

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

### **H.R. 1217 – Orphan Well Grant Flexibility Act.**

On February 11, Rep. Glenn Thompson (R-PA) introduced bipartisan bill, [H.R. 1217](#), known as the Orphan Well Grant Flexibility Act. The bill “would remove barriers to closing abandoned oil wells.” Specifically, the legislation is “designed to empower states to maximize their operational flexibility when plugging abandoned oil wells” by removing “burdens on state agencies regarding certain testing procedures, which will maximize the use of federal funds and lead to more wells being plugged.” [Read more](#). According to Rep. Thompson, “*The Orphan Well Grant Flexibility Act* will cut red tape, speed up environmental restoration, and protect communities throughout oil and gas-producing regions.” The bill is supported by the IPAA and Interstate Oil and Gas Compact Commission, among other groups. [Read more](#).

### **H.R. 1047 / S. 465 – Guaranteeing Reliability through the Interconnection of Dispatchable (GRID) Power Act.**

On February 6, Rep. Troy Balderson (R-OH) introduced [H.R. 1047](#), known as the Guaranteeing Reliability through the Interconnection of Dispatchable (GRID) Power Act. The companion Senate version, [S. 465](#), has also been introduced by Sen. John Hoeven (R-ND). The bill “would enable grid operators to expedite consideration of power generation projects that improve the reliability of the electric grid.” According to one of the cosponsors, Sen. Todd Young (R-IN), “The *GRID Power Act* would direct the Federal Energy Regulatory Commission (FERC) to initiate rulemaking authorizing regional grid operators to give priority consideration for baseload generation projects seeking an interconnection agreement. The interconnection agreement queue is where proposed projects wait before grid operators begin conducting their feasibility

and system impact studies. As of 2023, the median wait time was five years for an interconnection agreement, significantly delaying the construction of critical projects. FERC would be required to establish this process within 90 days of the bill’s enactment and finalize the rule within 180 days.” [Read more](#). Expediting FERC approvals under the legislation is expected to favor both coal-based and natural gas energy projects that were delayed or disfavored under the Biden administration. [Read more](#).

### **Senate Environment & Public Works Committee Hearing on Federal Environmental Review and Permitting Processes.**

On February 19, the U.S. Senate Committee on Environment & Public Works held a hearing titled, “Improving the Federal Environmental Review and Permitting Processes.” The hearing addressed issues related to federal environmental review and the permitting process for various infrastructure and energy-related projects. According to Committee Chairman Shelley Moore Capito (R-WV), “environmental review and permitting process reform must be bipartisan to be successful. My guiding principles for this effort are straightforward, the legislation that we develop must help all types of projects, not just politically favored projects or projects that will support the infrastructure needs of some Americans but not others. We must provide clarity and transparency in the processes.” Witnesses included industry representatives affected by the environmental review and permitting process. To access a full video recording of the hearing and witness testimony, [Read more](#).

### **Senate Environment & Public Works Committee Hearing on Carbon Capture, Utilization and Sequestration.**

On February 12, the U.S. Senate Committee on Environment & Public Works held a hearing titled, “Advancing Carbon Capture, Utilization

and Sequestration Technologies and Ensuring Effective Implementation of the USE IT Act.”

The hearing addressed carbon capture, utilization and sequestration (CCUS) technologies and implementation of 2020 federal legislation to promote CCUS projects and provide permitting in a “timely and effective manner.” Committee Chairman Shelley Moore Capito (R-WV) said, “The deployment of CCUS can be a tool to not only maintain, but expand reliable electric generation capacity and ensure the reliability of our electric grid, while improving the environment and growing our economy. I believe that’s a win-win situation.” Witnesses included experts in the CCUS field. To access a full video recording of the hearing and witness testimony, [Read more](#).

**House Natural Resource Committee Hearing on Restoring Energy Dominance.** On February 11, the U.S. House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, held an oversight hearing titled, “Restoring Energy Dominance: The Path to Unleashing American Offshore Energy.” The hearing addressed “how Biden administration’s actions to diminish offshore oil and gas production have endangered long-term supply and threatened American energy independence” and how the new administration will promote offshore oil and gas production. Witnesses included industry representatives. To access a full video recording of the hearing and witness testimony, [Read more](#).

**House Natural Resource Committee Hearing on Restoring Multiple Use to Revitalize America’s Public Lands and Rural Communities.** On February 11, the U.S. House Committee on Natural Resources, Subcommittee on Federal Lands, held an oversight hearing titled, “Restoring Multiple Use to Revitalize America’s Public Lands and Rural Communities.” The hearing focused on how the “Trump administration has promised a prompt return to multiple use on our federal lands” which includes natural resource development stymied under the Biden administration and eliminating certain initiatives like the “30x30” land preservation policy, national monument expansion, and restrictive resource management plans under the prior administration. Witnesses included multiple

representatives from Western states. To access a full video recording of the hearing and witness testimony, [Read more](#).

## **FEDERAL – Regulatory**

**President Trump Creates National Energy Dominance Council to Promote Domestic Oil and Gas Production.** On February 14, President Trump created a National Energy Dominance Council “to move quickly to drive up already record-setting domestic oil and gas production.” [Access the White House Fact Sheet here](#). The Council will have a 4-point mandate to: (1) “advise President Trump on strategies to achieve energy dominance by improving the processes for permitting, production, generation, distribution, regulation, and transportation across all forms of American energy;” (2) “recommend a National Energy Dominance Strategy to the President aimed at cutting red tape, enhancing private sector investments, and advancing innovation;” (3) “facilitate cooperation between the federal government and domestic energy partners, ensuring policy consistency; and (4) “will also consult with various public and private sector stakeholders to expand energy production and address cost barriers.” As reported by the *Associated Press*, “The new council, to be headed by [Interior Secretary] Burgum, will be granted sweeping authority over federal agencies involved in energy permitting, production, generation, distribution, regulation and transportation, with a mandate to cut bureaucratic red tape, enhance private sector investments and focus on innovation instead of “totally unnecessary regulation,” as Trump has noted. [Read more](#).

**BLM Oil and Gas Lease Sale – Colorado.** On February 14, the Bureau of Land Management (BLM) announced it has “opened a 30-day public scoping period to receive public input on 61 oil and gas parcels totaling 51,068 acres that may be included in a December 2025 lease sale in Colorado.” The public comment period is open through March 17, 2025. [Read more](#).

**California Lawmakers Letter to Energy Secretary on State Natural Gas Bans.** On February 10, the California

Republican delegation sent a letter to U.S. Department of Energy (DOE) Secretary Chris Wright asking that federal authorities examine efforts by the state to “ban natural gas and gas appliances” and “evaluate these actions and their impact on issues of energy sufficiency, energy independence, and national security.” [Read the letter here](#). The lawmakers “are also requesting that the DOE ‘engage legally with any California jurisdiction violating EPCA [Energy Policy and Conservation Act of 1975] in order to enforce the federal preemption of any state or local gas bans.’” [Read more](#).

**Kathleen Sgamma, President of the Western Energy Alliance, Nominated as BLM Director.** On February 11, the Trump administration announced it has selected Kathleen Sgamma, President of the Colorado-based Western Energy Alliance – which successfully advocates on behalf of the oil and gas industry across western states – to be named as the next Bureau of Land Management (BLM) Director. The nomination requires U.S. Senate confirmation and we will keep AAPL members informed once Sgamma is confirmed. U.S. Rep. Lauren Boebert (R-CO) called Sgamma’s selection a “major win for Coloradans” and said, “I’ve had the opportunity to work closely with her on several efforts to responsibly manage our lands while also allowing our oil and gas industry to thrive and bring back American energy dominance.” AAPL governmental affairs has had a close working relationship with the Western Energy Alliance under Sgamma’s leadership, including coordinating efforts on various regulatory submissions, comments and letter campaigns during the Biden administration. We are excited to learn of Sgamma’s nomination, wish her hearty congratulations, and look forward to continuing AAPL’s close relationship in her new role. [Read more](#).

**EPA Class VI Well Primacy – West Virginia.** On February 18, the U.S. Environmental Protection Agency (EPA) announced it “signed a final rule approving the State of West Virginia’s request to regulate the injection of carbon dioxide (CO<sub>2</sub>) into deep rock formations.” According to the announcement, “This final rule will be submitted for publication in the Federal Register, and the UIC program for Class VI wells in the State of West Virginia will be effective 30 days after publication.” [Read](#)

[the EPA announcement here](#). “Today’s actions open the door for new investment and job creation in our energy, manufacturing, and petrochemical sectors,” said West Virginia Governor Patrick Morrisey (R). “I want to thank President Donald Trump and EPA Administrator Zeldin for granting us the authority to permit and regulate these wells, allowing our state to produce even more energy. West Virginia looks forward to powering the Great American Comeback and making the United States energy-dominant once again.” For more information on Class VI injection wells and carbon capture and storage, [access the EPA Underground Injection Control and Class VI well website here](#). As reported by *The Hill*, “The EPA on Tuesday made West Virginia the fourth state with the authority to approve such carbon storage wells for themselves rather than through federal approval.” The other states are Louisiana, North Dakota and Wyoming. [Read more](#).

**NLRB General Counsel Non-Compete Internal Memorandum.** (*Update to 10/14/24 Report*) In a victory for those utilizing non-compete agreements, the new Acting General Counsel of the National Labor Relations Board (NLRB) under the Trump administration has rescinded a Biden-era general counsel memorandum that deemed “certain non-compete provisions unlawful.” On February 14, Acting NLRB General Counsel William Cowen issued [Memorandum GC 25-05](#) rescinding GC 25-01 (Remedying the Harmful Effects of Non-Compete and “Stay-or-Pay” Provisions that Violate the National Labor Relations Act), among other memoranda. [Read more](#). For background on October 7, 2024, under the Biden administration, then NLRB General Counsel Jennifer Abruzzo issued memorandum, [GC 25-01](#), urging the NLRB Board to “find certain non-compete provisions unlawful but also, as fully as possible, to remedy the harmful effects on employees when employers use and apply them. In addition, I believe that certain ‘stay-or-pay’ provisions, under which an employee must pay their employer if they separate from employment, infringe on employees’ [Section 7 rights](#) in many of the same ways that non-compete agreements do and that such provisions therefore also violate [Section 8\(a\)\(1\) of the Act](#) unless narrowly tailored to minimize that infringement. Part II of this memo sets forth my proposed framework for

assessing the lawfulness of such provisions, the remedies I intend to seek before the Board, and the circumstances under which I will decline to issue complaint against preexisting stay-or-pay arrangements.” Although NLRB actions are primarily enforced against unionized employees ([see NLRB FAQ on who is covered by the National Labor Relations Act here](#)), as noted by law firm Steptoe & Johnson, “According to a prior memorandum from Abruzzo’s office in May of 2023, non-compete clauses — except in limited circumstances — often violate [Section 7 of the NLRA](#), regardless of whether a unionized workforce is present in the workplace.” [Read more](#). The Trump administration’s rescinding of GC 25-01 will return the NLRB general counsel guidance back to former policies in which non-compete agreements were not considered unlawful. [Read more](#).

**SEC Climate Disclosure Rule.** (*Update to March 18, 2024 Report*) In a positive development in the ongoing battle over implementation of the U.S. Securities and Exchange Commission’s (SEC) Climate Disclosure Rule, on February 11, the SEC Acting Chairman, Mark T. Uyeda, issued a statement that under the new administration, the SEC would no longer be defending the rule in court. [Read the statement here](#). As noted by Uyeda, “The Rule is currently being challenged in litigation consolidated in the Eighth Circuit and the Commission previously stayed effectiveness of the Rule pending completion of that litigation. The Rule is deeply flawed and could inflict significant harm on the capital markets and our economy.” Further, Uyeda says that “the Commission was ‘without statutory authority or expertise’ to address climate change issues and that ‘this [R]ule is climate regulation promulgated under the Commission’s seal.’” As the rule was never made effective due to the ongoing litigation challenging it, under the Trump administration and Uyeda’s official statement it is all but dead. [Read a detailed legal analysis of the current status from the Cooley LLP law firm here](#). For background, on March 6, 2024, under the Biden administration, the SEC released their 800+ page climate disclosure rule for public companies. [Read the SEC Press Release here](#). The rule, [The Enhancement and Standardization of Climate-Related Disclosures for Investors](#), would “require registrants to provide

certain climate related information in their registration statements and annual reports [and] will require information about a registrant’s climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition.” [Read more](#). In short, the new rule would “require public companies to provide qualitative disclosure” as well as “qualitative financial statement disclosure” as part of their public filings. Those disclosures cover: “climate-related risks; identification, oversight and management of such risks; the impact of those risks on the business; climate-related targets and goals; data relating to a company’s GHG emissions; and climate-related capitalized costs, expenditures, charges and losses, and impacts on financial statement estimates and assumptions.” [Read an SEC Fact Sheet here](#). For a deeper dive into the required disclosures, [Read more from law firm Holland & Knight here](#). One positive outcome is that the SEC removed “Scope 3” emissions disclosures from the final rule. These disclosures were included in the proposed rule but received significant pushback from industry stakeholders. That requirement, had it been included, would have required public companies to also disclose “indirect greenhouse gas (GHG) emissions from upstream and downstream activities” in a company’s supply chain – an onerous and burdensome requirement that would be difficult to attain. Additionally, the final rule has scaled-back governance disclosures. As reported by law firm Morgan Lewis, “In response to concerns raised by commentators, the SEC also scaled back certain corporate governance disclosures and, similar to the recent cybersecurity disclosure rules, emphasized that the climate rules are not intended to mandate a specific corporate governance structure or risk-management methodology. Rather, the final rules focus on the disclosure of a registrant’s existing or developing climate-related risk governance practices. In particular, companies would not need to identify relevant expertise of board members, the specific board members responsible for climate-related risk, the frequency of reporting climate-related risks to the board, or how the board sets climate-related targets or goals. Registrants will be required to describe whether and how the board oversees progress against disclosed climate-related targets, goals, or transition plans.”

[Read more.](#) The rule also provided for a lengthy phase-in period depending on a company's filing status. No disclosure reporting was to be required prior to 2025. [Read more.](#) As noted by Uyeda, after the rule was released, attorneys general from 22 states filed legal challenges in multiple federal courts asserting that the SEC had exceeded its regulatory authority with this first-ever disclosure rule. Congressional lawmakers had also held hearings in an effort to overturn the rule at the legislative level. The rule was ultimately paused before taking effect due to the ongoing litigation. [Read more.](#)

## **FEDERAL – Judicial**

**Climate Change Lawsuit – New York.** On February 6, a group of Republican state attorneys general, along with support from various oil, gas and coal groups, filed a federal complaint against New York State for its recently enacted [Climate Change Superfund Act](#). That legislation “authorizes the state to levy billions of dollars in fines on fossil fuel companies for alleged contributions to greenhouse gas emissions.” Specifically, the 2024 law established a \$75 billion Climate Change Adaptation Cost Recovery Program to fund “adaptation projects” to be funded by fossil fuel companies engaged in oil and gas extraction or crude oil refining “during a covered period and that are responsible for more than one billion tons of greenhouse gas emissions during that period.” In that lawsuit, [West Virginia v. James](#) (Case No. 1:25-cv-00168), the litigants say, “The State of New York believes it can seize control over the makeup of America’s energy industry. In an unprecedented effort, New York has set out to impose tens of billions of dollars of liability on traditional energy producers disfavored by certain New York politicians. These energy producers needn’t operate in New York before becoming a target. And New York consumers won’t bear the brunt of these crushing new costs once they’re imposed. Rather, New York intends to wring funds from producers and consumers in other States to subsidize certain New-York-based ‘infrastructure’ projects, such as a new sewer system in New York City.” Further, the complaint states, the “Climate Change Superfund Act is an ugly example of the chaos that can result when States overreach. It imposes retroactive fines on traditional

energy producers for their purported past contributions to greenhouse gas emissions [...] which were lawful operations endorsed by both federal and state regulators. And rather than focusing on greenhouse-gas emissions released in New York, the Act punishes a small group of energy producers for global greenhouse gases emitted from all sources into the atmosphere from 2000 to 2018. Yet coal, oil, and natural gas were helping New York during that time. They helped keep the lights on in Albany, manufacture the steel that supported New York City’s iconic skyscrapers, and fuel the industry that keeps New York ports humming.” We will keep AAPL members updated as the case proceeds. [Read more.](#)

## **STATE – Legislative**

**For the nearly 500 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**

**Governor Signs Executive Order to Streamline Permitting and Project Approvals – Idaho.** On January 24, Gov. Brad Little (R) signed [Executive Order 2025-02](#), “the Strategic Permitting, Efficiency, and Economic Development (SPEED) Act aimed at better coordinating state permitting on big projects that promote energy independence, support national security, and drive our economy.” The Executive Order also “creates a new SPEED Council comprised of several state agency directors that will expedite the review of permits, increase collaboration with project proponents, boost public transparency, and seek to eliminate duplicative or unnecessary statutes and rules. Large scale projects that require permits from multiple state agencies could include electricity generation and transmission projects, mining projects, data center development, fabrication facilities, water facilities, and other important projects that support communities across Idaho, as determined by the

SPEED Council.” [Read the governor’s announcement here](#). As noted by business advisory firm Ankura, “Key beneficiaries of the SPEED Act include large-scale infrastructure developments, resource development initiatives (including energy, mineral, and water projects), and projects requiring coordinated environmental and safety reviews.” [Read more](#).

**New Mexico Environmental Improvement Board Regional Haze State Implementation Plan Revision – New Mexico.** On February 11, the New Mexico Environment Department (NMED) announced the New Mexico Environmental Improvement Board will “hold a public hearing beginning on April 28, 2025, at 9:00 a.m. to consider [EIB 24-49 \(R\)](#) – In the Matter of Regional Haze State Implementation Plan Revision for the Second Planning Period and Proposed Companion Rule [20.2.68 NMAC](#) – Regional Haze Requirements. The hearing will last as long as required to hear all testimony, evidence, and public comment, and is expected to last approximately three days. The Board may make a decision on the proposed regional haze state implementation plan (‘SIP’) revision and companion rule at the conclusion of the hearing, or the Board may convene a meeting after the hearing to consider action on the proposals.” [Read more](#). Documents related to this matter are available on NMED’s Docketed Matters website at: <https://www.env.nm.gov/opf/docketed-matters/>. To locate these documents, select the ‘Environmental Improvement Board’ tab and then select ‘EIB 24-49: In the Matter of Regional Haze State Implementation Plan Revision for the Second Planning Period and Proposed Companion Rule 20.2.68 NMAC – Regional Haze Requirements.’” [Read more](#).

**State Climate Action Plan Meetings – New Mexico.** On February 11, the New Mexico Environment Department and New Mexico Energy, Minerals, and Natural Resources Department announced they will hold a number of upcoming public meetings regarding New Mexico’s Climate Action Plan. According to the announcement, “The Climate Action Plan will provide an actionable roadmap to meet New Mexico’s climate pollution reduction targets.” Both virtual and in-person meetings are available to the public. Attendees will

have an opportunity to provide feedback on the plan. To register and attend meetings, [Read more](#).

**Sante Fe Solar Power and Battery Storage Facility Approval – New Mexico.** On February 4, Sante Fe County planning commissioners approved the AES/Rancho Viejo Solar project over the objection of some area residents. As provided by the Planning Commission, “The project will cover 680 acres and include a solar facility, a 1-acre collector substation, a 3-acre battery energy storage system (BESS), a 2.3-mile generation tie-in line, a 2.1-mile access road, a 26.3-foot diameter water storage tank, and a 1,400-square-foot operations building. Located about 3 miles south of Santa Fe and 4.2 miles east of La Cienega, the project aims to generate 96 megawatts (MW) of power, with 48 MW coming from the BESS for storage and delivery of renewable solar energy across New Mexico.” [Read more](#). As reported by the *Sante Fe New Mexican*, “The Planning Commission, following more than 12 hours of public testimony over two days and a closed-door discussion among commissioners, voted 6-1 to approve a conditional-use permit for the massive solar power and battery storage facility planned south of the city.” One of the group’s opposed to the project, the Clean Energy Coalition of Santa Fe County, said it will file an appeal. Parties have 30 days to appeal the Planning Commission’s decision to the County Commission.” [Read more](#).

**RRC Oil and Gas Waste Management Rulemaking Implementation Timeline – Texas.** (*Update to 12/23/24 Report*) To follow up our prior reporting in the December 23, 2024 issue of the Governmental Affairs Report, on February 11, the Texas Railroad Commission (RRC) published a proposed implementation timeline for its adopted revisions to 16 TAC Chapter 4, Subchapter A, *relating to Oil and Gas Waste Management*. [Read more](#). For background, on December 17, 2024, the RRC adopted those rules with an effective date of July 1, 2025. The amended rules in Chapter 4 “update oil and gas waste management procedures and incorporate recent legislation.” [Read more](#). According to the RRC, “The new rules in Chapter 4, Subchapter A incorporate and update the requirements from §3.8, relating to Water

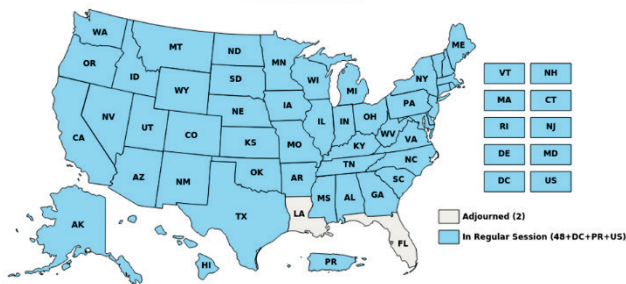
Protection, and §3.57, relating to Reclaiming Tank Bottoms, Other Hydrocarbon Wastes, and Other Waste Materials. Sections 3.8 and 3.57 are also amended to remove all substantive language from the rules and replace with a notice that the requirements are relocated to Chapter 4. Several other rules in Chapter 3 are amended to replace references to §3.8 and §3.57 with the corresponding provision in new Subchapter A of Chapter 4." [Access this rulemaking with a redline of the amendments here.](#) For a deeper dive into this oil and gas waste management rulemaking, [Read more.](#)

## INDUSTRY NEWS FLASH

► **New Energy Secretary approves first export authorization for an LNG project.** As reported by *The Hill*, on February 14, "Energy Secretary Chris Wright issued the Trump administration's first export authorization for a liquefied natural gas (LNG) project [...] part of a broader push to promote fossil fuel development and reverse the Biden administration's promotion of renewables." Sec. Wright said, "Today marks one of many steps that DOE will be taking to assure our future as a reliable energy supplier to the world and resume regular order to our regulatory responsibilities over natural gas exports." [Read more.](#)

## LEGISLATIVE SESSION OVERVIEW

### States in Session



**Session Notes:** Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi,

Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming are in regular session. The U.S. Congress is also in session.

The following are scheduled to convene for the 2025 legislative session on the dates provided: **Florida** (March 4) and **Louisiana** (April 14).

The following states are currently holding interim committee hearings or studies: [Florida](#) and [Louisiana](#). ■

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