

GOVERNMENTAL AFFAIRS REPORT

FEDERAL - Legislative

H.R. 1997 - Productive Public Lands Act. On March 24. official bill text was made available for H.R. 1997. known as the Productive Public Lands Act. Sponsored by Rep. Jeff Hurd (R-CO), the bill would "direct the Secretary of the Interior to reissue certain Records of Decision and Resource Management Plans." Read more. Specifically, the measure would "compel the BLM to reissue RMPs for the Grand Junction and Colorado River Valley field offices in western Colorado, the Royal Gorge Field Office in eastern Colorado and along the Front Range, the Buffalo and Rock Springs in Wyoming, the Miles City Field Office in Montana, and the Lakeview Field Office in Oregon. In addition, it would compel the BLM to select different management plans for big game habitat as it relates to oil and gas development in Colorado, as well as the Gunnison Sage Grouse management plan." Rep. Hurd said, "A reissuance of these RMPs will put us on a path to energy dominance allowing for a more secure and prosperous United States." Read more.

H.R. 1994 - Public Land Renewable Energy Development Act of 2025. On March 28, H.R. 1994, known as the Public Land Renewable Energy Development Act of 2025, was introduced by Rep. Paul Gosar (R-AZ). The bill "increases the production of wind and solar energy on public lands." According to Rep. Gosar, "While timely permitting of energy projects on federal lands was a serious problem, looking ahead, renewable energy sources like wind and solar should be an integral part of the United States' all-of-the-above energy strategy. Our nation's public lands can play a critical role in lowering energy prices and can help meet our nation's growing energy demand. To help drive investment towards the highest quality renewable sources, my legislation streamlines land use and promotes more renewable energy on federal lands.

It also ensures revenue from their development is shared with the states and counties while also supporting conservation programs where these projects are located." Read more.

House Natural Resources Committee Hearing on Unleashing the Golden Age of American Energy Dominance. On April 2, the U.S. House Committee on Natural Resources Oversight and Investigations Subcommittee held a hearing titled, *Unleashing the Golden Age of American Energy Dominance*. The hearing focused on energy policies to expand domestic energy exploration and production, particularly on federal lands and waters. Witnesses included think-tank industry experts specializing in energy policy. To access a full video recording of the hearing and witness testimony, Read more.

Congressional Letter to the U.S. Department of the **Interior.** On April 1, House Rep. August Pfluger (R-TX) and Rep. Tracy Mann (R-KS) sent a letter to Interior Secretary Doug Burgum calling on the agency's U.S. Fish and Wildlife Service "to reverse the Lesser Prairie Chicken and the Dunes Sagebrush Lizard listings under the Endangered Species Act (ESA)." The letter states that "the prior administration's disastrous listing decision disregarded measurable progress and subjected key industries to regulatory overreach that weakened our energy independence and agricultural production." Read the letter here. This letter relates to Rep. Pfluger's recently introduced bill, H.R. 2573, known as the Limiting Incredulous Zealots Against Restricting Drilling (LIZARD) Act, "to strike the Biden Administration's designation of the Dunes Sagebrush Lizard as endangered under the Endangered Species Act." According to Rep. Pfluger, "This listing directly threatens the production of oil, natural gas, wind, and solar energy developed in the Permian Basin and across America." Read more.

Industry Letter on Repeal of the Waste Emissions Charge. On April 4, a coalition of oil and gas associations sent a letter to both House and Senate leadership urging for a complete repeal of the U.S. Environmental Protection Agency's (EPA) Methane Emissions Reduction Program (MERP). Although the Waste Emissions Charge was recently repealed by Congress in H.J. Res. 35, the letter writers say, that "While the CRA [Congressional Review Act] removed the ability of EPA to charge for methane emissions, and collect the tax for now, the legal authority for doing so in the future remains, and it is imperative that Congress address this matter as soon as possible." In short, the letter says, "We call on Congress to act decisively and use its authority to repeal the MERP statutes entirely in the upcoming budget reconciliation process. There is simply no other choice. The time is now to correct such a wrongheaded policy before irreparable damage is done to a critical American industry." Read the letter here.

FEDERAL - Regulatory

Corporate Transparency Act Beneficial Ownership Information Act Filing Requirements Suspended.

To follow up our prior reporting, on March 26, the Financial Crimes Enforcement Network (FinCEN) in the U.S. Department of the Treasury issued an interim rule suspending reporting of beneficial ownership information (BOI) for domestic companies under the Corporate Transparency Act. By this rule, FinCEN provides that this is an update "to require only entities previously defined as 'foreign reporting companies' to report BOI. Under this interim final rule, entities previously defined as 'domestic reporting companies' are exempted from the reporting requirements and do not have to report BOI to FinCEN, or update or correct BOI previously reported to FinCEN." (See Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension; 90 Fed. Reg. 13688). The Treasury Department is accepting public comments on this interim rule through May 27, 2025. Read more. As provided by FinCEN, "Thus, through this interim final rule, all entities created in the United States — including those previously known as 'domestic reporting companies' — and their beneficial

owners will be exempt from the requirement to report BOI to FinCEN. Foreign entities that meet the new definition of a 'reporting company' and do not qualify for an exemption from the reporting requirements must report their BOI to FinCEN under new deadlines, detailed below. These foreign entities, however, will not be required to report any U.S. persons as beneficial owners, and U.S. persons will not be required to report BOI with respect to any such entity for which they are a beneficial owner." Read the FinCEN press release here. Previously, we reported that on March 2, 2025, the Treasury Department announced the suspension of enforcement of the Corporate Transparency Act against U.S. citizens and domestic reporting companies. The reporting deadline was scheduled for March 21, 2025, prior to the suspension. As noted then, the Treasury Department said, "No fines or penalties will be issued, and no enforcement actions will be taken, until a forthcoming interim final rule becomes effective and the new relevant due dates in the interim final rule have passed." Read more about this update on the U.S. Treasury website, including more detailed BOI information available here.

Natural Gas Council Sends Letter to President Trump Supporting Energy Policies. On March 26, the Natural Gas Council - which counts among its members the American Petroleum Institute, American Gas Association, and the Independent Petroleum Institute of America – delivered a letter to President Trump in support of his "goal of restoring American" energy dominance and to outline ways to achieve that goal." The letter provides "five actions that your administration can take to achieve our shared goal of expanding American energy infrastructure and achieving energy dominance." As noted by the group, "These actions will make it possible to increase production of natural gas and advance the infrastructure required to transport it from production wells to the homes and businesses that use it while maintaining affordability and reliability. Our organizations are excited to work with this administration to reach our shared energy dominance goals and continue serving more than 189 million Americans and 5.8 million businesses that use

natural gas every day." Read the letter here.

BLM Oil and Gas Lease Sales. On March 27, the U.S. Department of the Interior announced "it generated over \$39 million in total receipts from oil and gas lease sales held in the first guarter of 2025 underscoring the Department's continued commitment to responsible energy development on public lands and American Energy Dominance. In line with policies championed under the Trump administration, these revenues reflect an ongoing focus on unleashing domestic energy production, supporting job growth, and reducing reliance on foreign resources through efficient, streamlined permitting and leasing processes. The Bureau of Land Management leased 34 parcels totaling 25,038 acres for \$39,007,609 in total receipts for its first quarter of fiscal year 2025 for oil and gas lease sales held in Montana, Nevada, New Mexico, North Dakota, and Wyoming." Read more.

BLM Oil and Gas Lease Sales – Montana; North Dakota. On March 25, the Bureau of Land Management (BLM) Montana-Dakotas State Office "opened a 30-day public comment period to receive public input on plans to include 29 oil and gas parcels, totaling 9,102 acres, in an upcoming lease sale in Montana and North Dakota." The BLM comment period runs through April 25, 2025. Read more.

EPA Clean Water Act Rulemaking. (Update to 3/24/25 Report) To update our prior reporting, on March 24, the U.S. Environmental Protection Agency (EPA), along with the U.S. Army Corps of Engineers, published a notice, announcement of listening sessions and solicitation of stakeholder feedback for forthcoming rulemaking to define the scope of what constitutes a Water of the United States, or WOTUS, under the federal Clean Water Act. Read more. (See WOTUS Notice: The Final Response to SCOTUS; Establishment of a Public Docket; Request for Recommendations; 90 Fed. Reg. 13428). Read more. EPA Listening sessions will begin on April 29, 2025. Read more. For background, on March 13, the EPA announced it will revise the Waters of the U.S. rule in conjunction with the U.S. Army Corps of Engineers.

The EPA said, "The agencies will move quickly to ensure that a revised definition follows the law, reduces red-tape, cuts overall permitting costs, and lowers the cost of doing business in communities across the country while protecting the nation's navigable waters from pollution." Read more. The EPA further provided that, "Given the U.S. Supreme Court's watershed [2023] decision in Sackett v. Environmental Protection Agency, it is time for EPA to finally address this issue once and for all in a way that provides American farmers, landowners, businesses, and states with clear and simplified direction." Read detailed legal analysis of the Sackett case here. That decision held that the Clean Water Act extends only to wetlands that have a continuous surface connection with "waters" of the United States. Read more.

SEC Climate Disclosure Rule. (Update to 2/24/25 Report) On March 27, the U.S. Securities and Exchange Commission's (SEC) announced they will no longer defend the SEC's Climate Disclosure Rule in court actions, effectively killing its implementation. The announcement provides that the SEC "voted to end its defense of the rules requiring disclosure of climaterelated risks and greenhouse gas emissions." For background, that rule, "adopted by the Commission on March 6, 2024, create a detailed and extensive special disclosure regime about climate risks for issuing and reporting companies." Read the SEC announcement here. This latest announcement comes on the heels of a similar February 11 statement by SEC Acting Chairman Mark T. Uyed. 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 the rule was "climate regulation promulgated under the Commission's seal." As the rule was never made effective due to the ongoing litigation challenging it, the recent SEC statements make the rule all but dead. Read a detailed legal analysis of the current status from the Cooley LLP law firm here. The 800+ page climate

disclosure rule for public companies was originally finalized under the Biden Administration. Read the SEC Press Release here. That 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; climaterelated 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. 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 also held hearings in an effort to alternatively overturn the rule through legislation. Read more.

FEDERAL - Judicial

Alaska Industrial Development and Export Authority
Oil and Gas Leases. On March 25, the U.S. District
Court for the District of Alaska ruled in favor of the
Alaska Industrial Development and Export Authority
(AIDEA) regarding several oil and gas leases
terminated by the Interior Department under the Biden
administration. In Alaska Industrial Development and
Export Authority v. U.S. Dept. of the Interior (Case
No. 3:24-cv-00051), the court addressed a challenge
to the Interior Department's "termination of seven
lease agreements with AIDEA for the development of
oil and gas resources in the Coastal Plain of Alaska
within the Arctic National Wildlife Refuge." The court
noted that the Interior Department had not sought a
court order to cancel the leases, which was required

under applicable law. As such, the court held, that "Having reviewed the parties' arguments, the Court concludes that DOI was required to obtain a court order before cancelling AIDEA's leases." Alaska's deputy attorney general, Cori Mills, called the decision a victory, saying, "The state looks forward to working with the current federal administration on fully realizing the vast potential of ANWR to grow Alaska's economy and help America's energy independence. It is unfortunate we have lost a significant amount of time litigating, instead of moving forward with field studies and development. We will continue to review the decision in more detail but it's definitely a victory." Read more.

BOEM Offshore Oil and Gas Leases. On March 27, in Healthy Gulf v. Burgum (Case No. 23-cv-604), the U.S. District Court for the District of Columbia held that the Bureau of Ocean Energy Management (BOEM) "violated the National Environmental Policy Act by improperly evaluating Lease Sale 259's effects on the endangered Rice's whale and greenhouse gas emissions from new drilling." For background, this case arose from a complaint brought by six environmental organizations regarding the BOEM's "administration of oil and gas leasing programs in the Gulf of Mexico. In February 2023, BOEM approved Lease Sale 259, which opened up more than 70 million acres in the western, central, and eastern Gulf for development. Concerned about the ecological vulnerability of this region and the long-term consequences of increasing oil and gas production, six environmental organizations filed suit to challenge BOEM's decision. They allege that the Bureau violated its statutory obligation to evaluate the lease sale's environmental impacts and consider a reasonable range of alternatives. In particular, Plaintiffs argue that BOEM's assessment of greenhouse gas emissions, harms to Rice's whale, environmental justice impacts, oil spill risks, and other leasing scenarios failed to provide the 'hard look' that federal law requires." Here, the court "ruled that the Interior Department violated the National Environmental Policy Act ('NEPA') in two key respects. First, it relied on a misleading analysis of the project's climate impact to implausibly conclude that the sale would result in only minor greenhouse

gas emissions. Second, it failed to account for the lease sale's impact on the critically endangered Rice's whale, which is only found in the Gulf of Mexico." Read more. As reported by the Oil & Gas Journal, "Congress ordered the sale—the last Gulf sale held during the Biden administration—as part of a compromised reached to pass the Inflation Reduction Act (IRA) of 2022. The American Petroleum Institute (API), an intervenor in the case, insisted the court could not throw out the leases, given the IRA's mandate to hold the sale." API spokesman Scott Lauermann said, "This is yet another example of activists weaponizing the NEPA process in the courts to block critical access for exploration, underscoring how permitting reform is essential to ensuring access to affordable, reliable energy." The court has now "ordered that the parties submit additional briefs to the court on possible remedies that could include sending the environmental analysis back to the agency for supplemental environmental review or canceling the leases." Read more.

Lesser Prairie Chicken Endangered Species Act Protections. On April 1, the U.S. District Court for the Western District of Texas struck down a Biden-era U.S. Fish and Wildlife Service rule providing Endangered Species Act (ESA) protections for the lesser prairie chicken. In Permian Basin Petroleum Association v. Dept. of the Interior (Case No. 7:23cv-00049-DC-RCG), the court held that the FWS "decision to split the lesser prairie chicken into two distinct population segments" under the ESA "did not follow the language and economic costs stated under the blanket Section 4(d) rule." Additionally, "the court ruled that USFWS failed to consider economic costs when issuing the 4(d) rule. While economic factors cannot be considered when deciding whether to list a species as threatened, the court found they must be factored into a 4(d) rule." Read more.

STATE – Legislative

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Summary spreadsheet, available through the AAPLConnect LANDNEWS and Governmental Affairs Network member forums here or on the AAPL website here.

STATE - Regulatory

Geothermal Lease Sale – Alaska. The Alaska Department of Natural Resources has announced a Geothermal Lease Sale to be held April 3-April 16, 2025. The sale will offer 24 Augustine Island tracts covering an estimated 53,249 acres. Read more.

Oil and Gas Lease Sale – New Mexico. The New Mexico State Land Office has announced a State Oil and Gas Lease Sale to be held on April 15, 2025. The sale will offer 8 New Mexico tracts covering 1,887.13 acres available for lease. Read more.

Oil and Gas Lease Sale – Texas. The Texas General Land Office has announced a State Oil, Gas, and Other Minerals Lease to be held on April 15, 2025. The sale will offer 22 Texas tracts covering 6,150.41 acres available for lease. Read more.

School and Institutional Trust Lands Administration Land Sale – Utah. The Utah School and Institutional Trust Lands Administration (SITLA) has announced a land sale auction scheduled for June 5-10, 2025. The SITLA sale offers 7 land parcels covering approximately 1,097 acres. Read more.

STATE – Judicial

Leasing; Assignments; Tortious Interference with Existing Contract – Texas. In a recent case before the Fifth District Court of Appeals (Dallas), the court addressed a dispute regarding a letter of intent and breach of contract involving a lease and assignment. In Segundo Navarro Drilling, Ltd. v. Chilton (Case No. 05-23-00096-CV), the court held that "an at-will termination clause is not 'subject to interference' in a claim for interference with an existing contract because the contract was not legally binding and obligatory; and breach of contract does not constitute an 'independently tortious or unlawful

act' necessary for interference with prospective business relationships." Rather, "There must be an independently tortious or unlawful act—which breach of contract is not." Here, the court noted, because a letter of intent "did not obligate either party to enter into an assignment, it was not subject to the interference." Read more.

INDUSTRY NEWS FLASH

► TXOGA reports increase in upstream oil and natural gas employment. As recently reported by the Texas Oil & Gas Association (TXOGA), "New data from the Texas Workforce Commission (TWC) indicate that upstream oil and natural gas employment grew by 2,500 in January 2025 compared to December 2024. This is growth on top of TWC's just-released upward revisions for 2024. For example, December 2024 employment is now estimated at 200,900 whereas the original estimate was 195,500." TXOGA President Todd Staples said, "As geopolitical circumstances continue to evolve and domestic policy is being examined, the Texas oil and natural gas industry started the year off with positive job growth, which is a reminder of the important role played by this critical industry in providing energy security across the globe." Read more.

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Forty-two states are currently in regular session. The U.S. Congress is also in session.

Louisiana is expected to convene its 2025 legislative session on April 14 and is currently holding interim committee hearings and studies.

The following states adjourned their 2025 legislative sessions on the dates provided: **Kentucky** (March 28) and **South Dakota** (March 31).

Governor Signing Deadlines (by date): Utah
Republican Gov. Spencer Cox had until March 27 to
act on legislation or it became law without signature.

New Mexico Democratic Gov. Michelle Lujan Grisham
has until April 11 to act on legislation or it is pocket
vetoed. South Dakota Republican Gov. Larry Rhoden
has until April 15 to act on legislation or it becomes law
without signature. Kentucky Democratic Gov. Andy
Beshear has 10 days from presentment, Sundays
excluded, to act on legislation or it becomes law without
signature. Michigan Democratic Gov. Gretchen
Whitmer has 14 days from presentment to act on
legislation or it is pocket vetoed. ■

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