

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

**Senate Environment and Public Works Committee Hearing Examining Federal Environmental Review and Permitting Processes.** On January 28, the Senate Environment and Public Works Committee held a hearing titled, *Hearing to Examine the Federal Environmental Review and Permitting Processes, Part II*, examining the “need to modernize our federal environmental review and permitting process” to reach “common ground on practical and durable solutions” through the legislative process. Testifying witnesses included representatives from the American Petroleum Institute, the Business Roundtable, and the Solar Energy Industries Association, among others. To access a full video recording of the hearing and witness testimony, [Read more.](#)

## FEDERAL – Regulatory

**BLM Commingling and Allocation Approval Proposed Rulemaking.** On January 30, the Bureau of Land Management (BLM) published a proposed rule, *Requirements for Site Security and Production Handling; Applying for Commingling and Allocation Approval* ([91 Fed. Reg. 4045](#)). With this rulemaking, the BLM “proposes to revise its regulations governing site security and production handling and commingling applications to reflect Congress’s direction in section 50101(d)(3) of the ‘One Big Beautiful Bill Act’ (OBBA) and policy direction in Executive Orders (E.O.s) entitled, *Unleashing American Energy* and *Ensuring Lawful Governance and Implementing the President’s Department of Government Efficiency Deregulatory Initiative* and policy guidance in Secretary’s Order (S.O.) 3418, entitled, *Unleashing American Energy*. The BLM is proposing to revise the regulations to allow for commingling of production more broadly to promote oil and gas production on Federal, Indian,

private and State lands.” [Read the BLM press release here.](#) As provided by the BLM, “These proposed changes are intended to account for advancements in technology and industry practices that have occurred since the existing regulations were first issued in 2016.” As noted, “The changes are intended to remove barriers that have constrained development in areas with complex mineral ownership and to encourage practices that minimize surface impacts by reducing the number of well pads needed.” The public comment period is open through March 26, 2026. [Read more.](#)

### **BLM Coastal Plain Oil and Gas Lease Sale**

– **Alaska.** On February 3, the BLM published a *Call for Nominations and Comments for the 2026 Coastal Plain Oil and Gas Lease Sale* ([91 Fed. Reg. 4937](#)). According to the BLM notice, the “Alaska State Office is issuing a call for nominations and comments on all available unleased tracts for the upcoming Coastal Plain 2026 Oil and Gas Lease Sale. This is a standard step in the leasing process as the BLM prepares to hold the first lease sale under direction in the One Big Beautiful Bill Act. This action also advances priorities in the [Executive Order 14153](#), ‘Unleashing Alaska’s Extraordinary Resource Potential,’ and Secretary’s Order 3422 of the same name.” [See the BLM press release here.](#) Interested parties may nominate, or submit public comments, on tracts through March 5, 2026. [Read more.](#)

### **BLM National Petroleum Reserve Oil and Gas**

– **Alaska.** On February 5, the BLM announced it “will hold a major oil and gas lease sale on March 9, 2026, offering over 600 tracts across approximately 5.5 million acres in the [National Petroleum Reserve in Alaska](#). This marks the first lease sale for this area under the [One Big Beautiful Bill Act](#).” Acting BLM Director Bill Groffy said, “The

National Petroleum Reserve in Alaska plays a vital role in advancing America's energy independence, and Congress has repeatedly made clear their intent for timely leasing and responsible development in the region. This lease sale – the first in the reserve since 2019 – marks another exciting milestone as we work to unlock the full potential of this area." Sealed bids must be received by March 5, 2026. [Read more.](#)

#### **BLM Oil and Gas Lease Sale – Colorado.**

On January 30, the BLM "announced an oil and gas lease sale scheduled for March 31, 2026, to offer 90 oil and gas parcels totaling 52,703 acres in Colorado. The BLM completed scoping on these parcels in October 2025 and held a public comment period that closed in December 2025 on the parcels and the related environmental analysis. A 30-day public protest period to receive additional public input opened today and will close March 2, 2026." [Read more.](#)

**BLM Oil and Gas Lease Sale – Nevada.** On January 30, the BLM "announced an oil and gas lease sale scheduled for March 31, 2026, to offer 11 oil and gas parcels totaling 19,957 acres in Nevada. The BLM completed scoping on these parcels in September 2025 and held a public comment period that closed in December 2025 on the parcels and the related environmental analysis. A 30-day public protest period to receive additional public input opened today and will close March 2, 2026." [Read more.](#)

**BLM Oil and Gas Lease Sale – Utah.** On January 30, the BLM "announced an oil and gas lease sale scheduled for March 31, 2026, to offer 57 oil and gas parcels totaling 68,632 acres in Utah. The BLM completed scoping on these parcels in October 2025 and held a public comment period that closed in January 2026 on the parcels and the related environmental analysis. A 30-day public protest period to receive additional public input opened today and will close March 2, 2026." [Read more.](#)

**BLM Geothermal Development – Idaho.** On January 28, the BLM announced it "is accepting nominations

of Idaho public lands for competitive geothermal leasing for the geothermal lease sale tentatively scheduled for November 2027. All nominations must be received by June 30, 2026. Nominations received after this deadline will be processed for a future lease sale." For further information and access to land nomination forms as well as details on nomination requirements regarding maximum acreage, acceptable land descriptions, and nominating parcels as a block, [Read more.](#)

**BLM Geothermal Leasing – Oregon.** On January 28, the BLM issued "a decision record for a Determination of NEPA Adequacy (DNA) to authorize a geothermal consent to lease of approximately 10,131 acres of National Forest System lands" for its Mt. Hood National Forest Consent for Geothermal Leasing program. [Read more.](#) To access the BLM determination documents and more information on the geothermal leasing program, [Read more.](#)

**BOEM Offshore Oil and Gas Lease Sales – Central California Outer Continental Shelf.** On January 27, the Bureau of Ocean Energy Management (BOEM) published a *Call for Information and Nominations for Central California Outer Continental Shelf Oil and Gas Lease Sales Proposed in the 11th National Outer Continental Shelf Oil and Gas Leasing Program* ([91 Fed. Reg. 3534](#)). According to the announcement, the BOEM "issues this call for information and nominations (Call) covering proposed Outer Continental Shelf (OCS) oil and gas lease sales in the available portions of the Central California Planning Area. Those sales are described in the U.S. Department of the Interior's (Department) recently published Draft Proposed Program for the 11th National OCS Oil and Gas Leasing Program (11th National Program), which BOEM announced on November 20, 2025. This Call solicits industry nominations of acreage for possible inclusion in these proposed sales and requests information from the public on the Call Area (as defined in the section 'Call for Information and Nominations,' subsection 3 'Description of the Call Area' below) for lease sale planning. Specifically, BOEM seeks information on geological conditions, archaeological sites, potential

use conflicts, areas of special concern, and other socioeconomic, biological, and environmental information. This Call is not a final decision to lease and does not prejudice any future secretarial decisions concerning leasing offshore Central California.” [Read more](#). The public comment period is open through February 26, 2026. [Read more](#).

**BOEM Offshore Oil and Gas Lease Sale – Southern California Outer Continental Shelf.** On January 27, the Bureau of Ocean Energy Management (BOEM) published a *Call for Information and Nominations for Southern California Outer Continental Shelf Oil and Gas Lease Sales Proposed in the 11th National Outer Continental Shelf Oil and Gas Leasing Program* ([91 Fed. Reg. 3537](#)). According to the announcement, the BOEM “issues this call for information and nominations (Call) covering proposed Outer Continental Shelf (OCS) oil and gas lease sales in the available portions of the Southern California Planning Area. Those sales are described in the U.S. Department of the Interior’s (Department) recently published Draft Proposed Program for the 11th National OCS Oil and Gas Leasing Program (11th National Program), which BOEM announced on November 20, 2025. This Call solicits industry nominations of acreage for possible inclusion in these proposed sales and requests information from the public on the Call Area (as defined in the section ‘Call for Information and Nominations,’ subsection 3 ‘Description of the Call Area’ below) for lease sale planning. Specifically, BOEM seeks information on geological conditions, archaeological sites, potential use conflicts, areas of special concern, and other socioeconomic, biological, and environmental information. This Call is not a final decision to lease and does not prejudice any future secretarial decisions concerning leasing offshore California.” [Read more](#). The public comment period is open through February 26, 2026. [Read more](#).

**BOEM Cook Inlet Outer Continental Shelf Oil and Gas Lease Sale.** On January 30, the BOEM announced the “Final Notice of Sale for the Cook Inlet Outer Continental Shelf Oil and Gas Lease Sale 1. Officially authorized under the ‘One Big Beautiful Bill

Act’ and commonly known as BBC1, this marks the first of six lease sales in Alaska’s Cook Inlet required by the legislation.” The sale notice “includes Information to Lessees and lease stipulations. Lease terms include a 10-year primary term, a minimum bonus bid of \$25 per hectare, and a 12.5 percent royalty rate.” The BOEM must receive all sealed bids prior to the bid submission deadline on March 3, 2026, the day before the lease sale. [Read more](#).

**BOEM Gulf of America Oil and Gas Lease Sale.** On February 4, the BOEM announced “a Final Notice of Sale for the second offshore oil and gas lease sale under the One Big Beautiful Bill Act. The sale, known as ‘Lease Sale Big Beautiful Gulf 2,’ or BBG2, will make roughly 80 million acres available for leasing across the Gulf of America, advancing President Trump’s commitment to increase domestic energy production and strengthen U.S. energy security.” (See *Gulf of America Outer Continental Shelf Oil and Gas One Big Beautiful Bill Act; Lease Sale 2*; [91 Fed. Reg. 5251](#)). As provided by the BOEM, “In support of the BBG2 Lease Sale, BOEM is proposing to offer approximately 15,066 unleased blocks in the BBG2 Lease Sale, ranging from three to 231 miles offshore, across the Gulf’s Western, Central, and Eastern planning areas, at water depths between nine feet and more than 11,100 feet.” The BOEM must receive all sealed bids prior to the bid submission deadline on March 10, 2026, the day before the lease sale. [Read more](#).

**Data Center Emerging Regulatory Framework.** On January 27, the law firm Pillsbury Winthrop Shaw Pittman LLP published a legal insight article, *The Emerging Regulatory Framework to Power Data Centers*, which highlights on how the “U.S. electricity regulatory framework designed for incremental load growth is being tested by data centers’ surging power demand, prompting the Federal Energy Regulatory Commission (FERC) to consider limiting state regulatory jurisdiction over plugging such large loads into the grid.” The article also focuses on how “recent federal actions signal a shift in the regulatory framework for large loads especially in organized wholesale power markets like PJM that could

materially reshape how data centers access power across the United States.” [Read more.](#)

**National Forest System Oil and Gas Resources Regulations.** On January 28, the U.S. Forest Service published a final rule, *Oil and Gas Resources* ([91 Fed. Reg. 3643](#)), that is “finalizing revisions to its regulations governing Federal oil and gas resources within the National Forest System (NFS). The Department is making these revisions to update and modernize its existing regulations. In addition, conforming technical amendments to other parts of the Code of Federal Regulations (CFR) affected by this rule are also being updated. The regulations revise the process for analyzing whether the USDA, Forest Service will consent to making certain lands available for oil and gas leasing by the Bureau of Land Management (BLM). The regulations also clarify requirements for conducting lease operations and revise procedures concerning monitoring operator compliance with all applicable terms and conditions of leasing. The revised regulations will apply to operations on both existing and future leases.” The move is expected to open up more areas to oil and gas development as one of the major changes is that the Forest Service will no longer conduct site-specific reviews for parcels within national forests that the Interior Department has already identified for oil and gas leasing. The rule is effective on February 27, 2026. [Read more.](#)

**Navigating Wind and Solar Development Opportunities on State and Private Lands.** On January 21, the Pillsbury law firm’s *Gravel2Gavel* Construction & Real Estate Law blog published a useful practice article, *Navigating Wind and Solar Development Opportunities on State and Private Lands During Uncertain Times for Renewable Energy*, covering the ever-changing “regulatory landscape governing onshore wind and solar development.” The article features federal executive and administrative actions impacting wind and solar as well as how to navigate the uncertainty for wind and solar development through alternative pathways on state and private lands, and the laws and regulations applicable to those projects. [Read more.](#)

### **White House Council on Environmental Quality Permitting Innovation Center Pilot Program.**

On January 30, the White House Council on Environmental Quality’s (CEQ) [Permitting Innovation Center](#) “announced the launch of a pilot program for *CE Works*, a technology platform that digitizes the environmental review process to assist federal agencies with completing categorical exclusion (CE) determinations pursuant to the National Environmental Policy Act (NEPA). Federal agencies make thousands of CE determinations per year, and making determinations with this new technology will cut through red tape and result in expedited timelines for important energy and infrastructure projects.” As provided, “*CE Works* provides agencies with a digital pathway to apply categorical exclusions under NEPA. Agency staff can use the platform to select an appropriate CE, collaborate among resource experts within the agency, route the determination for approval, and generate a record for publication.” [Read more.](#)

### **FEDERAL – Judicial**

**Well Setback Law – California.** On January 27, mineral estate owners in Santa Barbara, California, filed a complaint in the U.S. District Court for the Central District of California challenging the constitutionality of California’s well setback law, [SB 1137](#), that created “health protection zones” and which their attorneys say “imposed a sweeping ban on new oil drilling within 3,200 feet of homes, schools, hospitals, community centers, or virtually any business open to the public. Existing wells were subjected to layers of new restrictions. The effect was not regulation; it was prohibition.” As provided by the California Department of Conservation, that law “establishes new safety measures to protect public health by creating buffer zones between oil and gas operations and community spaces.” In [Morgan v. Ito](#) (Case No. 2:26-cv-00815), the plaintiffs say they “are among those whose property rights have been sacrificed to absorb the costs of the State’s climate policy. SB 1137 thus effectuates an uncompensated taking of the Morgans’ private property and must be enjoined.” As their attorneys note, “Because the Morgans’ mineral estate sits within a newly designated ‘health protection

zone,' their lawful family enterprise—built around a resource that powers daily life for hundreds of millions of Americans—was suddenly rendered unusable. Overnight, the state eliminated any productive use of the Morgans' mineral estate." We will keep AAPL members updated as the case progresses. [Read more.](#)

### **Leasing; Pooling; Pugh Clauses – Louisiana.**

Recently, in [Triple C Minerals LLC v. XTO Energy, Inc.](#) (Case No. 24-0004), the U.S. District Court for the Western District of Louisiana, in granting summary judgement for XTO, was tasked with determining whether a Pugh clause applied to compulsory pooling in which case it could trigger the severing of a lease, as argued by the plaintiff-lessor. However, XTO argued "that because the Pugh clause does not specifically state that it applies to compulsory pooled units, it should be interpreted against such application." As noted by the court, "Essentially, each party argues for a different interpretation of the Pugh clause in the Collins lease, and the case is dependent on the Court's interpretation of said clause." Interpreting the lease provisions to find "that the Pugh clause in the Collins lease is not triggered by compulsory unitization," the court held that "to align with the jurisprudence, for a Pugh clause to apply to compulsory units, the clause must be drafted to clearly apply to compulsory units" which it was not here. As noted by law firm Gray Reed's Energy & the Law blog, "Under Louisiana law an oil and gas lease is an indivisible obligation unless the parties unambiguously agree otherwise. Creation of compulsory units by the Office of Conservation does not divide a mineral lease. To apply to compulsory units, a Pugh clause must be drafted to clearly apply to compulsory units." Additionally, the court "declined to consider extrinsic evidence. That process would apply to ambiguous contracts but those principles fail when long-standing jurisprudence sets a more specific interpretive role. Ambiguity as to the Pugh clause's applicability to compulsory units should be resolved against the party seeking to sever the lease. The language of the Pugh clause clearly provides that it applies to voluntary units. The lease was not ambiguous." [Read more.](#)

**Fossil Fuel Boycotts – Texas.** On February 4, a federal court held that a 2021 Texas "law restricting

state investments in companies boycotting the fossil fuel industry [is] unconstitutional, calling it 'facially overbroad' and citing First and Fourteenth Amendment concerns." As noted by the court, that law, [SB 13](#), "prohibits covered state entities from investing in or contracting with companies that 'boycott' fossil fuels." In [America Sustainable Business Council v. Hegar](#) (Case No. 1:24-cv-01010-ADA), the U.S. District Court for the Western District of Texas held that "SB 13's definition of 'boycott energy companies' permits the State to penalize companies for all manner of protected expression concerning fossil fuel," and this violates the First Amendment as "it is facially overbroad." Further, the court found that "SB 13 is impermissibly vague in violation of the Fourteenth Amendment because it fails to provide persons of ordinary intelligence a reasonable opportunity to know what conduct is prohibited and does not provide explicit standards for determining compliance with the law. Thus, the law is unconstitutional and unenforceable." The Texas Attorney General is expected to appeal the decision. [Read more.](#)

**Offshore Wind Project Litigation.** (*Update to 1/26/26 Report*) As an update to our prior reporting, On February 2, a federal judge in the U.S. District Court for the District of Columbia allowed the Orsted Sunrise Wind project to resume off the coast of Long Island, New York, ruling against the Trump administration halting the project during a review period. This "project was 45% complete at the time of the shut down." [Read more.](#) This decision comes on the heels of a January 27 ruling from the U.S. District Court for the District of Massachusetts approving resumption of another offshore wind project also halted by the Trump administration. [Read more.](#) In that case, the Vineyard Wind project "already has 44 operational wind turbines and was working on an additional 18" when the Trump administration pause was imposed. [Read more.](#) For background, in our January 26, 2026, Governmental Affairs Report, we covered three other cases allowing offshore wind projects to continue as the cases played out in federal court. These legal actions stem from a December 22, 2025, notice from the [U.S. Department of the Interior announcing](#), "that it is pausing—effective immediately—the leases for all

large-scale offshore wind projects under construction in the United States due to national security risks identified by the Department of War in recently completed classified reports. This pause will give the Department, along with the Department of War and other relevant government agencies, time to work with leaseholders and state partners to assess the possibility of mitigating the national security risks posed by these projects.” [Read more](#). In response, project developers immediately challenged the pause in multiple federal courts. [Read more](#).

## **STATE – Legislative**

**For all bills AAPL is currently monitoring and tracking for members, please see the continuously updated member-exclusive AAPL Governmental Affairs Bill Tracking Summary spreadsheet, available on the [AAPL website homepage](#) or [here](#).**

## **STATE – Regulatory**

**State Oil and Gas Lease Sale – Alaska.** The Alaska Department of Natural Resources, Division of Oil and Gas, has announced “that it is offering State lands for competitive oil and gas leasing in the Alaska Peninsula Areawide 2026 (APA 2026) and the Cook Inlet Areawide 2026 (CIA 2026) Competitive Oil and Gas Lease Sales.” Both sales are open to bidding through February 26, 2026. The APA 2026 sale offers 1,004 Tracts covering an estimated 5 million acres and the CIA 2026 sale offers 728 tracts covering an estimated over 2.8 million acres. [Read more](#).

**Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Cap-and-Trade Regulation) – California.** On January 20, the California Air Resources Board (CARB) announced it “will conduct a public hearing at the date and time noted below to consider approving for adoption the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Cap-and-Trade Regulation).” The public hearing will be held on May 28, 2026. According to CARB, “These proposed

changes, if adopted, would result in significant greenhouse gas (GHG) emissions reduction as well as air quality, health, and economic benefits across the State.” [Read more](#). CARB also provided that “members of the public may present comments orally or in writing during the hearing and may provide comments by postal mail or by electronic submittal before the hearing.” The public comment period for this regulatory action began on January 23, 2026 and written comments not submitted during the hearing must be submitted no later than March 9, 2026. For more information on attending the hearing and submitting public comments, [see the CARB notice here](#). For in-depth details about the proposed regulation, [see the CARB rulemaking website here](#).

**Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions – California.** On January 20, the California Air Resources Board (CARB) announced it “will conduct a public hearing at the date and time noted below to consider proposed amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions.” The public hearing will be held on May 28, 2026. According to CARB, “the purpose of the proposed amendments to the reporting regulation is to carry out the directions in AB 32, SB 32, and AB 1279 and maintain a robust and accurate GHG reporting program. The data submitted by reporters under the reporting regulation allow CARB staff to track the emissions from reporting entities over time, demonstrating California’s progress in reducing GHG emissions.” [Read more](#). CARB also provided that “members of the public may present comments orally or in writing during the hearing and may provide comments by postal mail or by electronic submittal before the hearing.” The public comment period for this regulatory action began on January 23, 2026. Written comments not submitted during the hearing must be submitted by March 9, 2026. For more information on attending the hearing and submitting public comments, [see the CARB notice here](#). For in-depth details about the proposed regulation, [see the CARB rulemaking website here](#).

**CARB Priorities for 2026 – California.** On January 28, the California Air Resources Board (CARB) issued a 2026 Priorities memorandum that “is intended to outline the priorities that will be a focus for 2026 and on which the Board and the public will engage. While not exhaustive, these priorities reflect CARB’s commitment to science-based action in the face of accelerating climate change and persistent air quality challenges.” Among those priorities are “implementing major climate legislation” and “advancing clean air for communities.” We will continue to keep AAPL members informed as the CARB regulatory process moves forward on these initiatives throughout the year. [Access the CARB memorandum here.](#)

**Energy & Carbon Management Commission High Priority Habits Rulemaking – Colorado.** On January 30, the Colorado Energy & Carbon Management Commission (ECMC) filed a notice of “High Priority Habitat Map” rulemaking. [Read more.](#) High Priority Habit “means habitat areas identified by Colorado Parks and Wildlife where measures to Avoid, Minimize, and Mitigate Adverse Impacts to wildlife have been identified to protect breeding, nesting, foraging, migrating, or other uses by wildlife.” The rulemaking will amend the [100-series](#) (Definitions) regulations. According to the ECMC, “The proposed High Priority Habitat map updates are a result of inventories and monitoring to determine the status and extent of high priority habitat areas,” and “also reflect changes to grouse and prairie chicken” sites. The ECMC has set a deadline of February 20, 2026, for “Persons or organizations wanting to participate in this rulemaking as a party.” The ECMC will also hold a hearing on the rulemaking on April 8, 2026, and public comments will be accepted prior to that date. For further information, including the proposed revisions, and instructions on how to submit public comments, attend hearings, and submit a Request for Party Status, see the [ECMC notice here.](#)

**State Oil and Gas Lease Sale – Montana.** The Montana Department of Natural Resources and Conservation has announced it will hold an oil and gas lease sale “the week of February 25 – March 3, 2026. The March sale includes 18 tracts in the following

counties: Garfield (4), Hill (2), Liberty (2), Petroleum (4), Richland (1), Rosebud (1), and Toole (4).” [Read more.](#)

**State Oil and Gas Lease Sale – New Mexico.** The New Mexico Commissioner of Public Lands has announced a state oil and gas lease sale to be held on February 17, 2026. Bidding is open one week prior to the sale date. The sale will offer 5 tracts covering 880 acres available for lease. [Read more.](#)

**Railroad Commission Digitized Oil and Gas Records – Texas.** On February 2, the Texas Railroad Commission (RRC) announced it surpassed “a major milestone” by “digitizing more than 100 million oil and gas records.” The RRC said, “With nearly a century’s worth of documents digitized and available online, researchers will be able to access the 100,205,204 files from anywhere in the world rather than having to travel to the RRC headquarters in Austin. This includes a wide variety of documents, such as oil and gas well records, hearing files, permits and reports - all routinely used by researchers, landowners, energy companies and public information requesters.” For further information and how to access the RRC digitized records, [Read more.](#)

**Special Use Leases Rulemaking – Wyoming.** On February 2, the Wyoming Office of State Lands and Investments, on behalf of the State Board of Land Commissioners, announced it has submitted a Notice of Intent to Adopt Rules and Regulations that amend Chapter 4 - Grazing and Agricultural Leasing and Chapter 5 - Special Use Leasing. [See the notice here.](#) According to the rulemaking Statement of Principal reasons for Adoption of Rules, “Technological advancements in horizontal drilling are significantly impacting the demand for and frequency of well pad SULs [special use leases]. Currently, the administrative framework within the Board’s rules and regulations does not allow for this increased demand to be governed efficiently. Specifically, surface impact payment negotiations, consideration analysis, and the Director’s inability to preapprove SULs have resulted in lost opportunities for the state trust beneficiaries. Therefore, it is necessary to adopt amendments to

Chapter 4 and Chapter 5 of the Board of Land Commissioners' Rules and Regulations as regular rules to incorporate changes to the leasing of state lands for the purpose of oil and gas development. These rule changes provide the oil and gas industry with certainty and efficiencies when considering state lands for operations. These changes grant the Director flexibility, when it is in the best interest of the trust beneficiaries, to commit acreage for oil and gas well pad development in an efficient and timely manner while still considering impacts to existing surface lessees. These efficiencies provide the necessary framework for the Office of State Lands and Investments to administer the well pad special use lease program." The updates to Chapter 4 (Section 15. Surface Impact Payments) provide that "Applicants for, or holders of, a well pad special use lease issued under Chapter 5 of the Board's rules" are not subject to that section. The amendments to Chapter 5 (Special Use Leasing) update the Section 2 Definitions for "special use" to exclude oil and gas well pads and updates Section 4. Existing Lease Impairment to exclude leases for oil and gas well pads from that section. The Chapter 5 amendments also include a new Section 6. Applications subsection "h" on Oil and Gas Well Pad Leases. Additionally, Section 7. Rentals, updates the annual rental for special use leases regarding oil and gas well pad leases. [See the proposed Chapter 4 and Chapter 5 rulemaking here.](#) The public comment period is open through March 20, 2026. For access to submit public comments, [Read more](#) or see the Wyoming Administrative Rules website, and search under "Lands and Investment, Office of (60)" then "Land Commissioners, Board of (0002)" to submit comments directly from the website, [available here.](#)

#### **Bracewell Data Center Counsel Podcast – Texas.**

On February 2, the Bracewell law firm launched the inaugural episode of their Data Center Counsel podcast, *Why Texas? Data Center Market Trends and Incentives*. The episode discusses "the factors contributing to extended large-load interconnection timelines in Texas and the implications for data center development. They provide an overview of how the growing demand for electricity — particularly from

the oil and gas sector — has affected transmission capacity, generation availability and interconnection queues within the ERCOT system." [Access the Bracewell podcast here.](#)

#### **State Oil and Gas Lease Sale – Wyoming.**

The Wyoming Office of State Lands and Investments announced "it will hold an oil and gas lease auction from March 4th through March 11th, 2026. The auction will offer 193 parcels of state land covering 77,660.39 acres spanning 12 counties." [Read more.](#)

### **STATE – Judicial**

**Leasing; Communitization Agreements; Joint Operating Agreements – Texas.** Recently, in [Roane-Williams Texas Minerals, LLC v. EOG Resources, Inc.](#) (Case No. 13-23-00569), the Texas Court of Appeals, Thirteenth District, affirmed a trial court judgment in favor of EOG and a related defendant arising "from a dispute over payment of net revenue interests to a mineral interest owner." Specifically, EOG claimed it had overpaid royalties based upon the acreage in the unit. The plaintiff claimed that EOG had "underpaid because the drilling unit comprised the entire 823 acres, not the 720 identified in the JOA." Regarding the plaintiff's claim "that EOG breached the 2017 CA [communitization agreement] by underpaying him, the court observed that the CA 'does not set out any of the terms regarding how EOG would 'properly pay [Roane] all oil and/or gas revenues derived by [EOG] from the sale of [Roane's] interests.'" With respect to a claim of breach of the JOA, the "question boiled down to whether the drilling unit was identical to the Contract area, in which case Roane would bear the 'burdens of production solely for its own interest.' If not, Roane had to bear all burdens of production from the Contract Area equal to its percentage of ownership. To get to that answer, the court determined that a 'drilling unit' meant the Blanc Horizontal Unit identified in the BHUD, which consisted of 702 surface acres and showed that Roane's tract was not part of the unit." The court concluded "that the evidence conclusively establishes that the parties expressly agreed to fix the drilling unit of each well to the 702.24-acre tract." Thus, EOG had



The following states are currently posting pre-files or bill drafts for the 2026 legislative session: [Louisiana](#) and [Wyoming](#). ■

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