

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

**U.S. House of Representatives Elects a New Speaker.** On Oct. 25, after weeks of uncertainty following the ouster of previous Speaker Kevin McCarthy (R-CA) earlier this month, [the U.S. House of Representatives elected Rep. Mike Johnson \(R-LA\) as the new Speaker of the House](#). With Rep. Johnson's victory, he will be the first Speaker in U.S. history representing the state of Louisiana. Since his election to the House in 2016, Rep. Johnson has been a staunch advocate for domestic oil and gas production, energy security, and challenging climate policies that threaten the U.S. economy and its citizens. Rep. Johnson was an early opponent of President Biden's cancellation of the Keystone XL pipeline permit and has been a vocal supporter of both offshore and onshore production, benefiting both his home state of Louisiana and the nation. [Read more.](#)

**Senate Hearing on U.S. Department of Energy Grantmaking and Loan Programs.** On Oct. 19, the Senate Committee on Energy & Natural Resources held a hearing "to examine the Department of Energy's due diligence process for awarding competitive grants and loans funded through the Inflation Reduction Act and the Bipartisan Infrastructure Law and the Department's overall innovation investment strategy." In his opening remarks, Chairman Joe Manchin (D-WV) said, "If implemented effectively, the Bipartisan Infrastructure Law and the Inflation Reduction Act have the power to truly transform our country for the better. That is why it is so important that we get this right." To access a full video recording of the hearing and witness testimony, [Read more.](#)

**Senate Hearing to Examine Federal Offshore Energy Strategy and Policies.** On Oct. 26, the Senate Committee on Energy & Natural Resources held a

hearing titled, "Full Committee Hearing to Examine Federal Offshore Energy Strategy and Policies," which, according to Chairman Joe Manchin (D-WV), was "to continue our committee's work on improving our nation's energy security through offshore energy production." Sen. Manchin also noted that the Inflation Reduction Act required the Interior Department to hold "significant oil and gas lease sales, both on- and offshore" but "the new [offshore] five-year leasing program falls well short of what we should be doing by including only three oil and gas sales." To access a full video recording of the hearing and witness testimony, which included testimony from government officials, [Read more.](#)

**Senate Hearing on Implications of Supreme Court Ruling Limiting EPA Authority over Wetlands.** On Oct. 18, the Senate Committee on Environment & Public Works held a hearing titled, "The Implications of Sackett v. US Environmental Protection Agency for Clean Water Act of Wetlands and Streams." The hearing examined the May 2023 U.S. Supreme Court ruling in [Sackett v. Environmental Protection Agency](#) that limited the authority of the EPA to only regulate "wetlands that have a continuous surface connection with 'waters' of the United States — i.e., with a relatively permanent body of water connected to traditional interstate navigable water." That decision upset the existing broader authority exercised by federal agencies, like the EPA, even when not authorized by Congressional mandate. [Read more.](#) To access a full video recording of the hearing and witness testimony, [Read more.](#)

**House Natural Resources Committee Hearing on Biden Administration Offshore Leasing Program.** On Oct. 18, the House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, held a hearing titled, "Examining the Biden Administration's Unprecedented Obstruction of the BOEM Offshore Leasing Program." The hearing's key

messages included opposition to the limited number of lease sales in the Gulf of Mexico, and not a single sale in Alaska; the threat to domestic oil and gas production; and the failure to utilize abundant oil and gas resources in the Alaska region. Witnesses included the Louisiana Mid-Continent Oil and Gas Association, a representative for Alaska Governor Mike Dunleavy, and the Director of the Bureau of Ocean Energy Management. To access a full video recording of the hearing and witness testimony, [Read more](#).

**Congressional Report on Energy Provisions of the Inflation Reduction Act.** This month, Sen. John Barrasso (R-WY), Ranking Member of the U.S. Senate Committee on Energy and Natural Resources, and Rep. Cathy McMorris Rodgers (R-WA), Chair of the U.S. House Committee on Energy and Commerce, released a report titled, “Irresponsible, Reckless, Alarming: IRA Will Make the United States Poorer and China Richer.” The report highlights how the Inflation Reduction Act (IRA) – enacted in 2022 – “is one of the most economically disastrous pieces of legislation ever enacted” and how the “energy and climate provisions of the bill are designed to ‘transition’ America over 10 years from U.S.-produced oil, natural gas, and coal to ‘green’ energy sources that are dependent on government handouts and foreign supply chains. It will weaken the U.S. economy and put American taxpayers further in the red.” Among other topics, the report highlights how the IRA’s oil and gas industry emissions goals are unworkable and will harm the U.S. economy and national security. [Read the report here](#).

## **FEDERAL – Regulatory**

**BLM Oil and Gas Lease Sale – North Dakota.** On Oct. 17, the Bureau of Land Management (BLM) Montana-Dakotas State Office “announced an oil and gas lease sale scheduled for Dec. 5, 2023, to offer 12 oil and gas parcels totaling 3,650.81 acres in North Dakota. The BLM completed scoping on these parcels in July 2023 and held a public comment period in August 2023 on the parcels, potential deferrals, and the related environmental analysis.” The 30-day public protest period to receive additional public input and will close Nov. 20, 2023.” [Read more](#).

**BLM Oil and Gas Lease Sale – North Dakota.** On Oct. 23, the BLM Montana-Dakotas State Office “opened a 30-day public comment period to receive public input on six oil and gas parcels totaling 2,335 acres that may be included in an upcoming lease sale in North Dakota. The comment period ends Nov. 20, 2023. The BLM completed scoping on these parcels in September 2023 and is now seeking public comment on the parcels, potential deferrals, and the related environmental analysis.” [Read more](#).

**BLM Resource Advisory Council Meeting – Colorado.** On Oct. 23, the BLM announced that the Rocky Mountain Resource Advisory Council (RAC) will meet at the BLM’s Royal Gorge Field Office on Nov. 9, 2023. The RAC meeting is open to the public and there is also an option for virtual attendance online. According to the BLM, “The three 15-member Resource Advisory Councils in Colorado are forums for providing advice and recommendations to the BLM on various resource and land management issues. The Rocky Mountain RAC advises the BLM Colorado Rocky Mountain District, including the Royal Gorge and San Luis Valley field offices, and Browns Canyon National Monument.” [Read more](#).

**BLM Resource Advisory Council Meeting – Utah.** On Oct. 13, the BLM announced that the “Canyon Country District is scheduled to hold a meeting and field tour with the Utah Resource Advisory Council, Nov. 14 and 15, 2023. The public is invited to attend and gain valuable information regarding District and State planning efforts.” BLM planned agenda items for the meeting dates include updates and overview of District and State planning efforts and a field tour of Bears Ears National Monument. [Read more](#).

**BLM Extends Rock Springs RMP Comment Period – Wyoming.** On Oct. 19, the BLM Wyoming State Office announced that at “the request of the state of Wyoming and other stakeholders, the Bureau of Land Management is extending the comment period on the Draft Rock Springs Resource Management Plan, Draft Environmental Impact Statement and proposed Areas of Critical Environmental Concern. The comment period now closes on January 17, 2024. Governor Mark

Gordon requested the extension for Wyomingites to have more time to provide input into the formulation of a final plan.” BLM Director, Tracy Stone-Manning, said, “We are committed to doing that work to finalize the final plan. A lot of work happens between a draft plan and a final plan, and that work is best informed by people who roll up their sleeves to work together.” [Read more.](#)

**BLM Oil and Gas Lease Sale – Wyoming.** On Oct. 16, the BLM Wyoming State Office “opened a 30-day public scoping period to receive public input on 20 oil and gas parcels totaling 11,250 acres that may be included in a June 2024 lease sale in Wyoming. The comment period ends Nov. 15, 2023.” [Read more.](#)

**BLM Carbon Sequestration Project – Wyoming.** On Oct. 18, the BLM announced that “Due to a technical issue with our ePlanning site, today the Bureau of Land Management restarted the 30-day public comment period for the proposed Tallgrass Southeast CO2 Sequestration Project. If approved, Tallgrass could store carbon dioxide (CO2) in approximately 480 acres of sub-surface federal pore space in Laramie County. The comment period will now close Dec. 15, 2023.” According to the BLM, the “proposal follows the June 2022 BLM policy update authorizing rights-of-way on public lands for the geologic sequestration of carbon dioxide.” [Read more.](#)

**BLM Resource Advisory Councils Call for Nominations.** On Oct. 25, the BLM published a *National Call for Nominations for Resource Advisory Councils* ([88 Fed. Reg. 73356](#)) requesting public nominations for 16 of the BLM’s 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.” RAC openings include those in Idaho, Nevada, New Mexico, and Wyoming. One of the nomination categories specifically seeks those members of the public who “represent energy and mineral development.” Interested applicants may self-nominate. Nominations must be received no later than Nov. 24, 2023. [Read more.](#)

**BLM Site-Specific Advisory Committees Call for Nominations.** On Oct. 25, the BLM published a *National Call for Nominations for Site-Specific Advisory Committees* ([88 Fed. Reg. 73358](#)) requesting public nominations for six of the BLM’s “citizens’ advisory committees affiliated with specific sites on the BLM’s National Conservation Lands. The six advisory committees provide advice and recommendations to the BLM on the development and implementation of management plans in accordance with the statute under which the sites were established.” Two of the committee areas include public lands and/or monuments in New Mexico and Utah. Interested applicants may self-nominate. Nominations must be received no later than Nov. 24, 2023. [Read more.](#)

**BLM Renewable Energy Strategy – Idaho.** On Oct. 23, the BLM announced it is “Addressing the increase in industry demand for renewable energy projects on BLM-managed public lands in southern Idaho,” and “is making available the [Public Engagement Report](#), which compiles feedback received during four public meetings held in early spring. Based on public response, BLM Idaho has changed how we process renewable energy applications and shared that new policy with the public during the Idaho Renewable Energy Strategy rollout. Under the new policy, BLM Idaho is now requiring companies to gather input locally on proposed projects to understand stakeholders’ concerns before analyzing the project under the National Environmental Policy Act.” According to the BLM, “This report includes feedback on the new process and where the public feels renewable energy might best be located on BLM-managed public lands in southern Idaho. The report will serve as an essential tool for informing applicants about public sentiment concerning potential impacts on BLM-managed public lands to help inform the location and design of future projects.” [Read more.](#)

**BLM NPR-A Reduced Leasing Acreage Proposed Rulemaking – Alaska.** On Oct. 17, the BLM announced “it is extending the public comment period for the proposed National Petroleum Reserve in Alaska (NPR-A) Rule by 10 days to allow for additional public comment. This brings the time collecting public feedback on the proposed rule to a total of 70 days.” The new

deadline to provide input is Nov. 17, 2023. [Read more.](#) On Oct. 24, the BLM formally published that extension, *Management and Protection of the National Petroleum Reserve in Alaska; Extension of Comment Period (88 Fed. Reg. 72985)*, with information on how to submit comments. [Read more.](#) For background, on Sept. 6, President Biden announced plans to protect about 13 million acres in the NPR-A. (See [Management and Protection of the National Petroleum Reserve in Alaska; 88 Fed. Reg. 62025](#)). The proposal “would prohibit any new leasing in 10.6 million acres, which is more than 40 percent of the reserve,” said Interior Secretary Deb Haaland. [Read more.](#) In response, Sen. John Barrasso (R-WY), ranking member of the Senate Committee on Energy and Natural Resources, said, “President Biden’s war on American energy continues. With the stroke of a pen, his administration is placing more than 40 percent of the National Petroleum Reserve off limits for petroleum production. He is ignoring the law and making us more dependent on foreign oil. Not only is this bad energy policy, it’s bad foreign policy. Today’s decision rewards our adversaries and hurts American families.” [Read more.](#) For further information, access the [BLM NPR-A rulemaking website here](#), which includes numerous planning documents and a proposed rule fact sheet.

**Energy Department Hydrogen Hubs.** On Oct. 13, the U.S. Department of Energy (DOE) “announced \$7 billion to launch seven Regional Clean Hydrogen Hubs (H2Hubs) across the nation and accelerate the commercial-scale deployment of low-cost, clean hydrogen—a valuable energy product that can be produced with zero or near-zero carbon emissions and is crucial to meeting the President’s climate and energy security goals.” As reported by the DOE, “the seven H2Hubs will kickstart a national network of clean hydrogen producers, consumers, and connective infrastructure while supporting the production, storage, delivery, and end-use of clean hydrogen. The H2Hubs are expected to collectively produce three million metric tons of hydrogen annually, reaching nearly a third of the 2030 U.S. production target and lowering emissions from hard-to-decarbonize industrial sectors that represent 30 percent of total U.S. carbon emissions.” [Read more.](#) President Biden touted the program

announcement during a recent trip to Philadelphia. [Read a White House Fact Sheet here.](#)

**Energy Department Announces Oil Purchases to Refill Strategic Petroleum Reserve.** On Oct. 19, the U.S. Department of Energy (DOE) announced plans to buy as much as 6 million barrels of crude oil for the Strategic Petroleum Reserve (SPR) in December and January. The DOE said they “will purchase oil in those months where it can do so at a good deal for taxpayers: a price of \$79 dollars per barrel or below, far less than the average \$95 per barrel DOE received for 2022 emergency SPR sales.” [Read more.](#)

**National Labor Relations Board Joint Employer Status Final Rule.** To follow up our prior reporting, on Oct. 27, the National Labor Relations Board (NLRB) published its final rule, *Standard for Determining Joint Employer Status (88 Fed. Reg. 73946)*, that according to *Bloomberg Law*, “lowers the bar for multiple companies to qualify as joint employers that share liability for labor law violations.” Further, the action rescinds “a Trump-era rule that had made it more difficult for companies to be deemed joint employers. The now-nullified rule included a requirement that joint employment determinations turn on a business exerting direct and immediate control over the most important parts of a worker’s job.” The NLRB found that “requirement was an impermissible interpretation of federal labor law.” The new standard, which will only be applied prospectively to cases filed with the NLRB after the final rule effective date, expands the factors that can trigger a joint employer finding “to include evidence of indirect or unexercised control over essential job terms and conditions.” The new rule “defines seven categories of ‘essential’ employment terms and conditions that will be considered, including wages, benefits, and other compensation.” As this “new test also holds that indirect and unexercised control can establish joint employment [...] if a company exerts control over another firm’s workers through an intermediary, or has contractual authority over employment terms but never used that power, that could be enough evidence to prove the existence of a joint employer relationship.” Although NLRB actions predominantly apply to union work settings, they can also extend to instances of “concerted activity” among

non-union employees, which can include actions such as conditions of employment, benefits, wages, and work hours. And although this rule is primarily targeting franchises, service agreements, and staffing agency agreements, it is worthwhile to be aware it could extend to other instances of employment that may fit within the rule framework as indicated by national employment law firm Locke Lord. [Read more.](#) The final rule is effective Dec. 26, 2023. [Read more.](#)

## **FEDERAL – Judicial**

**ANWR Oil and Gas Leasing – Alaska.** On Oct. 18, the Alaska Industrial Development and Export Authority (AIDEA) sued the Biden administration for the “unilateral termination” by the Department of the Interior (DOI) and Bureau of Land Management (BLM) “of oil and gas leases entered into by BLM” and the plaintiff. The AIDEA – a public corporation of the State of Alaska – purchased seven oil leases within the Arctic refuge in a 2021 lease sale held in the final days of the Trump administration. [Read more.](#) In the lawsuit, *Alaska Industrial Development and Export Authority v. U.S. Dept. of the Interior* (Case No. 1:23-cv-03126), the AIDEA states that “An Act of Congress directs DOI to facilitate the development of oil and gas resources on the Coastal Plan of Alaska within the Arctic National Wildlife Refuge” by “awarding leases for the production of such resources and taking additional steps to further the Leasing Program.” In short, the AIDEA is charging the Biden administration with “illegally canceling leases in the Alaska National Wildlife Refuge (ANWR) 1002 area and the detrimental impact this action has had on the Alaskan communities involved.” The group claims that under the 2017 “Tax Act” signed into law by President Trump, the law clearly states, “The Secretary shall establish and administer a competitive oil and gas program for the leasing, development, production, and transportation of oil and gas in and from the Coastal Plain.” Of the lawsuit, Alaska Gov. Mike Dunleavy (R) said, “The federal government is determined to strip away Alaska’s ability to support itself, and we have got to stop it. Alaska does responsible oil and gas development in the Arctic under stricter environmental standards than anywhere

else in the world. Yet the federal government is focused on trying to stop our ability to produce oil and gas. We will not allow illegal actions to occur against Alaska and I fully support this lawsuit.” We will keep AAPL members updated as the case proceeds. [Read more.](#)

## **STATE – Legislative**

**Carbon Market Disclosures – California.** On Oct. 7, Gov. Gavin Newsom (D) signed AB 1305 into law. Sponsored by Asm. Jesse Gabriel (D), the bill requires “a business entity that is marketing or selling voluntary carbon offsets within the state to disclose on the business entity’s internet website specified information about the applicable carbon offset project and details regarding accountability measures if a project is not completed or does not meet the projected emissions reductions or removal benefits.” The bill also “requires an entity that purchases or uses voluntary carbon offsets that makes claims regarding the achievement of net zero emissions or other, similar claims, as specified, to disclose on the entity’s internet website specified information. The bill would require an entity that makes these claims to disclose on the entity’s internet website all information documenting how, if at all, a claim was determined to be accurate or actually accomplished, how interim progress toward that goal is being measured, and whether there is independent third-party verification of the company data and claims listed.” The bill also provides penalties for violations and requires disclosures to be updated no less than annually. The Act takes effect Jan. 1, 2024. [Read more.](#)

**Voters to Weigh in on Electrical Grid Reliability – Texas.** As a follow up to our reporting this year on [SJR 93](#) and [SB 2627](#), Texas voters will have the opportunity to weigh in on state ballot [Proposition 7](#) in the Nov. 7, 2023 general election. The ballot measure provides for the creation of a fund to address grid reliability issues, which primarily came to light in the wake of Winter Storm Uri in 2021, and for which the above legislative measures were adopted during this year’s 88th Legislative Session. Those measures related “to funding mechanisms to support the

construction, maintenance, modernization, and operation of electric generating facilities” through “a constitutional amendment providing for the creation of the Texas energy fund.” As reported in the media, the constitutional amendment is “designed to strengthen the grid by creating a dedicated fund to incentivize upgrades and new construction of dispatchable energy generating facilities. With \$5 billion authorized for the next two years, pending voter approval, the fund would provide grants and loans for natural gas-fired generating facilities able to provide power at any time.” Proponents in favor of the measure “said repeated calls for voluntary energy conservation this past summer from the state’s grid operator, the Electric Reliability Council of Texas, show the need to strengthen the grid.” Opponents – who include green and environmental groups – agree that “the grid needs to be strengthened but want more investments in renewable sources, saying the dispatchable sources targeted by the fund would drive further climate change.” Several organizations have expressed public support for the measure’s passage, “including ConocoPhillips Alaska, Koch Companies, the Texas Association of Manufacturers and the Texas Oil and Gas Association.” [Read more.](#)

## **STATE – Regulatory**

**Deep Geothermal Rulemaking – Colorado.** On Oct. 18, the Colorado Energy & Carbon Management Commission (ECMC) announced the release of draft deep geothermal resources rulemaking. The rulemaking is a result of Colorado legislation signed into law in 2023. According to the ECMC, “Deep geothermal resource development is an emerging industry in Colorado that can utilize hot water in deep subsurface formations to produce energy or for direct heating uses. Colorado has several areas with higher than normal temperatures in the subsurface. These resources are mostly undeveloped and have vast future potential for energy development and direct heat use. Geothermal energy provides an alternative, clean, and renewable energy source that decreases our reliance on fossil fuels. The ECMC will be initiating a rulemaking for deep geothermal operations in the fall of 2023.” [Access the draft rulemaking here.](#) The

ECMC is also soliciting comments from the public on the draft rules although as of this report, they have not provided a deadline date. [Access the ECMC comment portal here.](#) For more general information on Colorado geothermal resources, [Read more here.](#)

**Orphaned Well Rulemaking – Louisiana.** On Oct. 20, the Louisiana Department of Natural Resources finalized a new rule “to help reduce the number of orphaned oil and gas wells throughout the state.” [Read the rule here \(pg. 1746 of the Louisiana Register\).](#) The new “regulation puts limits on extensions of the future utility status oil and gas drillers can receive and increases fees on wells that have been inactive and unplugged for five years or more. It also reduces fees for operators who plug 10 or more wells in a year. The federal government is providing Louisiana with more than \$100 million through 2030 to plug orphaned wells. With that funding, the Department of Natural Resources has hired contractors to plug about 500 wells so far this year.” [Read more.](#)

**New Mexico Governor Orders Agency Vehicles to go Fully Electric by 2035.** On Oct. 16, New Mexico Gov. Michelle Lujan Grisham (D) issued an Executive Order ([No. 2023-138](#)) requiring all state government agencies in New Mexico to transition to a fully electric vehicle fleet by 2035. The order states that transitioning New Mexico to a “zero-emission vehicles” fleet “will benefit the State and its residents environmentally, socially, and economically.” The governor will also be asking the legislature for a “robust” electric vehicle tax credit in the next session commencing in mid-January 2024. [Read more.](#)

**New Mexico Climate Investment Center.** On Oct. 13, New Mexico Gov. Michelle Lujan Grisham (D) “announced the formation of a nonprofit to help New Mexico get millions in federal dollars to invest in renewable and sustainable programs that could boost a gap the state has shown in receiving federal grants.” The New Mexico Climate Investment Center, known as the NMCIC, “could assist as a facilitator between legislative bodies, private companies, community groups and other nonprofits to help the state get some

of the billions in federal investments on areas focused on climate change initiatives,” said Gov. Lujan Grisham. [Read more](#). The NMCIC will operate as a “green bank.” Beth Beloff, interim chair of the NMCIC, said, “While it’s termed a green bank, you’ll hear that term, it’s very important to know it is not a bank. It does not take deposits. It does not compete in any of those ways for commercial banks. It operates as an investment fund, focusing on clean energy and equity focused investments, period.” [Read more](#).

**Land Conservation Incentives Tax Credit Rule Amendments – New Mexico.** On Oct. 10, the New Mexico, Energy, Minerals and Natural Resources Department (EMNRD), Forestry Division, and Taxation and Revenue Department (TRD) published proposed rulemaking changes to [NMAC 3.13.20](#) (Land Conservation Incentives Tax Credit). The purpose of the amendment is “to (1) update citations to Internal Revenue Service regulations in the definitions of qualified appraisal and qualified appraiser; (2) amend definitions of land, public or private conservation agency, and taxpayer to include citations to the statutes where those terms are defined because the State Rules Act, NMSA 1978, Section 14-4-5.7(B) provides words defined in the applicable statute should not be defined in rule; (3) revise the requirements and methods for submitting assessment and certification applications for the Land Conservation Incentives Tax Credit; (4) revise 3.13.20.10(A) NMAC to allow a taxpayer to increase the acreage of the proposed donation or decrease the size of or remove a proposed building envelope without having to submit a new assessment application for review and approval prior to submitting a certification application; (5) replace references to husband and wife with married individuals; (6) replace references to the Combined Reporting System with Business Tax Identification Number; (7) correct citations to statutes; and (8) make stylistic changes.” [Access the proposed rulemaking here](#). EMNRD and TRD will be holding a public hearing on the proposed rule amendments on Nov. 14, 2023 in Santa Fe, NM. The hearing will also be accessible virtually online. [Read more](#). For general information about the rulemaking, [Read more here](#).

### **Attorney General Review of Banks Restricting Work with the Oil and Gas Industry – Texas.**

On Oct. 17, Texas Attorney General Ken Paxton announced his office is reviewing whether a number of financial institutions, including Bank of America and JPMorgan Chase, are violating a state law prohibiting restrictions in transactions or “boycotting” the oil and gas industry related to climate change. As reported by *Bloomberg Government*, “The office announced that it was reviewing companies that are members or affiliate members of the Net Zero Banking Alliance, Net Zero Insurance Alliance, Net Zero Asset Owner Alliance, or Net Zero Asset Managers.” [Read more](#).

### **STATE – Judicial**

**Deed Reservations; Oil and Gas Rights – Ohio.** On Oct. 7, in [Faith Ranch & Farms Fund, Inc. v. PNC Bank, Natl. Assn.](#) (Case No. 2023-Ohio-3608), the Ohio Seventh District Court of Appeals addressed the disputed ownership of oil and gas rights underlying certain parcels of land owned by the appellee. At issue was whether the oil and gas was excepted and reserved from the conveyance of the subject parcels by a 1953 deed. The Faith Ranch & Farms Fund, as the successor in interest to the grantee, argued that the exception and reservation in the deed did not include oil and gas. At trial, the court found the language to be ambiguous as to whether oil and gas was included. On a summary judgment motion, however, “the trial court held the 1953 deed unambiguously reserved only ‘coal and other minerals’ that could be obtained by mining; that it did *not* include oil and gas.” The court found that the “absence of any reference to surface reservation or drilling sealed the conclusion that ‘other minerals’ did not include oil and gas.” Here, the appellate court agreed holding that “the 1953 deed’s reference to ‘other minerals’ did not include oil and gas.” While the court noted the presumption that “other minerals” would include “oil and gas unless the deed compels otherwise,” the court also noted “the lack of any words related to oil and gas development” in prior deeds. In short, with “nothing in the 1953 deed referencing anything other than coal mining and development, the necessary conclusion is that oil and gas was not included in the reservation.” [Read more](#).

