

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

H.R. 7409 – Harnessing Energy at Thermal Sources (HEATS) Act. On Feb. 20, [H.R. 7409](#), known as the Harnessing Energy at Thermal Sources (HEATS) Act, was introduced by Rep. Young Kim (R-CA). The bill would “speed up U.S. energy production by streamlining geothermal energy infrastructure development and production.” According to Rep. Kim, “The HEATS Act would expedite geothermal energy production by clarifying that geothermal operators do not need a federal drilling permit for wells that are on state and private lands where the subsurface geothermal estate is less than 50% federal. While operators would be exempt from federal permitting requirements, they would still be subject to state permitting regulations.” [Read more.](#)

Senate Energy & Natural Resources Committee Hearing on Developing Geologic Hydrogen. On Feb. 29, the U.S. Senate Committee on Energy & Natural Resources held a hearing titled, *Full Committee Hearing to Examine the Opportunities and Challenges Associated with Developing Geologic Hydrogen in the United States*, the purpose of which was to “ensure the United States continues to lead the world in advanced energy technologies by using all of our abundant resources in the cleanest way possible – including all types of hydrogen – to safeguard our country’s energy security.” As noted by Committee Chairman Joe Manchin (D-WV) in his opening statement, “the Department of Energy predicts demand for hydrogen to increase tenfold by 2030 in the United States and it has the potential to decarbonize up to 25% of global energy emissions. The development of the hydrogen industry is also expected to promote new economic opportunities for Americans and create over 100,000 new good jobs, particularly exciting for the areas that have historically

carried the load of powering our nation.” Witnesses included government officials and industry stakeholders. To access a full video recording of the hearing and witness testimony, [Read more.](#)

FEDERAL – Regulatory

BLM Agency Information Collection. On Feb. 22, the Bureau of Land Management (BLM) published a notice of information collection and request for comment, *Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Use and Occupancy Under the Mining Laws (89 Fed. Reg. 13358)*. According to the BLM, “This information collection enables the BLM to regulate the use and occupancy of unpatented hardrock mining claims, and to take any action necessary to prevent unnecessary or undue degradation of public lands as a result of such use or occupancy. The BLM collects information from mining claimants who want to undertake the activities that are necessary to locate a mining claim or mill site.” The public comment period is open through March 25, 2024. [Read more.](#)

BLM Onshore Oil and Gas Operations Civil Penalties Inflation Adjustments. On Feb. 26, the BLM published a final rule, *Onshore Oil and Gas Operations and Coal Trespass-Annual Civil Penalties Inflation Adjustments* (89 Fed. Reg. 13982), which reflects the annual adjustment of “the amounts of civil monetary penalties contained in the BLM regulations governing onshore oil and gas operations and coal trespass. This final rule is required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and consistent with applicable Office of Management and Budget (OMB) guidance. The adjustments made by this final rule constitute the 2024 annual inflation adjustments and account for one year of inflation spanning the period from October 2022 through

October 2023.” The final rule is effective immediately. [Read more.](#)

BLM Oil and Gas Lease Sale – Utah. On Feb. 13, the BLM Utah State Office “opened a 30-day public scoping period to receive public input on two oil and gas parcels totaling 833 acres that may be included in a May 2025 lease sale in Utah. The comment period ends March 14, 2024.” [Read more.](#)

BLM Mineral Protections – New Mexico. On Feb. 14, the BLM announced it “is proposing to protect 4,213 acres within the Placitas area in Sandoval County, New Mexico, from new mining claims and mineral activity. BLM invites public comment on the environmental assessment of the proposal, which intends to conserve sacred Tribal land, boost important local recreation opportunities, and support wildlife habitat connectivity.” The proposed protections “would prevent location and entry under United States mining laws; leasing under the mineral leasing laws, and disposal under mineral materials disposal laws, subject to valid existing rights, for up to 50 years.” The public comment period is open through March 15, 2024. [Read more.](#)

Trade Groups Challenge LNG Export Pause. On Feb. 26, the American Petroleum Institute led other trade groups, including the American Exploration & Production Council, the Interstate Natural Gas Association of America, and other trade groups, in filing a petition with the U.S. Department of Energy requesting a “Rehearing of the Department of Energy’s Indefinite ‘Pause’ of Consideration of Applications for Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations.” As reported by *Bloomberg Government*, the groups “say the indefinite delay runs afoul of a legal mandate for the agency to issue permits to broadly export LNG unless there’s been a clear finding the shipments aren’t in the public interest.” The petition sets out numerous errors in the administration’s decision and urges the Department of Energy “to lift this Indefinite Pause and to resume the statutorily mandated consideration of export applications to non-free trade agreement countries.” [Read the petition here.](#)

Interior Department Categorical Exclusions Notice of Policy Revisions. On Feb. 26, the Interior Department published a notice of proposed policy revisions, *National Environmental Policy Act Implementing Procedures for the Bureau of Land Management (516 DM 11)* (89 Fed. Reg. 14087). According to the Interior Department, “This notice announces the intent to revise the Bureau of Land Management’s (BLM) policies and procedures for compliance with the National Environmental Policy Act (NEPA), as amended, various Executive Orders, and the Council on Environmental Quality’s NEPA Implementing Regulations by proposing to remove four administratively established categorical exclusions (CXs) and to incorporate two CXs established by Congress [...] Specifically, BLM is proposing to revise the list of BLM actions that are normally categorically excluded from the requirement to complete an environmental assessment (EA) or environmental impact statement (EIS) absent extraordinary circumstances.” One of the removals involves sage-grouse habitats. “Removing these CXs would require the BLM to assess whether another CX applies or prepare an EA or EIS when proposing actions that would have previously been covered by these CXs.” For background, a categorical exclusion “is a class of actions that a Federal agency has determined, after review by CEQ [Council on Environmental Quality], do not individually or cumulatively have a significant effect on the human environment and for which, therefore, neither an environmental assessment nor an environmental impact statement is normally required. The use of categorical exclusions can reduce paperwork and save time and resources.” [Read more about CXs here.](#) The public comment period is open through March 27, 2024. [Read more.](#)

FEDERAL – Judicial

Arctic National Wildlife Refuge Oil and Gas Leasing Program – Alaska. On Feb. 22, the U.S. District Court for the District of Alaska upheld the “suspension of oil and gas survey work in the Arctic National Wildlife Refuge.” In the opinion in [Alaska Industrial Development and Export Authority v. Biden](#) (Case No. 3:21-cv-00245-SLG), Judge Sharon

Gleason “declined to reconsider a 2023 ruling against the Alaska Industrial Development and Export Authority, which won oil leases in the refuge during a January 2021 sale and sued the Biden administration after it suspended those leases.” Those leases were subsequently cancelled by the administration, which is the subject of a separate lawsuit. Here, the court wrote, “Plaintiffs have not shown that there was a manifest error of law or fact. They have not presented newly discovered or previously unavailable evidence. Nor do they claim that a manifest injustice has occurred or that there has been any intervening change in controlling law.” [Read more.](#)

STATE – Legislative

Natural Gas Property Tax Valuation – West Virginia. [HB 4850](#), the natural gas property valuation sunset clause removal bill, has passed both chambers and now heads to the governor. The Republican-sponsored measure keeps in place “a controversial valuation formula for taxing oil, natural gas, and natural gas liquids, but not before a lawmaker secured a promise for lawmakers to develop a new formula next year.” The bill, if enacted, will “remove a July 1, 2025, sunset provision for a formula to determine the value of personal property that produces oil, natural gas and natural gas liquids. The formula has been the center of issues involving the state Tax Division since the passage in 2022 of House Bill 4336 after the West Virginia Supreme Court of Appeals threw out the previous formula in 2019.” The problem is that the “Tax Division has had numerous issues since the end of 2022 with being able to use the formula, including numerous delays in providing valuations to county assessors, miscommunications with taxpayers, a backlog in appeals, and at least one lawsuit. This year, state tax officials sent out notices informing oil and natural gas-producing property owners that the appraised values on their property increased, but the notices did not say what the dollar amount appraisal was.” There have also been “clerical error” issues resulting in well undervaluations. Lawmakers have committed to addressing these issues in the 2025 legislative session. [Read more.](#)

For all 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

Energy & Carbon Management Commission

Cumulative Impacts Report – Colorado. On Feb. 28, the Colorado Energy and Carbon Management Commission (ECMC) “announced the Director delivered the 2023 ‘[Report on the Evaluation of Cumulative Impacts](#),’ as required by SB 19-181 to regulate oil and gas development in a manner that is protective of public health, safety, welfare, wildlife and environmental resources. The annual report is intended to inform the Commission of data, trends, and considerations in the ongoing evaluation of cumulative impacts from oil and gas operations. The report uses the Cumulative Impacts Data Evaluation Repository (CIDER), which includes data from the same comparative number of Oil & Gas Development Plans (OGDPs) approved by the Commission in 2023 as prior years.” In addition, the ECMC report “includes the second year of Cumulative Impacts Data Evaluation Repository (CIDER) data associated with high priority habitats (HPHs), providing for the first time the ability to compare data sets. The report also now includes the comparison of initial estimated water use to actual water used. The Director highlighted the trends seen in this report including: a reduction in overall well-counts and oil and gas locations across the state; reductions in per-well average emissions of NOx and VOC; and, a reduction in per-well averages of construction and post-interim reclamation disturbances within HPHs. The report discusses the collective work of multiple state agencies on the Greenhouse Gas (GHG) Pollution Reduction Roadmap, and summarizes the biennial GHG inventory modeling showing that the Oil and Gas Sector is achieving and exceeding its GHG emission reduction goals.”

[Read more.](#)

Energy & Carbon Management Commission High Priority Habitat Updated Rulemaking – Colorado.

On Feb. 28, the Colorado Energy & Carbon Management Commission (ECMC) released notice of High Priority Habitat rulemaking. The rulemaking is an update to existing rules. [Read the announcement here](#). Per the ECMC, “The proposed High Priority Habitat map updates are a result of inventories and monitoring to determine the status and extent of high priority habitat areas. The following High Priority Habitat areas have been identified by CPW as needing maps modifications: big game seasonal habitats (winter concentration areas, severe winter ranges, migration corridors, and production areas), Columbian sharp-tailed grouse winter range, bald eagle roost sites, least tern and piping plover production areas, and bat winter hibernacula. These updates also reflect changes to any CPW owned State Wildlife Areas and State Parks within the State of Colorado.” The ECMC has also provided that “Persons or organizations wanting to participate in this rulemaking as a party are required to file a written request for party status with the Commission on or before Thursday, March 21, 2024, by 2:00 p.m. The Commission will compile a list of all parties with contact information and make it available on the Commission’s website. Late requests for party status will not be accepted absent good cause for the delay.” [Access the ECMC request form here](#). To learn more about ECMC High Priority Habitat maps and rulemaking, [Read more](#).

Governor Polis Launches Updated Comprehensive Climate Action Plan – Colorado. On Feb. 26, Gov. Jared Polis (D) “released the second version of the climate action plan to cut greenhouse gas (GHG) pollution in half by 2030, and make progress toward net-zero GHG pollution in Colorado by 2050.” For background, “First released in 2021, the original [Greenhouse Gas Pollution Reduction Roadmap](#) (‘Roadmap’) laid out a set of near-term commitments to reduce emissions across economic sectors. Having completed more than 95% of the near-term actions from the original Roadmap, [‘Roadmap 2.0’](#) updates Colorado’s emissions forecast and lays out a new set of bold actions to save Coloradans money and continue making progress toward a clean energy future.” [Read more](#). Of the various methods outlined in the

Roadmap to decrease airborne pollutants, some include studying alternative uses for oil and gas wells; achieving emission reductions from well-plugging; and beginning to develop a statewide industrial decarbonization strategy. [Read more](#).

Ohio Oil and Gas Land Management Commission Approves Bids on Nominations – Ohio. On Feb. 26, the Ohio Oil and Gas Land Management Commission approved bids on nominations on formations and parcels on state lands that have “been nominated for leasing for the exploration for and the development and production of oil or natural gas.” [Read more](#). The approval came despite public protests opposing the approvals at a recent public meeting. The approvals allow hydraulic fracturing “for oil and gas under land owned by the Ohio Department of Natural Resources and the Ohio Department of Transportation, including state parks and designated wildlife areas.” The state will receive \$59.7 million in bonus payments under the leases and each lease has a 12.5% royalty rate. [Read more](#).

STATE – Judicial

State Leasing – Ohio. On Feb. 23, a Franklin County court dismissed a lawsuit brought by environmentalists seeking to halt oil and gas leasing on state lands. In *Save Ohio Parks v. Oil & Gas Management Commission* (Case No. 23CVF-11-8540), the litigants brought the action against the state Oil & Gas Land Management Commission challenging the approval of requests to drill for oil and gas in public parks and wildlife areas. The court held that the parties lacked standing in the case because there lacks “any concrete or specific injury.” The court agreed with the Commission that “at this stage of the process – the only thing approved is that a bidding process can start as to the nominated land.” [Read more](#).

INDUSTRY NEWS FLASH

► **Domestic oil production reaches record levels.** According to data released by the U.S. Energy Information Administration (EIA), “Domestic oil

production in the U.S. reached a new record in November of 2023, hitting 13.31 million barrels per day.” The EIA reports that the “previous record was 13.25 million barrels per day. That was set in September 2023” and “production of crude oil in the U.S. has increased by 68% in the past 10 years.”

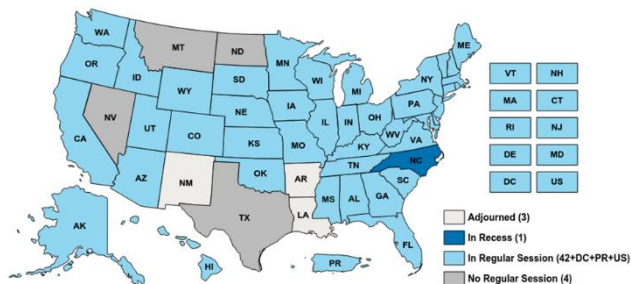
[Read more.](#)

► **University of Wyoming projects to boost oil and gas production.** University of Wyoming is engaged in research projects with the “eventual goal of more oil and gas production in the Powder River Basin.” With roughly \$53 million in funding, the research will “eventually employ new technologies and strategies to increase production capabilities for wells in Johnson, Campbell and Converse counties.”

[Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming are in regular session. The U.S. Congress is also in session.

The following states are expected to convene for the 2024 legislative session on the dates provided: **Louisiana** (March 11) and **Arkansas** (April 10).

New Mexico adjourned its 2024 legislative session on February 15 and Democratic Gov. Michelle Lujan Grisham has until March 6 to act on legislation or it is pocket vetoed.

The following states adjourned, or are expected to adjourn, on the dates provided: **Utah** (March 1), **Florida** and **Wyoming** (March 8), **Virginia** and **West Virginia** (March 9), and **Indiana** and **Wisconsin** (March 14).

The following states are currently holding interim committee hearings or studies: [Arkansas](#), [Louisiana](#), [Montana](#), [Nevada](#), [North Dakota](#) and [Texas House](#).

The following states are currently posting 2024 bill drafts and pre-files: [Louisiana](#) and [Nevada](#). ■

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