provisions of this chapter. Such rules and orders shall ensure that all precautions are taken to prevent the spillage of oil or any other pollutant in all phases of the drilling for, and extracting of, oil, gas, or other petroleum products, or during the injection of gas into and recovery of gas from a natural gas storage reservoir. The department shall revise

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

- (a) To require the drilling, casing, and plugging of wells to be done in such a manner as to prevent the pollution of the fresh, salt, or brackish waters or the lands of the state and to protect the integrity of natural gas storage reservoirs.
- (b) To prevent the alteration of the sheet flow of water in any area.
- (c) To require that appropriate safety equipment be installed to minimize the possibility of an escape of oil or other petroleum products in the event of accident, human error, or a natural disaster during drilling, casing, or plugging of any well and during extraction operations.
- (d) To require the drilling, casing, and plugging of wells to be done in such a manner as to prevent the escape of oil or other petroleum products from one stratum to another.
- (e) To prevent the intrusion of water into an oil or gas stratum from a separate stratum, except as provided by rules of the division relating to the injection of water for proper reservoir conservation and brine disposal.
- (f) To require a reasonable bond, or other form of security acceptable to the department, conditioned upon the performance of the duty to plug properly each dry and abandoned well and the full and complete restoration by the applicant of the area over which geophysical exploration, drilling, or production is conducted to the similar contour and general condition in existence prior to such operation.
- (g) To require and carry out a reasonable program of monitoring or inspection of all drilling operations, producing wells, or injecting wells, including regular inspections by division personnel.
- (h) To require the making of reports showing the location of all oil and gas wells; the making and filing of logs; the taking and filing of directional surveys; the filing of electrical, sonic, radioactive, and mechanical logs of oil and gas wells; if taken, the saving of cutting and cores, the cuts of which shall be given to the Bureau of Geology; and the making of reports with respect to drilling and production records. However, such information, or any part thereof, at the request of the operator, shall be exempt from the provisions of s. 119.07(1) and held confidential by the division for a period of 1 year after the completion of a well.
- (i) To prevent wells from being drilled, operated, or produced in such a manner as to cause injury to neighboring leases, property, or natural gas storage reservoirs.
- (j) To prevent the drowning by water of any stratum, or part thereof, capable of producing oil or gas in paying quantities and to prevent the premature and irregular encroachment of water which reduces, or tends to reduce, the total ultimate recovery of oil or gas from any pool.
- (k) To require the operation of wells with efficient gas-oil ratio, and to fix such ratios.
- (l) To prevent "blowouts," "caving," and "seepage," in the sense that conditions indicated by such terms are generally understood in the oil and gas business.
- (m) To prevent fires.
- (n) To identify the ownership of all oil or gas wells, producing leases, refineries, tanks, plants, structures, and storage and transportation equipment and facilities.
- (o) To regulate the "shooting," perforating and chemical treatment of wells.
- (p) To regulate secondary recovery methods, including the introduction of gas, air, water, or other substance into producing formations.
- (q) To regulate gas cycling operations.
- (r) To regulate the storage and recovery of gas injected into natural gas storage facilities.
- (s) If necessary for the prevention of waste, as herein defined, to determine, limit, and prorate the production of oil or gas, or both, from any pool or field in the state.
- (t) To require, either generally or in or from particular areas, certificates of clearance or tenders in connection with the transportation or delivery of oil or gas, or any product.
- (u) To regulate the spacing of wells and to establish drilling units.
- (v) To prevent, so far as is practicable, reasonably avoidable drainage from each developed unit which is not equalized by counterdrainage.
- (w) To require that geophysical operations requiring a permit be conducted in a manner which will minimize the impact on hydrology and biota of the area, especially environmentally sensitive lands and coastal areas.

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

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

**History.**—s. 16, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 2, ch. 72-394; s. 1, ch. 76-103; s. 1, ch. 80-283; s. 7, ch. 84-338; s. 1, ch. 87-183; s. 1, ch. 88-278; s. 5, ch. 89-117; s. 6, ch. 94-193; s. 310, ch. 94-356; s. 174, ch. 96-406; s. 88, ch. 98-200; s. 9, ch. 2013-205.

**377.23 Monthly reports to division.**— Every producer of oil or gas in the state shall submit to the division, on forms prescribed by the division, a monthly report of the actual production from each and every oil and gas well operated by him or her. Such producer shall submit a duplicate copy of such report at the same time to the Department of Financial Services; and such reports shall be submitted through the medium of the United States mails, and it shall be unlawful for the same to be transmitted or received in any other way.

**History.**—s. 17, ch. 22819, 1945; s. 1, ch. 69-266; ss. 12, 25, 35, ch. 69-106; s. 621, ch. 95-148; s. 398, ch. 2003-261.

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

(1) Before drilling a well in search of oil or gas, or before storing gas in or recovering gas from a natural gas storage reservoir, the person who desires to drill for, store, or recover gas, or drill for oil or gas, shall notify the division upon such form as it may prescribe and shall pay a reasonable fee set by rule of the department not to exceed the actual cost of processing and inspecting for each well or reservoir. The drilling of any well and the storing and recovering of gas are prohibited until such notice is given, the fee is paid, and the permit is granted.

(2) An application for the drilling of a well in search of oil or gas, or for the storing of gas in and recovering of gas from a natural gas storage reservoir, in this state must include the address of the residence of the applicant, or applicants, which must be the address of each person involved in accordance with the records of the Division of Resource Management until such address is changed on the records of the division after written request.

(3) Each abandoned well and each dry hole shall be plugged promptly in the manner and within the time required by regulations to be prescribed by the Department of Environmental Protection, and the owner of such well shall give notice upon such form as the division may prescribe, of the drilling of each dry hole and of the owner's intention to abandon. No well shall be abandoned without prior approval of the division.

(4) Application for permission to drill or abandon any well may be denied by the division for only just and lawful cause.

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

(6) No permit to drill a gas or oil well shall be granted at a location in the tidal waters of the state, abutting or immediately adjacent to the corporate limits of a municipality or within 3 miles of such corporate limits extending from the line of mean high tide into such waters, unless the governing authority of the municipality shall have first duly approved the application for such permit by resolution.

(7) No permit to drill a gas or oil well shall be granted on any improved beach, located outside of an incorporated town or municipality, or at a location in the tidal waters of the state abutting or immediately adjacent to an improved beach, or within 3 miles of an improved beach extending from the line of mean high tide into such tidal waters, unless the county commissioners of the county in which such beach is located shall have first duly approved the application for such permit by resolution.

(8) For the purposes of this section and law, an improved beach, situated outside of the corporate limits of any municipality or town, shall be and is hereby defined to be any beach adjacent to or abutting upon the tidal waters of the state and having not less than 10 hotels, apartment buildings, residences or other structures, used for residential purposes, on or to any given mile of such beach.

(9) Without exception, after July 1, 1989, no permit to drill a well in search of oil or gas shall be granted south of 26°00'00" north latitude off Florida's west coast and south of 27°00'00" north latitude off Florida's east coast, within the boundaries of Florida's territorial seas as defined in 43 U.S.C. 1301. After July 31, 1990, no permit to drill a well in search of oil or gas shall be granted north of 26°00'00" north latitude off Florida's west coast to the western boundary

of the state bordering Alabama as set forth in s. 1, Art. II of the State Constitution, or located north of 27°00'00" north latitude off Florida's east coast to the northern boundary of the state bordering Georgia as set forth in s. 1, Art. II of the State Constitution, within the boundaries of Florida's territorial seas as defined in 43 U.S.C. 1301.

**History.**—s. 18, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 68, ch. 79-65; s. 3, ch. 87-183; s. 6, ch. 89-175; s. 2, ch. 90-72; s. 8, ch. 91-286; s. 6, ch. 95-150; s. 10, ch. 2013-205.

**377.2407 Natural gas storage facility permit application to inject gas into and recover gas from a natural gas storage reservoir.**—

(1) Before drilling a well to inject gas into and recover gas from a natural gas storage reservoir, the person who desires to conduct such operation shall apply to the department in the manner described in this section using such form as the department may prescribe to obtain a natural gas storage facility permit. The department shall also require any applicant seeking to obtain such permit to pay a reasonable permit application fee. Such fee must be in an amount necessary to cover the costs associated with receiving, processing, issuing, and recertifying the permit application, and inspecting for compliance with the permit.

(2) Each application must contain:

(a) A detailed, three-dimensional description of the natural gas storage reservoir, including geologic-based descriptions of the reservoir boundaries, and the horizontal and vertical dimensions.

(b) A geographic description of the lateral storage reservoir boundary.

(c) A general description and location of all injection, recovery, withdrawal-only, and observation wells.

(d) A description of the reservoir protective area.

(e) Information demonstrating that the proposed natural gas storage reservoir is suitable for the storage and recovery of gas.

(f) Information identifying all reasonably known abandoned or active wells within the natural gas storage facility.

(g) A field-monitoring plan that requires, at a minimum, monthly field inspections of all wells that are part of the natural gas storage facility.

(h) A monitoring and testing plan for the well integrity.

(i) A well inspection plan that requires, at a minimum, the inspection of all wells that are part of the natural gas storage facility and plugged wells within the natural gas storage facility boundary.

(j) A spill prevention and response plan.

(k) A well spacing plan.

(l) An operating plan for the natural gas storage reservoir, which must include gas capacities, anticipated operating conditions, and maximum storage pressure.

(m) A gas migration response plan.

(n) A location plat and general facility map surveyed and prepared by a registered land surveyor licensed under chapter 472.

(3) The department may require the applicant to provide additional information that is deemed necessary to permit the development of the natural gas storage facility. Each well related to the natural gas storage facility shall be authorized and permitted individually upon the applicant's satisfying applicable well construction and operation criteria under this part; however, notwithstanding any other provision of this chapter, well spacing requirements do not apply.

**History.**—s. 11, ch. 2013-205.

**377.24075 Exemption from public records requirements.**— Proprietary business information held by the Department of Environmental Protection in accordance with its statutory duties with respect to an application for a natural gas storage facility permit is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(1) As used in this section, the term "proprietary business information" means information that:

(a) Is owned or controlled by the applicant or a person affiliated with the applicant.

(b) Is intended to be private and is treated by the applicant as private because disclosure would harm the applicant or the applicant's business operations.

(c) Has not been disclosed except as required by law or a private agreement that provides that the information will not be released to the public.

(d) Is not publicly available or otherwise readily ascertainable through proper means from another source in the same configuration as requested by the department.

(e) Includes, but is not limited to:

1. Trade secrets as defined in s. 688.002.

2. Leasing plans, real property acquisition plans, exploration budgets, or marketing studies, the disclosure of which would impair the efforts of the applicant or its affiliates to contract for goods or services or to acquire real property interests on favorable terms.

3. Competitive interests, which may include well design or completion plans, geological or engineering studies related to storage reservoir performance characteristics, or field utilization strategies or operating plans, the disclosure of which would impair the competitive business of the applicant providing the information.

(f) May be found in a document:

1. Filed with the department by the applicant or affiliated person seeking a natural gas storage facility permit pursuant to s. 377.2407; or

2. Sent to the department from another governmental entity for use by the department in the performance of its duties. This subparagraph applies only if the information is otherwise confidential or exempt as held by the governmental entity.

(2) The department may disclose confidential and exempt proprietary business information:

(a) Pursuant to a court order;

(b) If the applicant to which it pertains gives prior written consent; or

(c) To another governmental entity if the receiving entity agrees in writing to maintain the confidential and exempt status of the information and has verified in writing its legal authority to maintain such confidentiality.

(3) This section is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2018, unless reviewed and saved from repeal through reenactment by the Legislature.

**History.**—s. 1, ch. 2013-206.

#### **377.2408 Application to conduct geophysical operations.—**

(1) Before any geophysical operation in search of oil, gas, or minerals shall be conducted, the person desiring to conduct such operation shall make application to the department upon such forms as it may prescribe and shall pay a reasonable fee for processing.

(2) Each application shall contain a statement, in general terms, of the location in which such operation is intended to be conducted.

(3) Any information relating to the location of the operation and other information relating to leasing plans, exploration budgets, and other proprietary information that could provide an economic advantage to competitors shall be kept confidential by the department for 10 years and exempt from the provisions of s. 119.07(1), and shall not be released to the public without the consent of the person submitting the application.

**History.**—s. 2, ch. 80-283; s. 6, ch. 89-117; s. 311, ch. 94-356; s. 175, ch. 96-406.

#### **377.2409 Geophysical activities; confidential information; penalties.—**

(1) Whenever geophysical activities are conducted on state-owned mineral lands, the person conducting such activities shall furnish to the division, acting as agent of the owner of the minerals, upon written request, a copy of the noninterpreted information derived from the geophysical activities. Any information received hereunder by the division shall, upon request of the person conducting the geophysical activities, be held confidential for 10 years from the date of receipt by the division and shall be exempt from disclosure under any state statute, including, but not limited to, ss. 119.07(1) and 377.2424(3). For purposes of this section, state-owned mineral lands shall include mineral lands title to which is held by a water management district.

(2) Any person who willfully discloses for personal benefit or private gain information received by the division under this section and made confidential by this section, without the consent of the person furnishing the information, is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

**History.**—s. 2, ch. 87-183; s. 7, ch. 89-117; s. 4, ch. 91-114; s. 176, ch. 96-406.

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

(1) The nature, character and location of the lands involved; whether rural, such as farms, groves, or ranches, or urban property vacant or presently developed for residential or business purposes or are in such a location or of such a nature as to make such improvements and developments a probability in the near future.

(2) The nature, type and extent of ownership of the applicant, including such matters as the length of time the applicant has owned the rights claimed without having performed any of the exploratory operations so granted or authorized.

(3) The proven or indicated likelihood of the presence of oil, gas or related minerals in such quantities as to warrant the exploration and extraction of such products on a commercially profitable basis.

(4) For activities and operations concerning a natural gas storage facility, the nature, structure, and proposed use of the natural gas storage reservoir is suitable for the storage and recovery of gas without adverse effect to public health or safety or the environment.

**History.**—s. 1, ch. 61-299; ss. 25, 35, ch. 69-106; s. 12, ch. 2013-205.

**377.2411 Lawful right to drill, develop, or explore.**— Before applying for a drilling permit, the applicant or operator must acquire a lawful right to drill, explore, or develop from a majority of the mineral interests within a drilling unit. This acquired right may be in the form of mineral ownership, a lease, farmout, or any other legal instrument which conveys said mineral interest or the right to develop it to the applicant or operator.

(1)(a) Any operator who has obtained a permit to drill shall give written notice by certified mail, return receipt requested, of a proposal to drill a well to those mineral owners who would be deemed “notified owners” holding a minority interest within the drilling unit and who are:

1. Unleased mineral owners; or
2. Owners of mineral leases which have not entered into a farmout agreement or any other agreement to drill or produce a well with the operator.

(b) The notice shall include an offer by the operator to allow the notified owner to participate for its pro rata share of the costs and expenses of drilling the well, or to lease or farm out all of its right, title, and interest in the drilling unit to the applicant. In no instance shall the bonus and royalty amounts in the offer to lease from the notified owner be less than provided in s. 377.247(2).

(c) The notice must be given at least 60 days prior to the commencement of drilling of the well.

(2)(a) The notified owner must respond in writing within 30 days after receipt of said notice if the notified owner elects to lease, farm out, or participate in the well. All notified owners who fail to respond in writing to the applicant’s notice within 30 days after receipt of said notice shall be deemed to be a carried leasehold working interest owner or “carried owner.”

(b) A carried owner shall receive no revenue until the applicant and its joint working interest owners have been paid from the sale of production from the well an amount equal to 300 percent of the actual costs of drilling, developing, and producing the well.

(c) The applicant will provide to each of the carried owners an annual accounting of the amounts left to recover before such owner begins to receive revenues.

(d) This section shall not apply to state-owned minerals.

**History.**—s. 4, ch. 88-278; s. 2, ch. 94-193.

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

(1)(a) To issue permits for the drilling for, exploring for, or production of oil, gas, or other petroleum products which are to be extracted from below the surface of the land, including submerged land, only through the well hole drilled for oil, gas, and other petroleum products.

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

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

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

4. No structure intended for the drilling for, or production of, oil, gas, or other petroleum products may be permitted or constructed within 1 mile inland from the shoreline of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary or within 1 mile of any freshwater lake, river, or stream unless the department is satisfied that the natural resources of such bodies of water and shore areas of the state will be adequately protected in the event of accident or blowout.

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

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

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

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

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

Each permit shall contain an agreement by the permitholder that the permitholder will not prevent inspection by division personnel at any time. The provisions of this section prohibiting permits for drilling or exploring for oil in coastal waters do not apply to any leases entered into before June 7, 1991.

**History.**—s. 1, ch. 61-299; ss. 25, 35, ch. 69-106; s. 3, ch. 72-394; s. 69, ch. 79-65; s. 3, ch. 80-283; s. 2, ch. 83-176; s. 7, ch. 89-175; s. 3, ch. 90-72; s. 9, ch. 91-286; s. 75, ch. 96-323; s. 13, ch. 2013-205.

### **377.2421 Division to review federal applications.—**

(1) The division shall review all applications for federal oil leases in the territorial waters of the United States adjacent to Florida waters and shall signify its approval or objection to each application.

(2) The division shall maintain geologic data in the form of well records, logs, seismic records, reports, and other data from oil, gas, mineral, or other geologic exploration and production activity on federal lands, including offshore continental shelf submerged lands when available from the managing or permitting agency. These data shall be

subject to the same confidentiality requirements as that required by the federal agency and are exempt from the provisions of s. 119.07(1) to the extent necessary to meet the federal requirements.

**History.**—s. 4, ch. 72-394; s. 8, ch. 89-117; s. 177, ch. 96-406.

**377.2424 Conditions for granting permits for geophysical operations.**— Exploration for oil, gas, or minerals by means of geophysical activities shall be exercised only pursuant to permit issued by the department, upon the applicant's complying with the following conditions:

(1) The applicant must have legal permission, which can be in the form of a lease, written permission of an owner of the minerals, or an affidavit of the applicant affirming that he or she will obtain permission to explore through geophysical operations for oil, gas, or minerals underlying the lands.

(2) The applicant shall post a good and sufficient surety bond or other form of security with the department in such amount as the department may determine is adequate to protect areas upon which geophysical operations are conducted from failure by the applicant to restore the area to the general condition and the contour similar to that in existence prior to such operations. The bond shall contain reasonable standards and safeguards from which to determine whether any sum should be paid by the surety.

(3) The applicant shall contract with a person or persons, acceptable to the department, who are not regular employees of the applicant, whose duties shall be to accompany each geophysical crew utilizing explosives and to witness the location and depth of each seismic hole and the loading and detonation of all explosive charges in each hole, and who shall report to the supervisor of oil and gas, Bureau of Geology, on these activities. The department shall share geophysical permit information with a county or municipality upon request and may, on its own initiative, share such information with a county or municipality. The county or municipality shall maintain the confidential status of such information, as required by s. 377.2408(3), and such information shall be exempt from the provisions of s. 119.07(1). However, in order to avoid unnecessary duplication, no county, municipality, or other political subdivision of the state may adopt or establish programs to accomplish the purposes of this section.

**History.**—s. 4, ch. 80-283; s. 1, ch. 86-34; s. 4, ch. 87-183; s. 2, ch. 88-278; s. 9, ch. 89-117; s. 622, ch. 95-148; s. 178, ch. 96-406.

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

(1) Prior to granting a permit to conduct geophysical operations; drilling of exploratory, injection, or production wells; producing oil and gas from a wellhead; or transporting oil and gas through a field-gathering system, the department shall require the applicant or operator to provide surety that these operations will be conducted in a safe and environmentally compatible manner.

(a) The applicant for a drilling, production, or injection well permit or a geophysical permit may provide the following types of surety to the department for this purpose:

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

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

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

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

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

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

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

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

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

(2) The department shall establish by rule reasonable standards and procedures to determine the circumstances in which execution shall be made against any surety provided under this section.

(a) Such standards and procedures must provide a reasonable opportunity for a permittee to correct to the satisfaction of the department any safety or environmental performance violation arising out of the permitted activity before execution is made against any surety provided under this section.

(b) If there is an unresolved violation of a department rule or permit for which the department has issued a notice of violation and order for corrective action, no further surety under this section shall be allowed the permittee except by special consideration of the Governor and Cabinet.

**History.**—s. 3, ch. 88-278; s. 3, ch. 89-358; s. 312, ch. 94-356; s. 54, ch. 96-321; s. 1, ch. 97-49; s. 399, ch. 2003-261.

**377.2426 Abandonment of geophysical holes.**— Each hole drilled as part of permitted geophysical operations shall be plugged promptly in the manner prescribed by the department.

**History.**—s. 4, ch. 80-283.

**377.243 Conditions for granting permits for extraction through well holes.**—

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

(2) As a condition precedent to the issuance or renewal of a permit, the division shall require satisfactory evidence that the applicant has implemented, or is in the process of implementing, programs for control of pollution related to oil, petroleum products or their byproducts, and other pollutants and the abatement thereof when a discharge occurs.

**History.**—s. 1, ch. 61-299; ss. 25, 35, ch. 69-106; s. 5, ch. 72-394; s. 70, ch. 79-65.

**377.2431 Conditions for granting permits for natural gas storage facilities.**—

(1) A natural gas storage facility permit shall authorize the construction and operation of a natural gas storage facility and must be issued for the life of the facility, subject to recertification every 10 years.

(2) Before issuing or recertifying a permit, the department shall require satisfactory evidence of the following:

(a) The applicant has implemented, or is in the process of implementing, programs for the control and mitigation of pollution related to oil, petroleum products or their byproducts, and other pollutants.

(b) The applicant or operator has acquired a lawful right to drill, explore, or develop a natural gas storage reservoir from owners of at least 75 percent of the storage rights within the natural gas storage reservoir; or the applicant or operator has obtained a certificate of public convenience and necessity for the natural gas storage reservoir from the Federal Energy Regulatory Commission pursuant to the Natural Gas Act, 15 U.S.C. ss. 717 et seq.

(c) The applicant has used all reasonable means to identify known wells that have been drilled into or through the natural gas storage reservoir or the reservoir protective area to determine the status of the wells and whether inactive or abandoned wells have been properly plugged. For any well that has not been properly plugged, before conducting injection operations and after issuance of the permit, the applicant must plug or recondition the well to ensure the integrity of the storage reservoir or the reservoir protective area.

(d) The applicant has tested the quality of water produced by all water supply wells within the lateral boundary of the natural gas storage facility and complied with all requirements under s. 377.2432. The applicant shall provide to the department and the owner of the water supply well a written copy of the water quality data collected under this paragraph.

(e) A determination has been made whether native gas or oil will be severed from below the soil or water of this state in the recovery of injected gas. If native gas or oil will be severed, the applicant or operator must acquire a lawful right to develop the native gas or oil before injecting gas into the natural gas storage reservoir.

(3) The applicant shall maintain records of well pressures recorded monthly, and monthly volumes of gas injected into and withdrawn from the reservoir. These records shall be maintained at the natural gas storage facility and shall be made available for inspection by the department at any reasonable time.

(4)(a) The maximum storage pressure for a natural gas storage reservoir shall be the highest shut-in bottom hole pressure found to exist during the production history of the reservoir, unless a higher pressure is established by the department based on testing of caprock and pool containment. The methods used for determining the higher pressure must be approved by the department.

(b) If the shut-in bottom hole pressure of the original discovery or of the highest production is not known, or a higher pressure has not been established through a method approved by the department pursuant to paragraph (a), the maximum storage reservoir pressure must be limited to a freshwater hydrostatic gradient.

(5) A permit may not be issued for a natural gas storage facility that includes a natural gas storage reservoir located beneath an underground source of drinking water unless the applicant demonstrates that the injection, storage, or recovery of natural gas will not cause or allow natural gas to migrate into the underground source of drinking water; in any offshore location in the Gulf of Mexico, the Straits of Florida, or the Atlantic Ocean; or in any solution-mined cavern within a salt formation.

(6) A natural gas storage facility permit issued by the department must contain a condition that requires the permittee to obtain the lawful right to develop a natural gas storage reservoir from the owners of 100 percent of the storage rights within the natural gas storage reservoir.

**History.**—s. 14, ch. 2013-205.

### **377.2432 Natural gas storage facilities; protection of water supplies.—**

(1) An operator of a natural gas storage facility who affects a public or private underground water supply by pollution or diminution shall restore or replace the affected supply with an alternate source of water adequate in quantity and quality for the purposes served by the supply. The department shall ensure that the quality of restored or replaced water is comparable to the quality of the water before it was affected by the operator.

(2) Unless rebutted by a defense established in subsection (4), a natural gas storage facility operator is presumed responsible for pollution of an underground water supply if:

(a) The water supply is within the lateral boundary of the natural gas storage facility; and

(b) The pollution occurred within 6 months after completion of drilling or alteration of any well under or associated with the natural gas storage facility permit or the initial injection of gas into the natural gas storage reservoir, whichever is later.

(3) If the affected underground water supply is within the rebuttable presumption area as provided in subsection (2) and the rebuttable presumption applies, the natural gas storage facility operator shall provide a temporary water supply if the water user is without a readily available alternative source of water at no cost to the owner or user of the affected water supply. The temporary water supply provided under this subsection must be adequate in quantity and quality for the purposes served by the affected supply.

(4) A natural gas storage facility operator rebuts the presumption in subsection (2) by affirmatively proving any of the following:

(a) The pollution existed before the drilling or alteration activity as determined by a predrilling or prealteration survey.

(b) The landowner or water purveyor refused to allow the operator access to conduct a predrilling or prealteration survey.

(c) The water supply well is not within the lateral boundary of the natural gas storage facility.

(d) The pollution occurred more than 6 months after completion of drilling or alteration of any well under or associated with the natural gas storage facility permit.

(e) The pollution occurred as the result of a cause other than activities authorized under the natural gas storage facility permit.

(5) A natural gas storage facility operator electing to preserve a defense under subsection (4) must retain an independent certified laboratory to conduct a predrilling or prealteration survey of the water supply. A copy of survey results must be submitted to the department and the landowner or water purveyor in the manner prescribed by the department.

(6) A natural gas storage facility operator must provide written notice to the landowner or water purveyor indicating that the presumption established under subsection (2) may be void if the landowner or water purveyor refused to allow the operator access to conduct a predrilling or prealteration survey. Proof of written notice to the landowner or water purveyor must be provided to the department in order for the operator to retain the protections under subsection (4).

(7) This section does not prevent a landowner or water purveyor who claims pollution or diminution of a water supply from seeking any other remedy at law or in equity.

**History.**—s. 15, ch. 2013-205.

### **377.2433 Protection of natural gas storage facilities; remedies.—**

(1) The department may not authorize the drilling of any well into or through a permitted natural gas storage reservoir or reservoir protective area, except upon conditions deemed by the department to be sufficient to prevent the loss, migration, or escape of gas from the natural gas storage reservoir. The department shall provide written notice to the natural gas storage facility operator of any application filed with the department and any agency action taken related to drilling a well into or through a permitted natural gas storage facility boundary or reservoir protective area.

(2) As a condition for the issuance of a permit by the department, an applicant seeking to drill a well into or through a permitted natural gas storage facility boundary or reservoir protective area must provide the affected natural gas storage facility operator a reasonable right of entry to observe and monitor all drilling activities.

(3) The department shall require by permit condition that any well drilled into or through a permitted natural gas storage reservoir or reservoir protective area is cased and cemented in a manner sufficient to protect the integrity of the natural gas storage reservoir.

**History.**—s. 16, ch. 2013-205.

### **377.2434 Property rights to injected natural gas.—**

(1) All natural gas that has previously been reduced to possession and that is subsequently injected into a natural gas storage facility is at all times the property of the injector or the injector's heirs, successors, or assigns, whether owned by the injector or stored under contract.

(2) Such gas may not be subject to the right of the owner of the surface of the lands or of any mineral interest therein, under which the natural gas storage facilities lie, or to the right of any person, other than the injector or the injector's heirs, successors, or assigns, to waste or otherwise interfere with or exercise control over such gas, to produce, to take, or to reduce to possession, by means of the law of capture or otherwise. This subsection does not affect the ownership of hydrocarbons occurring naturally within this state or the right of the owner of the surface of the lands or of any mineral interest therein to drill or bore through the natural gas storage facilities in a manner that will protect the facilities against pollution or the escape of stored natural gas.

(3) With regard to natural gas that has migrated to adjoining property or to a stratum, or portion thereof, which has not been condemned or otherwise purchased:

(a) The injector or the injector's heirs, successors, or assigns:

1. May not lose title to or possession of the gas if the injector or the injector's heirs, successors, or assigns can prove by a preponderance of the evidence that the gas was originally injected into the underground storage; and

2. Have the right to conduct tests on any existing wells on adjoining property as may be reasonable to determine ownership of the gas, but the tests are solely at the injector's risk and expense.

(b) The owner of the stratum and the owner of the surface are entitled to compensation, including compensation for use of or damage to the surface or substratum, as provided by law.

**History.**—s. 17, ch. 2013-205.

**377.2435 Rule adoption relating to natural gas storage.**— The Department of Environmental Protection shall adopt rules relating to natural gas storage before issuing a natural gas storage facility permit.

**History.**—s. 25, ch. 2013-205.

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

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

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

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

(2) The provisions of this act shall not apply to the exploration and removal from lands of peat, muck, marl, limestone, limerock, kaolin, fuller's earth, phosphate, common clays, gravel, shell, sand, and similar substances, it being the legislative determination that the mining and extraction operations, and the grants of authority under which these activities are conducted for said substances exempted from the provisions of this act, are dissimilar from the exploratory and extraction operations and the grants of authority under which these activities are conducted for substances which come within the purview of the regulatory provisions of this act.

**History.**—s. 1, ch. 61-299; ss. 25, 35, ch. 69-106; s. 71, ch. 79-65.

**377.245 Provision for distribution of earnings to lessees or owners of the fractional undivided mineral rights not owned by applicant for permit under ss. 377.243 and 377.244.**— Lessees or owners of the fractional undivided oil, gas or other mineral rights in lands described in permits issued under the provisions of ss. 377.243 and 377.244, not owned by the applicant named in said permits, shall, as to all productive wells or surface mineral operations on said lands, be entitled to and be paid their pro rata part of the earnings after costs of exploration and operation have been allocated. The division shall prescribe such reasonable and appropriate rules and regulations as shall be deemed necessary and proper to implement the provisions of this section and all other sections of this act.

**History.**—s. 1, ch. 61-299; ss. 25, 35, ch. 69-106.

**377.247 Designation and distribution of earnings owed to owners of mineral rights who are unknown or unlocated.**—

(1) In the event that the operator of a well cannot locate the owner of a minority mineral interest within a drilling unit or the identity of the minority mineral interest owner remains unknown to the operator after reasonable and

diligent attempts to locate said owner, the operator may request that the department act in a receivership capacity for these rights. These rights shall be administratively assigned to the operator and designated as "leased to the operator" by an oil and gas order of the department for the economic life of the well after satisfying the following conditions:

- (a) The oil and gas administrator has been provided a legal description and a current title opinion for the mineral rights or interests at issue.
  - (b) The operator has attempted to locate the owner of the mineral rights and has provided the oil and gas administrator documentation that the attempt was in a diligent manner. For purposes of this subsection, a diligent attempt to notify shall be an attempt to contact the owner by registered mail at the owner's last known address.
  - (c) The oil and gas administrator has prepared and the department has adopted an order that describes: the mineral interest, the record of the attempt to locate the owner, the pro rata share of the earnings from the well owed to this mineral owner, and the method by which the pro rata share was determined. The order shall designate the operator as "lessee" for revenue and accounting purposes. The order shall remain in effect for the economic life of the well but must contain a provision that allows for direct payment by the operator to the mineral owner of the pro rata share in the event that the mineral owner is identified. A single order issued by the department may apply to one or more unknown or unlocated mineral owners in a single unit or more than one unit in a single field.
  - (d) The department has established an accounting procedure so that funds can be allocated to mineral rights parcels owned by unknown or unlocated persons within the drilling unit.
  - (e) The operator has deposited a sum equal to the bonus determined in paragraph (2)(a) into the Minerals Trust Fund.
  - (f) The operator has filed the order as a public record in the county where the unit is located.
  - (g) The operator has paid a filing fee equivalent to the application fee for a permit to drill an oil and gas well.
- (2) The pro rata share due the unknown or unlocated mineral owner shall be the total of the bonus and royalty amounts designated by the oil and gas administrator as established in the following manner:
- (a) The amount of \$25 per acre shall be paid as a one-time, per-acre bonus providing that from October 1, 1994, this figure shall be increased annually by a percentage equal to the increase in the cost-of-living index published by the United States Department of Commerce.
  - (b) The amount of royalty shall be the value of one-eighth of the produced oil and gas for the unit.
- (3) Once the department has issued the order and on an annual basis, within 30 days after the anniversary date of the order, the operator shall forward funds to the oil and gas administrator in the amount of the pro rata share of royalty identified as belonging to an unknown or unlocated mineral owner. The operator may elect to pay these funds in a lump sum, annually, for one or more drilling units so long as they are accompanied by an accounting for each entity as established under paragraph (1)(d). The funds shall be deposited in the Minerals Trust Fund on account for and on behalf of the unknown or unlocated mineral owner. The department shall require an annual statement from an independent certified public accountant verifying the accuracy of the royalty accounting. Annually, the oil and gas administrator shall cause to have published at the expense of the operator a notice of the value of pro rata shares on deposit in the Minerals Trust Fund for all unknown or unlocated mineral owners in a newspaper of record for the county in which the producing unit is located. The published notice shall provide any information that would help to identify or locate the owner. The royalties shall continue to be sent to the oil and gas administrator for the economic life of the well unless the owner is identified.
- (4) Should a previously unidentified or unknown person come forward to claim a pro rata share, the department shall disburse the amount of principal and interest on account after verification of the authenticity of the claim. The name of the person shall then be given to the operator so that continuing royalty payments can be made directly to the person through the remaining economic life of the well.
- (5) Upon issuance of the order, the operator who is now administratively designated as "lessee" shall be entitled to seven-eighths of the value of the produced minerals, and the unknown or unlocated owner shall be entitled to the pro rata share of the one-eighth of the value of the produced minerals for the economic life of the well. The operator is prohibited from causing any tax lien on the mineral rights by operator's failure to pay applicable state and county taxes.

(6) If the funds on deposit remain unclaimed, after a period of 5 years from the date of first production from the well, the funds are presumed abandoned and shall be disposed of pursuant to chapter 717.

(7) For purposes of this section, the term "unit" shall also mean "unit operation" as used in s. 377.28.

**History.**—s. 3, ch. 94-193; s. 55, ch. 96-321.

**377.25 Production pools; drilling units.—**

(1) No rule, regulation or order of the division shall be such in terms or effect:

(a) That it shall be necessary at any time for the producer from, or the owner of, a tract of land in the pool, in order that he or she may obtain such tract's just and equitable share of the production of such pool, as such share is set forth in this section, to drill and operate any well or wells on such tract in addition to such well or wells as can without waste produce such share, or

(b) As to occasion net drainage from a tract, unless there be drilled and operated upon such tract a well or wells in addition to such well or wells thereon as can without waste produce such tract's just and equitable share, as set forth in this section, of the production of such pool.

(2) For the prevention of waste and to avoid the augmenting and accumulation of risks arising from the drilling of an excessive number of wells, the board shall establish a drilling unit or units for each pool. A drilling unit, as contemplated herein, means the maximum area in a pool which may be efficiently and economically drained by one well, and such unit shall constitute a developed area as long as a well is located thereon which is capable of producing oil or gas in paying quantities.

(3) Each well permitted to be drilled upon any drilling unit shall be drilled approximately in the center thereof, with such exception as may be reasonably necessary where the division finds that the unit is partly outside the pool or, for some other reason, a well approximately in the center of the unit would be nonproductive or where topographical conditions are such as to make the drilling approximately in the center of the unit unduly burdensome or where the operator proposes to complete the well with a horizontal or nearly horizontal well in the producing zone. Whenever an exception is granted, the division shall take such action as will offset any advantage which the person securing the exception may have over other producers by reason of the drilling of the well as an exception, and so that drainage from developed units to the tract, with respect to which the exception is granted, will be prevented or minimized, and the producer of the well drilled, as an exception, will be allowed to produce no more than his or her just and equitable share of the oil and gas in the pool, as such share is set forth in this section. This subsection does not apply to wells associated with a natural gas storage facility.

(4) Subject to the reasonable requirements for prevention of waste, a producer's just and equitable share of the oil and gas in the pool, also sometimes referred to as a tract's just and equitable share, is that part of the authorized production for the pool, whether it be the total which could be produced without any restriction on the amount of production, or whether it be an amount less than that which the pool could produce if no restriction on amount were imposed, which is substantially in the proportion that the quantity of recoverable oil and gas in the developed area of his or her tract or tracts in the pool bears to the recoverable oil and gas in the total developed area of the pool, insofar as these amounts can be practically ascertained; and, to that end, the rules, regulations, permits, and orders of the division shall be such as will prevent or minimize reasonably avoidable net drainage from each developed unit, that is, drainage which is not equalized by counterdrainage, and will give to each producer the opportunity to use his or her just and equitable share of the reservoir energy.

**History.**—s. 19, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 23, ch. 78-95; s. 623, ch. 95-148; s. 76, ch. 96-323; s. 18, ch. 2013-205.

**377.26 Location of wells.—**Whenever the division fixes the location of any well or wells on the surface, the point at which the maximum penetration of such well into the producing formation is reached shall not unreasonably vary from the vertical drawn from the center of the hole at the surface; provided, that the division shall prescribe rules, regulations and orders governing the reasonableness of such variation, and shall take into account technological advances in drilling and production technology, including, but not limited to, horizontal well completions in the producing formation using directional drilling methods.

**History.**—s. 20, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 77, ch. 96-323.

### **377.27 Drilling units.—**

(1) When two or more separately owned tracts of land are embraced within an established drilling unit, the owners thereof may validly agree to integrate their interest and to develop their lands as a drilling unit. Where, however, such owners have not agreed to integrate their interests, the division shall, for the prevention of waste and to avoid the risks involved in the drilling of unnecessary wells, require such owners to do so and to develop their lands as a drilling unit.

(2) Should the owners of separate tracts embraced within a drilling unit fail to agree upon the integration of the tracts and the drilling of a well on the unit, and should it be established that the division is without authority to require integration as provided for in subsection (1), then, subject to all other applicable provisions of this law, the owners of each tract embraced within the drilling unit may drill on their respective tracts; but the allowable production therefrom shall be such proportion of the allowable for the full drilling unit as the area of such separately owned tract bears to the full drilling unit.

(3) The department may allow a person who is an applicant for a drilling permit in areas lacking adequate governmental survey control to define a proposed drilling unit using latitude and longitude coordinates determined from global positioning satellites and instrument systems, if at least one permanent reference monument is installed within each proposed unit. In the event of a new field discovery, the latitude and longitude coordinates of the permanent monument shall be referenced to established governmental section corners which may exist within the field. Permanent monuments installed pursuant to this section shall be protected and maintained by the operator for the life of the field.

**History.**—s. 21, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 78, ch. 96-323.

### **377.28 Cycling, pooling, and unitization of oil and gas.—**

(1) The department may consider the need for the operation as a unit of an entire field, or of any pool or pools, portion or portions, or combinations thereof within a field, for the production of oil or gas, or both, and other minerals which may be associated and produced therewith, in order to avoid the drilling of unnecessary wells, otherwise to prevent waste, or to increase the ultimate recovery of the unitized minerals by additional recovery methods.

(2) The department shall issue an order requiring unit operation if it finds that:

(a) Unit operation of the field, or of any pool or pools, portion or portions, or combinations thereof within the field, is reasonably necessary to prevent waste, to avoid the drilling of unnecessary wells, or to increase the ultimate recovery of oil or gas by additional recovery methods;

(b) The estimated additional cost incident to the conduct of such operation will not exceed the value of the estimated additional recovery of oil or gas; and

(c) The additional recovery of oil or gas does not adversely interfere with the storage or recovery of natural gas within a natural gas storage reservoir.

The phrase “additional recovery methods” as used herein includes, but is not limited to, the maintenance or partial maintenance of reservoir pressures; recycling; flooding a pool or pools, or parts thereof, with air, gas, water, liquid hydrocarbons, any other substance, or any combination thereof; or any other method of producing additional hydrocarbons approved by the department.

(3) The order shall be fair and reasonable under all the circumstances, shall protect the rights of interested parties, and shall include:

(a) A description of the area embraced, termed the “unit area” and a description of the pool or pools, or portions thereof, affected and lying within the unit area.

(b) A statement of the nature of the operations contemplated.

(c) A method of allocation among the separately owned tracts in the unit area of all the oil or gas, or both, produced from the unit pool within the unit area and not required in the conduct of such operation or unavoidably lost, such method of allocation to be on a formula that is fair and equitable and that will protect the correlative rights of all interested parties.

(d) A provision for adjustment among the owners of the unit area (not including royalty owners) of their respective investments in wells, tanks, pumps, machinery, materials, equipment, and other things and services of value attributable to the unit operations. The amount to be charged unit operations for any such item shall be determined by the owners of the unit area (not including royalty owners). However, if said owners of the unit area are unable to agree upon the amount of such charges or upon the correctness thereof, the department shall determine the amount. The net amount charged against the owners of a separately owned tract shall be considered expense of unit operation chargeable against such tract. The adjustment provided for herein may be treated separately and handled by agreements separate from the unitization agreement.

(e) A provision that the costs and expenses of unit operation, including investment, past and prospective, be charged to the separately owned tracts in the same proportions that such tracts share in unit production. The expenses chargeable to a tract shall be paid by the person not entitled to share in production free of operating costs and who, in the absence of unit operation, would be responsible for the expense of developing and operating such tracts, and such person's interest in the separately owned tract shall be primarily responsible therefor. The obligation or liability of such persons in the several, separately owned tracts for the payment of unit expense shall at all times be several, and not joint or collective. The unit operator shall have a first and prior lien upon:

1. The leasehold estate, exclusive of the royalty interest provided thereby, and upon unleased oil and gas rights, exclusive of one-eighth interest therein, in and to each separately owned tract; and

2. The interest of the owners thereof in and to the unit production and all equipment in possession of the unit, to secure the payment of the amount of the unit expense charged to and assessed against such separately owned tract.

(f) The designation of, or a provision for the selection of, a unit operator. The conduct of all unit operations by the unit operator and the selection of a successor to the unit operator shall be governed by the terms and provisions of the unitization agreements.

(g) A provision that when the full amount of any charge made against any interest in a separately owned tract is not paid when due by the person or persons primarily responsible therefor, then all of the oil and gas production allocated to the interest in default in such separately owned tract, upon which operator has a lien, may be appropriated by the unit operator and marketed and sold for the payment of such charge, together with interest at a rate of 6 percent per annum. The remaining portion of the unit production, or the proceeds derived therefrom, allocated to each separately owned tract shall in all events be regarded as royalty to be paid to the owners, free and clear of all unit expense and free and clear of any lien therefor. The owner of any overriding royalty, oil and gas payment, or other interest who is not primarily responsible for the unpaid obligation shall, to the extent of any payment or deduction from his or her share, be subrogated to all the rights of the unit operator with respect to the interest or interests primarily responsible for such payment. Any surplus received by the operator from any such sale of production shall be credited to the person or persons from whom it was deducted, in the proportion of their respective interest.

(h) The time the unit operation shall become effective and the manner in which, and the circumstances under which, the unit operation shall terminate.

(4) An order requiring unit operation shall not become effective unless and until:

- (a) A contract incorporating the unitization agreement has been signed or ratified or approved in writing by the owners of at least 75 percent in interest as costs are shared under the terms of the order and by 75 percent in interest as production is to be allocated to the royalty owners in the unit area. If any entity owns both royalty interests and interests responsible for costs, such party may vote as an owner responsible for costs or as a royalty owner, at his or her election, but not as both, and the entity's interest that is not voted shall be excluded in calculating the percentages of consent and nonconsent.

- (b) A contract incorporating the required arrangements for operations has been signed or ratified or approved in writing by the owners of at least 75 percent in interest as costs are shared,

and the department has made a finding to that effect either in the order or in a supplemental order. Both contracts may be encompassed in a single document. In the event the required percentage interests have not signed, ratified, or

approved the said agreements within 6 months after the date of such order, or within such extended period as the department may prescribe, it shall be automatically revoked.

(5)(a) The department, by entry of new or amending orders, may from time to time add to unit operations portions of pools not theretofore included, may add to unit operations new pools or portions thereof, and may extend the unit area as required. Any such order, in providing for allocation of production from a unitized zone of the unit area, shall first allocate to such pool or pools or portion thereof so added a portion of the total production of oil or gas, or both, from all pools affected within the unit area, as enlarged, and not required in the conduct of unit operations or unavoidably lost; such allocation to be based on a formula for sharing that is considered to treat each tract and each owner fairly and equitably during the remaining course of unit operations. The production so allocated to such added pool or pools or portions thereof shall be allocated to the separately owned tracts which participate in such production on a fair and equitable basis. The remaining portion of unit production shall be allocated among the separately owned tracts within the previously established unit area in the same proportions as those specified prior to the enlargement unless such proportions are shown to be erroneous by data developed subsequent to the former determination, in which event the errors shall be corrected. Orders promulgated under this section shall become operative at 7 a.m. on the first day of the month next following the day on which the order becomes effective.

(b) An order promulgated by the department shall not become effective unless and until:

1. All of the terms and provisions of the unitization agreement relating to the extension or enlargement of the unit area or to the addition of pools or portions thereof to unit operations have been fulfilled and satisfied and evidence thereof has been submitted to the department.

2. The extension or addition effected by such order has been agreed to in writing by the owners of at least 75 percent in interest as costs are shared in the area or pools or portions thereof to be added to the unit operation by such order and by 75 percent in interest as production is to be allocated to the royalty owners in the area or pools or portions thereof to be added to the unit operations by such order and evidence thereof has been submitted to the department. If any entity owns both royalty interests and interests responsible for costs, such party may vote as an owner responsible for costs or as a royalty owner, at his or her election, but not as both, and the entity's interest that is not voted shall be excluded in calculating the percentages of consent and nonconsent.

In the event both of the requirements specified in subparagraphs 1. and 2. are not fulfilled within 6 months after the date of such order, or within such extended period as the department may prescribe, it shall be automatically revoked.

(6) When the contribution of a separately owned tract with respect to any unit pool has been established, such contribution shall not be subsequently altered except to correct a mathematical or clerical error that caused the tract contribution to be erroneous, unless an enlargement of the unit is effected. No change or correction of the contribution of any separately owned tract shall be given retroactive effect, but appropriate adjustment shall be made for the investment charges as provided in this section.

(7) The portion of unit production allocated to a separately owned tract within the unit area shall be deemed, for all purposes, to have been actually produced from such tract, and operations with respect to any unit pool within the unit area shall be deemed, for all purposes, to be the conduct of operations for the production of oil or gas, or both, from each separately owned tract in the unit area.

(8) Subsections (1)-(7) shall apply only to field or pool units, and shall not apply to the unitization of interests within an individual drilling unit.

(9) All orders requiring integration, pooling, cycling, repressuring pressure maintenance, or secondary recovery operations shall be upon terms and conditions that are just and reasonable, will afford to the owner of each tract the opportunity to recover his or her just and equitable share of the oil and gas in the pool without unnecessary expense, and, as to individual drilling units, will prevent or minimize reasonably avoidable drainage from each unit which is not equalized by counterdrainage. The portion of the production allocated to the owner of each tract included in unit operation formed by a unit operation order shall, when produced, be considered as if it had been produced from such tract by a well drilled thereon. In the event such integration or pooling is required, the operator designated by the department to develop and operate the unit operation shall have the right to charge against each other owner's interest

in the production from the wells drilled by such designated operator the actual expenditures required for such purpose, not in excess of what are reasonable, including a reasonable charge for supervision, and the operator shall have the right to receive the first production from such wells drilled by him or her thereon which otherwise would be delivered or paid to the other parties jointly interested in the drilling of the well so that the amount due by each of them for his or her share of the expense of drilling, equipping, and operating the well may be paid to the operator of the well out of production, with the value of production calculated at the market price in the field at the time such production is received by the operator or placed to his or her credit. In the event of any dispute relative to such costs, the division shall determine the proper cost. In the event a dry hole should be drilled on an individual drilling unit, no liability for any part of the cost of drilling said well shall attach to any person or persons by reason of the unit operation order of the department.

**History.**—s. 22, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 1, ch. 74-316; s. 1, ch. 77-174; s. 23, ch. 78-95; s. 313, ch. 94-356; s. 1022, ch. 95-148; s. 19, ch. 2013-205.

**377.29 Agreements in interest of conservation.**— Agreements made in the interest of conservation of oil or gas, or both, or for the prevention of waste, between and among owners and operators, or both, owning separate holdings in the same oil or gas pool, or in any area that appears from geological or other data to be underlaid, by a common accumulation of oil or gas, or both, or between and among such owners or operators, or both, and royalty owners therein, of the pool or area, or any part thereof, as a unit for establishing and carrying out a plan for the cooperative development and operation thereof, when such agreements are approved by the division, are hereby authorized and shall not be held or construed to violate any of the statutes of this state relating to trusts, monopolies, or contracts and combinations in restraint of trade.

**History.**—s. 23, ch. 22819, 1945; ss. 25, 35, ch. 69-106.

**377.30 Limitation on amount of oil or gas taken.**—

(1) Whenever the total amount of oil or gas which all the pools in the state can produce exceeds the amount reasonably required to meet the reasonable market demand for oil or gas in this state, then the division shall limit the total amount of oil or gas which may be produced in the state by fixing an allowable for the state among the pools on a reasonable basis and in such a manner as to avoid undue discrimination, and so that waste will be prevented. In allocating the allowable for the state, and in fixing allowable for pools producing oil or gas, the division shall take into account the producing conditions and other relevant facts with respect to such pools, including the separate needs for oil and gas and shall formulate rules setting forth standards or a program for the distribution of the allowable for the state, and shall distribute the allowable for the state in accordance with such standards or program, and where conditions in one pool or area are substantially similar to those in another pool or area, then the same standards or program shall be applied to such pools and areas so that as far as practicable a uniform program will be followed; provided, however, the division shall permit the production of a sufficient amount of natural gas from any pool to supply adequately the reasonable market demand for such gas for light and fuel purposes if such production can be obtained without waste; and provided, further, that if the amount allocated to a pool as its share of the allowable for the state is in excess of the amount which the pool should produce to prevent waste, then the division shall fix the allowable for the pool so that waste will be prevented.

(2) Whenever the division limits the total amount of oil or gas which may be produced in any pool in this state to an amount less than that amount which the pool could produce if no restriction were imposed, which limitation may be imposed either incidentally to, or without, a limitation of the total amount of oil or gas which may be produced in the state, the division shall prorate or distribute the allowable production among the producers in the pool on a reasonable basis so as to prevent or minimize reasonably avoidable drainage from each developed unit which is not equalized by counterdrainage, and so that each producer will have the opportunity to produce or receive his or her just and equitable share, as above set forth, subject to the reasonable requirement for the prevention of waste.

(3) After the effective date of any rule, regulation or order of the division fixing the allowable production of oil or gas, or both, for any pool, no person shall produce from any well, lease or property more than the allowable

production which is applicable, nor shall such amount be produced in a different manner than that which may be authorized.

(4) This section does not apply to nonnative gas recovered from a permitted natural gas storage facility.

**History.**—s. 24, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 624, ch. 95-148; s. 20, ch. 2013-205.

**377.31 Evidence of rules and orders.**— A certified copy of any division rule, regulation, or order shall be received in evidence in all courts of this state with the same effect as the original thereof.

**History.**—s. 25, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 23, ch. 78-95.

**377.32 Issuance of subpoenas; service, etc.**—

(1) The division is hereby empowered to issue subpoenas for witnesses, to require their attendance and the giving of testimony before it, and to require the production of books, papers, and records in any proceeding before the division as may be material upon questions lawfully before the division. Such subpoenas shall be served by the sheriff or any other officer authorized by law to serve process in this state. No person shall be excused from attending and testifying, or from producing books, papers, and records before the division or a court, or from obedience to the subpoena of the division or a court, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate him or her or subject him or her to a penalty or forfeiture; provided, that nothing herein contained shall be construed as requiring any person to produce any books, papers, or records, or to testify in response to any inquiry not pertinent to some question lawfully before the division or court for determination. No natural person shall be subjected to criminal prosecution or to any penalty or forfeiture for, or on account of, any transaction, matter, or thing concerning which he or she may be required to testify or produce evidence, documentary or otherwise, before the division or court, or in obedience to its subpoena; provided, that no person testifying shall be exempted from prosecution and punishment for perjury committed in so testifying.

(2) In case of failure or refusal on the part of any person to comply with any subpoena issued by the division, or, in case of the refusal of any witness to testify or answer as to any matter regarding which he or she may be lawfully interrogated, any circuit court in this state, on the application of the division, may issue an attachment for such person and compel him or her to comply with such subpoena and to attend before the division and produce such documents, and give his or her testimony upon such matters as may be lawfully required, and such court shall have the power to punish for contempt as in case of disobedience of like subpoena issued by or from such court, or for refusal to testify therein.

**History.**—s. 26, ch. 22819, 1945; s. 23, ch. 29737, 1955; ss. 25, 35, ch. 69-106; s. 625, ch. 95-148.

**377.33 Injunctions against division.**—

(1) Any interested person adversely affected by any statute of this state with respect to conservation of oil or gas, or both, or by provisions of this law may seek relief by a suit for injunction against the division, as defendant, or the members thereof by suit in the chancery court in the county or counties wherein the property involved is situated, or in the chancery court of Leon County. Such suit shall have precedence over all other causes, proceedings, or suits on the docket of a different nature, and the attorney representing the division may have the case set for trial after 10 days' notice to the plaintiff or his or her attorney. Such trial shall be *de novo*, and the burden of proof shall be upon the plaintiff. The statute or provision of this law complained of shall be taken as *prima facie* valid, and such presumption shall not be overcome, in connection with any application for injunctive relief, including temporary restraining order, by verified complaint or affidavit of, or in behalf of, the applicant.

(2) No temporary restraining order or injunction shall be granted against the division or against its attorneys, agents, employees, or representatives restraining the attorneys, agents, employees, or representatives from enforcing any statute of this state relating to conservation of oil or gas, or any of the provisions of this law, except after due notice, served upon the executive director of the department, and after a hearing at which it shall be shown to the court by legal evidence that the act done or threatened is without sanction of law or that the provisions of this law are invalid or unreasonable and, if enforced against the complaining party, will cause an irreparable injury. If the division shall so request at such hearing, it shall be entitled to a trial on the merits within 10 days after the granting of any

temporary order, and, if the plaintiff is not ready for trial at such time, the court shall be authorized to dissolve the temporary restraining order.

(3) No temporary injunction of any kind against the division, or against its attorneys, agents, employees, or representatives, shall become effective until the plaintiff shall execute a bond in the amount and upon the conditions the court directs. The bond shall be made payable to the Governor and his or her successors in office, shall be approved by the court or clerk, and shall be for the use and benefit of all persons who may be injured by the acts done under the protection of the injunction.

**History.**—ss. 27-29, ch. 22819, 1945; s. 10, ch. 26484, 1951; s. 2, ch. 29737, 1955; ss. 25, 35, ch. 69-106; s. 27, ch. 74-382; s. 23, ch. 78-95; s. 88, ch. 79-164; s. 626, ch. 95-148.

#### **377.34 Actions and injunctions by division.—**

(1) Whenever it appears that a person is violating, or threatening to violate, any statute of this state with respect to the conservation of oil or gas, or both, or any provision of this law, or any rule, regulation or order made by any act done in the operation of a well producing oil or gas, or storing or recovering natural gas, or by omitting an act required to be done, the division, through its counsel, or the Department of Legal Affairs on its own initiative, may bring suit against such person in the Circuit Court in the County of Leon, state, or in the circuit court in the county in which the well in question is located, at the option of the division, or the Department of Legal Affairs, to restrain such person or persons from continuing such violation or from carrying out the threat of violation. In such suit, the division, or the Department of Legal Affairs, may obtain injunctions, prohibitory and mandatory, including temporary restraining orders and temporary injunctions, as the facts may warrant, including, when appropriate, an injunction restraining any person from moving or disposing of illegal oil, illegal gas or illegal product, and any or all such commodities may be ordered to be impounded or placed under the control of a receiver appointed by the court if, in the judgment of the court, such action is advisable.

(2) In the event the division, or the Department of Legal Affairs, should fail to bring suit within 10 days to enjoin any actual or threatened violation of any statute of this state with respect to the conservation of oil and gas, or of any provision of this law, or of any rule, regulation or order made thereunder, then any person or party in interest adversely affected by such violation, and who has notified the division, or the Department of Legal Affairs, in writing of such violation, or threat thereof, and has requested the division, or the Department of Legal Affairs, to sue, may, to prevent any or further violation, bring suit for that purpose in the Circuit Court of the County of Leon, in the state. If, in such suit, the court should hold that injunctive relief should be granted, then the division, or the Department of Legal Affairs, shall be made a party and shall be substituted for the person who brought the suit, and the injunction shall be issued as if the division, or the Department of Legal Affairs, had at all times been the complainant.

(3) If any such defendant cannot be personally served with summons in that county, personal jurisdiction of that defendant in such suit may be obtained by service made upon him or her or any employee or agent of that defendant at any place in Florida and by the division, or the Department of Legal Affairs, mailing copy of the complaint in the action to the defendant at the address of the defendant then recorded with the division, or the Department of Legal Affairs.

**History.**—s. 30, ch. 22819, 1945; s. 1, ch. 69-350; ss. 11, 25, 35, ch. 69-106; s. 627, ch. 95-148; s. 21, ch. 2013-205.

**377.35 Suits, proceedings, appeals, etc.—**In all proceedings brought under authority of this law, or of any oil or gas conservation statute of this state, or of any rule, regulation, or order made thereunder, and in all proceedings instituted for the purpose of contesting the validity of any provision of the law, or of any oil or gas conservation statute, or of any rule, regulation, or order made thereunder, review may be had pursuant to Art. V, State Constitution; the Florida Rules of Appellate Procedure; and chapter 120.

**History.**—s. 31, ch. 22819, 1945; s. 22, ch. 63-512; s. 121, ch. 77-104.

**377.36 False entries and statements; incomplete entries; penalties.—**Any person who, for the purpose of evading this law, or of evading any rule, regulation, or order made hereunder, shall intentionally make, or cause to be made, any false entry or statement of fact in any report required to be made by this law, or by any rule, regulation, or order made hereunder; or who, for such purpose, shall make, or cause to be made, any false entry in any account, record, or

memorandum kept by any person in connection with any provision of this law, or of any rule, regulation, or order made hereunder; or who, for such purpose, shall omit to make, or cause to be omitted, full, true, and correct entries in such accounts, records, or memoranda, of all facts and transactions pertaining to the interest or activities in the petroleum industry of such person, as may be required by the division under authority given in this law, or by any rule, regulation, or order made hereunder; or who, for such purpose, shall remove out of the jurisdiction of the state, or who shall mutilate, alter, or, by any other means, falsify any book, record, or other paper pertaining to the transaction regulated by this law, or by any rule, regulation, or order made hereunder, shall be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

**History.**—s. 32, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 327, ch. 71-136; s. 6, ch. 72-394.

### **377.37 Penalties.—**

(1)(a) Any person who violates any provision of this law or any rule, regulation, or order of the division made under this chapter or who violates the terms of any permit to drill for or produce oil, gas, or other petroleum products referred to in s. 377.242(1) or to store gas in a natural gas storage facility, or any lessee, permitholder, or operator of equipment or facilities used in the exploration for, drilling for, or production of oil, gas, or other petroleum products, or storage of gas in a natural gas storage facility, who refuses inspection by the division as provided in this chapter, is liable to the state for any damage caused to the air, waters, or property, including animal, plant, or aquatic life, of the state and for reasonable costs and expenses of the state in tracing the source of the discharge, in controlling and abating the source and the pollutants, and in restoring the air, waters, and property, including animal, plant, and aquatic life, of the state. Furthermore, such person, lessee, permitholder, or operator is subject to the judicial imposition of a civil penalty in an amount of not more than \$10,000 for each offense. However, the court may receive evidence in mitigation. Each day during any portion of which such violation occurs constitutes a separate offense. Nothing herein shall give the department the right to bring an action on behalf of any private person.

(b) Whenever two or more persons pollute the air or waters of the state in violation of this chapter or any rule, regulation, or order of the department in such a manner that the damage is indivisible, each violator is jointly and severally liable for such damage and for the reasonable cost and expenses of the state incurred in tracing the source of the discharge; in controlling and abating the source and the pollutants; and in restoring the air, waters, and property, including the animal, plant, and aquatic life, of the state to their former condition. However, if the damage is divisible and may be attributed to a particular violator or violators, each violator is liable only for that damage attributable to his or her violation.

(c) The payment of any damages or penalties as provided for herein shall not have the effect of changing illegal product into legal product, illegal oil into legal oil, or illegal gas into legal gas; nor shall such payment have the effect of authorizing the sale, purchase, acquisition, transportation, refining, processing, or handling in any other way of such illegal oil, illegal gas, or illegal product.

(d) The payment of any such damages or penalties shall not impair or abridge any cause of action which any person may have against the person violating any provision of this law or any rule, regulation, or order for an injury resulting to him or her from such violation.

(2) Any person knowingly and willfully aiding or abetting any other person in the violation of any statute of this state relating to the conservation of oil or gas or the violation of any provision of this law, or any rule, regulation, or order made hereunder shall be subject to the same damages as are prescribed herein for the violation by such other person.

**History.**—s. 33, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 7, ch. 72-394; s. 3, ch. 83-176; s. 628, ch. 95-148; s. 22, ch. 2013-205.

### **377.371 Pollution prohibited; reporting, liability.—**

(1) A person drilling for or producing oil, gas, or other petroleum products, or storing gas in a natural gas storage facility, may not pollute land or water; damage aquatic or marine life, wildlife, birds, or public or private property; or allow any extraneous matter to enter or damage any mineral or freshwater-bearing formation.

(2) All spills or leakage of oil, gas, other petroleum products, or waste material shall be reported to the division and those of any quantity which cannot be immediately controlled shall be reported immediately to the division and

the appropriate federal agencies.

(3) Because it is the intent of this chapter to provide the means for rapid and effective cleanup and to minimize damages resulting from pollution in violation of this chapter, if the waters of the state are polluted by the drilling, storage of natural gas, or production operations of any person or persons and such pollution damages or threatens to damage human, animal, or plant life, public or private property, or any mineral or water-bearing formation, said person shall be liable to the state for all costs of cleanup or other damage incurred by the state. In any suit to enforce claims of the state under this chapter, it is not necessary for the state to plead or prove negligence in any form or manner on the part of the person or persons conducting the drilling or production operations; the state need only plead and prove the fact of the prohibited discharge or other polluting condition and that it occurred at the facilities of the person or persons conducting the drilling or production operation. A person or persons conducting the drilling, storage, or production operation may not be held liable if said person or persons prove that the prohibited discharge or other polluting condition was the result of any of the following:

- (a) An act of war.
- (b) An act of government, either state, federal, or municipal.
- (c) An act of God, which means an unforeseeable act exclusively occasioned by the violence of nature without the interference of any human agency.
- (d) An act or omission of a third party without regard to whether any such act or omission was or was not negligent.

(4) Any person who is found liable for damages or costs of cleanup as provided in this section shall not be liable for penalties under the provisions of chapter 376 or chapter 403.

**History.**—s. 8, ch. 72-394; s. 23, ch. 2013-205.

**377.38 Illegal oil, gas, and other products; sale, purchase, acquisition, transportation, refining, processing, or handling prohibited.—**

(1) The sale, purchase, or acquisition, or the transportation, refining, processing, or handling in any other way, of illegal oil, illegal gas, or illegal product is hereby prohibited.

(2) Unless and until the division provides for certificates of clearance or tenders, or some other method, so that any person may have an opportunity to determine whether any contemplated transaction of sale, purchase, or acquisition, or of transportation, refining, processing, or handling in any other way, involves illegal oil, illegal gas, or illegal product, no liquidated damage shall be imposed for the sale, purchase, or acquisition, or the transportation, refining, processing, or handling in any other way, of illegal oil, illegal gas, or illegal product, except under circumstances hereinafter stated. Liquidated damages shall be imposed for the commission of each transaction prohibited in this section when the person committing the same knows that illegal oil, illegal gas, or illegal product is involved in such transaction, or when such person could have known or determined such fact by the exercise of reasonable diligence or from facts within his or her knowledge. However, regardless of lack of actual notice or knowledge, liquidated damages as provided in this law shall apply in any sale, purchase, or acquisition, and to the transportation, refining, processing, or handling in any other way, of illegal oil, illegal gas, or illegal product, where administrative provision is made for identifying the character of the commodity as to its legality. It shall likewise be a violation for which liquidated damages shall be imposed for any person to sell, purchase, or acquire, or to transport, refine, process, or handle in any other way any oil, gas, or product without complying with all applicable rules, regulations, or orders of the division relating thereto.

**History.**—s. 34, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 629, ch. 95-148.

**377.39 Seizure and sale of illegal oil, gas, or product.—**

(1) Apart from, and in addition to, any other remedy or procedure which may be available to the division, or any liquidated damages which may be sought against or imposed upon any person with respect to violations relating to illegal oil, illegal gas, or illegal product, all illegal oil, illegal gas, and illegal product shall, except under such circumstances as are stated herein, be contraband and shall be seized and sold, and the proceeds applied as herein provided. Such sale shall not take place unless the court shall find, in the proceeding provided for in this subsection,

that the commodity involved is contraband. Whenever the division believes that illegal oil, illegal gas, or illegal product is subject to seizure and sale, as provided herein, it shall, through its counsel, bring a civil action in rem for that purpose in the circuit court of the county where the commodity is found or the action may be maintained in connection with any suit or cross action for injunction or for liquidated damages relating to any prohibited transaction involving such illegal oil, illegal gas, or illegal product. Any interested person, who may show himself or herself to be adversely affected by any such seizure and sale, shall have the right to intervene in such suit to protect his or her rights.

(2) The action referred to above shall be strictly in rem and shall proceed in the name of the state as plaintiff against the illegal oil, illegal gas, or illegal product mentioned in the complaint, as defendant, and no bond or bonds shall be required of the plaintiff in connection therewith. Upon the filing of the complaint, the clerk of the court shall issue a summons directed to the sheriff of the county, or to such other officer or person as the court may authorize to serve process, requiring him or her to summon any and all persons without undertaking to name them, who may be interested in the illegal oil, illegal gas, or illegal product mentioned in the complaint to appear and answer within 30 days after the issuance and service of such summons. The summons shall contain the style and number of the suit and a very brief statement of the nature of the cause of action. It shall be served by posting one copy thereof at the courthouse door of the county where the commodity involved in the suit is alleged to be located and by posting another copy thereof near the place where the commodity is alleged to be located. One copy of such summons shall be posted at least 5 days before the return day stated therein, and the posting of such copy shall constitute constructive possession of such commodity by the state. A copy of the summons shall also be published once each week for 4 successive weeks in some newspaper published in the county where the suit is pending and having a bona fide circulation therein if such a newspaper is published. No judgment shall be pronounced by any court condemning such commodity as contraband until after the lapse of 5 days from the last publication or posting of said summons. Proof of service of said summons, and the manner thereof, shall be provided by general law.

(3) Where it appears by a verified pleading on the part of the plaintiff or by affidavit or affidavits, or by oral testimony, that grounds for the seizure and sale exist, the clerk, in addition to the summons or warning order, shall issue an order of seizure, which shall be signed by the clerk and bear the seal of the court. Such order of seizure shall specifically describe the illegal oil, illegal gas, or illegal product, so that the same may be identified with reasonable certainty. It shall direct the sheriff to whom it is addressed to take into his or her custody, actual or constructive, the illegal oil, illegal gas, or illegal product described therein, and to hold the same subject to the orders of the court. Said order of seizure shall be executed as a writ of attachment is executed. No bond shall be required before the issuance of such order of seizure, and the sheriff shall be responsible upon his or her official bond for the proper execution thereof.

(4) In a proper case, the court may direct the sheriff to deliver the custody of any illegal oil, illegal gas, or illegal product, seized by him or her under an order of seizure, to a receiver or conservator to be appointed by the court, which receiver or conservator shall act as the agent of the court and shall give bond with such approved surety as the court may direct, conditioned that he or she will faithfully conserve such illegal oil, illegal gas, or illegal product, as may come into his or her custody and possession in accordance with the order of the court; provided, that the court may in its discretion appoint any agent of the division as such receiver or conservator.

(5) Sales of illegal oil, illegal gas, or illegal product made under the authority of this law, and notices of such sales, shall be in accordance with the laws of this state relating to the sale and disposition of attached property; provided, however, that where the property is in the custody of a receiver or conservator, the sale shall be held by said receiver or conservator, and not by the sheriff. For his or her services hereunder, such receiver or conservator shall receive a reasonable fee to be paid out of the proceeds of the sale or sales to be fixed by the court ordering such sale.

(6) The court may order that the commodity be sold in specified lots or portions, and at specified intervals, instead of being sold at one time. Title to the amount sold shall pass as of the date of the act which is found by the court to make the commodity contraband. The judgment shall provide for payment of the proceeds of the sale into the General Revenue Fund, after first deducting the costs in connection with the proceedings and the sale. The amount sold shall be treated as legal oil, legal gas, or legal product, as the case may be, in the hands of the purchaser, but the purchaser and the commodity shall be subject to all applicable laws, and rules, regulations, and orders with respect to further

sale or purchase or acquisition, and with respect to the transportation, refining, processing, or handling in any other way, of the commodity purchased.

(7) Nothing in this section shall deny or abridge any cause of action a royalty owner, or a lienholder, or any other claimant, may have, because of the forfeiture of the illegal oil, illegal gas, or illegal product, against the person whose act resulted in such forfeiture. No illegal oil, illegal gas, or illegal product shall be sold for less than the average market value at the time of sale of similar products of like grade and character.

**History.**—s. 35, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 1, ch. 77-174; s. 630, ch. 95-148.

#### **377.40 Negligently permitting gas and oil to go wild or out of control.—**

(1) In order to protect further the gas fields and oil fields in the state, it is hereby declared to be unlawful for any person to permit negligently any gas or oil well to go wild or to get out of control. The owner of any such well shall, after 24 hours' written notice by the division given to the owner or the person in possession of such well, make reasonable effort to control such well.

(2) In the event of the failure of the owner of such well, within 24 hours after service of notice above provided for, to control the same, if such can be done within the period or to begin, in good faith upon service of such notice, operations to control such well, or upon failure to prosecute diligently such operations, then the division shall have the right to take charge of the work of controlling such well, and it shall have the right to proceed, through its own agents or by contract with a responsible contractor, to control the well or otherwise to prevent the escape or loss of gas or oil from such well, all at the reasonable expense of the owner of the well. In order to secure the division in the payment of the reasonable cost and expense of controlling or plugging of such well, the division shall retain the possession of the same and shall be entitled to receive and retain the rents, revenues and income therefrom until the costs and expenses incurred by the division shall be repaid. When all such costs and expenses have been repaid, the division shall restore possession of such well to the owner; provided, that in the event the income received by the division shall not be sufficient to reimburse the division, as provided for in this section, the division shall have lien or privilege upon all of the property of the owner of such well, except such as is exempt by law, and the division shall proceed to enforce such lien or privilege by suit brought in any court of competent jurisdiction, the same as any other like civil action, and the judgment so obtained shall be executed in the same manner now provided by law for execution of judgments. Any excess over the amount due the division which the property seized and sold may bring, after payment of court costs, shall be paid over to the owner of such well.

**History.**—s. 36, ch. 22819, 1945; ss. 25, 35, ch. 69-106; s. 631, ch. 95-148.

**377.41 Disposition of fines.—** Moneys collected as fines for violations of this part, implementing rules, or permit conditions shall be paid into the Minerals Trust Fund established pursuant to s. 376.40. Moneys from these fines shall be used first to pay all amounts necessary to restore the polluted areas which were the subject of state action. Any remaining moneys shall be used in accordance with the provisions of s. 376.40.

**History.**—s. 3, ch. 83-176; s. 6, ch. 89-358; s. 56, ch. 96-321.

#### **377.42 Big Cypress Swamp Advisory Committee.—**

(1) For purposes of this section, the Big Cypress watershed is defined as the area in Collier County and the adjoining portions of Hendry, Broward, Miami-Dade, and Monroe Counties which is designated as the Big Cypress Swamp in U.S. Geological Survey Open-File Report No. 70003.

(2) The Big Cypress Swamp Advisory Committee is hereby created in the Department of Environmental Protection. The Big Cypress Swamp Advisory Committee shall be appointed by and serve at the pleasure of the Secretary of Environmental Protection. To ensure compliance with all requirements for obtaining a permit to explore for hydrocarbons in the Big Cypress Swamp area, each application for such permit shall be reviewed by the Big Cypress Swamp Advisory Committee. The committee shall have no final authority on approval or denial of permits but shall make recommendations to the department. The committee shall meet at the call of the chair to evaluate a pending application for a permit to drill in the Big Cypress watershed and may make other evaluations requested by the department. The membership of the committee shall be as follows:

(a) The State Geologist, who shall serve as chair.

- (b) A representative from the oil industry.
  - (c) A representative from an organized conservation group.
  - (d) A botanist.
  - (e) A hydrologist.
- (3) The committee shall administer this section pursuant to the laws of the state, and the rules and orders of the department which apply generally to oil and gas. If site-specific conditions require, the committee may recommend that additional procedures, safeguards, or conditions which are necessary to protect the integrity of the Big Cypress area be required as a condition to the issuance of a permit to drill and produce.

**History.**—s. 73, ch. 96-323; s. 91, ch. 2008-4.

## PART II

### PLANNING AND DEVELOPMENT

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#### **377.601 Legislative intent.**—

(1) The Legislature finds that the state’s energy security can be increased by lessening dependence on foreign oil; that the impacts of global climate change can be reduced through the reduction of greenhouse gas emissions; and that the implementation of alternative energy technologies can be a source of new jobs and employment opportunities for many Floridians. The Legislature further finds that the state is positioned at the front line against potential impacts of global climate change. Human and economic costs of those impacts can be averted by global actions and, where necessary, adapted to by a concerted effort to make Florida’s communities more resilient and less vulnerable to these impacts. In focusing the government’s policy and efforts to benefit and protect our state, its citizens, and its resources, the Legislature believes that a single government entity with a specific focus on energy and climate change is both desirable and advantageous. Further, the Legislature finds that energy infrastructure provides the foundation for secure and reliable access to the energy supplies and services on which Florida depends. Therefore, there is significant value to Florida consumers that comes from investment in Florida’s energy infrastructure that increases system reliability, enhances energy independence and diversification, stabilizes energy costs, and reduces greenhouse gas emissions.

(2) It is the policy of the State of Florida to:

- (a) Develop and promote the effective use of energy in the state, discourage all forms of energy waste, and recognize and address the potential of global climate change wherever possible.
- (b) Play a leading role in developing and instituting energy management programs aimed at promoting energy conservation, energy security, and the reduction of greenhouse gas emissions.