

GOVERNMENTAL AFFAIRS REPORT

AAPL 2024 ELECTION UPDATE

As an update to the Election Results Roundup special section in the November 11, 2024 Governmental Affairs Report, there have been a number of breaking developments since then, as follows.

The U.S. House of Representatives has been called in favor of the Republicans, with the GOP retaining their majority. This means for the first time since the 2016 election, Republicans will hold a trifecta in Washington – both houses of Congress and the White House under President-elect Trump.

President-elect Trump has selected former New York Congressman Lee Zeldin to head the U.S. Environmental Protection Agency. Zeldin is expected to roll back many of the overreaching environmental regulations affecting the oil and gas industry.

President-elect Trump has selected North Dakota Gov. Doug Burgum to be Interior Secretary. As widely reported, Burgum is expected to play a key role in supporting Trump's agenda to increase oil, gas and coal production on public lands. This will include rolling back many of the restrictive BLM policies put in place under the Biden administration. Trump also named Burgum as Chairman of a newly formed National Energy Council, that according to the President-elect will include “all Departments and Agencies involved in the permitting, production, generation, distribution, regulation, [and] transportation, of ALL forms of American Energy.”
[Read more.](#)

President-elect Trump has selected Chris Wright to be Secretary of the U.S. Department of Energy. As reported by *Reuters*, “oil and gas industry executive Chris Wright, a staunch defender of fossil fuel use,

would be his pick to lead the Department of Energy. Wright is the founder and CEO of Liberty Energy, an oilfield services firm based in Denver. He is expected to support Trump's plan to maximize production of oil and gas and to seek ways to boost generation of electricity, demand for which is rising for the first time in decades.”
[Read more.](#)

As reported by *The Hill*, Utah Republican Sen. Mike Lee will lead the Senate Energy and Natural Resources Committee next year. “The Energy and Natural Resources Committee has jurisdiction over the Energy and Interior departments and a range of issues related to energy, conservation and public lands.” Lee has long-been a proponent of increased domestic energy exploration and development. [Read more.](#)

On November 21, U.S. Securities & Exchange Commission Chairman Gary Gensler announced his resignation effective January 20, 2025. This is a big win for the oil and gas industry (and those involved in bitcoin mining operations) as Gensler was antagonistic to crypto mining and pushed a first-ever climate disclosure rule – currently stayed from taking effect as a result of legal challenges – that would have required onerous reporting and impose financial burdens on publicly-traded companies to report their greenhouse gas emissions, climate-related risks, and even overly intrusive corporate governance disclosures related to how companies manage climate risks. With Gensler's exit, and a pro-business and Bitcoin-supporting Trump administration taking the reins, the rule and restrictions on oil and gas industry involvement in bitcoin mining, will likely be reversed. [Read more.](#)

You may also access a *Law360* fact sheet of expected energy policies under the next Trump Administration. [Read more.](#)

FEDERAL – Legislative

H.R. 10139 – American Renewable Energy Act of 2024. On November 15, Rep. Yvette Clarke (D-NY) introduced H.R. 10139, known as the American Renewable Energy Act of 2024. Democrats have introduced the same legislation in recent years but those bills never advanced. H.R. 10139 would “require U.S. electricity providers to garner nearly three-quarters of their generation from renewable energy by the 2030s.” Specifically, the bill specifies that retail electricity providers are to make renewables be 20 percent of their power generation in 2025, and slowly ramp up that percentage each year until reaching 70 percent by 2034. The bill is likely to fail in the upcoming Republican-controlled Congress. [Read more.](#)

S. 5306 – Targeting Environmental and Climate Recklessness Act of 2024. On November 13, Sen. Ed Markey (D-MA) introduced [S. 5306](#), known as the Targeting Environmental and Climate Recklessness Act of 2024. The bill would “restrict access to the U.S. financial system for those individuals and companies most responsible for exacerbating climate change and deforestation.” According to House bill supporter, Rep. Veronica Escobar (D-TX), “As the Biden administration and Congress continue pushing progress at home, it is imperative that we also ensure we have strong foreign policy tools to hold accountable bad foreign actors who engage in reckless behaviors that exacerbate this existential threat.” While the bill is aimed at targeting foreign, not domestic, companies, it is unlikely to advance in the upcoming Republican-controlled Congress. [Read more.](#)

FEDERAL – Regulatory

BLM Oil and Gas Measurement Regulations Clarifications. On November 14, the Bureau of Land Management (BLM) published a proposed notice to lessees, *Clarifying the Implementation of Certain BLM Oil and Gas Measurement Regulations* ([89 Fed. Reg. 90037](#)), that is “clarifying when and how operators are expected to comply with certain requirements in the oil and gas measurement regulations, which became effective in January 2017.” Those BLM regulations relate

to Compliance with the Site Security, Measurement of Oil, and Measurement of Gas. The public comment period is open through December 16, 2024. [Read more.](#)

BLM Greater Sage-Grouse Rangeland Planning.

On November 15, the BLM published a *Notice of Availability of the Proposed Resource Management Plan Amendment and Final Environmental Impact Statement for Greater Sage-Grouse Rangeland Planning* ([89 Fed. Reg. 90311](#)). The notice opens a 30-day protest period for the BLM’s Proposed Resource Management Plan Amendment (RMPA) and Final Environmental Impact Statement (EIS) for the Greater Sage-Grouse Rangeland Planning. As previously reported, “The RMPA would change goals, objectives, and management from previous planning efforts in 77 land use plans to enhance Greater Sage-Grouse (GRSG) conservation through management of sagebrush habitats on BLM-administered lands. The planning area includes portions of 10 Western states with GRSG habitat: California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, and Wyoming, and encompasses nearly 121 million acres of BLM-administered public lands.” [Read more.](#)

BLM Resource Management Plan – Nebraska;

Wyoming. On November 15, the BLM published a *Notice of Availability of the Draft Resource Management Plan and Environmental Impact Statement for the Newcastle Field Office, Wyoming, and Nebraska Planning Area* ([89 Fed. Reg. 90309](#)). Per the notice, the BLM has “prepared a Draft Resource Management Plan (RMP) and Draft Environmental Impact Statement (EIS) for the Newcastle Field Office and Nebraska Resource Management Plans (Newcastle and Nebraska RMPs) and by this notice is announcing the opening of the comment period on the Draft RMP/EIS and the BLM’s proposed areas of critical environmental concern.” And “[t]he planning area includes Crook, Weston, and Niobrara Counties in Wyoming and all counties in Nebraska, and encompasses approximately 287,900 acres of surface public lands and 1,738,900 acres of Federal mineral estate in Wyoming, and approximately 5,100 acres of surface public lands and 223,900 acres of Federal mineral estate in Nebraska.” The notice opens a 90-day comment period. [Read more.](#)

BLM Mineral & Land Records System. On November 20, the BLM announced that it has been on a nearly four-year journey since 2021 “to establish a single, nationally integrated online mineral and land records system, MLRS, for BLM staff and customers. On October 15, 2024, the BLM launched its final major MLRS release, Release 4, that incorporates all remaining Alaska cases into the system.” The MLRS “has replaced and integrated many legacy BLM systems (e.g., LR2000, Alaska’s ACRES/ALIS, LRAM, CSRC) to more efficiently manage resources and cases across a range of BLM actions and business processes. These include mining claims, fluid minerals, geothermal energy, land tenure, solid minerals, land use authorizations, realty billing, and other case types.” [Read more about the MLRS here.](#) Further, “Following this latest release, the BLM will continue delivering periodic MLRS updates to further improve system functionality and user experience.” [Read more.](#)

BLM Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule Update.

On November 22, the BLM published an update to their April 2024 Waste Prevention, Production Subject to Royalties, and Resource Conservation rule ([89 FR 25378](#)) due to technical errors the BLM made that are being corrected. According to the BLM, “This rule merely corrects inadvertent errors that would otherwise cause unnecessary confusion for the operators attempting to comply with the reporting requirements of the Waste Prevention rule, but does not impose new requirements. None of the changes are inconsistent with the BLM’s explanation of the Waste Prevention rule in its preamble. Therefore, the Department of the Interior has determined that it is appropriate for this rule to go into effect at the close of a 30-day comment period unless BLM receives a significant adverse comment.” The public comment period is open through December 23, 2024. [Read more.](#)

BLM Resource Management Plan – Alaska. On November 22, the BLM published “the availability of the Record of Decision (ROD) and Approved Resource Management Plan (RMP) for the Central Yukon planning area of Alaska, located in Central and Northern Alaska.” According to the BLM, “The Approved RMP

provides a consolidated direction under one RMP to address land and resource use and development on BLM-managed public lands within the planning area. The Approved RMP and ROD set forth a comprehensive framework for future public land management actions in the Central Yukon region of Alaska. The planning area consists of about 55.7 million acres of land, including approximately 13.3 million acres of public lands administered by the BLM Central Yukon Field Office.” Although these planning documents may be revised or rescinded under the incoming Trump administration, the BLM says, “The Approved RMP will guide management of these public lands for the next 15 to 20 years for the benefit of current and future generations as part of the BLM’s multiple-use mission. This planning effort is updating management decisions for public land uses and resources, including subsistence resources, mineral exploration and development, and recreation.” [Read more.](#)

Department of Energy Regional Clean Hydrogen Hubs Funding.

On November 20, the U.S. Department of Energy (DOE) announced “up to \$2.2 billion in award commitments for two Regional Clean Hydrogen Hubs (H2Hubs) that will help 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. The two awardees—Gulf Coast H2Hub and Midwest H2Hub—are critical pillars of DOE’s H2Hubs program, which was created by the Bipartisan Infrastructure Law to kickstart a national network of clean hydrogen producers, consumers, and connective infrastructure while supporting the production, storage, delivery, and end-use of clean hydrogen.” [Read more.](#) The DOE continues to provide funding opportunities for hydrogen hubs and carbon management, among other renewable energy programs. To access the DOE funding website, [Read more.](#)

EPA Waste Emissions Charge Rule. To follow up our prior reporting throughout the year, on November 12, the U.S. Environmental Protection Agency (EPA) announced the release of their “final rule to reduce methane emissions from the oil and gas sector. The rule facilitates implementation of Congress’s directive in the Inflation Reduction Act to collect a Waste Emissions

Charge to better ensure valuable natural gas reaches the market rather than polluting the air. Congress established the charge on large emitters of methane if their emissions exceed specific performance levels and directed EPA to collect the charge and implement other features of the program, including providing appropriate exemptions for actions that reduce methane releases.” [Read more](#). Further, “As directed by Congress, the Waste Emissions Charge applies only to waste emissions from high-emitting oil and gas facilities. The Inflation Reduction Act provides that the Waste Emissions Charge applies to methane from certain oil and gas facilities that report emissions of more than 25,000 metric tons of carbon dioxide equivalent per year to the Greenhouse Gas Reporting Program, beginning with methane emissions reported in calendar year 2024. Also, as directed by Congress, the Waste Emissions Charge starts at \$900 per metric ton of wasteful emissions in CY 2024, increasing to \$1,200 for CY 2025, and \$1,500 for CY 2026 and beyond, and only applies to emissions that exceed statutorily specified methane intensity levels.” [Read more](#). The EPA also announced it will hold a Virtual Technical Webinar for the public on December 12 to further explain the rule and its implementation. [Read more](#). However, as reported by *CBS News*, the rule may be short-lived, as “Trump is likely to target the methane fee amid a flurry of expected actions he has promised to deregulate the oil and gas industry.” [Read more](#).

Interior Department Energy Revenue. On November 8, the U.S. Department of the Interior’s Office of Natural Resources Revenue (ONRR) “announced the disbursement of \$16.45 billion in revenues generated in fiscal year 2024 from energy production on federal and Tribal onshore lands, and federal offshore areas.” According to the announcement, “ONRR also disbursed \$4.29 billion in fiscal year 2024 funds to 33 states. This revenue was collected from oil, gas, renewable energy, and mineral production on federal lands within the states’ borders and offshore oil and gas tracts in federal waters adjacent to four Gulf of Mexico states’ shores.” Moreover, “This year’s overall disbursement is the fourth largest since 1982, with three of the four highest years occurring in the past four years.” Leading the way in revenue generated was New Mexico with the

highest level of disbursements at \$2.88 billion. Wyoming and Louisiana rounded out the top three. [Read more](#).

FEDERAL – Judicial

U.S. Department of Labor Overtime Rule – Texas.

To follow up our prior reporting, on November 15, the U.S. District Court for the Eastern District of Texas issued a nationwide injunction in [Texas v. U.S. Dept. of Labor](#) (Case No. 4:24-CV-499-SDJ) “to block the new U.S. Department of Labor (DOL) overtime rule that would have expanded overtime eligibility for millions of employees. Unlike the limited preliminary injunction issued by the same court on June 28, 2024, this decision applies to all employers throughout the United States. The rule’s increased minimum salary thresholds for Fair Labor Standards Act (FLSA) overtime exemptions will no longer be implemented on January 1, 2025, as had been anticipated; the rule’s prior salary level increases that had taken effect on July 1, 2024, have also now been vacated.” [Read the DOL rule press release here](#). The case was brought by the state of Texas challenging the DOL’s statutory authority to issue such a rule. For background, the DOL released the rule raising the minimum salary level for an employee to qualify as exempt from the FLSA’s overtime requirements in April 2024. [Access the DOL rule here](#). That “rule boosted the minimum salary level from \$684 per week (\$35,568 annually) to \$844 per week (\$43,888 annually) on July 1, 2024; it was set to then increase that level again to \$1,128 per week (\$58,656 annually) on January 1, 2025. The rule also impacted the highly compensated employee exemption by increasing its total annual compensation requirement from the current level of \$107,432 to \$132,964 on July 1, 2024 with plans to raise it again to \$151,164 on January 1, 2025.” [Read more](#). As reported by law firm Thompson Hine, “It remains to be seen whether the DOL will file an appeal with the Fifth Circuit. However, if it were to appeal, it seems likely that the incoming Trump administration would withdraw the appeal, leaving the ruling intact.” [Read more](#). For further analysis, you may access additional legal articles [here](#), [here](#) and [here](#).

Leasing; Surface Use Agreements – Pennsylvania.

Recently, in *Pirl v. Equinor U.S. Onshore Properties*

Inc. (Case No. 2:22-cv-3854), a federal court in Pennsylvania dismissed a landowner action against Equinor regarding a dispute over a surface use agreement and the use of the surface for a cattle business. The court found that “under the four corners of the Agreement, Equinor is never required to pay, confer with, notify, seek permission from, consider, or otherwise interact with the owner of a cattle business.” In sum, the court held that “The plain language of the SUA reveals that the Pirls granted, conveyed, and assigned Equinor rights to build and operate on 146.063 acres of their property. Equinor paid for the right to use 14.6 acres of that property. The inclusion of, and the parties’ agreement to, the phrase ‘for informational purposes only’ reveals intent that the depictions and descriptions in Exhibit A [outlining the construction site with a 14.6-acre limit of disturbance] were meant to be educational rather than legally binding.” [Read more.](#)

STATE – Legislative

For all 650+ 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

Low Carbon Fuel Standard Rulemaking – California.

On November 8, the California Air Resources Board (CARB) “approved updates to the Low Carbon Fuel Standard (LCFS) that channel global, national and local private sector investment towards increasing cleaner fuel and transportation options for consumers, accelerating the deployment of zero-emission infrastructure, and keeping the state on track to meet legislatively mandated air quality and climate targets.” According to CARB, “LCFS reduces air pollution and greenhouse gas emissions by setting a declining carbon intensity target for transportation fuels used in California; producers that don’t meet established benchmarks buy credits from those that do.” [For more background on the rulemaking read more here.](#)

As reported by *The Hill*, these latest amendments to the LCFS focus on “increasing the stringency of the program to more aggressively decarbonize fuels.”

[Read more.](#)

STATE – Judicial

Marketable Title Act; Royalty Reservations – Ohio.

On October 18, in *RL Clark, L.L.C. v. Hammond* (Case No. 2024-Ohio-5051), the Ohio Court of Appeals, Seventh District, addressed a dispute involving the effect of the Marketable Title Act (MTA) on a one-half royalty interest contained in a deed. For background, “The trial court determined that a 1956 deed was the root of title in this matter. The court examined whether a reference in that deed to prior royalty interests was general rather than specific, and whether the royalty interest was extinguished under the MTA.” The appellants contended that the reference to oil and gas reserved by prior grantors was specific enough to satisfy the test under existing law. However, here, the court held that the “Appellants are incorrect, and the trial court properly concluded that the reference to prior oil and gas royalties in the 1956 deed was merely general. Based on the holding in *Blackstone*, the general reference to a royalty interest does not preserve the interest unless the deed also contained specific identification of a prior recorded title transaction. There is no such specific identification in the 1956 deed. The 1902 royalty interest was extinguished under the MTA.” [Read more.](#)

Regional Greenhouse Gas Initiative – Virginia.

On November 18, in [Association of Energy Conservation Professionals v. Virginia State Air Pollution Control Board](#) (Case No. CL23000173-00), a Virginia court ruled against Gov. Glenn Youngkin (R) holding his “administration cannot withdraw from an interstate carbon emission-capping compact without approval from the state Legislature.” For background, “Shortly after taking office in 2022, Youngkin announced plans to withdraw Virginia from the Regional Greenhouse Gas Initiative (RGGI), a multistate agreement the state General Assembly voted to enter under his Democratic predecessor, Ralph Northam. Youngkin argued the initiative, which

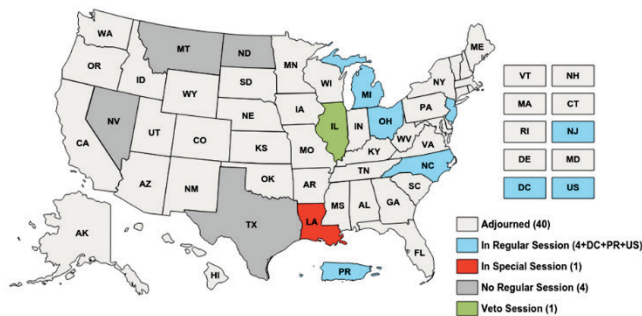
requires participants to buy allowances to offset their emissions, passed increased utility costs onto ratepayers.” The court concluded, “[T]he only body with the authority to repeal the RGGI regulation would be the General Assembly. This is because a statute, the RGGI Act, requires the RGGI regulation to exist.” [Read more.](#)

INDUSTRY NEWS FLASH

► **API pens letter to President-elect Trump on energy policy.** On November 18, the American Petroleum Institute’s President and CEO Mike Sommers penned a letter to President-elect Trump outlining “critical factors for American energy success.” Key among them were increased onshore and offshore oil and gas production, federal permitting reform, and maintaining competitive tax policies. [Read more.](#) Further, both the API and IPAA have recently announced their energy priorities for the next administration. [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Michigan and Ohio are in regular session. The U.S. Congress is in regular session.

Illinois is holding a veto session until November 21. In Illinois, a veto session is held after adjournment of a regular session when the General Assembly reconvenes to consider the Governor’s vetoes, if any.

North Carolina passed an [adjournment resolution](#) that calls for the regular session to reconvene periodically through December. The legislature reconvened for a one-day session on November 19 and is scheduled to convene again on December 2.

Pennsylvania adjourned on November 14 through the end of the year and will reconvene on January 7, 2025.

Louisiana began a special session on November 6 that is focused on tax reform.

California Democratic Gov. Gavin Newsom [called](#) a special session to begin December 2 to “safeguard California values and fundamental rights in the face of an incoming Trump administration.” According to the [Associated Press](#), Governor Newsom’s office said the state is ready to “Trump-proof” its laws. The special session will focus on safeguarding the state’s progressive policies and approving funding for the Department of Justice in preparation for potential lawsuits against the Trump administration’s policies.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [California House](#) and [Senate](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Hawaii](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Missouri House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Hampshire House](#) and [Senate](#), [New Mexico](#), [New York Assembly](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2025 bill drafts, pre-files and interim studies: [Alabama](#), [Florida](#), [Iowa](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Hampshire](#), [North Dakota](#), [Oklahoma](#), [Tennessee](#), [Texas](#), [Utah](#) and [Virginia](#). ■

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