

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

H. J. Res. 163 – Resolution to Block Biden Administration Plan to Shutter American Power Plants. On June 26, [H. J. Res. 163](#) was officially introduced by Rep. Troy Balderson (R-OH). The joint resolution provides “a formal challenge to the Biden Administration’s regulations intended to shut down American power plants through a Congressional Review Act (CRA) joint resolution of disapproval.” According to Rep. Balderson, “The resolution comes after the Environmental Protection Agency (EPA) issued its final rules, dubbed the Clean Power Plan 2.0, that impose unrealistic emissions requirements on existing coal-fired power plants and newly constructed gas-fired power plants. This attempt to force the closure of power plants that supply America’s baseload electricity was previously tried under President Obama and overturned by the Supreme Court in *West Virginia v. EPA*.” (See “New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule;” [89 Fed. Reg. 39798](#)). An [identical resolution](#) was also introduced by Sen. Shelley Moore Capito (R-WV). [Read more.](#)

Senate Budget Committee Opens Investigation into Oil Producer Coordination with OPEC. On June 27, U.S. Senate Budget Committee Chairman Sheldon Whitehouse (D-RI) announced he “launched an investigation demanding answers from 18 oil producers about any efforts to illegally coordinate with the Organization of the Petroleum Exporting Countries.” [Read more.](#) According to Sen. Whitehouse, “The new probe follows revelations from the Federal Trade

Commission that former Pioneer CEO Scott Sheffield attempted to work with OPEC to manipulate global oil and gas production, increase oil and gas prices, and boost his company’s profits. The FTC completed its investigation as part of its review of ExxonMobil’s bid to acquire Pioneer, a \$64.5 billion deal that represents the largest fossil fuel merger in 20 years.” Sheffield has denied those allegations. “At no time did government officials and Mr. Sheffield exchange competitively sensitive information,” according to Cleary Gottlieb Steen & Hamilton, Sheffield’s counsel commenting on his behalf. Sen. Whitehouse has sent letters to the 18 oil and gas companies requesting certain information by July 12, 2024. [Read the letters here.](#)

FEDERAL – Regulatory

BLM Oil and Gas Lease Sale – Kansas; New Mexico. On June 24, the *Oil & Gas Journal* reported that the Bureau of Land Management (BLM) “received \$34.4 million in high bids during its most recent lease sale in New Mexico and Kansas. BLM offered 18 parcels covering 3,128 acres. In total, it received 451 bids on 14 parcels covering 2,768 acres, roughly 88.5% of the total acreage offered, the Interior Department division said in a statement.” [Read more.](#)

BLM Resource Advisory Council Meeting – Colorado. On June 26, the BLM announced a number of Southwest Colorado Resource Advisory Council (RAC) public meetings and field tours to be held in August and November 2024. According to the BLM, “The 15-member RAC advises the Secretary of the Interior, through the BLM, on a variety of public land issues in the Southwest District, which consists of the Gunnison, Tres Rios, and Uncompahgre field offices.” The meetings and field tours are open to the public. [Read more.](#)

BLM Bears Ears National Monument Advisory Committee Meeting – Utah.

On June 27, the BLM announced that the Bears Ears National Monument Advisory Committee will meet on August 7, 2024, for a field tour. “The 15-member Committee represents a wide range of stakeholders including State and local government, paleontological and archaeological interests, the conservation community, livestock grazing permittees, Tribal members, developed and dispersed recreation interests, private landowners, local business owners, and the public at large.” Bears Ears National Monument Advisory Committee meetings and field tours are open to the public. [Read more.](#)

BLM Rights-of-Way, Leasing, and Operations for Renewable Energy. (Update to 5/13/24 Report)

On June 28, the BLM issued a correction for the following rulemaking to correct their errors in the original final rule release as provided. (See *Rights-of-Way, Leasing, and Operations for Renewable Energy; Corrections*; [89 Fed. Reg. 53869](#)). For background, on May 1, the BLM released a final rule, *Rights-of-Way, Leasing, and Operations for Renewable Energy* ([89 Fed. Reg. 35634](#)), that “updates procedures governing the BLM’s renewable energy and right-of-way programs, focusing on two main topics. The first topic is solar and wind energy generation rents and fees, implementing new authority from the Energy Act of 2020 to ‘reduce acreage rental rates and capacity fees, or both, for existing and new wind and solar authorizations’ and making certain findings required by the statute. The second topic is expanding agency discretion to process applications for solar and wind energy generation rights-of-way inside designated leasing areas (DLAs). In addition to these two main topics, this final rule makes technical changes, corrections, and clarifications to the regulations. This final rule will update the BLM’s procedures governing the BLM’s administration of rights-of-way issued under Title V of the Federal Land Policy and Management Act (FLPMA), including for solar and wind energy applications and development authorizations.” The rule was effective July 1, 2024. [Read more.](#)

BLM Gunnison Sage-Grouse Plan Amendments – Colorado; Utah.

On July 3, the BLM announced it “is

taking an important step to conserve the federally protected Gunnison sage-grouse by proposing amendments to 11 resource management plans in Colorado and Utah.” (See *Notice of Availability of the Proposed Resource Management Plan Amendment and Final Environmental Impact Statement for the Gunnison Sage-Grouse (Centrocercus minimus), Colorado and Utah*; [89 Fed. Reg. 55655](#)). According to the announcement, “The Proposed Resource Management Plan Amendment and Final Environmental Impact Statement analyzes the management of habitat for eight Gunnison sage-grouse populations on BLM-managed public lands across southwest Colorado and southeast Utah.” Further, “The BLM evaluated 11 plans covering 7.6 million acres of public land and 18 million acres of federal mineral estate to identify management actions with potential to impact Gunnison sage-grouse populations and habitat. The proposed amendment lays out a potential approach for addressing the habitat and conservation needs of the Gunnison sage-grouse, with actions such as limiting disturbance at leks or during mating season.” The announcement opens up a public protest period that closes August 5, 2024. [Read more.](#)

Biden Administration Announces Renewable Energy Projects Funding.

As reported by *The Hill* on June 26, the Biden administration “announced \$375 million in funding for renewable energy projects, predominantly through the Inflation Reduction Act (IRA). The funding, announced by Agriculture Secretary Tom Vilsack, includes \$275 million through the Powering Affordable Clean Energy (PACE) program, an IRA program devoted to renewable electrification in rural areas. The funds will go to communities in Alaska, Arizona, Kentucky and Nebraska. The two largest awards will go to battery energy storage systems in Fairbanks, Alaska, and the Soldotna Substation in Alaska’s Kenai Peninsula, both of which will receive \$100 million.” [Read more details about the funding programs here.](#) Secretary Vilsack said, “We are excited to partner with hundreds more family farms and small businesses as well as rural electric cooperatives and local clean energy developers to address the impacts of climate change, grow the economy and keep rural communities throughout the country strong and resilient.” [Read more.](#)

EPA to Review Texas Oversight of Injection Wells.

As reported on June 24, The U.S. Environmental Protection Agency (EPA) “is set to review Texas’ oversight of injection wells following increasing concerns from environmental groups.” Environmental groups have challenged the state’s primacy over the wells alleging that “the Texas Railroad Commission may not be meeting federal standards under the Safe Drinking Water Act.” [Read more.](#) The groups that filed the petition with the EPA “raised concerns that there is no recourse from the RRC when they get reports of poorly managed class II wells and that the regulator has not examined the root causes of well leaks and blowouts or open well permitting decisions to the public.” One of the groups, Commission Shift, said, “We believe that a rigorous and transparent evaluation by the EPA will ultimately lead to stronger protections for our water resources and greater accountability for regulatory practices.” As reported by *Reuters*, a spokesperson for the Railroad Commission said, “that it has not yet been contacted by the EPA and stood by its track record,” saying, “The RRC has a long-standing history of regulating underground injection that is protective of the environment and public safety.” [Read more.](#)

FEDERAL – Judicial

Chevron Doctrine Overturned – U.S. Supreme Court. (*Update to 6/26/23 Report*) On June 28, in [Loper Bright Enterprises v. Raimondo](#) (Case No. 22-451), the U.S. Supreme Court overturned a long-standing administrative law precedent that gave agencies across the federal government “leeway to interpret ambiguous laws through rulemaking,” known as the *Chevron* Doctrine for a 1984 U.S. Supreme Court decision that set that long-standing precedent of deference to federal agencies even where Congress failed to provide specific regulatory authority. As provided by law firm Bricker Graydon, “For 40 years, the federal courts have deferred to the statutory construction adopted by administrative agencies where an authorizing statute was either ambiguous or left a gap that required further interpretation. In such cases, who should resolve the ambiguity? A judge who lacks subject matter expertise? Or the agency

that Congress charged with administering the statute? In 1984, the U.S. Supreme Court ruled in *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, that it should usually be the agency, subject to the bounds of reasonableness, who would make these decisions. Known as ‘Chevron deference,’ courts have deferred to the interpretive guidance of administrative agencies to create and enforce regulatory efforts in every phase of American life, including health care, workplace safety, financial markets, international trade, and national security, to name a few.” [Read more.](#) The opinion is expected to have wide-reaching effects – although the court was clear to note that it does not impact prior regulations – as it is expected to rein in what many free-market and business groups have criticized over the years as a runaway administrative state acting as a fourth branch of government wielding power and authority never granted to it by Congress. [Read more.](#) The American Petroleum Institute immediately came out in favor of the decision. “We agree with the Court that agency actions must faithfully implement the laws passed by Congress. Today’s decision is a reminder that it’s time for both parties to work together and advance bipartisan, commonsense policies that provide regulatory certainty and secure an affordable, reliable energy future.” [Read more.](#) The American Exploration & Production Council also lauded the opinion saying, “The ruling is viewed as a significant victory for conservatives and business groups seeking to curb the power of executive branch overreach.” And Texas Railroad Commissioner Wayne Christian also weighed in saying, “This is huge for Texas and other fossil fuel producing states, who must provide reliable energy to Americans and the world. Radical environmentalist administrations, like President Biden’s, hand over the ‘keys to the kingdom’ to federal agencies when Congress doesn’t give them the policies they want. I look forward to thoughtful judges dismantling many of the radical ‘green’ policies pushed by this administration that inhibit our domestic oil and gas production.” [Read more.](#) This landmark decision arose from a challenge by fisherman involving National Marine Fisheries Service regulations that required certain fishing companies to pay for federal monitors aboard their vessels. [Read more.](#) For a

deeper dive into the *Loper* case and its implications, you may access additional legal articles [here](#), [here](#) and [here](#).

EPA Ozone Emissions Rule – U.S. Supreme Court.

On June 27, in [Ohio v. Environmental Protection Agency](#) (Case No. 23A349), the U.S. Supreme Court temporarily halted a U.S. Environmental Protection Agency (EPA) rule that limits interstate pollution. As reported by *Reuters*, “The 5-4 decision granted requests by Ohio, Indiana and West Virginia, as well as U.S. Steel Corp., pipeline operator Kinder Morgan and industry groups, to halt enforcement of the EPA’s ‘Good Neighbor’ plan restricting ozone pollution from upwind states, while they contest the rule’s legality in a lower court.” [Read more](#). In short, the EPA rule, issued in March 2023, was intended “to target gases that form ozone, a key component of smog, from power plants and other industrial sources in 23 upwind states whose own plans did not satisfy the ‘Good Neighbor’ provision of the Clean Air Act anti-pollution law, requiring steps to reduce pollution that drifts into states downwind.” [Access a detailed EPA summary of the rule as well as fact sheets and other resources here](#). In the current case, the Supreme Court wrote, “EPA’s plan rested on an assumption that all the upwind States would adopt emissions-reduction measures up to a uniform level of costs to the point of diminishing returns. Commenters posed their concerns that if upwind States fell out of the planned FIP [Federal Implementation Plan], the point at which emissions-control measures maximize cost-effective downwind air quality improvements might shift. To this question, EPA offered no reasoned response. As a result, the applicants are likely to prevail on their argument that EPA’s final rule was not ‘reasonably explained.’” Legal proceedings will now continue in a lower court following the Supreme Court’s granting of a stay in favor of the parties challenging the EPA rule. We will continue to keep AAPL members informed as the case proceeds. [Read more](#).

Domestic Energy Producers Alliance’s Files Petition Against the SEC Climate Disclosure Rule. (*Update to 6/10/24 and 3/18/24 Reports*) On June 26, the Domestic Energy Producers Alliance (DEPA) announced that

their petition against the U.S. Securities and Exchange Commission (SEC) new climate disclosure rule has received support “by 17 U.S. Senators and 18 U.S. Representatives” requesting that a federal court vacate the new rule. [Read the lawmakers’ amicus brief here](#). “DEPA is challenging the SEC’s new Climate Rule, which mandates publicly traded companies to disclose their greenhouse gas (GHG) emissions data. This rule, finalized in March, represents the first instance where the SEC has required companies to submit climate-related information. Multiple lawsuits are currently pending in the Eighth Circuit, including DEPA’s petition seeking review of the regulations. The amicus brief argues that the Climate Rule imposes undue burdens on publicly traded companies, ultimately harming investors. It emphasizes the institutional interest of Congress in retaining its power to enact legislation governing national securities markets and climate policy.” [Read more](#).

Biden Administration LNG Export Pause – Louisiana.

On July 1, a Louisiana federal court halted the Biden administration’s LNG export pause. The U.S. District Court for the Western District of Louisiana wrote in [Louisiana v. Biden](#) (Case No. 2:24-CV-00406) that the U.S. Department of Energy’s (DOE) export pause would be “stayed in its entirety, effective immediately.” For background, in March 2024, “Republican-led states including Texas, Louisiana and Florida” sued the administration, “arguing the policy would harm the economy and undermine efforts to supply foreign allies in Europe with steady supplies of LNG as the region seeks to wean itself off piped gas from Russia.” [Read more](#). As reported, “In January, the administration halted reviews of new LNG export applications to non-free-trade-agreement countries, saying it needed to review how to account for climate risks of projects before approving exports. The pause was praised by environmentalists who had been critical of President Biden’s record on fossil fuels. Monday’s court ruling does not force DOE to now approve LNG applications, but it does require the department to restart the process of considering them.” [Read more](#).

STATE – Legislative

Well Setbacks – California. To update our reporting throughout 2022-2023, on June 28, it was announced that an oil and gas industry referendum to stop a 2022 well setback bill, [SB 1137](#), from taking effect was withdrawn by the referendum sponsors. That bill created well setbacks in newly created “health protection zones” that “bans new oil wells within 3,200 feet of schools, homes and hospitals and requires pollution controls for existing oil wells within 3,200 feet of these zones.” The bill never took effect due to the filing of the referendum. The referendum sponsor, the California Independent Petroleum Association, said instead of putting the ballot measure to voters in November it will seek to stop the bill from taking effect through the courts. Jonathan Gregory, the association’s president and CEO of oil and gas company RMX Resources said, “supporters of the energy shutdown can make unfounded claims in the press and in paid advertisements, but they can’t make those claims in court without evidence.” [Read more.](#)

For all 580+ 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 and Carbon Management Commission Deep Geothermal Rulemaking – Colorado. (*Update to 5/28/24 Report*) On June 24, the Colorado Energy and Carbon Management Commission (ECMC) announced an update to their Deep Geothermal Rulemaking process. Originally, the ECMC filed a notice of rulemaking for a hearing before the Commission to begin on July 29, 2024. The ECMC moved to continue this matter to begin on August 5, 2024. The public can submit comments by July 22, 2024, at 7pm. [Access the ECMC public comment form here.](#) For background, on May 17, the ECMC announced it will be considering additions and amendments to

Commission rules as part of its Deep Geothermal rulemaking. As provided, “The proposed Deep Geothermal rules establish a permitting structure for the review and authorization of deep geothermal wells and surface locations.” [Access the proposed rule here.](#) You may also [read a detailed summary of the proposed rulemaking here.](#)

Carbon Management Community Listening Sessions – Colorado. On June 26, the Colorado Energy and Carbon Management Commission (ECMC) announced that the ECMC and the Colorado Energy Office (CEO) will be “co-hosting community listening sessions for Coloradans to: Learn more about carbon management’s role in meeting Colorado’s climate goals; Provide feedback about the initial phases of; The State’s Carbon Management Roadmap; [and] ECMC’s upcoming Carbon Capture and Storage (CCS) rulemaking on Class VI Wells draft rules.” According to the ECMC, in-person meetings will be held in Durango, Pueblo and Firestone, as well as one virtual meeting. “Each meeting will include: Carbon Management Overview: Anna Littlefield, Colorado School of Mines; Presentation on Carbon Management Roadmap: Quinn Antus, CEO, and Mark Fry, Great Plains Institute; Presentation on Class VI Wells Draft Rules: Mark Seeley, ECMC; [and] Community discussions, questions and feedback.” The listening sessions will be held from July 16-18, 2024. [Access the ECMC website for more information on attending.](#)

DEP Permitting Update – Pennsylvania. On June 29, the Pennsylvania Department of Environmental Protection announced it “is proposing to reissue the Erosion and Sediment Control General Permit for Earth Disturbance Associated with Oil and Gas Exploration, Production, Processing or Treatment Operations or Transmission Facilities (ESCGP-4). This general permit is issued under the authority of the Clean Streams Law (35 P.S. §§ 691.1—691.1001). The Department is not proposing significant changes in ESCGP-4 from ESCGP-3 at this time. The current ESCGP-3 is scheduled to expire at midnight on January 6, 2025.” [Read more.](#) The public comment period is open through July 29, 2024. [Read more.](#)

Railroad Commission Approves 2025 Oil and Gas Monitoring and Enforcement Plan – Texas.

(Update to 4/1/24 Report) To follow up our earlier coverage where we provided AAPL members with an opportunity to submit comments, on June 27, the Texas Railroad Commission (RRC) announced they “approved the agency’s Fiscal Year 2025 Oil and Gas Monitoring and Enforcement Plan which includes added information to provide the public further insight on the agency’s work to protect the environment and Texans. The annual plans define the RRC’s strategic priorities for monitoring oil and gas activities and enforcing regulations across the state. They include the agency’s extensive field operations activities such as well inspections, orphaned well pluggings, and site remediations. New to this year’s plan is information related to technical permitting, and RRC monitoring and enforcement activities performed by the Oil and Gas Division’s Technical Permitting and Administrative Compliance Units. One example is the compliance team established by the division in 2023 to focus on post-permitting compliance at surface waste management facilities regulated by the Environmental Permits Section. Also, for the first time, the RRC sought public feedback this year prior to developing the plan. Some of that input was used to develop priorities for monitoring and enforcement efforts in the plan, including providing more comprehensive flaring data, and evaluating difference methods to reduce orphaned wells older than 20 years.” [Read more.](#)

Railroad Commission Announces LoneSTAR Portal Availability for Operators – Texas.

On July 1, the Railroad Commission of Texas (RRC) announced it “has launched the Railroad Commission State Tracking and Reporting (LoneSTAR) portal allowing operators online filing and record viewing for oil and gas functions. The first release of LoneSTAR includes: Processes associated with filing a new, renewal, and record-only Form P-5, Organization Report, to become an oil and gas operator or pipeline operator under the jurisdiction of the RRC; Form W-3C, Certification of Surface Equipment Removal for an Inactive Well; and Form W-3X, Extension of Deadline for Plugging an Inactive Well. Future releases will include other oil and gas and environmental permitting processes.” [Read more.](#) Read more [about the RRC LoneSTAR project here.](#)

Railroad Commission Opposition to Biden Administration’s Ban on LNG Exports – Texas.

On June 25, the Texas Railroad Commission (RRC) announced that “following recent reports that the Biden Administration’s federal moratorium on new liquified natural gas (LNG) export plants is prohibiting Ukraine from purchasing American LNG, Railroad Commissioner Wayne Christian slammed the administration’s policy and called on the president to rescind the ban.” RRC Commissioner Christian said, “At a time when our allies need U.S. energy the most, President Biden is making it harder for them to access it. Ukraine’s deal for American LNG could be the leverage the West needs to gain an upper hand on Putin by ending Europe’s reliance on Russian energy and depriving Putin of his primary revenue source to fund his unjust war. American fossil fuels can once again be the ‘hope of the free world’ – but only if Biden will let it.” [Read more.](#)

Railroad Commission Challenges Federal Dune Sagebrush Lizard Endangered Species Listing -- Texas.

(Update to 5/28/24 Report) On July 1, the Railroad Commission of Texas (RRC) announced that regarding the recent U.S. Fish and Wildlife Service (FWS) listing of the Dunes Sagebrush Lizard as an endangered species, “The listing’s impact on the most vital oil producing region in the nation – the Permian Basin – could be devastating, and RRC commissioners are taking steps to prevent that.” As such, “At their recent open meeting, commissioners voted unanimously to request the Texas Attorney General’s office challenge the ruling.” [Read more.](#) For background, on May 17, the Interior Department’s FWS announced it is “listing the dunes sagebrush lizard as an endangered species under the Endangered Species Act. The decision comes after a rigorous review of the best available scientific and commercial information, a 90-day public comment period, and a public hearing and information session. The designation of critical habitat was found to be prudent but not determinable at this time. The Service has up to one year from the time of listing to propose critical habitat.” [Read the announcement here.](#) The final rule was effective June 20, 2024. (See also, *Endangered and Threatened Wildlife and Plants; Endangered Species Status for the Dunes Sagebrush Lizard*; [89 Fed. Reg. 43748](#)).

At the time, RRC Commissioner Wayne Christian criticized the announcement saying, “This doesn’t have a thing to do with ‘saving lizards’; it’s about shutting down U.S. oil and gas production to win political brownie points, which will only increase inflation and jeopardize billions of lives globally. It doesn’t matter if it’s a lizard, a chicken, a whale, or a unicorn, radical environmentalists won’t be satisfied until we all get our energy from firewood and are living in a cave again. To them, this is about ending fossil fuels to ‘better humanity’, which is ironic given they allow mankind to flourish by powering 80% of the globe’s energy, manufacturing 96% of consumer products, and helping to feed more than half the planet. Right now, the world needs more energy and more Texas oil and gas, and all this does is drive up prices and make it harder on consumers.” [Read more.](#)

STATE – Judicial

Injection Well Permitting – Ohio. On June 25, the Ohio Court of Appeals, Tenth District, ruled in favor of Omni Energy Group, an oil and gas operator, by finding that a lower court applied the wrong legal standard in ruling against the operator regarding injection well permitting by Eric Vendel, Chief, Ohio Department of Natural Resources, Division of Oil and Gas Resources Management. In *Omni Energy Group, LLC v. Vendel* (Case No. 2024-Ohio-2439), the court held, “In short, it is clear from the face of the trial court’s order that it applied the wrong standard of review. Because the trial court did not apply the proper legal standard set forth in R.C.119.12, its order must be reversed and the matter remanded to the trial court for review under the proper standard.” As reported by *Bloomberg Law*, “the appeals court, in saying Omni deserves another chance to prove its case, also found that the trial judge was mistaken when she denied the company’s request to consider additional evidence and for a hearing on the merits of Vendel’s decision.” [Read more.](#)

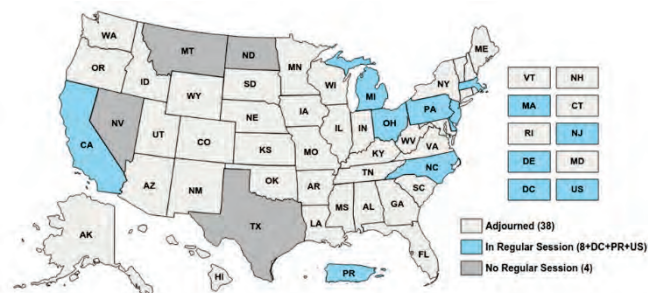
INDUSTRY NEWS FLASH

► **DEPA files U.S. Supreme Court petition challenging California’s EV mandate.** On July 3, the Domestic Energy Producers Alliance (DEPA)

announced that they filed a petition with the U.S. Supreme Court, along with 15 energy, agriculture, and biofuel groups, challenging the “Environmental Protection Agency’s (EPA) decision to grant a waiver to California for its 2021-2025 electric vehicle mandate.” According to the DEPA, they “challenge the EPA’s authority to grant California the unprecedented power to regulate vehicle greenhouse gas emissions and enforce EV mandates. This delegation of power not only disrupts the uniformity of national vehicle standards but also sets a concerning precedent for state-by-state environmental regulation. We believe that such significant regulatory decisions should rest with Congress, ensuring a balanced and democratic approach to environmental policy.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: California, Michigan, North Carolina, Ohio, and Pennsylvania are in regular session. The U.S. Congress is also in session.

Arizona adjourned their 2024 legislative session on June 15.

Arkansas adjourned its special session on June 19 after passing several tax bills. According to [KARK](#), legislation passed during the session lowered the state’s income tax from 4.4 percent to 3.9 percent while also lowering the corporate tax rate and increased tax credits for homeowners. Republican Gov. Sarah Huckabee Sanders praised the legislation while again indicating her intentions to eventually eliminate the state’s income tax.

Nebraska Republican Gov. Jim Pillen announced his plans to call a special session on July 25 to address property tax relief. According to the [Nebraska Examiner](#), Governor Pillen announced his intentions to bring the legislature together for a special session over the summer to reduce property tax obligations for residents after a previous plan to reduce property taxes failed to pass during the regular session.

Utah adjourned its special session on June 19 after addressing power plant concerns. According to [Fox 13](#), the one-day session resulted in the passage of a bill that would allow the state to take control of a local coal power plant before it is able to execute a planned switch over to natural gas and hydrogen production.

Signing Deadlines (by date): **Oklahoma** Republican Gov. Kevin Stitt had until June 14 to act on legislation or it was pocket vetoed. **Arizona** Democratic Gov. Katie Hobbs had until June 27 to act on legislation or it became law without signature. **Missouri** Republican Gov. Mike Parson had until July 1 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Idaho](#), [Indiana](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Minnesota](#), [Missouri House](#) and [Senate](#), [Montana](#), [Nevada](#), [New Mexico](#), the **New York Assembly**, [North Dakota](#), [Oregon](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), the **Texas House**, [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#), [Nebraska](#), [North Dakota](#), [Oklahoma](#) and [Utah](#). ■

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S. J. Res. 102 – Resolution to Nullify the Biden Administration Rule Regarding the Endangered Species Status for the Dunes Sagebrush Lizard.

On July 16, official text was published for [S. J. Res. 102](#), a joint resolution introduced by Sen. Ted Cruz (R-TX) seeking to nullify the recent endangered species designation by the U.S. Fish and Wildlife Service for the Dunes Sagebrush Lizard. (See *Endangered and Threatened Wildlife and Plants; Endangered Species Status for the Dunes Sagebrush Lizard*; [89 Fed. Reg. 43748](#); May 20, 2024). The rule, which went into effect June 20, 2024, “will undermine the utilization of land for oil and gas production in the Permian Basin and increase energy costs for American consumers,” according to the *Texas Insider*. [Read more](#). As covered in prior reports, the rule has also been opposed by the Texas Railroad Commission as well as other state and federal lawmakers. Sen. Cruz said, “The Biden administration has used the federal government to suppress American energy production at the exact time when the country and indeed the world needs access to affordable American energy. This disastrous rule threatens American jobs and undermines the production of energy in the Permian Basin. I call on the Senate to expeditiously take up and pass my legislation to reverse it.” [Read more](#).

FEDERAL – Regulatory

BLM Oil and Gas Development in the National Petroleum Reserve – Alaska. On July 12, the Bureau of Land Management (BLM) announced it will be seeking public comment on potential expansion of areas protected from oil and gas development in the National Petroleum Reserve – Alaska. (See *Special Areas Within the National Petroleum Reserve in Alaska*;

[89 Fed. Reg. 58181](#); July 17, 2024) As reported by *The Hill*, “The protections, if implemented, could expand the area of the National Petroleum Reserve in Alaska (NPR-A), which has been restricted from development, or identify new protections in the existing protected area. During the 60-day comment period, the Bureau will also consult with tribal communities in the affected areas.” The public comment period will close on September 16, 2024. [Read more](#). “We have a responsibility to manage the western Arctic in [a] way that honors the more than 40 Indigenous communities that continue to rely on the resources from the Reserve for subsistence,” said BLM Director Tracy Stone-Manning. “With the rapidly changing climate, the Special Areas are increasingly critical to caribou movement and herd health, as well as other wildlife, migratory birds, and native plants. We want to hear from the public to ensure we are managing the western Arctic’s significant resource values in the right ways and right places.” [Read more](#).

BLM Big Game Habitat Conservation for Oil and Gas Management – Colorado. On July 19, the BLM published a *Notice of Availability of the Proposed Resource Management Plan Amendment and Final Environmental Impact Statement for Big Game Habitat Conservation for Oil and Gas Management in Colorado* ([89 Fed. Reg. 58749](#)). According to the notice, “The proposed RMP amendment addresses alternative approaches for oil and gas management to maintain, conserve, and protect big game high priority habitat (HPH). The planning area includes all counties in Colorado and encompasses approximately 8.3 million acres of public land and approximately 27 million acres of Federal mineral estate. The decision area includes all 8.3 million acres of BLM-administered surface land (except where Federal minerals have been withdrawn from mineral leasing) plus approximately 4.7 million acres of Federal mineral split estate where the surface is owned by private owners, local government, or the

State.” As reported by *E&E News*, the BLM proposal “would revamp land use plans covering millions of acres in Colorado to place new restrictions that balance oil and gas development with protecting key habitat corridors for big game species.” [Read more.](#)

BLM Environmental Impact Statement for the Farmington Mancos-Gallup Resource Management Plan Amendment – New Mexico. On July 12, the BLM published a notice of termination, *Termination of Preparation of the Environmental Impact Statement for the Farmington Mancos-Gallup Resource Management Plan Amendment, New Mexico* ([89 Fed. Reg. 57165](#)), that terminates “the preparation of an environmental impact statement (EIS) for the Farmington Mancos-Gallup Resource Management Plan (RMP) Amendment.” Originally, “The purpose of the EIS was to analyze the impacts of additional oil and gas development within the San Juan Basin in northwestern New Mexico, as well as decisions related to lands and realty, BLM-managed lands with wilderness characteristics, and vegetation management. The EIS was also to evaluate alternatives and issues related to the BIA’s authority over mineral leasing and associated activity decisions on Navajo Tribal Trust Lands and Navajo Indian allotments.” But according to the BLM notice, the “changes and the extent of revisions necessary to address these changes in the current EIS process, the agencies determined it is impractical to continue the plan amendment effort as currently structured. Therefore, the BLM and BIA hereby terminate preparation of the EIS for the RMP Amendment.” [Read more.](#)

BLM Resource Advisory Council – Utah. On July 18, the BLM announced upcoming Utah Resource Advisory Council (RAC) meetings and field tours beginning in November 2024. Agenda topics include “updates and overview of BLM district and statewide planning efforts including hard rock mining, travel management plans, solar and geothermal energy development” and includes “updates and overview of BLM district and State planning efforts, including Administration priorities, the Grand Staircase-Escalante National Monument Resource Management Plan.” RAC meetings and field tours are open to the public. [Read more.](#)

BLM Oil and Gas Lease Sale – Wyoming. On July 5, the BLM Wyoming State Office “opened a 30-day public comment period on 13 oil and gas parcels that could be included in an upcoming lease sale in December. The parcels total 6,604.85 acres and are located in the Cheyenne area of Laramie County.” The public comment period for the sale ends on August 8, 2024. [Read more.](#)

FEDERAL – Judicial

Environmental Impacts Regulations – U.S. Supreme Court. The U.S. Supreme Court has granted review for the Fall 2024 term in [Seven County Infrastructure Coalition v. Eagle County, CO](#) (Case No. 23-975), which challenges the scope of a Surface Transportation Board environmental review under the National Environmental Policy Act (NEPA) for an 88-mile crude rail line project in Utah. [Read more.](#) As reported by law firm Hunton Andrews Kurth LLP, “The question before the Court is whether NEPA requires federal agencies to study the environmental impacts of proposed projects beyond the proximate effects of the action that an agency has no authority to regulate. The petitioners contend that the D.C. Circuit’s decision ordering the Board to study the downstream effects of approving the rail line on the expansion of oil production from oil wells and refineries, which lie outside the Board’s regulatory authority, was in error and contrary to the Supreme Court’s interpretation on the scope of agency authority” under prior precedent. As reported, “The Supreme Court’s decision, in this case, could have important implications for NEPA analyses going forward, including on the scope of the White House Council on Environmental Quality’s [new rules](#), published in May 2024, directing agencies to quantify, where feasible, the reasonably foreseeable GHG emissions from a proposed project. A decision to overturn the D.C. Circuit in this case would avoid broad NEPA reviews and keep an agency’s focus on effects that are more closely related to the authorized activity. Such clarification from the Court could help avoid delays that are often associated with wide-ranging NEPA reviews that are not cabined by the agency action at issue.” We will continue to keep AAPL members informed as the case progresses. [Read more.](#)

BLM Oil and Gas Approvals – Alaska. On July 16, a federal judge in [Cook Inletkeeper v. U.S. Dept. of the Interior](#) (Case No. 3:22-cv-00279-SLG) ordered the Bureau of Ocean Management (BOEM) to conduct a supplemental environmental impact statement regarding a December 2022 oil and gas lease sale. Here, the court “found that the BOEM failed to consider a reasonable range of alternative leasing areas, did not weigh the impact of vessel noise on beluga whales in the area and did not assess the ‘cumulative impact’ of the sale on the environment.” As reported by the *Oil and Gas Journal*, the BOEM “could not issue oil and gas drilling permits until they conduct supplemental environmental assessments” under the National Environmental Policy Act. The court gave the BOEM “6 months to reevaluate the effects drilling would have on the environment.” [Read more.](#)

Biden Administration LNG Export Ban – Louisiana. As a follow up to our prior reporting, on July 1, the U.S. District Court for the Western District of Louisiana ruled against the Biden administration in the pending case, [Louisiana v. Biden](#) (Case No. 2:24-cv-00406-JDC-TPL) by granting a preliminary injunction against the LNG export ban. For background, “Texas, along with Louisiana and fourteen other states, filed a lawsuit to void the unconstitutional LNG export ban, which ignores the Natural Gas Act’s presumption in favor of exports, and decades of Department of Energy policy, as well as State and private reliance on exports.” According to Texas Attorney General Ken Paxton, “This ruling means Biden’s illegal ban does not prevent Texas natural gas from reaching market while the lawsuit continues.” [Read more.](#)

Alaska Lawsuit Over Cancelled Oil and Gas Leases – Court of Federal Claims. On July 2, the state of Alaska filed a complaint against the Biden administration that “seeks compensation owed to the State of Alaska due to the United States’ decision to cancel oil and gas leases from which the State would have earned hundreds of millions or even billions of dollars in royalties and other revenues.” In [Alaska v. United States](#) (Case No. not yet docketed) the state argues, among other claims, that “Oil and gas leases

are contracts, and by cancelling the Coastal Plain oil and gas leases, the United States breached those contracts. The State of Alaska, as a beneficiary of those contracts, is entitled to receive compensation from the United States in the form of the State’s contract-based damages—namely, the royalty revenues the State would have earned from production under the leases as well as the State’s share of the bonus and rentals that were paid or were to be paid under the leases. Additionally, the State’s royalty rights for the Coastal Plain minerals are a well-recognized property interest. The United States’ policy decision has effectively deprived the State of that property interest by making it valueless. As such, the State is entitled to just compensation pursuant to the Fifth Amendment.” This follows another recent lawsuit, also brought by Alaska, “challenging new federal regulations imposed for oil and gas leasing in the National Petroleum Reserve-Alaska (NPR-A).” [Read more.](#) We will continue to keep AAPL members updated as these cases progress. [Read more.](#)

FTC Noncompete Ban Temporarily Halted – Texas. (*Update to 4/29/24 Report*) On July 3, the U.S. District Court for the Northern District of Texas (Dallas) temporarily halted the Federal Trade Commission (FTC) from enforcing its new noncompete rule against the plaintiffs in [Ryan LLC v. Federal Trade Commission](#) (Case No. 3:24-cv-00986-E). As reported by law firm Holland & Knight, “The Rule – which prohibits virtually all employee non-compete agreements with limited exceptions – has an effective date of Sept. 4, 2024. The court’s order prohibits the FTC from enforcing the Rule against the plaintiffs until the court decides on the ultimate merits of the action, which the court will do on or before Aug. 30, 2024. This order is preliminary, and there is another federal court case pending in Pennsylvania that challenges the Rule. Legal challenges are expected to wind through the U.S. Courts of Appeal and perhaps to the U.S. Supreme Court. In the meantime, the court’s preliminary injunction in *Ryan* is a significant initial win for businesses challenging the Rule.” [Read more.](#) The other case plaintiffs are the U.S. Chamber of Commerce, Business Roundtable, Texas Association of Business, and Longview Chamber

of Commerce. Notably, the court did not grant a nationwide injunction at this stage. [Read a detailed analysis of the rule and the current case status here](#) and [here](#).

BLM Oil and Gas Approvals – Wyoming. Related to the case above in Alaska, on July 16, a separate federal judge ordered the BLM to temporarily pause approval of new oil and gas drilling permits on nearly 120,000 acres of federal land in Wyoming until it finishes reevaluating the environmental impacts of a lease sale under the National Environmental Policy Act (NEPA). In *Wilderness Society v. U.S. Dept. of Interior* (Case No. 1:22-cv-01871-CRC), the court ordered the BLM to conduct further environmental review to “cure the deficiencies in its prior NEPA analysis.” As such, the court stopped the BLM “from approving new applications for a permit to drill or authorizing new surface disturbance on the leased parcels during the remand period, which shall be no more than 180 days.” [Read more](#).

STATE – Legislative

Carbon Dioxide Capture, Utilization, and Sequestration – Pennsylvania. On July 17, Gov. Josh Shapiro (D) signed [SB 831](#) into law. Sponsored by Sen. Gene Yaw (R), the bill “establish[es] the legal and regulatory framework for potential carbon dioxide capture, utilization, and sequestration (CCUS) in Pennsylvania.” The bill provides “for the ownership of pore space in strata below surface lands and waters of the Commonwealth, for conveyance of the surface ownership of real property; imposing duties on the Department of Environmental Protection; and establishing the Carbon Dioxide Storage Facility Fund.” [Read more](#). Sen. Yaw said, “This legislation is a proactive step to secure Pennsylvania’s future as a hub for carbon capture and sequestration. It’s a pragmatic solution to a problem that we all want to solve – reducing our carbon emissions without crippling the reliability of our existing power grid.” The bill takes immediate effect. [Read more](#).

Omnibus Tax Bill – Pennsylvania. On July 11, Gov. Josh Shapiro (D) signed [SB 654](#) into law.

This omnibus tax bill contains a provision “gradually increasing the net operating loss limit that can be carried over from 40% of taxable income to 80% by 2026, aligning it with the federal threshold, supported by Democrats and Republicans in both chambers, as well as business groups that have been advocating for such legislation” and also “includes provisions that would let businesses use the same calculations they use under the U.S. tax code to determine the loss of value for mines, oil and gas wells, and other natural deposits—also known as costs and percent of depletion.” *Marcellus Drilling News* also reports that under the bill, “individual landowners will receive the same tax benefits afforded to investors. If a company buys mineral rights and the right to receive royalty payments from oil and gas well production, the company, under IRS rules, gets to claim a simple percentage depletion allowance. Essentially, the company only pays income tax on 85% of the royalties it receives. Under SB 654, that same allowance will now apply to landowners in PA.” [Read more](#).

For all 590+ 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

Cost Estimate Regulations for Oil and Gas Operations – California. To follow up our 2023 reporting where we provided members with an opportunity to submit public comments, the California Geologic Energy Management Division (CalGEM) has announced that their Cost Estimate Regulations for Oil and Gas Operations will go into effect Oct. 1, 2024. [Access the CalGEM regulations here](#). According to CalGEM, this action “adopts regulations to establish a process and criteria for oil and gas well operators to report the operator’s total liability to plug and abandon wells and decommission all attendant production facilities in accordance with [Public Resources Code](#)

[section 3205.7.](#)” For more background on the rulemaking, access CalGEM’s [original notice of proposed rulemaking here](#).

Personal Income Tax Rate Decrease – West

Virginia. On July 11, West Virginia Governor Jim Justice (R) announced that the state's personal income tax rate will drop by 4% starting on January 1, 2025. The reduction "was triggered after the state's revenue collections surpassed the rate of inflation, as stipulated in [House Bill 2526](#), which the [Governor signed](#) in 2023." Gov. Justice said, "This is another huge achievement for West Virginia. We've worked hard to make sure our state's economic growth translates to real benefits for our citizens. Nothing will drive population, opportunity, and economic growth in West Virginia like eliminating our personal income tax." [Read more.](#)

State Oil and Gas Lease Bidding – Wyoming.

As reported by *WyoFile* on July 15, “Wyoming has narrowed its definitions for who can bid on state oil and gas lease parcels, disqualifying parties that intend to conserve the land rather than produce the mineral resources.” This regulatory change ([read the rulemaking here](#)) “made under emergency rulemaking in June, was mandated by [House Bill 141 – State land oil and gas leases-operator requirement](#), which the Legislature passed [during the budget session](#). Rep. Cyrus Western (R-Big Horn) brought the bill on behalf of the Petroleum Association of Wyoming. The association raised concerns over the state’s vetting process after the Lander-based conservation group Wyoming Outdoor Council last July placed bids on a state oil and gas lease parcel in Sublette County intending to spare it from development.” [Read more.](#)

STATE – Judicial

Climate Change Lawsuit – Maryland. As an update to our coverage dating back to 2018, on July 10, a Baltimore judge dismissed the long-running climate change lawsuit against more than two dozen oil and gas companies in [*Baltimore v. BP P.L.C.*](#) (Case No. 24-C-18-004219) in a victory for the industry. In what has been described as “a sizable defeat for environmental activists” the Democrat-appointed judge

ruled “that the city cannot regulate global emissions and swatted down the city’s arguments that it merely sought climate-related damages from the defendants, not the abatement of their emissions.” [Read more.](#)

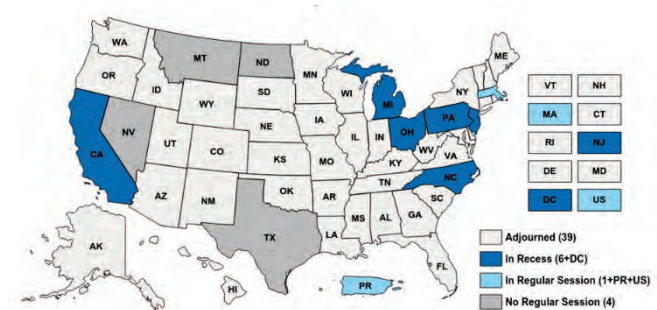
The judge “further stated that the court does not accept the city’s contention that it does not seek to “directly penalize emitters.” In sum, the court held, “Whether the complaint is characterized one way or another, the analysis and answer are the same—the Constitution’s federal structure does not allow the application of state law to claims like those presented by Baltimore [...] Global pollution-based complaints were never intended by Congress to be handled by individual states.” [Read more.](#)

INDUSTRY NEWS FLASH

► **Energy sector jobs continue to outpace prior growth.** As reported by *Rigzone* on July 15, “The energy services sector in the United States employed 647,636 people last month, outgrowing job gains in the same period a year ago, according to the Energy Workforce & Technology Council.” Employment data shows “Texas supported the most jobs in the sector last month with 315,593 people employed, followed by Louisiana with 54,078 and Oklahoma with 49,285.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: California, Michigan, Ohio, and Pennsylvania are in regular session. The U.S. Congress is also in session.

Nebraska Republican Gov. Jim Pillen announced his plans to call a special session on July 25 to address property tax relief. According to the [Nebraska Examiner](#), Governor Pillen announced his intentions to bring the legislature together for a special session over the summer to reduce property tax obligations for residents after a previous plan to reduce property taxes failed to pass during the regular session.

Oklahoma lawmakers held a special session on July 15. According to [The Norman Transcript](#), legislators selected Sen. Lonnie Paxton, R-Tuttle, as the new Senate President Pro Tem designate, which will be formalized with a vote in November. They also confirmed Jennifer Callahan to the Oklahoma A&M Board of Regents.

Signing Deadlines (by date): **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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. **Tennessee** Republican Gov. Bill Lee has 10 days from presentment, excluding Sundays, to act on legislation or it becomes law without signature.

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

The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#), [Nebraska](#), [Nevada](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#) and [Utah](#). ■

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S. 4753 – Energy Permitting Reform Act of 2024.

On July 22, Sen. Joe Manchin (I-WV) and Sen. John Barrasso (R-WY) introduced [S. 4753](#), known as the Energy Permitting Reform Act of 2024. The bipartisan bill, according to Sen. Manchin, “will strengthen American energy security by accelerating the permitting process for critical energy and mineral projects of all types in the United States.” Specifically, the bill “shortens timelines before, during, and after litigation on all types of federal authorizations for energy and mineral projects, without changing any existing rights to seek judicial review;” increasing production targets for renewable energy projects on federal lands; “accelerates leasing and permitting decisions for all types of energy projects on federal lands, without bypassing environmental and land-use laws;” requires offshore wind offshore oil and gas lease sales; and “sets a 90-day deadline for the Secretary of Energy to grant or deny LNG export applications following environmental reviews, with applications deemed approved if the Secretary fails to meet the deadline.” [Read a bill summary fact sheet here](#). Sen. Manchin said the bill “will speed up permitting and provide more certainty for all types of energy and mineral projects without bypassing important protections for our environment and impacted communities. The *Energy Permitting Reform Act* will advance American energy once again to bring down prices, create domestic jobs, and allow us to continue in our role as a global energy leader.” [Read more from law firm Jones Day here](#). The bill has been praised by industry stakeholders. Dan Naatz, IPAA chief operating officer, said the bill would “improve coordination, reduce permitting wait times, remove the LNG export ban and restore certainty to the Gulf of Mexico leasing process.” The bill was also [lauded by the API](#), saying, “this legislation not only takes tangible

steps toward a more transparent, consistent and timely permitting process, but also ends the administration’s misguided LNG export permit pause, strengthening American energy leadership while helping to reduce emissions worldwide. We applaud Senators Manchin and Barrasso for renewing bipartisan efforts to build the infrastructure needed for today and the future, and we call on Congress to take up this urgent priority.” [Read more](#). And on July 31, the U.S. Senate Committee on Energy & Natural Resources held a business meeting to consider the legislation and voted 15-4 to advance the bill. To access a full video recording of the meeting, [Read more](#). However, the bill prospects are uncertain for a favorable outcome this year. Law firm Holland and Hart writes, “The emergence of the bill is likely too late in the process given the limited number of legislative days remaining. If this legislation were to move, it would likely be in a lame duck session of Congress, where it will likely still face roadblocks. The outcome of the elections will also dictate the appetite for greenlighting permitting reform, something a new administration would like to take credit for.”

S. 4727 – Separation of Powers Restoration Act of 2024.

On July 16, official text was made available for [S. 4727](#), known as the Separation of Powers Restoration Act of 2024, or SOPRA. Sponsored by Sen. Eric Schmitt (R-MO), the bill is described as “a major effort to retake legislative authority away from administrative agencies and place it back where it belongs: the Article I branch.” The bill was introduced in the wake of the recent U.S. Supreme Court decision in *Loper Bright Enterprises v. Raimond* (see more below) that overturned the long-standing federal administrative agency deference by courts. “The Supreme Court’s decision in *Loper Bright* was a critical blow to the disastrous *Chevron* deference standard and represents an opportunity to Congress to retake

legislative power from agencies and dismantle the administrative state,” said Sen. Schmitt. “For far too long, the deck has been stacked against citizens while these all-powerful alphabet soup agencies run roughshod.” [Read more.](#)

House Natural Resources Committee Oversight Hearing on Gulf Coast Energy Production and Permitting. On August 2, the U.S. House Committee on Natural Resources held an oversight hearing in Louisiana titled, “Rigs to Restoration: Examining Gulf Coast Restoration through Energy Production and Permitting.” According to the Committee, “The hearing will examine Louisiana’s experience in coastal restoration, including the barriers encountered through the permitting process and the shared relationship between energy production and environmental protection.” To access a full video recording of the hearing and witness testimony, [Read more.](#)

House Administration Committee Hearing on a Post-Chevron Doctrine World. On July 23, the U.S. House Administration Committee held a hearing, “Congress in a Post-Chevron World,” which addresses how the recent U.S. Supreme Court decision in [Loper Bright Enterprises v. Raimond](#) might affect the role of Congress. That case – which AAPL covered extensively in the July 8, 2024 governmental affairs report – overturned the long-standing *Chevron* doctrine, named for a 1984 case that set a precedent of courts showing rulemaking deference to federal agencies and which expanded their authority. “This is our opportunity to ask important questions about the structure of Congress, now that our role in the rulemaking process has been reestablished,” said House Administration Committee Chairman Bryan Steil (R-WI). “In the Loper Bright decision, the Supreme Court has provided a real opportunity for Congress to restore itself to the ‘people’s house’ once again.” [Read more.](#) To access a full video recording of the hearing and witness testimony, [Read more.](#)

House Natural Resources Committee Hearing on Pending Energy Legislation. On July 23, the U.S. House Committee on Natural Resources,

Subcommittee on Energy and Mineral Resources, held a legislative hearing on pending energy legislation. Specifically covered were the discussion draft of the “[Comprehensive Offshore Resource Evaluation Act](#)” or the “CORE Act”; [H.R. 7053](#), “Orphan Well Grant Flexibility Act of 2024”; [H.R. 8665](#), “Supercritical Geothermal Research and Development Act”; and [H.R. 8954](#), the “Public Lands Renewable Energy Development Act of 2024.” Testifying witnesses included energy industry stakeholders and Jim Wright, Commissioner of the Texas Railroad Commission. To access a full video recording of the hearing and witness testimony, [Read more.](#)

Congressional Letter Demanding LNG Export Approvals. On July 30, a bipartisan group of congressional lawmakers delivered a letter to Jennifer Granholm, Secretary of the U.S. Department of Energy, criticizing the administration’s pause on LNG export approvals and demanding expedited approvals for permits. [Read the letter here.](#) Rep. Jodey Arrington (R-TX), co-chair of the House Energy Export Caucus, said, “Since his first day in office, President Biden has launched a unilateral assault on American oil and gas, choking the lifeblood of our economy, crushing consumers with high energy costs, and sending oil production overseas — enriching our adversaries like Russia and China. Thankfully, Biden’s ban on American LNG export permits was blocked. Yet, his administration is still dragging its heels on approving these permits in an attempt to placate the far-Left. It’s critical that the DOE swiftly approve stalled export permit applications to strengthen our economy, bolster our energy security, and restore American energy dominance.” [Read more.](#)

U.S. Congress in August Recess. The U.S. Congress is currently in its annual August recess with lawmakers returning to Washington, DC on September 9, 2024. [Read more.](#)

[FEDERAL – Regulatory](#)

BLM Solar Development Projects. On July 25, the Bureau of Land Management (BLM) announced it “is advancing nine solar projects on public lands that could

potentially power nearly 2 million homes with clean energy. The projects will support President Biden's goal of creating a carbon pollution-free power sector by 2035." According to the BLM, the agency "has permitted more than 25 gigawatts of clean energy projects – surpassing a major milestone ahead of 2025 – enough clean energy to power more than 12 million homes across the country. This includes solar, wind and geothermal projects, as well as gen-tie lines on public lands that are essential for connecting clean electricity projects on both federal and non-federal land to the grid." Dr. Steve Feldgus, U.S. Department of the Interior Principal Deputy Assistant Secretary for Land and Minerals Management said, "The Interior Department is playing a pivotal role in helping tackle the climate crisis, boost the clean energy economy and provide communities across the nation with clean, reliable energy. With today's advancement of nine solar energy projects on public lands, we are taking a significant step towards these efforts and President Biden's ambitious clean energy goals." [Read more.](#)

FEDERAL – Judicial

Surface Use; Leasing – Ohio. Recently, in *EOG Resources, Inc. v. Lucky Land Management, LLC* (Case No. 2:23-cv-4232), an Ohio federal court ruled in favor of an oil and gas company regarding a surface use dispute with the landowner. For background, "This case involves an oil and gas lease that gives EOG mineral rights to property; Lucky owns the surface rights to that property. EOG wishes to access the surface of Lucky's property to recover oil and natural gas from under the property, as well as from under adjacent properties using horizontal drilling. After Lucky refused EOG access to the property, EOG brought this lawsuit." Here, the court upheld a prior preliminary injunction in favor of EOG, writing in part, that "there is a public interest in enforcing contracts, including the oil and gas leases at issue." And "[e]ven though the Court agrees with Lucky that this case involves novel legal issues, Lucky fails to articulate why the novelty of the legal issues, or why increased media attention and landowner interest in the case, warrants staying the preliminary injunction." [Read more.](#)

STATE – Legislative

Carbon Capture and Sequestration – Illinois.

On July 18, Gov. J.B. Pritzker (D) signed [SB 1289](#) into law. The bipartisan bill, known as the Safety and Aid for the Environment in Carbon Capture and Sequestration Act, creates new development and monitoring guidelines for carbon capture and sequestration projects, "a move to incentivize investment in the state while propping up environmental protections," according to reporting by *Bloomberg Government*. The bill specifically sets forth provisions regarding "ownership and conveyance of pore space; integration and unitization of ownership interests; surface access for pore space owners; compensation for damages to the surface; and additional landowner rights." The bill also sets regulations that include "requiring new carbon sequestration facilities to obtain a state permit with requirements for monitoring during and after carbon sequestration, as well as rules around financial assurances, insurance, emergency management, and closure plans. The law places a two-year moratorium on new pipelines, a timeline which could be shortened if the Pipelines and Hazardous Materials Safety Administration finalizes crucial safety regulations." Gov. Pritzker said, "It is a testament to the ingenuity of this group that we conceived and passed this legislation while prioritizing the health and safety of our people, catalyzing job growth and investment in our economy, and protecting our air, water, and soil." The Act takes immediate effect. [Read more.](#)

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STATE – Regulatory

Climate Reporting Law Delay – California. Governor Gavin Newsom (D) has proposed amendments to two 2023 bills to "delay by two years compliance with the

emissions reporting and climate-related financial risk reporting requirements in California's *Climate Accountability Package*. Initial compliance would be delayed to 2028 for emissions reporting and climate-related financial risk reporting (with parallel delays in the schedule for assurance requirements), and the Governor's amendments would make other limited changes, including flexibility to consolidate reporting at the parent company level." [Read more](#). The 2023 mandatory climate disclosure laws – [SB 253](#) and [SB 261](#) – “apply to all companies doing business in California and earning more than \$500 million in revenue.” As reported, the “proposed delay is meaningful. It indicates that Governor Newsom and his administration recognize the significant burden that California's mandatory climate disclosure imposes on companies, and that they are cognizant and at least somewhat responsive to the concerns raised by businesses in connection with this law.” [Read more](#).

[STATE – Judicial](#)

Forced Pooling; Railroad Commission – Texas.

On June 28, in [Ammonite Oil & Gas Corp. v. Railroad Commission of Texas](#) (Case No. 21-1035), the Texas Supreme Court upheld an appellate court ruling “affirming the denial of an oil and gas producer's applications to force pool its interest with an adjacent mineral owner.” For background, the Texas Supreme Court case summary provides, “At issue in this case is whether one oil-and-gas company's forced-pooling offer to another, which included a 10% risk penalty, was unreasonably low under the Texas Mineral Interest Pooling Act. EOG Resources drilled sixteen wells on a riverbed tract based on drilling permits it received from the Railroad Commission. EOG's wells surrounded a seven-mile portion of the riverbed leased by petitioner Ammonite Oil & Gas Corp. Concerned that its mineral interest would be essentially stranded, Ammonite sent a series of letters to EOG proposing the formation of sixteen voluntarily pooled units, including a 10% risk charge to cover the economic risks assumed in drilling the wells. EOG rejected the offer. Ammonite then sought to force-pool its riverbed tracts with EOG's wells. The Railroad Commission rejected Ammonite's applications,

finding that Ammonite's offers to EOG were not ‘fair or reasonable’ as required by the Mineral Interest Pooling Act. Ammonite petitioned for judicial review in the trial court, which affirmed the Commission's order. The court of appeals did the same. Ammonite petitioned for review to the Supreme Court, arguing that nothing in the plain text of [the] MIPA even requires that a risk penalty be included in a voluntary-pooling offer, so a low-risk penalty (or even the absence of one) cannot render an offer statutorily unreasonable.” Here, the Texas Supreme Court held that “Ammonite has failed to show that forced pooling of its acreage with EOG's wells is necessary to prevent its minerals from ultimately being lost. Ammonite applied for a share of EOG's revenue without contributing to it. The Commission's conclusion that forced pooling would not prevent waste or protect correlative rights is not unreasonable.” [Read more](#).

Oil, Gas, and Mineral Interest Jurisdiction – Texas.

Recently, in *Bauer v Braxton Minerals III, LLC* (Case No. 02-23-00269-CV), the Texas Court of Appeals, Second District (Fort Worth), addressed a dispute in which Braxton alleged that “Appellants failed to comply with their representations and contractual obligations to transfer oil, gas, and mineral interests (collectively mineral interests) to BM3 [Braxton Minerals III, LLC] in West Virginia, resulting in BM3 not owning the mineral interests to such properties and not receiving royalty payments for production from the properties.” Here, the court first noted “the basic principle that Texas courts have no jurisdiction to adjudicate title to real property in other jurisdictions.” The court wrote, “Because Appellants had to prove their rightful ownership of the mineral interests to prevail on their damage counterclaim, the trial court would be required to determine rightful ownership of the West Virginia mineral rights, which it did not have jurisdiction to adjudicate. The trial court was therefore without jurisdiction to render any judgment but dismissal for want of jurisdiction.” Accordingly, the court dismissed all claims for a lack of jurisdiction.” [Read more](#).

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

Lawmakers Call for Harmonizing Methane Detection Rulemaking. On August 5, U.S. Rep. Sean Casten (D-IL) and Rep. John Curtis (R-UT) sent a letter to the Biden administration's Office of Management and Budget (OMB) "urging OMB to harmonize the oil-and-gas methane reduction rulemakings currently underway at various federal agencies and to provide for an efficient process of approving innovative advanced technologies for detecting methane emissions." [Read the letter here.](#) The bipartisan group of lawmakers wrote, "The Biden Administration has several oil and gas methane reduction rulemakings underway or newly final. The effectiveness of these rulemakings in reducing methane pollution can only benefit from consistent rules, standards, and practices that facilitate the swift adoption of innovative advanced technologies. The OMB has a unique role in ensuring that regulations are consistent, compatible and not duplicative across the federal government. We urge OMB to convene these departments and agencies, with the appropriate White House offices, to promote harmonization, where appropriate, of their respective regulations to provide for an efficient approval process across the federal government." The letter requests an OMB response by September 3, 2024. [Read more.](#)

U.S. Congress in August Recess. The U.S. Congress is currently in its annual August recess with lawmakers returning to Washington, DC on September 9, 2024. [Read more.](#)

FEDERAL – Regulatory

BLM Resource Advisory Council Meeting – Central California. On August 8, the Bureau of Land Management (BLM) announced that the Central California Resource Advisory Council (RAC) will meet

on September 11, 2024. The announcement also provides future dates of meetings and field tours in 2025. According to the BLM, the "meeting [will] include a briefing on Alabama Hills Management Plan implementation as well as an update on the Bi-State Sage Grouse program. The RAC will also hear reports from the district and field offices." The meeting is open to the public. [Read more.](#)

BLM Resource Advisory Council Meeting – Missouri Basin. On August 8, the BLM announced that the Missouri Basin Resource Advisory Council (RAC) will meet on September 11, 2024. According to the notice, this "15-member RAC advises the Secretary of the Interior, through the BLM, on a variety of planning and management issues associated with public land management in Central and Eastern Montana, and North and South Dakota. Agenda topics will include North-Central Montana and Eastern Montana/Dakotas districts' reports, Field Office manager reports, a public comment period, and other topics the council may wish to cover." The meeting is open to the public. [Read more.](#)

BLM Resource Advisory Council Call for Nominations – Western Montana. On August 8, the BLM announced a call for nominations for the Western Montana Resource Advisory Council (RAC). The RAC "provides advice and recommendations to the BLM on land use planning and management of the National System of Public Lands within the Western Montana District." One category of member the RAC is seeking are those who "represent energy and mineral development." Interested parties can self-nominate. The deadline for nominations is September 9, 2024. [Read more.](#)

BLM Proposed Resource Management Plan – New Mexico. On August 9, the BLM published a *Notice of*

Availability of the Proposed Resource Management Plan and Final Environmental Impact Statement for the BLM Rio Puerco Field Office, New Mexico ([89 Fed. Reg. 65392](#)). According to the notice, “This land use plan would replace the current Rio Puerco RMP, which the BLM approved in 1986 and amended in 1992. The Proposed RMP/Final EIS analyzes the impacts of delineating lands to account for changes in population, types of uses, technologies, user interests, and public understanding of resource availability in the Middle Rio Grande Watershed in central New Mexico.” The notice opens a 30-day protest period. [Read more.](#)

BLM Resource Advisory Council Meeting – New Mexico. On August 7, the BLM announced that the Southern New Mexico Resource Advisory Council (RAC) will hold a meeting and field tour on September 16 and 17, 2024. A future meeting and field tour are also scheduled for January 2025 as provided in the BLM notice. Agenda topics will include discussion of the “Lesser Prairie Chicken [and] Dunes Sagebrush Lizard Area of Critical Environmental Concern and adjoining areas” as well as “a presentation on the BLM Conservation and Landscape Health Rule (also known as the Public Lands Rule); and a discussion of land access issues in southern New Mexico.” [Read more.](#)

BLM Proposed Resource Management Plan – North Dakota. On August 9, the BLM published a *Notice of Availability of the Proposed Resource Management Plan and Final Environmental Impact Statement for the North Dakota Resource Management Plan Revision* ([89 Fed. Reg. 65391](#)). According to the notice, the “North Dakota proposed RMP provides a comprehensive land use plan that guides management on approximately 58,500 acres of BLM-managed public lands and 4.1 million acres of BLM-administered mineral estate in North Dakota. The planning area is currently managed under the 1988 North Dakota RMP, as amended. This planning effort would update management guidance and create a new North Dakota RMP. The proposed RMP/final EIS evaluates five alternatives in detail.” According to the BLM, “Under the final EIS, BLM identifies Alternative D as the proposed plan. BLM will close areas to oil and gas leasing if they have low development potential or

are state-designated drinking water source protection areas.” [Read more.](#) The notice opens a 30-day protest period. [Read more.](#)

BLM Resource Advisory Council Meeting – Wyoming. On August 7, the BLM announced that the Wyoming Resource Advisory Council (RAC) will hold a meeting and field tour on September 18 and 19, 2024. According to the BLM, agenda topics for the meeting “may include district and field manager updates and presentations on the final Rock Springs Resource Management Plan (RMP), if available, the Greater Sage Grouse RMP Amendments, the Foundation for America’s Public Lands, wild horse gathers, rule implementation, the Blueprint for 21st Century Outdoor Recreation Plan, and other resource management issues the Council may raise.” RAC meetings and field tours are open to the public. [Read more.](#)

BLM Federal Advisory Committee. On August 8, the BLM announced its intent to develop a Federal Advisory Committee “to engage the public and to help inform the Bureau’s implementation of the [Public Lands Rule](#). The Committee will allow the BLM to continue working with and hearing from a range of experts and the public to support successful implementation of the rule. The Committee will represent a broad and diverse range of stakeholders and interests, and will help inform outreach and engagement, advise on best management practices, and participate in the development of agency guidance to support implementation. This will build on the work of BLM’s Resource Advisory Councils, which provide valuable feedback on BLM initiatives, regulatory proposals, and policy changes.” The BLM also announced that the agency “released a set of initial guidance documents to support clear and consistent implementation of the rule across the Bureau’s 12 state and 175 field offices. The guidance documents, which cover topics from land health assessments to restoration and mitigation leasing, provide direction to BLM field personnel and inform the public on how the rule will work in the field. As we continue implementing the rule, the guidance may be updated to accommodate the BLM’s experience, new information or input from the public.” [Read more.](#)

EPA/Department of Energy Methane Emissions Reduction Funding Opportunities. (*Update to 6/24/24 Report*)

On August 13, the U.S. Environmental Protection Agency (EPA) distributed a reminder for their August 26, 2024 funding opportunity deadline for “projects that will help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors.” [Access the program information here.](#) For background, on June 21, the EPA announced that in conjunction with the U.S. Department of Energy “applications are open for \$850 million in federal funding for projects that will help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors.” The announcement included information on how to apply for program funding and the areas in which funding is available. “Today, we’re building on strong standards and historic progress to cut methane pollution and protect communities across the country,” said EPA Administrator Michael S. Regan. “These investments from President Biden’s Investing in America agenda will drive the deployment of available and advanced technologies to better understand where methane emissions are coming from. That will help us more effectively reduce harmful pollution, tackle the climate crisis and create good-paying jobs.” [Read the original announcement here.](#) For access to the grant application web resource, [Read more here.](#)

STATE – Legislative

For all 600+ 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

Oil and Gas Production – California. On July 22, members of the California Republican congressional delegation sent a letter to Gov. Gavin Newsom (D) expressing “grave concerns with your energy policies and their implications for our national security should

your administration continue down this path of shortsighted energy management.” [Read more.](#) The letter also criticizes Newsom’s plan to phase out oil production by 2045, “regardless of whether Californians continue to consume 1.8 million barrels of crude oil a day. This energy policy sends a clear message to oil producers, refiners, and investors in our state that there is a pending shutdown of essential oil and gas in California.” [Read the letter here.](#)

Geothermal Drilling Regulations – Colorado.

On August 13, the Colorado Energy and Carbon Management Commission (ECMC) voted unanimously in favor of adopting their Deep Geothermal Operations rules. The rulemaking “outlines permitting and enforcement procedures broadly similar to those already in place for oil and gas operations, giving the commission the power to approve or deny permits to protect health and safety and ensuring that local governments have a say in the process.” [Read the rule here.](#) To learn more about the ECMC regulation of geothermal operations, [read more.](#) Gov. Jared Polis (D) has touted the benefits of geothermal development in the state, saying, “Colorado has incredible low-cost renewable energy resources like geothermal that can help reduce emissions and save Coloradans money. Geothermal energy can play an integral role in powering the way Coloradans live, work and play, and will help future generations.” [Read more.](#)

Oil and Gas Drilling Approval – Colorado. On August 7, the Colorado Energy and Carbon Management Commission “voted 3 to 1 to approve the Lowry Ranch Comprehensive Area Plan, a proposal from Crestone—a subsidiary of Denver-based Civitas Resources—to develop up to 11 drilling sites spread across 32,000 acres in Arapahoe County.” Kait Schwartz, API Colorado director, said “the approval shows Colorado remains ‘open for business’ despite its recent push for tougher oil and gas regulations.” [Read more.](#)

Ballot Initiatives – Colorado. On August 6, a group called Citizens’ Tax Cut announced they have received enough signatures for their ballot initiative, [Proposition 108](#), to qualify for the November general

election ballot. The initiative “aims to reduce assessment rates to 5.7% for residential properties and 24% for commercial properties. If passed alongside [Constitutional Amendment 50](#), which is also on the ballot this November, Proposition 108 would cut this year's tax increase and limit future increases to a maximum of 4%.” Proposition 108 is still pending certification by the Colorado Secretary of State. [Read more](#). Read more about both ballot initiatives on the Secretary of State's website [here](#).

Conservation of Oil and Natural Gas Proposed Rulemaking – Idaho. On August 8, the Idaho Department of Lands published proposed rulemaking. ([See page 47 of the Idaho Administrative Bulletin here](#)) According to the bulletin, “These rules are required for the Oil and Gas Conservation Commission to fulfill their duty to prevent waste, protect correlative rights, and prevent pollution of fresh water supplies during the exploration and production of oil and gas resources. The rules define and clarify the procedures for regulating oil and gas exploration and development activities on public and private lands in the state. Following Executive Order 2020-01: Zero-Based Regulation, this rule chapter is scheduled for a comprehensive review in 2024 with the goal of simplifying the rules for increased clarity and ease of use. Revisions are also needed to better align the rules with statute revisions that occurred in 2017 and 2023. The Department aims to right-size its rule chapter and achieve several objectives, including, but not limited to: 1. Eliminating duplicative statutory language or any rule language that conflicts with governing statutes; 2. Removing rule language that is not absolutely necessary, is outdated, or is overly restrictive; and 3. Removing any language that merely relates to the internal processes of the Department.” The public comment period is open through August 28, 2024. [Read more](#).

Governor Releases Clean Energy Plan – Nevada. On August 8, Nevada Governor Joe Lombardo (R) released his 33-page “Climate Innovation Plan” that seeks to streamline clean energy development and also boosts Nevada's mining industry. [Read the plan here](#). According to the governor's office, the plan

“seeks to mitigate the changing patterns of the environment, while also considering economic realities and national security. By harnessing clean energy, improving energy efficiency, and fostering economic growth, we're establishing Nevada as a leader in climate solutions.” As reported by *Bloomberg Government*, the governor has “abandoned his Democratic predecessor's plan for cutting the state's greenhouse gas emissions.” [Read more](#).

Franchise Tax – Oklahoma. On August 11, the Oklahoma Tax Commission adopted a rule amendment to [Sec. 710:40-1-6](#) of the tax code as directed by a 2023 special session bill, [HB 1039](#). The rule change eliminates the Oklahoma franchise tax levied under [68 O.S. §§ 1203 and 1204](#), effective for tax year 2024 and subsequent tax years. Those sections relate to “Tax on domestic corporations and business organizations” and “Tax on foreign corporations and business organizations” which you can find on p. 411 of the above link. [Read more](#).

Commissioners of the Land Office Rulemaking – Oklahoma. On August 6, the Oklahoma Commissioners of the Land Office published a rulemaking regarding bonding requirements for the sale and operation of oil and gas leases. The new rule amends the bonding requirements to provide that “A performance bond in the amount reasonably sufficient to pay for the cost of remediation of the saltwater operation but, not less than Ten Thousand Dollars (\$10,000), shall be posted for each saltwater disposal agreement.” Previously, the rule provided that a performance bond of \$10,000 was required. [Read the rule here](#). For more information about the rulemaking process for this amendment, [Read more](#).

Railroad Commission Proposed Rulemaking – Texas. On August 15, the Texas Railroad Commission (RRC) voted unanimously in favor of proposed rulemaking including a “new Chapter 4, Subchapter A, and amendments to [Chapter 4, Subchapter B](#), and various rules in Chapter 3, including [§3.8](#) and [§3.57](#), regarding oil and gas waste management.” ([For new Chapter 4 proposed rules, see p. 5 of the proposed rules here](#).) Section 3.8 specifically relates to water

protection and Section 3.57 relates to reclaiming tank bottoms, other hydrocarbon wastes, and other waste materials. [Access the proposed rulemaking here](#). According to the RRC, “The amendments pertain to not only waste from oil and gas operations, such as rock and other material pulled up from the ground during drilling, but also encapsulate waste from other operations for which the Legislature has given the RRC jurisdiction. Examples include geothermal, carbon sequestration and brine mining wells.” [Read the RRC press release here](#). The public comment period is open through September 30, 2024. [Access the RRC public comment portal here](#).

STATE – Judicial

Interest on Unpaid Royalties; Leasing – Texas.

Recently, in the case [Samson Exploration LLC v. Bordages](#) (Case No. 22-0215), the Texas Supreme Court addressed “whether a mineral-lease provision calls for simple or compound interest on unpaid royalties.” As reported by *JD Supra*, here, the Court held that “An agreement for interest on unpaid amounts is an agreement for simple interest absent an express clear and specific provision for compound interest.” Accordingly, the Court also held that “Because the lessee has previously litigated the identical lease language with a different lessor and lost, we must also consider whether it is collaterally estopped to relitigate the same issue here. We hold that because Texas law disfavors compound interest, an agreement for interest on unpaid amounts is an agreement for simple interest absent an express, clear, and specific provision for compound interest. We also hold that the lessee’s prior litigation of the issue does not collaterally estop it from asserting its claims here.” The Court reversed the appellate court decision and remanded the case back to the trial court for further proceedings. [Read more](#).

Wellbore Transactions – Texas. On July 30, law firm Porter Hedges LLP published a useful article focusing on “the state of Texas law regarding wellbore rights and various related issues raised by transactions involving such rights (and other similar lease severance issues) and provides some practical tips

to help avoid potential pitfalls.” [Read more](#).

INDUSTRY NEWS FLASH

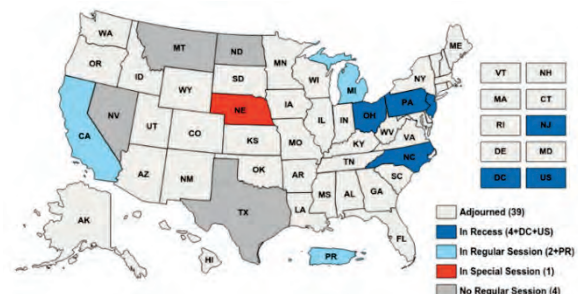
► **EIA raises U.S. oil demand forecast.** As of August 6, the U.S. Energy Information Administration (EIA) has “raised its forecast for crude oil demand in the United States, according to the agency’s Short-Term Energy Outlook released today—although its price outlook for this year and next has been revised down. The EIA now sees U.S. petroleum and other liquid fuels consumption averaging 20.5 million barrels per day in 2024—that’s up from the agency’s forecast in July of 20.4 million bpd.” [Read more](#).

► **Chevron moves headquarters to Texas.** As reported by *Reuters*, “Chevron said it would relocate the company’s headquarters from San Ramon, where it was born 145 years ago as Pacific Coast Oil Co, to Houston. The company has been bitterly contesting state regulations on its oil producing and refining operations in the state.” At present, “Chevron has roughly 7,000 employees in the Houston area and about 2,000 employees in San Ramon.” [Read more](#).

► **Texas Alliance of Energy Producers names new president.** The Texas Alliance of Energy Producers announces Karr Ingham will be the group’s next president. As reported in the *Oil & Gas Journal*, “Before becoming interim president in 2023, Karr served as the Alliance’s executive vice-president for 5 years. He will continue his work as the petroleum economist for the organization.” [Read more](#).

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: California, Michigan, Ohio, and Pennsylvania are in regular session. The U.S. Congress is in August recess.

Colorado Democratic Gov. Jared Polis [announced](#) a special session set for August 26 to address property taxes. According to [KDVR](#), two property tax initiatives are currently on the ballot for November and lawmakers have been negotiating property tax measures in the hopes of removing the potentially risky ballot initiatives. With the deadline to remove the initiatives in early September, Governor Polis plans to call lawmakers to act on property taxes during the special session, with potential measures reducing the state's property tax rate or capping annual property tax revenue growth at four percent.

Nebraska began a special session on July 25 to address property taxes. According to the [Associated Press](#), legislators have introduced over 100 bills that aim to reduce property taxes through a variety of possible avenues, including increases in goods subject to sales tax or legalizing marijuana to increase revenue. Public hearings will be held for proposed bills before legislators decide which bills to act upon.

North Carolina passed an [adjournment resolution](#) that calls for the regular session to reconvene periodically through December. The legislature adjourned a session on August 1 and is scheduled to hold another session on September 9.

Signing Deadlines (by date): **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Mexico](#), [New York Assembly](#), [North](#)

[Dakota](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#), [Florida](#), [Nebraska](#), [Nevada](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#) and [Utah](#). ■

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

U.S. Congress in August Recess. The U.S. Congress is currently in its annual August recess with lawmakers returning to Washington, DC on September 9, 2024.

[Read more.](#)

FEDERAL – Regulatory

BLM Proposed Resource Management Plan – Wyoming. On August 23, the Bureau of Land Management (BLM) published a Proposed Resource Management Plan and Final Environmental Impact Statement for the Rock Springs Field Office. (See *Notice of Availability of the Proposed Resource Management Plan and Final Environmental Impact Statement for the Rock Springs Field Office, Wyoming*; [89 Fed. Reg. 68187](#)). According to the BLM, “The purpose of the Resource Management Plan is to establish guidance, objectives, policies, and management actions for public land administered by the BLM Rock Springs Field Office. The plan is comprehensive and addresses issues within the jurisdictional boundaries of the Rock Springs Field Office. The BLM strives for a balance of opportunities to use and develop BLM-administered resources within the planning area, while promoting environmental conservation.” [Read more.](#) The BLM Notice of Availability opens a 30-day protest period. [Read more.](#) As reported by law firm Holland and Hart, “The Rock Springs RPM would significantly restrict energy development on federally administered lands in southwest Wyoming. The plan would increase the acreage closed to new oil leases from 540,021 to 1,076,039 acres and reduce the area available for new coal leases by 15%. Additionally, it would remove nearly 822,000 acres from wind and solar power development and 390,260 acres from geothermal power development, citing potential harm to wildlife habitats.” Senator John Barrasso (R-WY), ranking member of the

Senate Committee on Energy and Natural Resources, criticized the plan, saying, “The Rock Springs Resource Management Plan strangles responsible natural resource development. This plan isn’t designed to manage Wyoming’s natural resources. It is designed to suffocate them. While I’m grateful for the efforts of those on the ground in Wyoming who worked to improve the original proposal, the plan unveiled today directly jeopardizes Wyoming’s economy and our way of life.”

[Read more.](#)

BLM Mining and Oil and Gas Development Land Withdrawal – Alaska. (*Update to 1/8/24 Report*)

On August 28, the U.S. Department of the Interior and Bureau of Land Management (BLM) announced, they “finalized the decision to retain protections for 28 million acres of public lands across Alaska, which many Alaska Native Tribes, Native Corporations and Tribal entities have noted are vital to protecting important natural, cultural and subsistence resources. Today’s action comes in response to the previous Administration’s unlawful decision in its final days to end the longstanding protections (known as withdrawals) without sufficient analysis of the potential impacts of such a decision on subsistence and other important resources, appropriate Tribal consultation, and without compliance with other legal requirements. This sweeping action would have opened millions of acres of public lands to extractive development activities, such as mining and oil and gas drilling, and removed the federal subsistence priority from millions of acres.” [Read more.](#) (See also, *Notice of Availability of the Record of Decision for the Alaska Native Claims Settlement Act 17(d)(1) Withdrawals Final Environmental Impact Statement, Alaska*; [89 Fed. Reg. 70204](#); and *Public Land Order No. 7947; Rescission of Public Land Order Nos. 7899, 7900, 7901, 7902, and 7903; Alaska*; [89 Fed. Reg. 70204](#)). As reported by the *Oil & Gas Journal*, “BLM’s final EIS [[Environmental Impact Statement](#)] found that revoking protections and

allowing mining and oil and gas development would harm subsistence hunting and fishing in communities and that lifting all or some of the protections could have lasting negative impacts on wildlife, vegetation, and permafrost.” [Read more](#). For background, last December, the BLM announced it was seeking public input – for which it received approximately 15,000 public comments – to determine if it would “continue, alter, or end the protections” for certain Alaska lands, often referred to as 17(d)1 lands, referencing [a section of the Alaska Native Claims Settlement Act \(ANCSA\)](#), “from mining claims and oil and gas development through a mineral withdrawal.” [Read more](#).

BLM Policy Documents. On August 30, the American Exploration & Production Council (AXPC) announced that the BLM has “released a total of nine new policy documents, most of which relate to implementation of their final [Conservation & Landscape Health Rule](#),” which AAPL has reporting on throughout the rulemaking process. According to the AXPC, “Some of these new policies (like mitigation and restoration leasing) could have definite impacts on oil and gas operations. In particular, BLM is contemplating that mitigation leases could be needed to offset impacts from oil and gas operations in some of the hypotheticals that it uses in the policy document attachments.” These are internal documents, referred to as instruction memoranda, that are not part of the public comment process. [Read a summary of the BLM policies here](#). The AXPC has also provided an update to the BLM’S Areas of Critical Environmental Concern (ACEC) Manual which has been rewritten. [Access the redline of those changes to the ACEC Manual here](#).

BLM Grand Staircase-Escalante National Monument Proposed Resource Management Plan -- Utah.

On August 30, the BLM released a Proposed Resource Management Plan (RMP) and Final Environmental Impact Statement (EIS) for the Grand Staircase-Escalante National Monument in Utah. According to the BLM, the EIS considers five alternatives “that are based on known use and issues in the planning area.” The release opens up a 30-day protest period. [Read more](#).

BLM Solar Development Planning. On August 29, the BLM “announced its proposed roadmap for solar energy development on public lands, designed to expand efficient and environmentally responsible solar project permitting on public lands across the West.” The roadmap planning release includes “the Final Utility-Scale Solar Energy Programmatic Environmental Impact Statement and Proposed Resource Management Plan Amendments (also known as the proposed updated Western Solar Plan).” (See *Notice of Availability of the Final Programmatic Environmental Impact Statement for Utility-Scale Solar Energy Development and Proposed Resource Management Plan Amendments*; [89 Fed. Reg. 70660](#)). The BLM said, “Developed with substantial public input, the proposed updated [Western Solar Plan](#) will guide BLM’s management of solar energy proposals and projects on public lands. It would make over 31 million acres of public lands across 11 western states available for potential solar development, driving development closer to transmission lines or on previously disturbed lands and avoiding protected lands, sensitive cultural resources and important wildlife habitat.” [Read more](#).

BLM Information Collection for Onshore Oil and Gas Operations and Production.

On August 28, the BLM announced an information collection, *Agency Information Collection Activities; Onshore Oil and Gas Operations and Production* ([89 Fed. Reg. 68923](#)). The BLM is soliciting feedback on certain information it collects related to the BLM’s management of oil and gas leases on Federal land. The comment period is open through October 28, 2024. [Read more](#).

BLM Information Collection for Federal Mineral Interests.

On August 28, the BLM announced an information collection, *Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Conveyance of Federally-Owned Mineral Interests* ([89 Fed. Reg. 68922](#)). The BLM is soliciting feedback on certain information it collects related to the conveyance of Federally-owned mineral interests to non-Federal owners of the surface estate. The comment period is open through September 27, 2024. [Read more](#).

BLM Resource Advisory Council Meeting –

Montana. On August 23, the BLM announced that the Western Montana Resource Advisory Council (RAC) will hold a meeting on September 24, 2024. According to the BLM, “The RAC provides recommendations to the Secretary of the Interior concerning the planning and management of the public land resources located within the BLM’s Western Montana District.” RAC meetings are open to the public. [Read more.](#)

BLM Sierra Front-Northern Great Basin Resource Resource Advisory Council Meeting – Nevada.

On August 30, the BLM announced an upcoming Sierra Front-Northern Great Basin Resource Advisory Council (RAC) meeting and field tour on October 3, and October 4, 2024. Agenda items will include the BLM’s Draft Solar Programmatic EIS and Sage Grouse management. RAC meetings and field tours are open to the public. [Read more.](#)

BLM Geothermal Lease Sale – Nevada. On August 9, the BLM announced it “will hold a competitive geothermal lease sale on Tuesday, October 8, 2024, offering 66 parcels totaling roughly 219,250 acres in Churchill, Esmeralda, Elko, Eureka, Humboldt, Lander, Lyon, Mineral, Nye, Pershing, and Washoe counties in Nevada.” According to the BLM, they issue competitive geothermal leases for an initial 10-year period. And they may be extended “if the lessee establishes production or provides proof of diligent exploration.” Further, “Additional environmental review will take place during processing of any future exploration or development plans, which may include site-specific conditions in addition to the stipulations already attached to the lease at the time of sale.” [Read more.](#)

SEC Rule Regarding Disclosure of Payments by Resource Extraction Issuers. As a follow up to prior reporting, regarding publicly-traded companies making payments to the U.S. or foreign governments, “By no later than September 26, 2024, so-called resource extraction issuers (oil, natural gas, and mining companies) with a December 31 fiscal year-end will be required to file a Form SD (Section 2) that includes new disclosures reflecting payments made in 2023 to the

U.S. federal government and any foreign governments for the commercial development of oil, natural gas, or minerals.” Law firm Latham & Watkins has provided a detailed summary fact sheet regarding the required U.S. Securities & Exchange Commission (SEC) disclosure requirement. [Read more.](#) For background, the final rule requires “each resource extraction issuer to include in an annual report information relating to any payment made by the resource extraction issuer, a subsidiary of the resource extraction issuer, or an entity under the control of the resource extraction issuer to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals. The information must include: (i) The type and total amount of such payments made for each project of the resource extraction issuer relating to the commercial development of oil, natural gas, or minerals, and (ii) the type and total amount of such payments made to each government.” [Read more.](#) According to the SEC final regulation website, the SEC rule requires “resource extraction issuers to include in an annual report information relating to payments made to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals. Section 13(q) requires these issuers to provide information about the type and total amount of payments made for each of their projects related to the commercial development of oil, natural gas, or minerals, and the type and total amount of payments made to each government. In addition, Section 13(q) requires a resource extraction issuer to provide information about those payments in an interactive data format.” [Read more.](#)

FEDERAL – Judicial

Control of Federal Lands – U.S. Supreme Court.

On August 20, the state of Utah filed a complaint against the federal government seeking a ruling over “unappropriated land” in the state. According to Gov. Spencer Cox (R), the complaint in [Utah v. United States](#) asks, “whether it is constitutional for the federal government to ‘simply hold unappropriated lands within a state indefinitely.’” Further, the complaint states that “Utah is deprived of basic and fundamental sovereign powers as to more than a third of its territory. It cannot

tax the federal government's land holdings. It cannot exercise eminent domain over them as needed for critical infrastructure like public roads and transportation and communications systems. It cannot even exercise legislative authority over the purposes for which they may be used. In short, throughout much of Utah it is the federal government, not Utah, that wields the general police power." According to Cox, the state is "not trying to privatize this land" but rather "manage it in a way that will better help the environment, that will help the people of Utah." [Read more.](#)

STATE – Legislative

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STATE – Regulatory

Carbon Sequestration Rulemaking – Alaska.

On August 23, the Alaska Oil and Gas Conservation Commission (AOGCC) announced it "is intending to apply for Class VI primary enforcement authority (Primacy) from the United States Environmental Protection Agency (EPA) as a new well Class within the Underground Injection Control (UIC) program." As reported, the state's new carbon sequestration program, "will eventually see the state license pipelines and injection wells that allow companies to store carbon dioxide deep underground." [Read more.](#) The AOGCC said it is taking public comments on possible regulations for the state program although no specific rules have yet been published. The AOGCC will hold a public hearing on November 7, 2024, and will also accept public comments by that date. [Read more.](#)

Railroad Commission Waste Management Proposed Rulemaking and Public Hearings – Texas. (*Update to 8/19/24 Report*) As an update to our prior rulemaking reporting, on August 23, the Texas Railroad

Commission (RRC) announced it will hold an in-person public hearing on September 5, 2024, as well as a virtual hearing on September 6, 2024, for their proposed waste management rulemaking. Registration is required by September 5, 2024. According to the RRC, "The first part of each hearing will consist of a brief overview by RRC staff regarding the proposed rule amendments. The second part of the hearing will consist of the RRC listening to public comments on the proposed rule amendments." [Read more.](#) For background, on August 15, the RRC voted unanimously in favor of proposed rulemaking including a "new Chapter 4, Subchapter A, and amendments to [Chapter 4, Subchapter B](#), and various rules in Chapter 3, including [§3.8](#) and [§3.57](#), regarding oil and gas waste management." ([For new Chapter 4 proposed rules, see p. 5 of the proposed rules here.](#)) Section 3.8 specifically relates to water protection and Section 3.57 relates to reclaiming tank bottoms, other hydrocarbon wastes, and other waste materials. [Access the proposed rulemaking here.](#) According to the RRC, "The amendments pertain to not only waste from oil and gas operations, such as rock and other material pulled up from the ground during drilling, but also encapsulate waste from other operations for which the Legislature has given the RRC jurisdiction. Examples include geothermal, carbon sequestration and brine mining wells." [Read the RRC press release here.](#) The public comment period is open through September 30, 2024. [Access the RRC public comment portal here.](#)

Regional Haze Planning – New Mexico. On August 26, the New Mexico Environment Department (NMED) announced it "has completed a draft regional haze plan for the second implementation period and developed a new rule, [20.2.68 NMAC – Regional Haze Requirements](#), designed to make the emissions limitations and other measures in the plan federally enforceable. NMED is now soliciting feedback from the public on the draft plan and rule in advance of requesting a hearing before the New Mexico Environmental Improvement Board. NMED will accept comments on the draft plan and/or rule through 11:59 p.m. Mountain Time on Friday, September 20, 2024." Further, "After evaluating the comments that are

received during the public comment period and revising the draft plan and/or rule in response to comments, if appropriate, NMED will petition the Environmental Improvement Board to hold a public hearing to hear testimony, take evidence, and consider adopting the proposed plan and rule. There will be additional public comment opportunities during the hearing phase.” The [NMED will accept public comments on the draft plan here](#). You may also access the [NMED Regional Haze Planning website here](#) for further information. The NMED will also hold two webinars, on September 9 and 10, to discuss the Regional Haze documents. More information on attending is [available here](#).

Royalty and Reporting Obligations to the State – Texas. On August 21, the Texas General Land Office (GLO), on behalf of the School Land Board (SLB) “adopted an amendment to [31 TAC §9.51](#) (relating to Royalty and Reporting Obligations to the State) amending §9.51(b)(3)(E)(iv), regarding requested reductions of penalty and/or interest assessments. According to the GLO, “The adopted amendment clarifies the delegation by the SLB to the Land Commissioner of certain de minimis reductions of interest charged or penalties assessed under [Texas Natural Resources Code §52.131](#) or any other interest or penalties assessed by the Land Commissioner relating to unpaid or delinquent royalties, or unfilled or delinquent reports. The change to the text as published (being deletion of the word ‘unreduced’) further clarifies the intent of the delegation to the Land Commissioner for reductions of penalty and/or interest where the total amount to be reduced is below a de minimis threshold established by the SLB from time to time.” [Read the final rulemaking here](#). The rule took effect on August 25, 2024. Read more about [GLO Royalty Reporting and Royalty Compliance here](#).

STATE – Judicial

Dormant Mineral Act; Marketable Title Act – Ohio. On August 9, the Ohio Court of Appeals, Seventh Appellate District, addressed a dispute over oil and gas interests regarding the Dormant Mineral Act. In *Henderson v. Stalder* (Case No. 2024-Ohio-3037), the

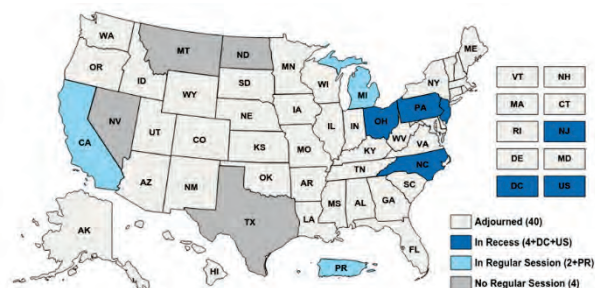
court reversed the judgment of the trial court holding that the current surface owners “did not fully comply with the Dormant Mineral Act (DMA) in having the oil and gas interest at issue declared abandoned and vested in them as the surface owners.” The court explained that “the Stalder’s abandonment notice published in the Monroe County Beacon was defective on its face as it failed to name the known holders” of the mineral interest at issue. The court also noted that since the trial court only addressed the DMA claim but not the Marketable Title Act (MTA) claim, the MTA issue would be addressed on remand back to the trial court. [Read more](#).

INDUSTRY NEWS FLASH

► **TIPRO announces new chairman.** As reported on August 22 by *Rigzone*, the “Texas Independent Producers and Royalty Owners Association (TIPRO) announced that the membership of TIPRO confirmed T. Grant Johnson as the organization’s next chairman.” TIPRO noted that “Johnson holds over 40 years of experience working for the energy industry. He is currently the president of Lone Star Production Company” and is also an AAPL member as well as a member of the Houston Association of Professional Landmen and West Houston Association of Professional Landmen. [Read more](#).

LEGISLATIVE SESSION OVERVIEW

States in Session



California adjourned its 2024 legislative session on August 31 although Democratic Gov. Gavin Newsom has signaled that he may call a special session this fall.

North Carolina passed an [adjournment resolution](#) that calls for the regular session to reconvene periodically through December. The legislature adjourned a session on August 1 and is scheduled to hold another session on September 9.

Colorado adjourned its legislative session on August 29 after passing a bipartisan property tax bill. According to [KDVR](#), the legislature passed a bill designed to reduce the assessment rate for residential properties. Democratic Gov. Jared Polis plans to sign the bill into law once the two ballot initiatives regarding property taxes that were set to be voted on in November are pulled from the ballot. Regarding the bill's passage, Governor Polis said, "I look forward to seeing the risky ballot measures pulled down and signing this legislation into law so small businesses and homeowners can keep more of their hard-earned money."

Signing Deadlines (by date): **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Mexico](#), [New York Assembly](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#),

[Florida](#), [Nebraska](#), [Nevada](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#) and [Utah](#). ■

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S. 4718 - American Voices in Federal Lands Act.

On August 24, official bill text was made available for [S. 4718](#), known as the American Voices in Federal Lands Act. Sponsored by Sen. John Barrasso (R-WY), the bill would ensure that the Bureau of Land Management (BLM) public comment process only allows for American citizens to provide feedback on the policies affecting American energy production and federal lands. According to Sen. Barrasso, he is concerned that “Foreign interest groups can infiltrate the system and AI bots can be used to submit fake comments to BLM.” [Read more.](#)

H.R. 7377 – Royalty Resiliency Act. (*Update to 3/18/24 Report*) On September 11, [H.R. 7377](#), known as the Royalty Resiliency Act, passed the Senate. The bill, sponsored by Rep. Wesley Hunt (R-TX), passed the House in July. The measure would amend the Federal Oil and Gas Royalty Management Act to ensure the federal government collects royalties only on resources that have been recovered from federally managed lands. According to law firm Holland & Hart, the bill “mandates the U.S. Department of the Interior to promptly determine the production amounts on which operators owe royalties to the federal government. This change aims to prevent producers from overpaying while awaiting the Bureau of Land Management's (BLM) approval of communization agreements. Under current law, the Secretary has 120 days to make this determination, but there's flexibility to extend this deadline by waiving interest on royalty obligations. H.R. 7377 eliminates this exception, assuming the pending communization plan is correct, which would prevent companies from overpaying royalties while interest accrues during the delay. Notably, if the government delays approval, it does not return any interest to the company once the

agreement is finalized.” Of the bill, Independent Petroleum Association of America COO Dan Naatz said, “The Independent Petroleum Association of America applauds Congressman Hunt for passage of H.R. 7377, the ‘Royalty Resiliency Act,’ and appreciates his leadership in fixing reporting issues and closing loopholes in the federal royalty assessment and payment process. IPAA member companies are committed to finding creative solutions to problems that exist within the scope of oil and natural gas production on federal lands. We commend Rep. Hunt for seeking innovative solutions that will enhance the ability of America to continue to have a robust onshore oil and natural gas program and the U.S. Senate for taking quick action on this important piece of legislation.” [Read more.](#)

NEPA Permitting Reform Draft Bill. Rep. Bruce Westerman (R-AR) has released a discussion draft of a bill to amend the National Environmental Policy Act related to permitting reform. The bill is not yet numbered but was subject to a House Committee on Natural Resources hearing on September 11. The American Exploration & Production Council (AXPC) supports the bill and notes it “includes AXPC permit-reform recommendations, including our top priority to set a judicial standard of review specific to NEPA.” [Read the discussion draft here.](#) Among other provisions, the bill would limit NEPA environmental reviews to minimize project delays or increase the risk of litigation; narrow consideration of environmental effects to only those likely to occur in a given area; and eliminate NEPA reviews for projects that are not federal in nature related to federal funding. [Read a detailed bill summary here.](#)

House Committee Hearing on Biden Administration Energy Policies. On September 11, the House Energy & Commerce Committee Subcommittee on Energy, Climate, and Grid Security held a hearing titled, “From

Gas to Groceries: Americans Pay the Price of the Biden Harris Energy Agenda.” The hearing examined “the broad impacts of the elevated price levels for energy and power over the past four years, the ramifications of those elevated price levels, and what may be done to address them.” According to the hearing memo, “Energy, including fuels and electric power, are key components of the goods and services that households and businesses rely upon. Constraints on the expansion of energy supplies and power generation, along with policies that increase the costs and reliability of delivered energy, have significant impacts on household and business spending, which determines what families and businesses can afford.” To access a full video recording of the hearing and witness testimony, [Read more](#).

House Committee Legislative Hearing on Energy Bills. On September 11, the House Committee on Natural Resources held a legislative hearing on the following bills: [Discussion Draft to amend the National Environmental Policy Act of 1969](#) related to permitting reform; [H.J. Res. 168](#), providing for congressional disapproval Council on Environmental Quality rulemaking implementing National Environmental Policy Act regulations; and [H.R. 6129](#), “Studying NEPA’s Impact on Projects Act,” and which requires the White House Council on Environmental Quality to publish an annual report on environmental reviews and causes of action based on compliance with the National Environmental Policy Act. To access a full video recording of the hearing and witness testimony, [Read more](#).

FEDERAL – Judicial

Offshore Oil and Gas Production – Maryland.

On August 19, the U.S. District Court for the District of Maryland issued a summary judgment opinion in, [Sierra Club v. National Marine Fisheries Service](#) (Case No. 8:20-cv-03060-DLB) in the Gulf of Mexico Oil and Gas Activities Biological Opinion (BiOp) case. As reported by the Independent Petroleum Association of America, “Environmental organizations, represented by Earthjustice, sued the federal government, asserting several legal claims challenging BiOp. The court granted

some of the plaintiffs’ claims, ruling that the BiOp did not comply with the Endangered Species Act (ESA) and the Administrative Procedure Act (APA) in certain respects largely because the agency failed to provide sufficiently detailed explanations for its work.” As reported by the *Oil & Gas Journal*, the court “found that the National Marine Fisheries Service’s (NMFS) biological opinion for oil and gas drilling in the Gulf of Mexico fails to protect the endangered Rice’s whale. The court said it would allow the biological opinion on Gulf of Mexico leasing to lapse on Dec. 20, 2024, if NMFS fails to complete a new one. NMFS told the court that it probably will not complete the new biological opinion until early spring 2025.” [Read more](#). According to the IPAA, “With the current ruling, a wide and substantial swath of offshore oil and gas operations and activities could be shut down on December 20, 2024, unless a legal, regulatory or legislative solution that prevents a gap between biological opinions is in place before then. This would include those with past leases at the time the 2020 opinion was issued, regardless of when the lease was awarded, in addition to actions associated with new leases through approximately 2030.” [Read a detailed IPAA case fact sheet here](#). On September 10, the Energy Workforce & Technology Council, IPAA, U.S. Oil and Gas Association, National Ocean Industries Association, Western Energy Alliance, and the International Association of Drilling Contractors issued a statement about the case. [Read the press release here](#). And on September 11, the American Petroleum Institute, EnerGeo Alliance, and National Ocean Industries Association filed an appeal in the case. [Read the appeal here](#). You can also [read more about the appeal here](#).

STATE – Legislative

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STATE – Regulatory

Independent Contractor Regulations Update – Montana. On August 24, updates to the Montana Department of Labor and Industry rules went into effect. Those changes involve, among other sections, the existing independent contractor exemption certificate, notices from the Department, certificate renewal, as well as amendments to misclassification penalties. [Access the Department rule updates here](#). For more information about the Montana rulemaking process, [read more here](#).

Air Quality Bureau Civil Penalty Update – New Mexico. On September 6, the New Mexico Environment Department (NMED) announced that the Air Quality Bureau has revised its Civil Penalty Policy. According to the NMED, “The revised policy includes three main changes. (1) A new section explains that, while not a penalty, the Bureau will assess administrative compliance costs which are only to cover the additional cost of enforcement actions for noncompliant facilities or companies; (2) A new Appendix C adds specific requirements, including written agreements, prior to approval of audits related to Appendix D voluntary disclosures; and (3) Increased penalties aim to deter noncompliance and encourage consistent compliance across companies and regulated entities. The Civil Penalty Policy is internal guidance, intended to assure consistency in assessing penalties.” The policy became effective on September 4, 2024. [Read more](#). For more information about the Civil Penalty Policy, you may [visit the NMED Air Quality Bureau Compliance and Enforcement website here](#).

Updated Oil & Gas Conservation Rules – Oklahoma. To follow up our 2023 reporting, on October 1, updated Oil & Conservation rules from the Oklahoma Corporation Commission (OCC) will go into effect. According to the OCC, “The adopted rules streamline and clarify the Oil & Gas Conservation rules, update requirements for certain prescribed forms, clarify requirements regarding notice under pooling orders, and add special area rules for horizontal wells in designated areas.” [Access the rulemaking \(with new](#)

[sections underlined\) here](#). For a more detailed summary of the original rulemaking proposal, [read the OCC notice here](#). For further documents related to this rulemaking, you may access the OCC proposed rulemaking website, Chapter 10 Proposed Rules, [here](#).

Railroad Commission Proposed Rulemaking – Texas. (*Update to 8/19/24 Report*) UPDATE – On September 6, the Texas Railroad Commission (RRC) announced it has extended the public comment period through October 15, 2024, for the following waste management proposed rulemaking. [Read more](#). For background, on August 15, the RRC voted unanimously in favor of proposed rulemaking including a “new Chapter 4, Subchapter A, and amendments to [Chapter 4, Subchapter B](#), and various rules in Chapter 3, including [§3.8](#) and [§3.57](#), regarding oil and gas waste management.” ([For new Chapter 4 proposed rules, see p. 5 of the proposed rules here](#).) Section 3.8 specifically relates to water protection and Section 3.57 relates to reclaiming tank bottoms, other hydrocarbon wastes, and other waste materials. [Access the proposed rulemaking here](#). According to the RRC, “The amendments pertain to not only waste from oil and gas operations, such as rock and other material pulled up from the ground during drilling, but also encapsulate waste from other operations for which the Legislature has given the RRC jurisdiction. Examples include geothermal, carbon sequestration and brine mining wells.” [Read the RRC press release here](#). The public comment period was originally open through September 30, 2024. [Access the RRC public comment portal here](#).

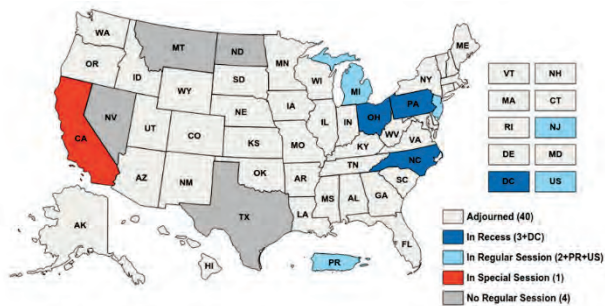
INDUSTRY NEWS FLASH

► **OPEC+ extends production cuts.** OPEC+ members announced they are extending existing oil production cuts for two months. As reported by the *Oil & Gas Journal*, “The eight participating countries agreed to extend the cuts of 2.2 million b/d until the end of November 2024, after which, the cuts will be phased out on a monthly basis as scheduled starting Dec. 1, 2024, stretching to November 2025, with the

flexibility to pause or reverse the adjustments as necessary.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Michigan, Ohio, and Pennsylvania are in regular session. The U.S. Congress is in regular session.

The following states are in recess until the dates provided: the **Pennsylvania** Senate (September 16) and House (September 23) and **Ohio** (November 13).

North Carolina passed an [adjournment resolution](#) that calls for the regular session to reconvene periodically through December. The legislature adjourned a session on September 11 and plans to reconvene on October 9.

California Democratic Gov. Gavin Newsom [called](#) the legislature into a special session immediately following its adjournment on August 31. According to the [Associated Press](#), Governor Newsom called the session to debate measures that would reduce gas prices. Californians pay the highest gas prices in the country and Newsom said the special session is necessary to “prevent price spikes next year and beyond.”

West Virginia Republican Gov. Jim Justice announced a special session that will start on September 30. According to [WBOY-12](#), the special session will focus on tax cuts, childcare support and supplemental fund appropriation. Governor Justice said, “I promised you that I would stand up and fight like crazy for you in

trying to get another 5 percent tax cut for you. I promised you I would try to help out with childcare, and, absolutely, try to get our tax break across the finish line with childcare.” Lawmakers plan to provide a five percent income tax cut and create subsidies for childcare costs.

Signing Deadlines (by date): **California** Democratic Gov. Gavin Newsom has until September 30 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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.

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The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#), [Florida](#), [Iowa](#), [Nebraska](#), [Nevada](#), [New Hampshire](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#) and [Utah](#). ■

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S. 5212 – Enhanced Energy Recovery Act.

On September 25, Sen. John Barrasso (R-WY) was joined by cosponsors Sen. James Lankford (R-OK) and Sen. Bill Cassidy (R-LA) in introducing [S. 5212](#), known as the Enhanced Energy Recovery Act. The bill would “create parity under the Section 45Q carbon capture tax credit by giving across-the-board, equal treatment for carbon captured for increased energy production, utilization and sequestration.” Sen. Barrasso said, “For years, Wyoming has proudly led the way on carbon capture projects. We’ve successfully used this technology to take carbon out of the air and find productive uses for it. One of those uses includes enhanced oil and natural gas recovery – a technique that significantly increases energy production while reducing carbon emissions. Recent changes to Section 45Q have made it harder for American energy producers and manufacturers to use this credit. The Enhanced Energy Recovery Act fixes this policy by ensuring equal treatment for energy production, utilization, and sequestration. This will bolster our nation’s energy security, support Wyoming’s energy workers, and help lower costs for American families.” [Read more.](#)

S. 5193 – Gunnison Outdoor Resources Protection Act. On September 25, Sen. Michael Bennet (D-CO) introduced [S. 5193](#), known as the Gunnison Outdoor Resources Protection Act. The bill would “designate certain special management areas, wildlife conservation areas, protection areas, recreation areas, wilderness areas, and scientific research and education area in the State of Colorado.” Specifically, the measure would designate “nearly 123,000 acres of new wilderness areas, and additions to existing wilderness areas, which would allow only the lightest-impact human activities, such as hiking and canoeing. The bill would also “withdraw nearly 75,000 acres from oil and gas

development” in the North Fork Valley in neighboring Delta County, “and establish ‘no surface occupancy’ requirements forbidding oil and gas well pads or rigs on nearly 50,000 acres of Forest Service lands in Delta County.” [Read more.](#)

H.R. 9759 – Protect the Permian Act. On September 23, Rep. Tony Gonzales (R-TX) introduced [H.R. 9759](#), known as the Protect the Permian Act. The bill would “increase criminal penalties for stealing, transporting, and selling oil and oil field-related equipment and expand federal resources to law enforcement agencies to target oil theft.” According to Rep. Gonzales, “The Permian Basin is an energy-producing powerhouse. Across West Texas and the Permian Basin region, large and small oil producers are dealing with widespread oil theft. In addition to taking oil, criminals have hijacked trucks and stolen expensive equipment to extract copper pieces to sell. It’s time to get laws on the books that hold criminals accountable for coming into West Texas to steal our energy resources—the *Protect the Permian Act* will do just that.” [Read more.](#)

H.R. 7377 – Royalty Resiliency Act. (*Update to 9/16/24 Report*) On September 20, [H.R. 7377](#), known as the Royalty Resiliency Act, was signed into law by President Joe Biden. Sponsored by Rep. Wesley Hunt (R-TX), the measure amends the Federal Oil and Gas Royalty Management Act to ensure the federal government collects royalties only on resources that have been recovered from federally managed lands. According to law firm Holland & Hart, the bill “mandates the U.S. Department of the Interior to promptly determine the production amounts on which operators owe royalties to the federal government. This change aims to prevent producers from overpaying while awaiting the Bureau of Land Management’s (BLM) approval of communization agreements. Under current law, the Secretary has 120

days to make this determination, but there's flexibility to extend this deadline by waiving interest on royalty obligations. H.R. 7377 eliminates this exception, assuming the pending communization plan is correct, which would prevent companies from overpaying royalties while interest accrues during the delay. Notably, if the government delays approval, it does not return any interest to the company once the agreement is finalized." Commenting on the bill, Independent Petroleum Association of America COO Dan Naatz said, "The Independent Petroleum Association of America applauds Congressman Hunt for passage of H.R. 7377, the 'Royalty Resiliency Act,' and appreciates his leadership in fixing reporting issues and closing loopholes in the federal royalty assessment and payment process. IPAA member companies are committed to finding creative solutions to problems that exist within the scope of oil and natural gas production on federal lands. We commend Rep. Hunt for seeking innovative solutions that will enhance the ability of America to continue to have a robust onshore oil and natural gas program and the U.S. Senate for taking quick action on this important piece of legislation." The bill takes immediate effect. [Read more.](#)

House Budget Committee Hearing on Biden Administration Energy Policies. On September 19, the House Budget Committee held a hearing titled, "The Cost of the Biden-Harris Energy Crisis," examining how Biden administration energy policies have negatively impacted the American economy and growth. Witnesses included former AAPL speaker, Alex Epstein, President and Founder Center for Industrial Progress, and other industry representatives. To access a full video recording of the hearing and witness testimony, [Read more.](#)

Carbon Capture and Sequestration Tax Credits. On September 20, Sen. Elizabeth Warren (D-MA) led other lawmakers in calling upon the U.S. Department of the Treasury, Internal Revenue Service, and the U.S. Environmental Protection Agency to ensure strong guardrails are in place to prevent abuse of the so-called 45Q tax credit designed to encourage carbon capture and sequestration projects. In a letter to the heads of those agencies, the lawmakers request

assurances that actual carbon sequestration takes place in exchange for those tax credits. They write, "The 45Q tax credit, commonly referred to as the federal carbon sequestration tax credit, can be claimed by 'qualified taxpayers for every metric ton of carbon oxide captured and sequestered that would have otherwise been released into the atmosphere.' The 45Q credit was initially designed to incentivize investment in CCS and emission reductions. However, the credit has been primarily used to 'increase oil production from aging wells, canceling out most of the emissions reduction benefit.'" In short, the lawmakers say the IRS should mandate independent, third-party verification of carbon sequestration, including for any leaks discovered, for entities to claim the 45Q credit; agencies must improve coordination to effectively monitor the 45Q tax credit; and the IRS should require more stringent record-keeping requirements. [Read the letter here.](#)

FEDERAL – Regulatory

BLM Annual Adjustment to Cost Recovery Fees. On September 20, the Bureau of Land Management (BLM) published its *Minerals Management: Annual Adjustment of Cost Recovery Fees* ([89 Fed. Reg. 77170](#)). Published annually, the action adjusts "the fixed fees set forth in the Department of the Interior's onshore mineral resources regulations for the processing of certain minerals program-related documents and actions." The publication provides a table of processing and filing fees for documents and applications filed with the BLM, including oil and gas leasing, permit applications, assignments and more. The publication also applies to geothermal, coal, and solid minerals. [Read more.](#)

BLM Alaska Resource Advisory Council. On September 26, the BLM announced it is seeking public nominations to serve on the Alaska Resource Advisory Council (RAC) to fill two existing vacancies. As noted by the BLM, "RAC membership must be balanced and representative of the various interests concerned with the management of the public lands." Interested parties may self-nominate. The closing date is October 28, 2024. [Read more.](#)

Office of Natural Resources Revenue Information

Collection. On September 23, the Interior Department's Office of Natural Resources Revenue (ONRR) published a notice of information collection, *Agency Information Collection Activities; Accounts Receivable Confirmations Reporting* (89 Fed. Reg. 77540). The ONRR is seeking public feedback on information it collects from the public regarding the collection of royalties and other mineral revenues. The public comment period is open through October 23, 2024. [Read more.](#)

FEDERAL – Judicial

BLM Methane Emissions Rule – North Dakota.

On September 12, in [North Dakota v. U.S. Dept. of Interior](#) (Case No. 1:24-cv-00066) a North Dakota federal court temporarily halted the BLM's [Waste Prevention, Production Subject to Royalties, and Resource Conservation emissions rule](#) from taking effect.

That rule aimed to “cut energy waste from venting, flaring and leaks.” [Read more about the rule here.](#) U.S. District Judge Daniel Traynor held, “At this preliminary stage, the plaintiffs have shown they are likely to succeed on the merits of their claim the 2024 Rule is arbitrary and capricious.” As reported by the AP, “North Dakota, along with Montana, Texas, Wyoming and Utah, challenged the rule in federal court earlier this year, arguing that it would hinder oil and gas production and that the Interior Department's Bureau of Land Management is overstepping its regulatory authority on non-federal minerals and air pollution. The bureau says the rule is intended to reduce the waste of gas and that royalty owners would see over \$50 million in additional payments if it was enforced.” [Read more.](#)

Dunes Sagebrush Lizard – Texas. On September 23, the state of Texas sued the federal government to challenge the Endangered Species Act listing of the dunes sagebrush lizard as endangered. In [Texas v. U.S. Department of the Interior](#) (Case No. 7:24-cv-00233), Texas Attorney General Ken Paxton is calling the designation an “unlawful misuse of environmental law” and a “backdoor attempt to undermine Texas's oil and gas industries.” For background, the “U.S. Fish and Wildlife Service deemed the lizard to be endangered due to factors including habitat loss, ‘degradation from

development by the oil and gas and the frac sand’ mining industries and ‘climate change and climate conditions.’” Paxton contends that the designation was based on “inaccurate and arbitrary assumptions.” We will keep AAPL members updated as the case progresses. [Read more.](#)

BLM Oil and Gas Production – Wyoming.

On September 13, a federal District Court held “that the Bureau of Land Management's approval of the 5,000-well Converse County Oil and Gas Project in eastern Wyoming was illegal because the agency's groundwater modeling contained major errors and grossly underestimated the depletion of groundwater by the massive oil and gas project.” [Read more.](#) In [Powder River Basin Resource Council v. U.S. Dept. of the Interior](#) (Case No. 1:22-cv-02696-TSC), the U.S. District Court for the District of Columbia found the BLM's environmental analysis for the project area was flawed but stopped short “of completely revoking the Bureau of Land Management's Trump-era approval of the 1.5 million-acre, 5,000-well project in Converse County, but the decision will put any new permits for the area on hold.” Wyoming Gov. Mark Gordon (R) said, “Judge Chutkan's ruling is an extreme overreaction to a calculation mistake made by the BLM. This unnecessary delay merely punishes Wyoming oil and gas companies, when this error could be easily rectified. The governor has always viewed Converse County Oil and Gas Project as one that balances energy development while safeguarding Wyoming's wildlife, and he continues to believe that this project achieves those goals.” [Read more.](#)

STATE – Legislative

Local Control of Oil and Gas Operations – California.

On September 25, Gov. Gavin Newsom (D) signed Democratic bill [AB 3233](#) into law. According to the legislative summary, the bill “Authorizes a local entity, by ordinance, to limit or prohibit oil and gas operations or development in its jurisdiction, notwithstanding any other law or any notice of intention, supplemental notice, well stimulation permit, or similar authorization issued by the supervisor or district deputy.” In short, the bill “allows cities, counties, and local voters to

block construction of new oil and gas wells in their communities.” As reported, “the industry staunchly opposed [AB 3233], [which] overturns a state Supreme Court ruling from last fall. In that case, the justices ruled in favor of Chevron and nullified a ballot measure that Monterey County voters passed in 2016 to ban new oil and gas wells there over pollution concerns, saying that state regulations took precedent. Environmental groups pushed hard this year for the new law, which could affect a broad range of communities that have passed local oil drilling restrictions over the past decade, from Antioch and Brentwood in Contra Costa County to Santa Cruz County to the city of Los Angeles.” [Read more.](#)

NMED Permitting Fees – New Mexico. On September 18, the New Mexico Environment Department (NMED) Secretary James Kenney testified at a Legislative Finance Committee meeting where he called for increasing oil and gas permitting fees “to help fund staff to process applications and enforce rules.” Kenney told the panel, “We need to do more. And our agencies that can raise their fees, should.” But at the meeting, some lawmakers disagreed that NMED needed to raise fees and defended the oil and gas industry and its role in the state economy. “I find it interesting that [the industry] that brings the most money to the state budget for New Mexico is one of the most attacked,” said NM Rep. Gail Armstrong (R). Increasing oil and gas fees may be proposed by Democrats in the next legislative session commencing January 2025. [Read more.](#)

For all 600+ 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

ECMC Produced Water Rulemaking – Colorado. On September 20, the Colorado Energy & Carbon Management Commission (ECMC) announced

release of produced water carbon rulemaking. [Read more.](#) For background, according to the ECMC, “On June 7, 2023, Governor Polis signed into law House Bill 23-1242 which amended the Colorado Oil and Gas Conservation Act, in part, by requiring the Commission to adopt rules implementing a statewide reduction in Fresh Water usage and a corresponding increase in usage of recycled or reused Produced Water at Oil and Gas Locations by December 31, 2024 [...] The Commission instituted this Produced Water Rulemaking to comply with the relevant provisions of House Bill 23-1242.” [Read more.](#) You may [access a redline of the rulemaking amendments here](#). The ECMC will also hold a stakeholder meeting on Oct. 1, 2024, and public hearings on December 11-19, 2024. The ECMC notice also provides information on requesting party status to participate in hearings and information for submitting public comment. [Read more here.](#)

NMED Produced Water Feasibility Study – New Mexico. On September 17, the New Mexico Environment Department (NMED) released a draft feasibility study for a water usage proposal that according to NMED, “aims to address key challenges the initiative faces and the opportunities it garners for the future of New Mexico’s water supply and economy.” [Access the NMED Feasibility Study here.](#) NMED is also “requesting technical, economic and legal feedback from subject matter experts to ensure the feasibility study’s thoroughness.” [Access the NMED public feedback form here.](#) As reported by the *New Mexico Political Report*, “The study looks at using treated brackish and produced water, which is a byproduct of oil and gas extraction, for industrial purposes in an effort to reduce demands on freshwater supplies. That proposal is known as the Strategic Water Supply.” [Read more.](#)

RRC Geothermal Rulemaking – Texas. The Texas Railroad Commission (RCC) announced that at its September 24, 2024 meeting it “proposed a rulemaking regarding new Chapter 6, Geothermal Resources, specifically new rules in Subchapter A, Shallow Closed-Loop Geothermal Systems.” According to the RRC, “The new rules are proposed

to implement the requirements of [Senate Bill 786](#) (88th Legislature, Regular Session, 2023). Senate Bill 786 amended [Texas Water Code §27.037](#) to transfer regulatory authority of closed-loop geothermal injection wells to the Commission from the Texas Commission on Environmental Quality (TCEQ). Thus, the bill provided the Commission with jurisdiction and permitting authority for these wells. Water Code §27.037 directs the Commission to adopt rules necessary to administer the section and to regulate closed-loop geothermal injection wells.” [Access the proposed rulemaking here](#). The proposed rulemaking will be formally published in the *Texas Register* on October 11, 2024, and the public comment period will be open through November 12, 2024. [Read more](#). You may [access the RRC public comment portal here](#).

Electric Grid Reliability to Support Oil and Gas – Texas. On September 26, the Public Utility Commission of Texas (PUCT) approved “the Permian Basin Reliability Plan, which is designed to expand power grid infrastructure in the United States’ largest oilfield to accommodate rapidly growing demand from the oil and gas industry.” The Commission directed the Electric Reliability Council of Texas to compile the plan as provided by legislation in the 2023 session and calls from oil and gas majors noting “a significant increase in electric load demand in the Permian basin in the coming years.” [Read more](#). PUCT Commissioner Lori Cobos said, “The Permian Basin is the heartbeat of our state and nation’s energy dominance and economy. This plan is a roadmap that will ensure electric reliability in the region for decades to come and facilitate critical transmission infrastructure investment that will ensure the continued success of Texas’ oil and gas industry and support the region’s local communities and our entire state.” [Read more](#).

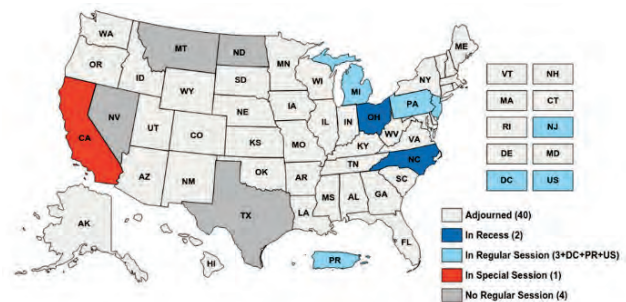
INDUSTRY NEWS FLASH

► Governors form coalition supporting energy production and opposing renewable mandates.

On September 19, a coalition of ten state Republican governors announced the formation of the Governors Coalition for Energy Choice. The group is “aimed at reducing regulations around energy production and opposing renewable energy mandates.” In a statement, the group said that the coalition aims to “ensure continued energy choice, minimize permitting and other regulatory barriers, limit expensive energy mandates, focus on affordability and reliability of energy infrastructure, and coordinate to positively manage energy resources and the environment.” [Read more](#).

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Michigan and Pennsylvania are in regular session. The U.S. Congress is in regular session.

Ohio is in recess until November 13.

North Carolina passed an [adjournment resolution](#) that calls for the regular session to reconvene periodically through December. The legislature adjourned a session on September 11 and plans to reconvene on October 9.

California Democratic Gov. Gavin Newsom [called](#) the legislature into a special session immediately following its adjournment on August 31. According to the [Associated Press](#), Governor Newsom called the

session to debate measures that would reduce gas prices. Californians pay the highest gas prices in the country and Newsom said the special session is necessary to “prevent price spikes next year and beyond.”

West Virginia Republican Gov. Jim Justice announced a special session that will start on September 30. According to [WBOY-12](#), the special session will focus on tax cuts, childcare support and supplemental fund appropriation. Governor Justice said, “I promised you that I would stand up and fight like crazy for you in trying to get another 5 percent tax cut for you. I promised you I would try to help out with childcare, and, absolutely, try to get our tax break across the finish line with childcare.” Lawmakers plan to provide a five percent income tax cut and create subsidies for childcare costs.

Signing Deadlines (by date): **California** Democratic Gov. Gavin Newsom has until September 30 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [California House](#) and [Senate](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Mexico](#), [New York Assembly](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#), [Florida](#), [Iowa](#), [Nebraska](#), [Nevada](#), [North Dakota](#), [Montana](#), [Oklahoma House](#) and [Senate](#) and [Utah](#). ■

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