

# GOVERNMENTAL AFFAIRS REPORT

## Highlights At-A-Glance

### FEDERAL – Legislative

**S. 5124/H.R. 9344 – Chaco Cultural Heritage Area Protection Act.** On November 17, U.S. Senators Ben Ray Luján (D-NM) and Martin Heinrich (D-NM), and U.S. Representatives Teresa Leger Fernández (D-NM) and Melanie Stansbury (D-NM) introduced companion bills [S. 5124](#) and [H.R. 9344](#), called the Chaco Cultural Heritage Area Protection Act, “to protect Chaco Canyon and the greater landscape surrounding the Chaco Culture National Historical Park. This legislation will prevent future leasing and development of oil, gas, and minerals on federal lands that are located within a 10-mile buffer zone around the park. This proposed Chaco Protection Zone will preserve the ancestral sites and cultural patrimony within Chaco Canyon and the surrounding landscape.” [Read more.](#) As noted by Sen. Luján, “Recently, the Biden administration has moved forward with an Administrative Withdrawal of the 10-mile buffer zone. This legislation would provide urgently needed permanent protections by banning oil, gas, and mineral development on federal lands in the Greater Chaco Region. Additionally, this legislation would codify protections for private, state, and Tribal entities, including Navajo allottees, ensuring that existing rights are preserved as the area is protected.” [Read more.](#)

**Incoming House Natural Resources Committee Chair to Impact Biden’s Climate Change Agenda.** With Republicans taking control of the U.S. House of Representatives majority in January, incoming House Natural Resources Committee Chairman Rep. Bruce Westerman (R-AR) “outlined his priorities for a Republican-majority committee on a call with reporters [...] identifying potential areas of bipartisan agreement but saying he did not believe climate change to be the House panel’s sole charge.” As reported by *The Hill*, Westerman, who will succeed Rep. Raúl Grijalva (D-

AZ) as Chairman, “suggested the committee would push back on Biden administration energy policies, particularly pertaining to fossil fuels, but named issues he saw as opportunities for bipartisanship as well.” One such area is reforms to environmental and energy permitting, such as pipeline infrastructure, in which common ground could be found with Sen. Joe Manchin (D-WV) and other lawmakers. Throughout President Biden’s term, Rep. Westerman has been a vocal supporter of traditional energy development and the need for greater domestic production. [Read more.](#)

### FEDERAL – Regulatory

#### **BLM Oil and Gas Lease Sales – Nevada; Utah.**

On November 21, the Bureau of Land Management (BLM) announced, “In accordance with congressional direction in the Inflation Reduction Act, the Bureau of Land Management is initiating 30-day scoping periods to receive public input on potential oil and gas lease sales on 35 parcels in Nevada totaling 63,603.89 acres and 18 parcels in Utah totaling nearly 31,808 acres.” The announcement also provides information on parcels that the BLM will analyze, as well as maps and instructions on how to comment. [Read more.](#) As reported by *The Hill*, “Under the updated regulations, minimum bids would be set at \$10 per acre, a fivefold increase from the previous minimum of \$2 per acre. This marks the first increase in the minimum in 35 years. The sales will also reflect updated royalty rates for oil and gas leasing, with minimum rates increasing from 12.5 percent to 16.7 percent. Meanwhile, while rental rates before the act were \$1.50 per acre for five years and \$2 per year thereafter, the new rates will increase to \$3 per acre for the initial two years, \$5 an acre for the third through eighth years and \$15 in the ninth and tenth years.” [Read more.](#)

### **BLM Information Collection; Measurement of Oil.**

On November 15, the Bureau of Land Management (BLM) published a notice, *Agency Information Collection Activities; Measurement of Oil* ([87 Fed. Reg. 68516](#)). According to the BLM, this “collection of information enables the BLM to ensure compliance with standards for the measurement of oil produced from Federal and Indian (except Osage Tribe) leases and compliance with pertinent statutes.” The public comment period is open through January 16, 2023. [Read more.](#)

### **BLM Information Collection; Measurement of Gas.**

On November 15, the Bureau of Land Management (BLM) published a notice, *Agency Information Collection Activities; Measurement of Gas* ([87 Fed. Reg. 68516](#)). According to the notice, the “BLM is requesting renewal of a control number that pertains to the accurate measurement and proper reporting of all natural gas removed or sold from Federal and Indian leases, units, unit participating areas, and areas subject to communitization agreements.” The public comment period is open through January 16, 2023. [Read more.](#)

### **BLM Information Collection; Oil and Gas Facilities.**

On November 15, the Bureau of Land Management (BLM) published a notice, *Agency Information Collection Activities; Oil and Gas Facility Site Security* ([87 Fed. Reg. 68517](#)). According to the BLM, “this control number enables the Bureau of Land Management (BLM) to collect information about Federal and Indian (except Osage Tribe) onshore oil and gas leases. The information facilitates accurate measurement of oil and gas, production accountability, payment of royalties that are due, and prevention of theft and loss.” The public comment period is open through January 16, 2023. [Read more.](#)

### **BLM Habitat Connectivity on Federal Lands.**

On November 15, the Bureau of Land Management (BLM) issued an Instruction Memorandum on “Habitat Connectivity on Public Lands” (IM 2023-005). According to the BLM, this IM helps the BLM “fulfill aspects of its multiple use and sustained yield mandate by ensuring habitats for native fish, wildlife,

and plant populations are sufficiently interconnected. As part of that work, this policy directs the BLM state offices to consult with state fish and wildlife agencies and Tribes to assess habitat connectivity in order to manage as best as possible for intact, connected habitat.” The IPAA has reported that it “believes there will be land use planning implications for APD’s but it remains to be seen exactly how BLM will apply the new IM.” [Read more.](#)

### **BLM Grand Staircase-Escalante National Monument Advisory Committee.**

On November 14, the Bureau of Land Management (BLM) announced it “will host a virtual public meeting of the Grand Staircase-Escalante National Monument Advisory Committee on Dec. 13, 2022, from 9 a.m. to 4:30 p.m., with public comments accepted at 1:45 p.m. This meeting will be held via Zoom.” Part of the agenda will “include discussion of the revised alternatives for the new resource management plan.” If you would like to attend, the BLM asks that you register in advance. [Read more.](#)

### **BLM Resource Development in the Thompson Divide – Colorado.** (*Update to 10/31/22 Report*)

UPDATE: On November 16, the Bureau of Land Management (BLM) published a correction ([87 Fed. Reg. 68726](#)) to its notice below adding a time for the public meeting to be held on December 14 that they failed to provide in their initial publishing. [Read more.](#) For background, on October 17, the BLM published a *Notice of Proposed Withdrawal and Public Meeting, Thompson Divide Area, Colorado* ([87 Fed. Reg. 62878](#)) which opened up the public comment period for the BLM’s withdrawal of “approximately 224,793.73 acres, including approximately 200,518.28 acres of National Forest System lands, approximately 15,464.99 acres of BLM-managed public lands, and approximately 8,810.46 acres of reserved Federal mineral interest” from resource development in the Thompson Divide. As previously reported, on October 12, the Interior Department announced the Biden administration’s proposal to protect the Thompson Divide from mineral and oil and gas leasing and development. Under the proposal, after a two-year analysis, the Thompson Divide could be subject to a 20-year withdrawal. The

Interior Department noted, “the Thompson Divide area has not been available to oil and gas leasing for several years, and there is no current or planned oil exploration or production in the area. Pre-existing natural gas leases in the area would be unaffected by this proposed mineral withdrawal. These pre-existing and unaffected natural gas-related leases in the Thompson Divide area constitute less than 1% of the more than 3,000 active federal leases in the state of Colorado.” [Read more.](#) The public comment period is open through January 16, 2023, and the BLM will hold a public meeting on December 14, 2022 from 5 p.m. to 7 p.m, at the Carbondale & Rural Fire Protection District, 300 Meadowood Drive, Carbondale, CO 81623. [Read more.](#)

**Interior Department Bonding and Financial Assurance Petition for Rulemaking.** On November 16, environmental and conservation groups filed a petition with the Interior Department and Bureau of Land Management (BLM) requesting “to immediately promulgate regulations and policies to update the bonding and financial assurance requirements for federal onshore oil and gas leasing and development.” [Read the petition here.](#) According to the filing, “Petitioners call on BLM to complete its work to ensure the taxpayers who own these resources are not left paying for reclamation and cleanup and to better fulfill the agency’s broader obligations as stewards of our public lands and minerals. BLM is long overdue in acting to update bonding requirements and should issue updated policies and commence rulemakings to address these major inadequacies in its onshore oil and gas program.” [Read more.](#)

## **STATE – Legislative**

**Notarial Acts – Ohio.** (*Update to 3/28/22 Report*) On November 16, SB 300 passed the Senate. Sponsored by Sen. Steve Wilson (R), the bill would make several changes to existing notary law. Specifically, the measure: (1) Amends requirements to the notary’s oath of office, allowing a notary to either take the oath in person or certify that the notary will abide by the oath; (2) Redefines “acknowledgment” to mean an individual’s declaration before a notary that the individual has signed a record for the purpose stated

in the record, and if the record is signed in a representative capacity, that the individual signed the record with proper authority and signed it as the act of the person identified in the record; (3) Requires notaries seeking to replace lost or destroyed commissions or to amend an existing commission to file an electronic form, as opposed to a paper form; (4) Imposes new requirements with regard to notaries verifying the identification of persons making an acknowledgment or a jurat; (5) Prohibits a notary from performing a notarial act for a person with whom the notary cannot communicate without the assistance of an interpreter or translator; (6) Adds a new form of acknowledgment for limited liability companies; (7) Expands the list of county government officials that are required to accept electronically notarized documents to include clerks of courts of record and deputy registrars; and (8) Removes the requirement that the notarial certificate for an acknowledgement or jurat indicate the type of notarization being performed. [Read more.](#)

**Carbon Sequestration – Pennsylvania.** On November 14, SB 1361 was introduced by Sen. Gene Yaw (R). Known as the Carbon Dioxide Geologic Sequestration Primacy Act, the bill would establish “the legal and regulatory framework for potential carbon dioxide capture, utilization and sequestration (CCUS) in Pennsylvania.” Further, the bill would provide for “primary enforcement authority from the U.S. Environmental Protection Agency for carbon dioxide underground injection wells (referred to as Class VI wells).” According to Sen. Yaw, “my legislation would ensure that Pennsylvania does not adopt standards which are any more stringent than those required by the U.S. EPA. Several other states seeking to facilitate CCUS and its associated jobs and investment have already secured primacy, which is critical to streamlining and removing redundancies from the permitting process.” [Read more.](#)

**Electronic Submissions – Ohio.** On November 17, HB 524 was heard in the House Government Oversight Committee. The committee took no action on the bill and no one signed up to testify. Sponsored by Rep. Thomas Hall (R), the bill provides that “(A)

Notwithstanding any other provision of law to the contrary and other than a statement of production, the chief of the division of oil and gas resources management may require the electronic submission of any application, report, test result, fee, or document that is required to be submitted under this chapter. The chief shall require the submission of statements of production to be made electronically regardless of well type and the number of wells owned.” The bill also provides, “For good cause, a person may request to be excluded from any requirement to make an electronic submission under division (A) of this section other than the requirement to submit a statement of production electronically. The chief shall establish the procedure and form by which a person may request such exclusion.” [Read more.](#)

**Federal Regulation of Oil and Gas Production – Texas.** Although the Texas legislative session does not begin until January, some lawmakers have started the early process of filing bills for introduction. Rep. Brooks Landgraf (R) has filed [HB 33](#). The bill would “prevent the implementation of any federal regulations on oil or gas production in Texas.” As reported, the bill “will not allow any Texas state agencies the ability to provide assistance to or contracting with any federal agencies looking to put forth any federal statute regulating oil and gas operations if the regulation is not already existing law.” [Read more.](#)

## STATE – Regulatory

**California Greenhouse Gas and Oil Usage Plan.** On November 16, Gov. Gavin Newsom (D) announced that the California Air Resources Board (CARB) has released an ambitious roadmap to “combat climate change and transition to clean energy [...] cut air pollution by 71%, reduce fossil fuel consumption by 86%, and reach carbon neutrality by 2045.” The plan also includes “a 94% drop in demand for oil.” [Read more about the proposal here.](#) According to Gov. Newsom, the CARB plan would “implement the most ambitious climate action of any jurisdiction in the world, taking unprecedented steps to drastically slash pollution and accelerate the transition to clean energy.” [Read more.](#) You can also access the CARB

“2022 Scoping Plan for Achieving Carbon Neutrality” [documents and plan updates here.](#)

### **Kern County Oil and Gas Permits – California.**

On November 16, the California Geologic Energy Management Division issued a Notice to Operators (2022-06) addressing the lifting of a previous court order that required Kern County to cease reviewing and approving oil and gas permits unless and until the court determines that the Ordinance complies with the California Environmental Quality Act (CEQA) requirements. As stated in the Notice, “Kern County may resume permitting of oil and gas operations as CEQA lead agency in unincorporated Kern County. With validity of Kern County’s Final Supplemental Recirculated Environmental Impact Report (SREIR) restored, the California Geologic Energy Management Division (CalGEM) will now be a responsible agency.” [Read more.](#)

### **New Mexico Environment Department Electronic Applications and Permits.**

On November 17, the New Mexico Environment Department (NMED) Air Quality Bureau (AQB) announced the *Electronic Submittal Requirement for GCP-Oil and Gas and Notice of Intent Applications*. According to the NMED/AQB announcement, “Beginning Monday, January 9<sup>th</sup>, 2023, applicants will be required to submit two types of applications electronically through the ePermitting Portal. 1. Notice of Intent (NOI) applications for oil and gas facilities, and 2. General Construction Permit applications for Oil and Gas Facilities (GCP-O&G). Hard copy submittals that are postmarked on or before January 9<sup>th</sup>, 2023, will be accepted and processed. All other non-oil and gas permit and NOI applications should be mailed according to the instructions on those forms.” [Read more.](#)

**Orphan Wells Plugging – Wyoming.** On November 15, it was reported that the Wyoming Oil and Gas Conservation Commission (WOGCC) “has about 1,500 orphaned wells remaining, oil and gas wells that have been drilled but abandoned without being plugged. With \$25 million in funding from the federal Infrastructure Investment and Jobs Act (IIJA),

it's possible the state will plug the last of those.” According to Tom Kropatsch, WOGCC Supervisor, “So as far as where Wyoming is at, I think we’re a leader in addressing those orphan wells, and have been, even before this [IIJA] money became available. As far as how much methane emissions have been stopped as a result of the work isn’t [yet] known.” [Read more.](#)

## **INDUSTRY NEWS FLASH**

### **► Donald Trump announces 2024 presidential run.**

On November 15, former President Donald Trump announced that he is running for president in 2024. Focusing part of his speech on climate change and energy, Trump told a packed Mar-a-Lago audience, “The Green New Deal, and the environment, which they say may affect us in 300 years is all that is talked about.” Trump also criticized President Biden for calling on adversarial foreign nations to pump more oil. “There are lots of nations that hate us gravely. And that’s the problem when they look at us in disarray like we are right now when we go to them begging for oil and we have more liquid gold under our feet than they have. It’s crazy what’s happening.” [Read more.](#)

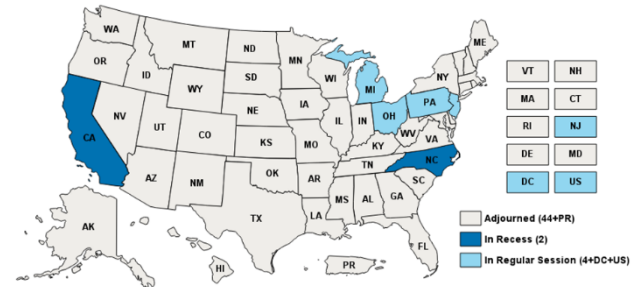
**► Louisiana to gain 3,500 oil and gas jobs by mid-2023.** A new report from Louisiana State University’s Center for Energy Studies “predicts Louisiana will regain thousands of jobs in the oil and gas industry by the middle of 2023. Research professor Greg Upton says, “this year Louisiana has already gained 2,500 jobs that involve extracting oil and gas from the ground” and added that the Center is forecasting that the state will regain an additional 3,500 jobs “within the upstream oil and gas extraction services sectors by about sometime mid next year before that levels off.” [Read more.](#)

**► In New Mexico, despite 1,400% increase in renewables, oil and gas still top earner on state lands.** As reported on November 14, “Despite recent efforts to expand income from renewable resources,

the latest numbers from the state’s Land Office show that the bulk of the state’s income from land-owning comes from oil and gas.” As noted by the state agency, “when it comes to income these renewables create for the state versus the income from oil and gas, there’s still no comparison. In the fiscal year 2022, royalties from oil and gas totaled \$2.3 billion — that’s 96% of the State Land Offices earnings that year, according to numbers presented to legislators.” [Read more.](#)

## **LEGISLATIVE SESSION OVERVIEW**

### **States in Session**



**Session Notes:** Michigan, New Jersey, Ohio, and Pennsylvania are in regular session. The 117th U.S. Congress is in the final days of its lame-duck session prior to the 118th Congress convening on January 3, 2023 with a Republican majority in the House.

**California** is in recess but Democratic Gov. Gavin Newsom may attempt to call the legislature into a special session on December 5 to seek passage of a new tax on oil and gas industry profits, reports [PBS](#).

**North Carolina** was scheduled to adjourn on July 1; however, the [adjournment resolution](#) calls for the regular session to reconvene for monthly mini sessions through December. The legislature completed their November session on November 17. The next and last mini session of the year is scheduled for December 13.

**Signing Deadlines** (by date): **New York** Democrat Gov. Kathy Hochul has 10 days from presentment,

Sundays excepted, to act on legislation or it becomes law without signature. **North Carolina** Democrat Gov. Roy Cooper has 10 days from presentment to act on legislation or it becomes law without signature.

The following states are currently holding 2022 interim committee hearings: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Delaware](#), [Florida House](#) and [Senate](#), [Georgia](#), [Hawaii](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Iowa](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Massachusetts](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Missouri House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Hampshire House](#) and [Senate](#), [New Mexico](#), [North Dakota](#), [Ohio](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina House](#) and [Senate](#), [South Dakota](#), [Tennessee](#), [Texas House](#) and [Senate](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#), [Wisconsin](#) and [Wyoming](#).

The following states are currently posting 2023 bill drafts, pre-files and interim studies: [Arizona](#), [Arkansas](#), [Florida](#), [Georgia](#), [Kentucky](#), [Massachusetts](#), [Montana](#), [Nevada](#), [New Hampshire](#), [North Dakota](#), [Oklahoma](#), [Tennessee](#), [Texas](#), [Utah](#), [Virginia](#), [West Virginia](#) and [Wyoming](#). ■

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