

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

House Committee on Oversight and Accountability Letter to U.S. Department of Energy on LNG Pause.

On October 23, Rep. James Comer (R-KY), Chairman of the U.S. House Committee on Oversight and Accountability, and Rep. Pat Fallon (R-TX), Chairman of the House Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs, delivered a letter to U.S. Department of Energy (DOE) Secretary Jennifer Granholm as part of its continuing investigation into the DOE's "actions this year to pause—and effectively ban—new permits for the export of Liquefied Natural Gas (LNG) to non-Free Trade Agreement countries." In the letter, the congressmen note "recently surfaced information not previously disclosed to the Committee casts significant doubt on whether DOE provided full transparency into the actions leading up to this ban. As such, the Committee demands further information." [Read the letter here.](#) Further, the letter states that "Transparency on this issue is essential. DOE's action has thrown vital U.S. businesses—companies that invest billions in capital in long-term projects, support tens of thousands of U.S. jobs, and bolster the energy security of our allies—into turmoil as they grapple with uncertainty from politically-motivated federal actions." [Read more.](#)

FEDERAL – Regulatory

BLM Public Lands Rule Advisory Committee Nominations. On October 17, the Bureau of Land Management (BLM) announced it "is seeking nominations for a new Federal advisory committee that will help inform how the Bureau implements the [Public Lands Rule](#). The Committee will advise on outreach and engagement, best management practices, and the development and refinement of agency guidance to support implementation of the Rule across the country."

[You may read more about the rule here.](#) The BLM is seeking "at least one representative of energy or mineral development" to serve on the Committee. Interested applicants may self-nominate and the deadline is November 18, 2024. [Read more.](#)

BLM National Call for Resource Advisory Council Nominations. On October 16, the BLM published a *National Call for Nominations for Resource Advisory Councils* ([89 Fed. Reg. 83514](#)). According to the notice, the purpose "is to request public nominations for eight of the Bureau of Land Management's (BLM) statewide and regional Resource Advisory Councils (RAC) that have vacant positions or members whose terms are scheduled to expire. These RACs provide advice and recommendations to the BLM on land use planning and management of the National System of Public Lands within the geographic areas for which the RACs are organized." One of the categories for which BLM seeks representation is those who "represent energy and mineral development." Interested applicants may self-nominate and the deadline is November 15, 2024. [Read more.](#)

Bears Ears National Monument Advisory Committee, Grand Staircase-Escalante National Monument Advisory Committee, and Utah Resource Advisory Council Committee Extension – Utah. On October 21, the BLM announced a 30-day extension for its *Call for Nominations for the Bears Ears National Monument Advisory Committee, the Grand Staircase-Escalante National Monument Advisory Committee, the San Rafael Swell Recreation Area Advisory Council, and the Utah Resource Advisory Council* ([89 Fed. Reg. 76501](#)) originally published on September 18, 2024. For background, the BLM "is seeking nominations for membership on the Bears Ears National Monument Advisory Committee (MAC), the Grand Staircase-Escalante National MAC, the San Rafael Swell

Recreation Area Advisory Council, and the Utah Resource Advisory Council (RAC) to fill existing vacancies and for member terms that are scheduled to expire.” Interested applicants may self-nominate. The BLM extension runs through November 20, 2024. [Read more.](#)

BLM Big Game Resource Management Plan; Gunnison Sage-Grouse Resource Management Plan; Grand Junction and Colorado River Valley Resource Management Plans – Colorado; Utah.

(Update to 6/24/24 Report) On October 16-17, the BLM finalized resource management plans, environmental impact statements, and related documents “to protect big game and Gunnison sage-grouse habitat in Colorado, conserve public lands and focus energy development in areas with the highest potential for oil and gas resources in the BLM Upper Colorado River District. The Bureau released Records of Decision for the Big Game Resource Management Plan Amendment, the Gunnison Sage-Grouse Resource Management Plan Amendment, and plans for the Grand Junction and Colorado River Valley Field Offices. The finalization of these plans resolves litigation on past planning processes.” [Read more.](#) (See *Notice of Availability of the Record of Decision for the Approved Resource Management Plan Amendment for Big Game Habitat Conservation for Oil and Gas Management, Colorado*; [89 Fed. Reg. 84384](#); *Notice of Availability of the Record of Decision and Approved Resource Management Plan Amendment for the Gunnison Sage-Grouse (Centrocercus minimus), Colorado and Utah*; [89 Fed. Reg. 84383](#)); and *Availability of the Records of Decision and Approved Resource Management Plans for the Grand Junction Field Office and the Colorado River Valley Field Office, Colorado*; [89 Fed. Reg. 84385](#)). As reported by the *Oil & Gas Journal*, “As part of the plan, BLM would close 543,300 acres in its Grand Junction Field Office’s jurisdiction to future federal oil and gas leasing, leaving 692,300 acres open for leasing. Currently about 1 million acres of federal land is open to drilling in that region. BLM initially proposed to cut available leasing to 237,600 acres. Of 617,700 acres currently open for oil and gas leasing on federal lands managed by Colorado River Valley Field Office, BLM closed 548,300 acres, leaving 163,000 acres open to

leasing.” Regarding the Gunnison Sage-Grouse, the BLM amended “11 local resource management plans in Colorado and Utah [...] on more than 2 million acres of BLM-managed public land and nearly 3 million acres of public below-ground acres.” Those amendments provide a one-mile protective buffer around the bird’s habitat “and designates a new backcountry conservation area and three new areas of critical environmental concern. It also limits surface disturbance on BLM lands in the bird’s habitat.” The big game corridor protections affect about 6 million surface acres and 16 million acres of subsurface mineral estate managed by BLM. [Read more.](#) Access the Big Game Habitat Conservation for Oil and Gas Management in Colorado plan [documents here](#). Access the Gunnison Sage-Grouse plan [documents here](#). Access the Colorado River Valley Field Office and Grand Junction Field Office plan [documents here](#). For more background about the BLM plans, [Read more.](#)

BLM Geothermal Resource Development on Federal Lands.

On October 17, the U.S. Department of the Interior announced that the “BLM is proposing a new categorical exclusion (CX) that would help accelerate the discovery of new geothermal resources. The CX would apply to geothermal resource confirmation operations plan of up to 20 acres, which can include drilling wells (e.g., core drilling, temperature gradient wells, and/or resource wells) to confirm the existence of a geothermal resource, to improve injection support, or to demonstrate connections between wells.” (See *National Environmental Policy Act Implementing Procedures for the Bureau of Land Management*; [89 Fed. Reg. 84380](#); [89 Fed. Reg. 84928](#)) According to the BLM, “Today’s permitting proposal would help accelerate the discovery of new geothermal resources throughout the West, especially in states like Nevada, home to some of the largest undeveloped geothermal potential in the country. Currently, geothermal developers must conduct two separate environmental reviews: one for initial exploration drilling and another to fully test the geothermal resource, even if both have similar environmental impacts. The proposal would apply only to geothermal resource confirmation operations on public lands and split estates. Further geothermal development would still require additional

environmental analysis.” The BLM says that based on prior U.S. Department of Energy analysis, “these permitting actions could significantly reduce permitting timelines and capital costs of geothermal deployment.” [Read more](#). Interested parties may submit comments for this BLM notice regarding the new categorical exclusion for geothermal resource confirmation activities on Federal geothermal resource leases by November 21, 2024. [Read more](#).

STATE – Legislative

Personal Income Tax Rate Cut – West Virginia.

On October 16, Gov. Jim Justice (R) signed special session bill [SB 2033X](#) into law. The bill cuts the personal state income tax rate by two percent. Initially, there were calls for a five percent tax cut by the governor and some lawmakers but the governor agreed on the compromise figure. The bill applies to individuals (except married individuals filing separate returns), to individuals filing joint returns, heads of households, and estates and trusts as provided in the bill. The tax cuts take effect January 1, 2025. [Read more](#).

For all 600+ bills AAPL is currently monitoring and tracking for members, please see the continuously updated member-exclusive AAPL Governmental Affairs Bill Tracking Summary spreadsheet, available through the AAPLConnect LANDNEWS and Governmental Affairs Network member forums [here](#) or on the AAPL website [here](#).

STATE – Regulatory

Cumulative Impacts Rulemaking – Colorado.

To follow up our reporting throughout 2023 and 2024, on October 15, the Colorado Energy & Carbon Management Commission (ECMC) adopted Cumulative Impacts and Enhanced Systems and Practices rules as required by legislation. [Read more](#). According to the ECMC, “Cumulative impacts refer to the combined effects on public health and the environment from the incremental impacts of a proposed oil and gas operation, alongside those from past, present, and foreseeable future developments.”

[Access the ECMC rulemaking documents here](#).

The rules will be effective December 15, 2024. In a statement, Gov. Jared Polis (D) said the move “builds on our country’s strongest oil and gas standards” and “sets a new and higher standard for evaluating and addressing the cumulative impacts of oil and gas operations.” [Read more](#). But the Colorado Oil and Gas Association said in a statement “that while the new rule is ‘a notable improvement from the original draft, the commission continues to make it increasingly difficult for smaller oil and gas companies in Colorado to operate by, once again, adding endless obstacles in the permitting process.’” [Read more](#). As reported, “the rules require operators to meet strict new standards regarding cumulative impacts of past, present and future oil and gas development to be permitted to develop new mineral resources [...] and define cumulative impacts as the effects on public health and the environment, including the impacts to air quality, water quality, climate, noise, odor, wildlife, and biological resources caused by the incremental impacts that a proposed new or amended operation ... would have when added to the impacts from other past, present, and future development, according to the commission.” [Read more](#). As reported by the *Oil & Gas Journal*, “Under the new state rule, operators must complete a cumulative impacts analysis with each new permit application. The Colorado Department of Public Health and the CECMC must approve the analysis before development could begin.” API Colorado Director Kait Schwartz said in a statement, “Colorado’s oil and natural gas operators have spent the past half-decade in constant rulemakings as state lawmakers have repeatedly moved the goalposts on our regulatory regime. As we continue to meet and exceed the state’s ambitious emissions reduction goals while providing Coloradans with the safe and reliable energy they depend on, we strongly suggest the state adopts a more substantive and efficient approach to policymaking.” [Read more](#).

Orphan Well Plugging Grants – Pennsylvania.

Gov. Josh Shapiro (D) and the Pennsylvania Department of Environmental Protection (DEP) have “launched a new grant program aimed at plugging

orphaned oil and gas wells throughout the state. The new program is part of the \$76 million in funding from the Infrastructure Investment and Jobs Act. It offers grants up to \$40,000 for wells 3,000 feet deep or less, and up to \$70,000 for wells deeper than 3,000 feet. The grants will be available to qualified well pluggers for orphan wells, which are wells that were abandoned before 1985.” Applications can be accessed through the [DEP website here](#). Of the program, Gov. Shapiro said, “By prioritizing the capping and plugging of orphaned and abandoned wells, my Administration is making meaningful strides in reducing greenhouse gas emissions – while also supporting thousands of good-paying energy jobs across Pennsylvania.” [Read more](#).

Railroad Commission Proposed Rulemaking – Texas. On October 15, the Texas Railroad Commission (RRC) introduced two proposed rulemakings. According to the RRC, “The first, proposed new §3.82, implements the requirements of [Senate Bill 1186](#) (88th Legislature, Regular Session, 2023). The second, proposed amendments to §1.201, updates time periods for permitting processing.” Regarding the first proposed rule, “New Section 3.82 is proposed to implement the requirements of Senate Bill 1186 (88th Legislature, Regular Session, 2023), which amended Texas Water Code §27.036 to clarify the Commission’s jurisdiction over brine mining under state law. The Commission has jurisdiction over brine mining by injecting fluid to dissolve subsurface salt formations and then extracting the salts from the resulting artificial brines. The bill clarified that the Commission’s jurisdiction over brine mining includes the authority to regulate brine production wells and brine injection wells (‘spent brine return injection wells’) used for lithium mining, which requires re-injecting naturally occurring brines into the formation from which they were produced after the extraction of minerals. The proposed new rule will allow the Commission to seek primary enforcement authority from the EPA for the spent brine return injection wells, which are Class V UIC wells.” [Read more](#). You may also [access a legislative analysis of SB 1186 here](#). Regarding the second rulemaking, proposed amendments to §1.201, “The amendments are

proposed to ensure §1.201 more closely aligns with Government Code §2005.003, the statute which requires adoption of §1.201. The table in §1.201(a) is proposed to be amended to reflect current permits, operating division names, and permit processing time periods. Sections 3.8 (relating to Water Protection) and 3.57 (relating to Reclaiming Tank Bottoms, Other Hydrocarbon Wastes, and Other Waste Materials) are currently proposed to be amended in a separate Commission rulemaking. Thus, the obsolete sections of those rules and the permits issued pursuant to those rules are proposed to be removed from the table. The amendments also correct other outdated references and remove permits the Commission no longer issues.” [Read more](#). Both rulemakings have a public comment deadline of December 2, 2024. For more information on submitting public comments, the process, and access to the RRC online comment form, [Read more](#).

Carbon Storage Hub – West Virginia. On October 22, U.S. Senator Joe Manchin (I-WV) “announced a \$44 million investment for Marshall County to develop a carbon storage hub. It’s expected to help West Virginia and surrounding states. The funding comes from the Department of Energy’s Office of Fossil Energy and Carbon Management for the development of a carbon storage hub.” [Read more](#). Sen. Manchin said, “West Virginia has always been at the forefront of developing cutting-edge energy technologies. Thanks to the Bipartisan Infrastructure Law, the Mountain State will continue to lead the way by advancing innovative carbon storage infrastructure to help reduce emissions. This new technology will support critical industries in our state and create good paying jobs in the region.” [Read more](#).

INDUSTRY NEWS FLASH

► **J.P. Morgan analysts see no peak in oil demand through 2035.** On October 21, *Rigzone* reported on data from J.P. Morgan commodities analysts finding they “do not foresee a peak in oil demand through 2035.” The analysts further noted, “We project global oil consumption to increase by 7.1 million barrels per

