

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

**H.R. 5639 – Co-Location Energy Act.** On October 6, official bill text was made available for [H.R. 5639](#), known as the Co-Location Energy Act. Sponsored by Rep. Mike Kennedy (R-UT), the bill “Modernizes outdated permitting and leasing policies, cutting red tape, and strengthening America’s energy independence through an all-of-the-above energy approach” by allowing oil, gas, coal and geothermal energy producers with existing federal leases to co-lease with alternative (renewable) energy producers. [Read more.](#)

**H.R. 5638 – Geothermal Royalty Reform Act.** On October 3, official bill text was made available for [H.R. 5638](#), known as the Geothermal Royalty Reform Act. Sponsored by Rep. Mike Kennedy (R-UT), the bill would amend the Geothermal Steam Act of 1970 to require royalties on production from leased geothermal resources to be based on production from each electric generating facility rather than being tied to the highest-cost facility on the lease. [Read more.](#)

**H.R. 5587 – Harnessing Energy at Thermal Sources Act.** On September 26, bipartisan bill, [H.R. 5587](#), known as the Harnessing Energy at Thermal Sources Act or the HEATS Act, was introduced by Rep. Kim Young (R-CA) and Rep. Adam Gray (D-CA). The bill would “reduce burdensome permitting delays on geothermal projects and help expand energy production across the United States.” Specifically, “The HEATS Act streamlines the permitting process for geothermal energy projects by eliminating duplicative federal requirements when a valid state permit is already in place. For projects on non-federal land where the U.S. holds only a minor stake, the bill ensures development can move forward without unnecessary federal delays.” [Read more.](#)

## FEDERAL – Regulatory

**BLM Oil and Gas Lease Sale – Wyoming.** On September 29, the Bureau of Land Management (BLM) “opened a 30-day public comment period to receive public input on plans to include 68 oil and gas leases, totaling 94,465 acres in Wyoming in a March 2026 sale. The comment period ends Oct. 30, 2025. The BLM completed scoping on these parcels in August 2025 and is now seeking public comment on the parcels, potential deferrals, and the related environmental analysis.” [Read more.](#)

**BLM Hydraulic Fracturing Rule.** On October 10, the IPAA provided a useful fact sheet on the recent U.S. Court of Appeals for the Ninth Circuit ruling that ended litigation regarding the BLM’s rule “aimed at placing burdensome regulations governing hydraulic fracturing (HF) on independent oil and natural gas producers operating on federal lands.” Although the Obama-era rule never took effect due to ongoing litigation over more than 10 years, if implemented, the rule would have put in place a “new permitting process for hydraulic fracturing operations and imposed extensive testing, reporting, and record-keeping requirements.” As noted, “IPAA’s efforts, in partnership with Western Energy Alliance, saved the industry hundreds of millions of dollars in compliance costs and supported continued energy development across federal lands.” [Read the IPAA Fact Sheet here.](#)

**White House Council on Environmental Quality Issues NEPA Guidance.** On September 29, the White House Council on Environmental Quality (CEQ) issued guidance to federal agencies regarding their implementation of the National Environmental Policy Act (NEPA). According to the CEQ, “This memorandum includes an overview of NEPA, including a discussion of recent amendments to the

statute and recent case law as relevant to agency implementation of NEPA. This memorandum also provides guidance for agencies to use when establishing or revising agency specific NEPA implementing procedures.” [Read the CEQ Guidance Memorandum here](#). The memorandum also provided analysis of a recent U.S. Supreme Court decision holding that “an agency is not required by NEPA to analyze environmental effects from other projects separate in time, or separate in place, or that fall outside of the agency’s regulatory authority, or that would have to be initiated by a third party.” For further details, law firm Hunton Andrews Kurth LLP has also provided a useful bullet point summary of the guidance memorandum, [available here](#).

## **FEDERAL – Judicial**

### **Offshore Oil and Gas Development – Louisiana.**

To follow up our prior reporting, on October 2, in [Louisiana v. Biden](#) (Case No. 2:25-CV-00071), the U.S. District Court for the Western District of Louisiana ruled that “the Biden administration’s attempt to permanently ban new oil and natural gas development across millions of acres of federal waters was unlawful, helping to ensure access and certainty for offshore leasing moving forward.” As reported by IPAA’s *Energy in Depth*, “The decision follows a multi-year legal battle, with the ruling officially siding with oil and gas industry groups and Republican states who sued following the Biden administration’s push for a ban on offshore drilling leases.” The court limited the authority exercised by both President Obama and President Biden in seeking to permanently withdraw unleased areas from oil and gas development. As noted by the IPAA, “any withdrawals undertaken must have the ability to be reversed. By ensuring withdrawals cannot be permanent, the ruling ensures offshore leasing and subsequent domestic energy production are less vulnerable to political whims.” [Read more](#).

## **STATE – Legislative**

### **Kern County Oil and Gas Production -- California.**

On September 19, Gov. Gavin Newsom (D) signed

[SB 637](#) into law. As provided by the Senate analysis, “This bill contains a number of provisions that seek to safely and responsibly increase in-state oil production (such as through testing of previously idled pipelines, greater disclosure of financial assurances, and resolving ongoing litigation in favor of easier approval of drilling permits in Kern County).” Among other provisions, the legislation will allow “up to 2,000 permits each year for drilling in Kern County—making CalGEM [California Geologic Energy Management Division] the lead agency for projects under this division, and contains a 10-year sunset on provisions that specify that the SSREIR [Kern County’s Second Supplemental Recirculated Environmental Impact Report] is sufficient, complete, and not subject to lawsuits for new drilling.” As the governor has uncharacteristically taken a more accommodative stance towards state oil and gas production of late, as noted by law firm Greenberg Traurig, LLP, “These changes are intended to eliminate legal and regulatory uncertainty and create new opportunities for developers seeking to permit new production facilities in Kern County.” The bill takes full effect on January 1, 2026. [Read more](#).

**For all 970+ 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**

**New Chair of the California Air Resources Board Takes Office.** Effective October 1, the California Air Resources Board’s (CARB) new Chair Lauren Sanchez took office, succeeding Chair Liane Randolph who retired from state service effective September 30, 2025, and who led the agency since 2020. Sanchez was previously Senior Advisor for Climate to Gov. Gavin Newsom. According to the California Independent Petroleum Association, “While Sanchez is widely regarded as knowledgeable and well-versed

in climate policy, some observers note the close transition from Governor Newsom's office to CARB raises questions about regulatory independence. Moving directly from the governor's climate shop into the chair's seat could blur the lines between executive policy priorities and CARB's role as an ostensibly independent regulatory board." [Read more.](#)

#### **California Energy Commission Makes Permanent Oil Industry Emergency Data Collection Regulations.**

On October 8, the California Energy Commission (CEC) permanently adopted rules "requiring oil businesses to disclose detailed information about their operations to the state, over industry objections that the move could put pressure on already-struggling refineries." [Read more.](#) As reported by *E&E News*, the CEC "voted to make permanent emergency data collection regulations the agency adopted from February 2024 through February 2025. Under the rules, oil industry businesses are required to submit information to the state regarding transactions on the wholesale spot market, refiners' costs and profits, petroleum imports to California, the ownership of products held at merchant terminals, and quarterly projections of the receipt and distribution of supplies." [Read more.](#) For further information and resources, access the CEC agenda and meeting webpage [available here.](#)

**Newly Named Department of Conservation and Energy Takes Effect – Louisiana.** On October 1, the newly named Louisiana Department of Conservation and Energy took effect. The former agency name, the Department of Energy and Natural Resources, was changed by legislation in the 2025 legislative session. [Read more.](#) As reported in the press, state officials "say the changes will place it on a more modern and transparent footing to balance 'economic growth and environmental stewardship.' The changes are also expected, the department's secretary has said, to enhance enforcement of the state's oil and gas sector. It will also streamline permitting, a change welcomed by the industry." [Read more.](#)

#### **NMED Announces Release of Greenhouse Gas Emission Reductions Handbook – New Mexico.** On

October 6, the New Mexico Environment Department (NMED) Climate Change Bureau announced "the release of a new resource, [the Handbook for Analyzing Greenhouse Gas Emission Reductions in Western States: Designed to Support Planning Analyses in AZ, CO, NM, OR, and WA](#). The handbook was developed by ICF International, Inc. with support and input from five western states including New Mexico." [Read more.](#) According to the NMED, "The handbook enables users to calculate greenhouse gas (GHG) emissions reductions resulting from various climate actions. Designed to support local governments, institutions, project developers, and communities in their planning efforts, it includes New Mexico-specific information, standardized emission reduction quantification methods, and guidance to achieve accurate and reliable results. Examples of emissions-reducing actions include expanding a bikeway network, using reclaimed water, and expanding urban tree planting." [Read more.](#)

#### **Ohio Division of Real Estate & Professional Licensing Launches Electronic Portal for Users.**

On September 29, the Ohio Department of Commerce's Division of Real Estate & Professional Licensing (REPL) announced it is launching a new eLicense LPI (Licensing, Permitting, and Inspections) Portal in late October 2025. According to the REPL, "The new eLicense LPI portal will streamline workflows and reduce inefficiencies. The eLicense LPI Portal will create a simpler and faster experience for REPL customers." Among other licensed professionals, the new portal will be available to land professionals who register with the REPL. In the meantime, the REPL suggests creating an OH|ID account while you are awaiting the eLicense LPI portal launch. The REPL provided that "You must first create an OH|ID account to access the new eLicense LPI portal and manage your license. If you already have an OH|ID for another state agency like BMV or Ohio Taxation, you are good to go for now. How to Create an OH|ID: Go to: <https://ohid.ohio.gov>. Click on 'Create Account.' Follow prompts to enter your personal information, including your name, email address, and a secure password. If you need additional assistance in creating your OH|ID please [click here](#) for a step-by-

step guide or contact the OHID Contact Center between the hours of 8am – 5pm at 614-644-OHID (6443).” [Read more.](#)

**RRC Solicitation for Statewide Well Plugging and Related Services – Texas.** On October 7, the Texas Railroad Commission (RRC) provided pre-notification of its “Solicitation for Statewide Well Plugging and Related Services.” According to the RRC, they “will be utilizing millions in funding for statewide well plugging and related services and has issued a Pre-Notification of Solicitation for RFQ 455-26-1006” which is available [here](#). “The official Request for Qualifications (RFQ) will be posted on the [Electronic State Business Daily \(ESBD\)](#) in December 2025. At that time, vendors seeking to contract with the RRC for well plugging services will be required to complete and submit a statewide well plugging response, detailing their qualifications, personnel experience, plugging equipment, past experience and the RRC districts for which they are proposing to provide well plugging and related services. Responses to the official RFQ will be evaluated on contractor qualifications, financial terms and to ensure they comply with all federal, state and RRC contract requirements.” [Read more.](#)

**RRC Announces Members of State Taskforce on Petroleum Theft – Texas.** The Texas Railroad Commission (RRC) has announced the 13 members who will serve on the RRC’s newly formed State Taskforce on Petroleum Theft (STOPTHEFT). The STOPTHEFT task force was created by [SB 494](#) in the most recent Texas legislative session, “which created a new felony offense addressing the theft of petroleum products and oil and gas equipment.” [Read more.](#) The task force members – which consist of state, federal and local law enforcement and the energy industry – will “study and make recommendations on preventing the theft of petroleum products in the state.” [Read more.](#)

## **[STATE – Judicial](#)**

**Local Oil and Gas Ordinance – Pennsylvania.** Recently, in [Protect Elizabeth Township v. Elizabeth Township Board of Commissioners](#) (Case No. 830

C.D. 2024), the Pennsylvania Commonwealth Court reversed a trial court order by holding that “a municipality impermissibly granted conditional use approval to an oil and gas well pad and interconnect facility on tax lots that were already occupied by single family residences.” As noted by Pennsylvania law firm Houston Harbaugh, P.C., “municipalities with zoning ordinances can legislate ‘where’ oil and gas related developments may occur.” Here, the court “analyzed the zoning ordinance’s definitions to determine whether the well pad and/or the interconnect facility was subject to the single ‘principal structure’ requirement.” That restriction might limit oil and gas infrastructure if it were determined that those were a principal structure rather than a “building structure” as argued by the operators. In its analysis, the court “concluded that the well pad and the interconnect facility *could* each fall within the scope of a principal structure.” [Read more.](#)

## **Solar Energy Development – Pennsylvania.**

Recently, in consolidated cases, [Lebanon Solar I, LLC v. North Annville Township Board of Supervisors](#) (Case No. 255 C.D. 2024), the Pennsylvania Commonwealth Court addressed a denial by a municipality of “a solar energy developer’s proposal for a solar energy generating facility covering approximately 858 acres. That geographic area involved 12 contiguous tax parcels, all of which were zoned ‘A-1’, where the proposed solar farm development was a conditional use.” The municipality had denied the conditional use approval on three grounds: “First, the solar energy developer’s failure to prove that each of the individual tax lots complied with the conditions for solar farm development in the zoning ordinance. Second, the solar energy developer’s failure to submit a stormwater management plan and bond. Third, the solar farm developer’s failure to propose an adequate vegetative buffer that was governed by the zoning ordinance.” Here, the court “concluded that it did not, and could not, reach the merits of the land use appeal because it was untimely.” This was so because the “first land use appeal in early May 2022 was premature and procedurally improper because it preceded the actual written decision.” As noted by Pennsylvania



law firm Houston Harbaugh, P.C., “As a result of this procedural dismissal of the appeal, the Commonwealth Court did not substantively address the question of ordinance compliance on individual parcels as part of a larger solar energy development. But, the fact that the municipality denied the conditional use application on that basis, along with others, suggests that compliance with ordinance requirements on a parcel-by-parcel basis is a critical point of consideration in the consideration of any conditional use or special exception application.”

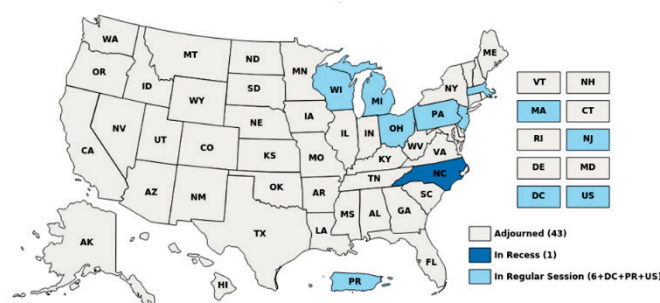
[Read more.](#)

## INDUSTRY NEWS FLASH

► **OPEC+ maintains oil production increases for November 2025.** As reported by the *Oil & Gas Journal* on October 6, 2025, OPEC+ nations have “announced plans to increase oil production by 137,000 b/d starting in November, maintaining the same increase as in October in response to ongoing worries about a potential supply surplus.” [Read more.](#)

## LEGISLATIVE SESSION OVERVIEW

### States in Session



**Session Notes:** Six states are currently in regular session. The **U.S. Congress** is also in session.

**North Carolina** passed an [adjournment resolution](#) that called for the regular session to recess and then reconvene monthly through April 2026. The legislature is next scheduled to convene on October 20.

**New Mexico** adjourned its special session on October 2 after passing bills to address federal budget cuts. According to [KOAT](#), lawmakers passed several bills during the session, including legislation to provide support for healthcare and SNAP programs in the state. However, none of the legislative priorities during the special session related to the energy industry.

**Utah** adjourned its special session on October 6 after passing new congressional maps. According to [ABC4](#), legislators passed a new map ahead of a November 10 deadline to comply with Proposition 4, the state’s anti-gerrymandering ballot measure from 2018. Before passing the map, the legislature passed a bill that codifies three tests a judge must use to determine partisan fairness in districts, and since the bill was signed into law by Republican Gov. Spencer Cox before the passage of the new map, the rules will apply to future rulings on the map.

**Governor Signing Deadlines** (*by date; active sessions*): **California** Democratic Gov. Gavin Newsom (October 13). **Illinois** Democratic Gov. J.B. Pritzker has 60 days from presentment to act on legislation or it becomes law without signature. **Michigan** Democratic Gov. Gretchen Whitmer has 4 days from presentment to act on legislation or it is pocket vetoed.

The following states are currently holding 2025 interim committee hearings and posting interim studies: [Alabama](#), [Arizona](#), [Arkansas](#), [California Assembly](#) and [Senate](#), [Colorado](#), [Connecticut](#), [Delaware](#), [Florida House](#), [Georgia](#), [Hawaii](#), [Idaho](#), [Indiana](#), [Iowa](#), [Kansas](#), [Kentucky](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Missouri](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Hampshire House](#) and [Senate](#), [New Mexico](#), [New York Assembly](#) and [Senate](#), [North Dakota](#), [Oklahoma](#), [Oregon](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting pre-files or bill drafts for the 2026 legislative session: [Alabama](#), [Florida](#), [Iowa](#), [Maine](#), [New Hampshire](#), [Oklahoma](#), [Tennessee](#) and [Wyoming](#). ■

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