

Subject Areas to be Included in the Energy Exploration Policy Option Discussion

I. Lease Area Nominating Process

- a. Which government entity should be authorized to implement an offshore leasing process?
- b. What mechanism should be used to identify potential offshore lease areas (extension of the federal government's grid system or an alternative system established by the legislature or by the entity responsible for the leasing process)?
- c. How often and under what circumstances should lease areas be offered for bid?
- d. How and by whom should lease areas be selected to offer for bid?
- e. What requirements, such as fees and required information, should be imposed on private entities nominating areas to be offered for bid?
- f. Should some areas be excluded from leasing? If so, should the legislature make these determinations or delegate such decisions to the government entity authorized to implement the leasing process? On what basis should areas be considered for exclusion?
- g. How should conflicts or potential conflicts with military operations be identified and avoided?

II. Bid Selection Process

- a. What requirements should be placed on entities bidding on areas offered for lease (fees, form of bids, current and past permitted activities, planned exploration and production strategies, etc.)?
- b. Should the legislature establish minimum financial levels for bids?
- c. Once an area is offered for lease, what should the timeframe be to submit bids? What should the timeframe be for the governing entity to review and select a bid?
- d. Should the governing entity be authorized to reject all bids? Under what circumstances?
- e. Should the governing entity be required to make an affirmative finding that a bid for a lease is not contrary to the public interest? If so, should the legislature establish criteria to guide this decision? What criteria should be considered?
- f. Should the legislature establish criteria to guide the governing entity's selection of the highest and best bid?

III. Lease Conditions

- a. What conditions should be placed on leases? Should such conditions include:
 - i. Duration of the lease and requirements to take specific actions (exploration and production activities) within an established time?
 - ii. Visibility of permanent production structures and limits on temporary structures that are visible?

- iii. Types of drilling, production, or transportation practices or technology allowed in a lease area?

IV. Proof of Financial Responsibility

- a. What form of proof of financial responsibility (surety or property bond, an irrevocable letter of credit, or other proof of financial responsibility) should be required?
 - b. What potential damages should a leaseholder be responsible for?
 - c. What limits, if any, should be placed on a leaseholder's total liability?
 - d. What amount of liability coverage should be required of a leaseholder?
- ### V. Regulatory Framework
- a. What agency or agencies should regulate oil and gas exploration and production activities in Florida's coastal waters?
 - b. Should the legislature establish a comprehensive regulatory process to govern oil and gas activities in coastal waters (as with the Power Plant Siting Act that governs permitting of electric power plants)?
 - c. Should offshore oil and gas activities be subject to local government land use regulations? What about related onshore activities?
 - d. Should offshore oil and gas activities be subject to review under the Development of Regional Impact process? What about related onshore activities?

VI. Regulatory Process

- a. What requirements should be met to obtain a permit and conduct geophysical activities?
- b. In addition to state and federal permits, should an exploration plan be required (similar to the federal process under the Minerals Management Service)?
- c. In addition to state and federal permits, should a production plan be required (similar to the federal process under the Minerals Management Service)?
- d. What limits should be placed on the discharge and disposal of drilling fluids and cuttings?
- e. What limits should be placed on the discharge and disposal of produced water?