

GOVERNMENTAL AFFAIRS REPORT

Highlights At-A-Glance

FEDERAL – Legislative

S. 4227 – Permitting; Fee Ownership. On May 16, Sen. John Hoeven (R-ND) introduced S. 4227. The purpose of the bill is to “streamline the oil and gas permitting process and to recognize fee ownership for certain oil and gas drilling or spacing units.” Specifically, the bill provides that a Bureau of Land Management drilling permit would not be necessary under certain circumstances in a drilling unit. The bill also provides for notifications and that royalties to the federal government remained unchanged. [Read more.](#)

S. 4228 – Lease Now Act of 2022. On May 24, official bill text was made available for [S. 4228](#), known as the “Lease Now Act of 2022.” Sponsored by Sen. John Barrasso (R-WY), the bill would “require the Secretary of the Interior to immediately resume oil and gas lease sales.” The bill also directs the Interior Department “to finalize a five-year offshore oil and gas leasing plan.” [Read more.](#)

S. 4229 – ONSHORE Act. On May 24, official bill text was made available for [S. 4229](#), known as the “Opportunities for the Nation and States to Harness Onshore Resources for Energy Act” or “ONSHORE Act.” Sponsored by Sen. John Barrasso (R-WY), the bill empowers states “to manage the development and production of oil and gas on available Federal land.” [Read more.](#)

H. Res. 1101 – Supporting Domestic Energy. On May 10, Rep. Fred Keller (R-PA) introduced [H. Res. 1101](#), “Expressing the sense of the House of Representatives that the United States should support the safe and responsible development of its energy resources via drilling, in an effort to maintain a robust energy supply chain that promotes national security, safeguards against energy scarcity, and reduces

energy poverty for all Americans.” Rep. Keller’s resolution, “which 20 other GOP lawmakers backed, said the U.S. must repeal federal precedent limiting exploration, drilling and production of fossil fuels on federal lands and waters.” [Read more.](#)

FEDERAL – Regulatory

Offshore Lease Sales – Cook Inlet; Gulf of Mexico. On May 12, the U.S. Department of the Interior announced it was cancelling planned oil and gas lease sales in the Gulf of Mexico and Alaska’s Cook Inlet. “A spokesperson for the department confirmed the Cook Inlet lease sale would not proceed due to insufficient industry interest. Meanwhile, the planned sale of two leases, lease 259 and lease 261, in the Gulf of Mexico will not proceed due to contradictory court rulings on the leases.” [Read more.](#)

BLM Resource Advisory Councils – California. On May 16, the Bureau of Land Management published a *Call for Nominations for the California Desert District Advisory Council and the Northern California District and Central California Resource Advisory Councils* ([87 Fed. Reg. 29760](#)) “to request public nominations for positions that are or will soon become vacant on the Bureau of Land Management’s (BLM) California Desert District Advisory Council, Central California Resource Advisory Council (RAC), and the Northern California District RAC. The councils provide advice and recommendations to the BLM on public land use planning and management within their geographic areas.” According to the BLM, “RAC membership must be balanced and representative of the various interests concerned with the management of the public lands” and “includes those [who] represent energy and mineral development.” Nominations are open through June 15, 2022. [Read more.](#)

Migratory Birds Interior Department Information Collection. On May 17, the Interior Department published a notice of information collection renewal, *Agency Information Collection Activities; Federal Fish and Wildlife Permit Applications and Reports-Migratory Birds* ([87 Fed. Reg. 29872](#)), that seeks to renew certain information collection regarding migratory birds. According to the announcement, the “U.S. Fish and Wildlife Service’s regional migratory bird permit offices use information that we collect on permit applications to determine the eligibility of applicants for permits requested in accordance with the criteria in various Federal wildlife conservation laws and international treaties” which includes the Migratory Bird Treaty Act. Public comments are open through July 18, 2022. [Read more.](#)

Interior Department Office of Natural Resources Revenue Information Collection. On May 26, the Interior Department’s Office of Natural Resources Revenue (ONRR) published a notice of information collection and request for comment, *Agency Information Collection Activities: Federal Oil and Gas Valuation* ([87 Fed. Reg. 32050](#)). According to the announcement, “ONRR is proposing to renew an information collection. Through this Information Collection Request (ICR), ONRR seeks renewed authority to collect information necessary to (1) verify proper reporting and payment of royalties and other amounts due pursuant to Federal oil and gas leases; (2) determine requests for prepayment or accounting and auditing relief for certain marginal properties; and (3) determine requests to exceed transportation and processing allowance limits.” The ONRR uses the ICR to assess “(1) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) The accuracy of ONRR’s estimate of the burden for this collection of information, including the validity of the methodology and assumptions used; (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and (4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or

other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of response.” The public comment period is open through July 25, 2022. [Read more.](#)

SEC Extends Comment Deadline for Climate Disclosure Rulemaking After Pressed by AAPL and Other Trade Groups. (Update to 5/9/22 Report)

In a victory for our members and the energy industry generally, on May 9, the Securities and Exchange Commission (SEC) agreed to extend the comment deadline for their sweeping climate disclosure rulemaking. According to *The Hill*, “SEC Chair Gary Gensler said in a statement that it would extend the proposal’s comment period due to ‘significant interest’ from investors and others.” The SEC is now giving the public until June 17 to submit comments which originally were set to close on May 20. [Read more.](#) For background, on April 26, AAPL joined 35 other trade groups and industry associations in a letter spearheaded by the Western Energy Alliance calling on the SEC to extend the comment period for their climate disclosure proposed rulemaking. [Read the letter here.](#) Originally, on April 11, the SEC published proposed rulemaking that would mandate corporate reporting of climate risks and greenhouse gas (GHG) emissions. [See SEC Press Release here.](#) The proposal already attracted industry attention when first released as a draft at the end of March. *Bloomberg News* called this “a major shift in how corporations must show they are dealing with climate change.” Further, “For the first time ever, the agency plans to require businesses to outline the risks a warming planet poses to their operations when they file registration statements, annual reports or other documents. Some large companies will have to provide information on emissions they don’t make themselves but come from other firms in their supply chain.” As reported by the *Oil & Gas Journal*, [the proposed rule](#), entitled “The Enhancement and Standardization of Climate-Related Disclosures for Investors” ([87 Fed. Reg. 21334](#)), “would require disclosures of information about climate-related risks that are reasonably likely to have a material impact on their business, results of operations, or financial condition. The SEC suggested its plan would require commonly used metrics that would

make it easier for investors to assess the relative risk profiles of different companies. The risks cited by the SEC proposal include not only what the public might imagine — changes in weather, for example — but regulatory, technological, and market risks driven by a transition to a lower-GHG intensive economy. The proposed rule would require a company to disclose information about the company's governance or high-level oversight and management policies for climate-related risks. Such disclosures would be part of the environmental, social, and governance reporting that many people have begun demanding from businesses.” [Read more](#). As noted by the SEC, “companies will be required to calculate these potential costs from data they already compile for regular disclosures to investors.” [Read more](#). You may also access a detailed [AAPL Governmental Affairs Fact Sheet here](#).

FEDERAL – Judicial

Greater Sage-Grouse – California. On May 16, the U.S. District Court for the Northern District of California addressed a lawsuit challenging the federal government's withdrawal of its proposal to list the bi-state sage grouse as “threatened” under the Endangered Species Act. In *Desert Survivors v. U.S. Department of the Interior* (Case No. 20-cv-06787-JSC), conservation groups sued the Trump administration after it withdrew a proposal to list the species, which is a type of Greater Sage-Grouse living along the California-Nevada border. The U.S. Fish and Wildlife Service (FWS) told the court that the sage-grouse “was simply going through a pattern of population cycling.” But the court held that “the agency improperly found that the species wasn’t likely to become endangered and that the effective population size was above the viability threshold.” The court also found that the agency’s 2020 withdrawal “didn’t address its earlier findings that declining numbers in smaller sub-populations was concerning” and it “also didn’t address previous findings that local extinctions of the subpopulations may affect the sage grouse’s entire population and range.” The court also held that the “agency’s finding that the sage grouse population was cyclical wasn’t

based on the best scientific and commercial data available.” As such, the court ordered that the FWS must issue a new listing decision as to whether the bi-state sage grouse should be designated as threatened under the Endangered Species Act. [Read more](#).

Drilling Plan – Colorado. On May 19, the U.S. District Court for the District of Colorado “blocked a plan approved by federal agencies for 35 fracked gas wells across 30,000 acres of U.S. Forest Service land between Gunnison and the Grand Mesa, handing a victory to environmental groups suing the government for failing to take climate change into account in approving new drilling.” In [Citizens for a Healthy Community v. U.S. Dept. of Interior](#) (Case No. 21-cv-01268-MSK), the court considered a master development plan for oil and gas development activities in the North Fork Valley of Colorado’s Western Slope by defendant Gunnison Energy. The plaintiff environmental groups asserted that the U.S. Department of the Interior, Bureau of Land Management, and U.S. Forest Service violated the Administrative Procedure Act and the National Environmental Policy Act “because the Agencies failed to adequately consider the effects that approval of the Plan would have on greenhouse gas emissions and climate change and because the Agencies failed to consider a range of reasonable alternatives to the Plan.” The court ordered that the drilling plan be vacated in part “on the federal agencies’ own admission during lawsuit proceedings that they had failed some required steps in the National Environmental Policy Act process for considering well permits.” As the court wrote, those admitted missteps, included “the analysis of the potential impact of the new wells on emissions of greenhouse gases such as methane.” As a result of the court order the master plan will now be subject to review by the agencies. [Read more](#).

Post-Production Costs – Louisiana. On March 31, the U.S. District Court for the Western District of Louisiana reversed the 2019 decision in [Johnson v. Chesapeake Louisiana, LP](#) (Case No. 16-1543, 2019). In the original *Johnson* decision, “the district court

sent shockwaves across the oil and gas industry in Louisiana by finding that post-production costs were not properly deductible against proceeds owed to unleased mineral owners. In the wake of that decision, at least two putative class actions were filed against the largest producers in the Haynesville Shale, and operators have been flooded with demands and suits from unleased owners who relied on *Johnson* to contest the validity of post-production cost decisions from unleased interests.” [Read more](#). The latest decision, in [Johnson v. Chesapeake Louisiana, LP](#) (Case No.16-1543, 2022), reverses that prior ruling and on March 31 the court also applied the same rationale to a pending motion for partial dismissal in a putative class action in [Self v. BPX Operating Co.](#) (Case No. 19-0927, 2022) regarding similar post-production deductions claims. As noted by law firm Liskow & Lewis, “The primary impetus for the court’s reconsideration and reversal was the Louisiana Civil Code doctrine of *negotiorum gestio* (i.e., management of the affairs of another) which provides managers with reimbursement rights for all necessary and useful expenses.” This is in keeping with the arguments made by Chesapeake and many amicus groups, such as the Louisiana Oil & Gas Association and the Louisiana Mid-Continent Oil and Gas Association, who “explained that the unit operator is managing the unleased mineral owner’s affairs by selling his share of gas for him. Because post-production costs are expended to make that production marketable, the managing operator is entitled to be reimbursed for the unleased mineral owner’s share of post-production costs.” [Read more](#).

Notice Requirements – Louisiana. On February 11, in [B.A. Kelly Land Company, L.L.C. v. Aethon Energy Operating, L.L.C.](#) (Case No. 20-30090), the U.S. Court of Appeals, Fifth Circuit, addressed a dispute over whether an operator complied with the strict notice requirements contained in the relevant state statutes. B.A. Kelly originally brought this action “principally for a judgment declaring that Aethon, as operator of the Units, had failed to comply with its disclosure and reporting obligations to Kelly, as an unleased owner, under Louisiana’s conservation laws, and that, consequently, Aethon had forfeited its right to demand

contribution from Kelly for a proportionate share of the costs of well drilling operations.” Here, the court found that the lower court, “erroneously engrafted conditions into §§ 103.1 and 103.2 that are not present in the text of the statutes themselves.” In applying the text of the statutes, the court concluded that (1) the district court erred in granting partial summary judgment to Aethon and in dismissing both of Kelly’s forfeiture claims with prejudice; (2) Kelly is entitled to summary judgment on its motion for partial summary judgment on its direct forfeiture claim against Aethon; and (3) the district court’s dismissal of Kelly’s successor forfeiture claim must be vacated and remanded for further proceedings because the record does not contain grounds warranting summary judgment on that claim.” Additionally, the court concluded “that (4) we have pendent appellate jurisdiction to review the denial of Kelly’s request for leave to amend to implead Aethon LP; but (5) we conclude that the district court did not abuse its discretion in denying Kelly leave to amend.” Of the case, law firm Liskow & Lewis notes that this “provides an important reminder for operators to remain vigilant when receiving correspondence from owners that could be interpreted to be a demand under either La. R.S. 30:103.1 or 103.2. Although a potential demand may not reference the statutes expressly, a court could find the correspondence contains sufficient information to reasonably alert the operator of its intent and expose the operator to the harsh penalty found in La. R.S. 30:103.2.” [Read more](#).

STATE – Legislative

Production Taxes and Credits – Alaska. On May 10, SB 107 was referred to the Senate Finance Committee following its introduction by Senator Bill Wielechowski (D). [Read Sponsoring Statement here](#). The bill would make certain statutory amendments relating to the oil and gas production tax; relating to credits against the oil and gas production tax; relating to payments of the oil and gas production tax; relating to lease expenditures and adjustments to lease expenditures; and making public certain information related to the oil and gas production tax. [Read more](#).

Carbon Sequestration – California. On May 25, SB

1101 passed the Senate. Sponsored by Sen. Anna Caballero (D), this bill “would require the state Air Resources Board, in consultation with the Geologic Carbon Sequestration Group, which the bill would establish in the California Geological Survey, to establish a Carbon Capture, Utilization, and Storage (CCUS) Program, as provided, for developing the commercial application of carbon capture, utilization, and storage technologies to reduce carbon dioxide emissions from new and existing facilities with a primary objective of deploying projects that will accelerate, to the maximum extent practicable, the development, deployment, and commercialization of advanced new technologies to capture and sequester carbon dioxide emissions from industrial and commercial facilities. The bill would require the state board, by an unspecified date, to submit a report to the Legislature and to the budget and relevant policy committees of the Legislature regarding CCUS projects approved under the program on or before an unspecified date.” [Read more.](#)

State Leases – California. (*Update to 2/28/22 Report*)

In a victory for the oil and gas industry, on May 19, [SB 953](#) was blocked by the Senate Committee on Appropriations, killing the bill. Sponsored by Sen. David Min (D), the bill would have ended offshore oil production in California waters by 2024. A committee analysis noted that “to the extent this bill results in unilateral lease terminations that violate the terms of the leases, it could result in litigation and the state could incur unknown but potentially significant related costs (General Fund).” Even Gov. Gavin Newsom (D) had cautioned about “the thorny legal and logistical questions tied to a prohibition” of the drilling activity. “I think most legislators understand that every barrel of oil we don’t produce here under our strict environmental rules must be imported by foreign tankers floating offshore in our crowded ports from Iraq, Saudi Arabia, or the Ecuadorian rainforest,” said California Independent Petroleum Association CEO Rock Zierman. [Read more.](#)

Offshore Leasing – Louisiana. (*Update to 4/11/22 Report*) On May 11, SCR 12 was enacted. Sponsored by Sen. Sharon Hewitt (R), this resolution “Requests

the U.S. President and the U.S. Congress to take any action necessary to halt federal actions resulting in the delay or cancellation of offshore oil and natural gas lease sales. Requests the U.S. Department of Interior to expedite actions necessary to comply with a court order to resolve lease sales, finalize a new five-year plan for oil and gas leasing on the Outer Continental Shelf, and focus efforts on lease sales in the Gulf of Mexico.” [Read more.](#)

Orphan Well Plugging – Louisiana. On May 11, [SB 23](#) advanced to final passage in the House following its passage in the Senate. Related bill, [SB 245](#), was signed into law by Gov. John Bel Edwards (D) on May 13 and is effective the same date. Sponsored by Sen. Bret Allain (R), the bills provide for the deposit of monies into the Oilfield Site Restoration Fund and the Orphan Well Program, respectively. According to Louisiana law firm Liskow & Lewis, “Congress has dedicated \$4.7 billion to orphan well plugging, remediation, and restoration activities nationwide through the Infrastructure Investment and Jobs Act (IIJA). A substantial portion of this money will be apportioned to the various states based on each state’s capacity and ability to effectively utilize the funds to plug orphan wells. Louisiana Senate Bills 23 and 245, filed by Senator Bret Allain, are designed to maximize Louisiana’s share of IIJA funds by streamlining the procedures for depositing monies into the Oilfield Site Restoration Fund and then utilizing those funds quickly and efficiently. According to Allain, these bills could position Louisiana to receive up to \$200 million for the closure of orphan wells.” [Read more.](#)

Risk Charge – Louisiana. (*Update to 3/28/22 Report*) SB 38 was signed into law by Gov. John Bel Edwards (D) on May 13. Sponsored by Sen. Bob Hensgens (R), the Act provides for the risk charge against nonparticipating owners in drilling units and notice requirements. Read a complete [digest of provisions here](#). The Act is effective August 1, 2022. [Read more.](#)

Gross Production Tax – Oklahoma. (*Update to 1/31/22 Report*) On May 26, Gov. Kevin Stitt (R) signed HB 3568 into law. Sponsored by Rep. Mark

McBride (R), the Act creates a rebate program for oil and gas companies that implement qualified emission reduction projects. The rebate is for 25 percent of documented expenditures made to implement the qualified projects. Rebate payments may not exceed \$10 million total in any fiscal year. If the cap is exceeded, the rebates will be pro-rated. The rebate program is set to expire July 1, 2027. The measure also creates a five-year gross production tax exemption for oil and gas production projects approved by the Corporation Commission that use secondary and tertiary recovery methods. The Act is effective July 1, 2022. [Read more.](#)

Well Orders – Oklahoma. (*Update to 1/31/22 Report*)

On May 20, Gov. Kevin Stitt (R) signed HB 3039 into law. Sponsored by Rep. Brad Boles (R), the Act relates to common source of supply and well spacing and drilling units and would allow drilling of wells prior to the Oklahoma Corporation Commission granting an order. The Act is effective 90 days after session adjournment on May 27, 2022. [Read more.](#)

STATE – Regulatory

Draft Climate Action Plan – California. On May 10, the California Air Resources Board (CARB) released a “draft climate action plan to slash use of fossil fuels and reach carbon neutrality by 2045.” [Read more.](#) According to CARB, “when final, [the Draft 2022 Climate Change Scoping Plan] will guide the state’s transition to a clean energy economy, drastically reduce the use of fossil fuels, achieve carbon neutrality by 2045 or sooner, and significantly clean the state’s air especially in disadvantaged communities disproportionately burdened by persistent pollution.” Release of the draft plan triggers a formal 45-day public comment period. Rob Lapsley, President of the California Business Roundtable, issued the following statement in response to the Air Resources Board’s Draft Scoping Plan Update: “We have and continue to support the state’s climate change goals. However, as we continue to implement our current policies, we are beginning to see the reality as the state transitions from goals to mandates. Working families are paying highest-in-the-nation

gasoline prices, 50 percent more for residential electricity than they did just 10 years ago, and the highest inflation rate since June 1982. Businesses need certainty to grow and invest in jobs here. But our current policies have us facing an unpredictable and unreliable electric grid. Now the Air Resources Board (ARB) wants to make it worse by driving up energy and transportation costs even higher, which will be disproportionately paid by those who can least afford it. As this process moves forward, we encourage the ARB and Legislature to carefully consider the impact new policies have on working families, certainty, stability, and economic growth.” [Read more.](#) CARB will hold a public meeting on June 23, 2022 that may be attended in person in Sacramento and also virtually online. [Read more.](#) CARB is also accepting public comments on its Draft 2022 Climate Change Scoping Plan through June 24, 2022. [Read more to access the online public comment webpage.](#) To review a comprehensive analysis of the draft plan, [Read more.](#)

Orphan Well Mitigation Fee Rulemaking –

Colorado. On May 18, the Colorado Oil and Gas Conservation Commission (COGCC) published proposed rulemaking regarding Orphan Well Mitigation Fees (Series 200). Specifically, in Rule 205.c, the COGCC is creating a new pooled fund to address orphaned wells. The COGCC is seeking to “adopt a new annual registration fee, which is intended to raise \$10,000,000 in each of the first two years the fee is collected. The fees will be deposited into the pooled fund, and may be used by the Director solely to address orphaned sites.” The target date for final adoption is July 30, 2022. [Read more.](#) The COGCC will hold a virtual stakeholder meeting on Tuesday, June 14, 2022, 2 p.m.–3 p.m. Participants can join the stakeholder meeting virtually through Zoom. To become a party to the rulemaking, you must [register here](#) no later than Thursday, June 16, 2022, 5:00 p.m. To access the stakeholder meeting: Computer: <https://us02web.zoom.us/j/81412979750> Meeting ID: 814 1297 9750 / Phone: (253) 215-8782. [Read more.](#)

RRC Acreage Designation Form – Texas. On May 24, the Texas Railroad Commission (RRC) announced

it is accepting public comment on proposed revisions to the Form P-16, *Acreage Designation*, and its instructions. The proposed revisions include three changes to the Form P-16 and applicable changes to the instructions: 1. Addition of ownership intervals in Section II; 2. Removal of acreage assignments from Section V; and 3. Addition of ownership interval information in Section V. According to the RRC, “The proposed revisions to the Form P-16 instructions provide clarity related to the inclusion of depth severances when needed for reporting purposes.” Public comments will be accepted through June 3, 2022. [Read more.](#)

RRC Notice for Operators – Texas. On May 20, the Texas Railroad Commission announced that “Effective September 1, 2022, the Railroad Commission of Texas (RRC) will no longer accept hard copy filings of the Form H-10, *Annual Disposal/Injection Well Monitoring Report*. Oil and gas operators should file the form online using the RRC Online System at <https://webapps.rrc.texas.gov/security/login.do>.” For more information, [read more here](#). If you have questions regarding this notice, contact the Injection-Storage Permits Unit of the RRC’s Oil and Gas Division at H10info@rrc.texas.gov or 512-463-6792. [Read more.](#)

Sunset Advisory Commission – Texas. On May 25, the Texas Sunset Advisory Commission announced that the [Sunset Staff Report on the Texas Commission on Environmental Quality](#) and [Texas Low-Level Radioactive Waste Disposal Compact Commission](#), as submitted to the Sunset Advisory Commission, are available for review on their website, [sunset.texas.gov](https://www.sunset.texas.gov). According to the Commission, “Sunset is the regular assessment of the continuing need for a state agency or program to exist. Unlike other legislative oversight agencies that evaluate an agency’s financial accountability or compliance with state and federal laws, Sunset starts by asking the basic question – is the agency still needed? If the answer is no, Sunset recommends abolishing the agency or transferring its functions to another agency with similar responsibilities. If the answer is yes, Sunset further evaluates the agency’s programs, operations, and

public services and recommends ways to make the agency more effective and efficient. During an agency’s review, Sunset seeks comments and suggestions from regulated entities and individuals, stakeholders, and the public.” [Read more.](#) The Commission has scheduled a public hearing on the reports for June 22, 2022. “At that time public testimony will be taken. An agenda specifying the hearing date, time, location, and the order of agencies scheduled for testimony will be [available on our website](#) as soon as the hearing is posted.” Public comments may be submitted by June 9, 2022 and you may do so here: <https://www.sunset.texas.gov/input-form>. You may also contact the Commission by phone: (512) 463-1300 or fax: (512) 463-0705 or email: sunset@sunset.texas.gov for further information. [Read more.](#)

STATE – Judicial

Orphaned Wells – Louisiana. On April 6, in [Litel Explorations, LLC v. Aegis Development Co.](#) (Case No. 21-741), the Louisiana Court of Appeal, Third Circuit, addressed an appeal by the Office of Conservation of the Louisiana Department of Natural Resources (LDNR) regarding an oilfield environmental contamination suit in which the Court “denied the LDNR’s claims for recovery of over 6.3 million dollars in emergency costs from prior operators of an orphaned well. The Court held that, when the LDNR spends monies from the Oilfield Site Restoration Fund on emergencies, it can only recoup those costs from the well’s operator of record and its working interest owners.” As the Court explained, the “Office of Conservation argues that both Pioneer and Gary, being prior operators of the well, are on the hook for the restoration costs expended by the fund because the Lyon Well was orphaned and there was no site-specific trust fund ever established for the well.” The Court noted that while they “agree with the Office of Conservation’s argument that for typical abandoned wells, La.R.S. 30:93A(1)-(3) provides for recovery from not only the ‘responsible party’ but also prior operators and working interest owners, we find the clear and unambiguous language utilized by the legislature in La.R.S. 30:93A(4), 30:86E(5), and

30:86(G) creates a separate and distinct limitation as to recoupment of costs incurred pursuant to a response to any emergency as provided in La.R.S. 30:6.1.” [Read more.](#)

INDUSTRY NEWS FLASH

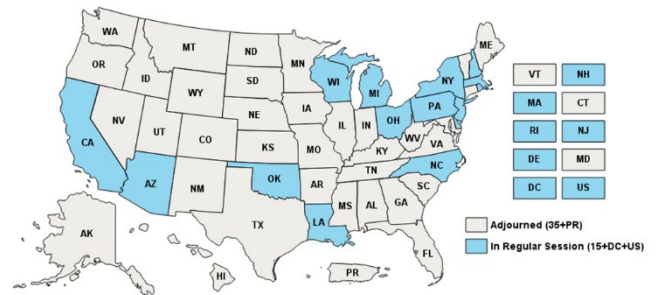
► **Railroad Commission Chairman beats back primary challenger.** Texas Railroad Commission Chairman Wayne Christian overwhelmingly defeated his GOP primary challenger, oil and gas lawyer Sarah Stogner, in last Tuesday’s primaries. Christian, heavily favored to hold his seat, will now face Democrat Luke Warford in the general election in November. [Read more.](#)

► **TIME magazine features article on necessity of fossil fuels.** On May 12, energy author and professor Vaclav Smil made the case for the necessity of fossil fuels in modern society and how we cannot function without them. Smil explains how “modern societies would be impossible without mass-scale production of many man-made materials” and those materials all require fossil fuels. [Read more.](#)

► **Domestic oil and gas employment to rise in 2022.** On May 18, the *Oil & Gas Journal* reported that domestic “oil and gas employment is set to expand by 12.5% this year, rising to 971,000 total jobs by end [of] 2022 from around 863,000, according to Rystad Energy research. The total number of jobs in 2027 is expected to hit 1.09 million, a marginal increase from the 1.07 million in the sector pre-COVID in 2019.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Arizona, California, Delaware, Louisiana, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, and Wisconsin are in regular session. The U.S. Congress is also in session.

The following states adjourned their 2022 legislative sessions on the dates provided: **Alaska** (May 18), **Kansas** and **Minnesota** (May 23) and **Iowa** (May 25).

The following states are scheduled to adjourn their 2022 legislative sessions on the dates provided: **Oklahoma** (May 27) and **New York** (June 2).

Oklahoma lawmakers called themselves into a concurrent special session on May 18 to gain additional powers over the direction of \$1.87 billion in federal coronavirus relief funds under the American Rescue Plan Act, reports [Oklahoma Watch](#). The concurrent special session may continue past the required adjournment of the regular session by May 27.

The **Virginia** General Assembly is scheduled to reconvene on June 1 to vote on a proposed two-year state budget, reports [The Washington Post](#). The rival House and Senate bills were \$3 billion apart in March when the General Assembly tabled the bills, pushing the legislation to a special session. Legislators began the special session in April at the call of Republican Gov. Glenn Youngkin but gavelled in and out quickly as there was no compromise to vote on. The final details on the spending plan are still being debated, but budget

negotiators are confident they will have a deal that bridges the \$3 billion gap before the start of the session. Virginia must enact a spending plan by that start of the new fiscal year on July 1 to avoid a government shutdown.

Oklahoma Republican Gov. Kevin Stitt held a [press conference](#) calling for a special session of the legislature on June 13 to eliminate the state sales tax on groceries and reduce the personal income tax “for all Oklahomans,” reports [KFOR](#). Despite bipartisan legislation to end the state grocery tax, the final budget agreement omitted the proposals. Governor Stitt line-item vetoed two portions of the budget and criticized his exclusion from the budget negotiating process, requiring the proposals to eliminate the state sales tax on groceries be brought back to the table during the special session.

Signing Deadlines (by date): **Maryland** Republican Gov. Larry Hogan has until May 31 to act on legislation or it becomes law without signature. **Colorado** Democratic Gov. Jared Polis has until June 10 to act on legislation or it becomes law without signature. **Minnesota** Democratic Gov. Tim Walz has until June 10 to act on legislation or it is pocket vetoed. **Iowa** Republican Gov. Kim Reynolds has until June 24 to act on legislation or it is pocket vetoed. **Missouri** Republican Gov. Mike Parson has until June 27 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature. **Arkansas** Republican Gov. Asa Hutchinson has 20 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature. **Florida** Republican Gov. Ron DeSantis has 15 days from presentment to act on legislation or it becomes law without signature. **Illinois** Democratic Gov. J.B. Pritzker has 60 days from presentment to act on legislation or it becomes law without signature. **Kansas** Democratic Gov. Laura Kelly has 10 days from presentment to act on legislation or it becomes law without signature. **Kentucky** Democratic Gov. Andy Beshear has 10 days from presentment, Sundays excepted, to act on legislation or it becomes law without signature.

Mississippi Republican Gov. Tate Reeves has 15 days from presentment to act on legislation or it becomes law without signature. **Nebraska** Republican Gov. Pete Ricketts has five days from presentment, Sundays are excepted, to act on legislation or it becomes law without signature. **South Carolina** Republican Gov. Henry McMaster has two days after the next meeting of the legislature to act on legislation or it becomes law without signature. **Tennessee** Republican Gov. Bill Lee has 10 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature.

The following states are currently holding 2022 interim committee hearings: [Arkansas](#), [Colorado](#), [Connecticut](#), [Illinois House](#), [Indiana](#), [Maine](#), [Minnesota](#), [Montana](#), [Nevada](#), [New Mexico](#), [North Dakota](#), [Rhode Island](#), [South Carolina House](#) and [Senate](#), [South Dakota](#), [Tennessee](#), [Utah](#), [Virginia](#), [Washington](#), [West Virginia](#), and [Wyoming](#). ■

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