

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Regulatory

BLM Resource Advisory Council – California. On December 23, 2024, the Bureau of Land Management (BLM) announced multiple meetings and field tour dates for the Northern California District Resource Advisory Council (RAC) in 2025. As noted by the BLM, “The 15-member RAC advises the Secretary of the Interior, through the BLM, on a variety of planning and management issues associated with BLM-managed public lands in northern California and far northwest Nevada.” RAC meetings are open to the public.

[Read more.](#)

BLM Rocky Mountain Resource Advisory Council – Colorado. On January 8, the BLM announced multiple meetings and a field tour date for the Rocky Mountain Resource Advisory Council (RAC). “The 15-member Rocky Mountain RAC advises the Secretary of the Interior, through the BLM, on a variety of public land issues in the Rocky Mountain District of Colorado, including the Royal Gorge Field Office, San Luis Valley Field Office, and Browns Canyon National Monument.” RAC meetings are open to the public.

[Read more.](#)

BLM Utility-Scale Solar Development On December 27, 2024, the BLM published a *Notice of Availability of the Approved Resource Management Plan Amendments and Record of Decision for Utility-Scale Solar Energy Development* ([89 Fed. Reg. 105623](#)). According to the BLM, these documents covering the western state planning area “update the public lands management framework to support utility-scale solar energy development and improve protection of important and sensitive resources.” Further, “The 11-state planning area for this effort includes approximately 162 million acres of public lands administered by the BLM.”

[Read more.](#)

BLM Resource Management Plan – New Mexico.

On January 3, the BLM published a *Notice of Availability of the Record of Decision and Approved Resource Management Plan for the Rio Puerco Field Office in Albuquerque, NM* ([90 Fed. Reg. 333](#)). According to the notice, “This Approved RMP/ROD replaces the current Rio Puerco RMP (approved in 1986 and amended in 1992). The Rio Puerco Field Office administers approximately 731,600 acres of surface estate and approximately 3.6 million acres of subsurface mineral estate known as the decision area. These lands are within the Rio Puerco planning area and encompass Bernalillo, Cibola, McKinley, Sandoval, Torrance, and Valencia counties in central and northwestern New Mexico. The Rio Puerco planning area includes approximately 9.5 million acres, and within this area there are a mix of lands that are unaffected by this plan, such as national forest, national monument, Tribal land, State land, and private land. The planning area also includes valuable mineral resources and the largest population center in the State of New Mexico.”

[Read more.](#)

BLM Central Yukon Resource Management Plan –

Alaska. On January 7, the BLM published a *BLM Director's Response to the State of Alaska Governor's Appeal of the BLM Alaska State Director's Governor's Consistency Review Determination for the Central Yukon Resource Management Plan and Final Environmental Impact Statement* ([90 Fed. Reg. 1186](#)). The BLM notice provides “the reasons for the BLM Director's determination to reject the Governor of Alaska's recommendations regarding the Central Yukon Proposed Resource Management Plan (RMP) and Final Environmental Impact Statement (EIS).” For background, in June 2024, the Alaska governor submitted recommendations for the RMP/EIS. However, the “State Director decided not to adopt the recommendations made by the Governor. On August

13, 2024, the State Director sent a written response to the Governor describing the reasons for which the State Director believes that the Proposed RMP is consistent with State land use plans, policies, and programs to the maximum extent allowed under Federal law.” The governor appealed the response resulting in the current BLM notice. [Read more.](#)

BLM ANWR Oil and Gas Lease Sale – Alaska.

As reported on January 9 by the *Oil & Gas Journal*, the BLM received no bids in its offering of 400,000 acres in the coastal plain of Alaska’s Arctic National Wildlife Refuge for an oil and gas lease sale on January 6. [Read more.](#) “Industry and Alaska officials said the lack of bids in the latest lease sale was the result of too many restrictions.” The Alaska Industrial Development and Export Authority (AIDEA) “and the state of Alaska recently challenged the latest sale in federal court, arguing that lease terms and limited acreage offered violated the Congressional statute and will hurt future oil and gas development in the region.” Further, “Randy Ruaro, AIDEA executive director, requested a new auction, arguing that the sale was ‘illegal and broken’ and that ‘the terms and conditions imposed by the Department of Interior are so strict and onerous that you cannot economically produce oil there.’” [Read more.](#)

BLM Resource Management Plan – Wyoming.

On January 7, the BLM published a *Notice of Availability of the Record of Decision and Approved Resource Management Plan for the Rock Springs Field Office, Wyoming* (90 Fed. Reg. 1186). According to the BLM, “The planning area is located in portions of Lincoln, Sweetwater, Uinta, Sublette, and Fremont counties in southwestern Wyoming, and encompasses approximately 3.6 million acres of public land.” [Read more.](#)

BLM Color-of-Title Information Collection.

On January 8, the BLM published a notice of information collection, *Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Color-of-Title Application* (90 Fed. Reg. 1540). According to the notice, “The BLM collects and uses the information to determine the validity of a claim under the Color-of-Title Act.” The

public comment period is open through February 7, 2025. [Read more.](#)

Department of Energy Carbon Capture Funding Opportunities.

The U.S. Department of Energy (DOE) has announced multiple funding opportunities, totaling \$3.5 billion in investments, to develop carbon capture and transport technologies. As reported by law firm Hogan Lovells, “These opportunities offer significant support for the commercialization of carbon removal technologies and signal the outgoing administration’s commitment to ambitious greenhouse gas reduction goals.” [Read more.](#) Specifically, “Under the first funding opportunity, DOE is offering up to \$1.3 billion in funding for point source carbon capture and storage projects and regional carbon management networks. The second funding opportunity includes up to \$1.8 billion in funding for the design, construction, and operation of direct air capture (DAC) facilities in furtherance of developing four regional DAC hubs. The third funding opportunity includes up to \$500 million for expanded CO2 transport systems.” Specific details about each DOE funding opportunity and access to deadline information and applications is [available here.](#)

Offshore Oil and Gas Drilling Ban. On January 6, the Biden administration announced plans to ban “new offshore oil and gas development across 625 million acres [...] across large swaths of the Atlantic Ocean, the Pacific Ocean, the eastern Gulf of Mexico and the Northern Bering Sea in Alaska.” [Read the White House Withdrawal Memorandum here.](#) You may also access a [White House Fact Sheet here.](#) According to *Offshore* magazine, “Biden is leaving the possibility open for new oil and natural gas leasing in the central and western areas of the Gulf of Mexico, which account for around 14% of the nation’s production of these fuels.” Further, the “section of the law that Biden’s decision relies on – the 1953 Outer Continental Shelf Lands Act – gives a president wide leeway to bar drilling and does not include language that would allow President-elect Donald Trump or other future presidents to revoke the ban. Biden, Trump and Trump’s predecessor, Barack Obama, all used the law to ban sales of offshore drilling rights in some offshore areas. Trump tried in 2017 to reverse Arctic and Atlantic Ocean withdrawals Obama

had made at the end of his presidency, but a federal judge ruled in 2019 that the law does not give presidents the legal authority to overturn prior bans.” However, “Senator Mike Lee (R-Utah), the new chairman of the Senate Energy and Natural Resources Committee, has reportedly said that he will seek to overturn the decision using the Congressional Review Act, which allows lawmakers to nullify an executive action within 60 days of enactment with a simple majority vote.” [Read more](#). The American Petroleum Institute immediately responded that “American voters sent a clear message in support of domestic energy development, and yet the current administration is using its final days in office to cement a record of doing everything possible to restrict it. Congress and the incoming administration should fully leverage the nation’s vast offshore resources as a critical source of affordable energy, government revenue and stability around the world. We urge policymakers to use every tool at their disposal to reverse this politically motivated decision and restore a pro-American energy approach to federal leasing.” And the Independent Petroleum Association of America Offshore Committee Chairman Ron Neal, the President of Houston Energy L.P. and CEO of HEQ Deepwater, issued the following statement: “President Biden’s decision to ban new offshore oil and natural gas development across approximately 625 million acres of U.S. coastal and offshore waters is significant and catastrophic.” [Read more](#). On January 6, President-elect Trump said, “It’s ridiculous; I’ll unban it immediately.” Trump added, “When I see somebody saying he’s going to ban 625 million acres, he doesn’t know what that is. He doesn’t even know what 625 million acres would look like, and we can’t let that happen to our country.” [Read more](#).

ONRR Annual Civil Monetary Penalty Inflation Adjustments. On January 9, the Interior Department’s Office of Natural Resources Revenue (ONRR) published their *2025 Civil Monetary Penalty Inflation Adjustments* ([90 Fed. Reg. 1878](#)). Each year the ONRR publishes adjustments for inflation for the civil monetary penalty amounts it assesses under the Federal Oil and Gas Royalty Management Act, as provided. [Read more](#).

Treasury Department 45V Clean Hydrogen Production Tax Credit. On January 3, the U.S. Department of Energy, U.S. Department of the Treasury, and Internal Revenue Service announced “final rules for the section 45V Clean Hydrogen Production Tax Credit established by the Inflation Reduction Act. The final rules include significant changes and flexibilities that address several key issues to help grow the industry and move projects forward, while adhering to the law’s emissions requirements for qualifying clean hydrogen. With the inclusion of these changes, the final rules provide clarity, investment certainty, and flexibility, including for participants in projects planned as part of the Department of Energy’s Regional Clean Hydrogen Hubs program. The final rules announced today clarify how producers of hydrogen, including those using electricity from various sources, natural gas with carbon capture, renewable natural gas (RNG), and coal mine methane can determine eligibility for the credit. To qualify for the full credit, projects must also meet prevailing wage and apprenticeship standards, continuing the Biden-Harris Administration’s commitment to put workers at the center of the clean energy economy and ensure clean energy jobs are good-paying jobs.” (See the final rules here: *Credit for Production of Clean Hydrogen and Energy Credit*; [90 Fed. Reg. 2224](#); Effective January 10, 2025). According to the Treasury Department, “The rules enable pathways for hydrogen produced using both electricity and methane, providing investment certainty while ensuring that clean hydrogen production meets the law’s lifecycle emissions standards. By law, the tax credit’s value is based on the lifecycle greenhouse gas (GHG) emissions of hydrogen production. To qualify as clean hydrogen under the statute, the lifecycle GHG emissions of the hydrogen production process must be no greater than 4 kilograms of carbon dioxide equivalents (CO₂e) per kilogram of hydrogen produced. Qualifying clean hydrogen falls into four credit tiers, with hydrogen produced with the lowest GHG emissions receiving the largest credit. Calculation of the lifecycle GHG analysis for the tax credit requires consideration of direct and significant indirect emissions.” [Read more](#). For further analysis of the tax credit program from law firm Pillsbury Winthrop Shaw Pittman LLP, [Read more](#).

FEDERAL – Judicial

BLM Oil and Gas Leasing – Alaska. On January 6, the state of Alaska sued the Biden administration “for actions in 2024 that violate the statutory mandate of Congress to open oil and gas leasing and development in a section of the Arctic National Wildlife Refuge known as the Coastal Plain.” [See the Alaska Department of Law Press Release here.](#) In [Alaska v. U.S. Department of the Interior](#), “The lawsuit said curbs on surface use and occupancy make it ‘impossible or impracticable to develop’ 400,000 acres (162,000 hectares) of land the U.S. Interior Department plans to auction this month to oil and gas drillers.” In a statement by Alaska Gov. Mike Dunleavy (R), “Interior’s continued and irrational opposition under the Biden administration to responsible energy development in the Arctic continues America on a path of energy dependence instead of utilizing the vast resources we have available.” [Read more.](#)

STATE – Legislative

State Lease Term Extension – Ohio. On December 19, Gov. Mike DeWine (R) signed [HB 308](#) into law. Originally a bill defining nuclear energy as green energy in the state, a later bill amendment was added by Senate Republicans to extend the primary term of a state oil and gas lease – which includes drilling on state public lands, parks, and wildlife areas – from the existing 3 years to 5 years. The Act is effective 90 days after the legislature transmits the signed Act to the Ohio Secretary of State. [Read more.](#)

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 through the AAPLConnect LANDNEWS and Governmental Affairs Network member forums [here](#) or on the AAPL website [here](#).

STATE – Regulatory

High Priority Habitat Rulemaking – Colorado. As a follow-up to our 2024 reporting, on December 30,

2024, the Colorado Energy & Carbon Management Commission (ECMC) filed a Notice of Rulemaking regarding the ECMC’s High Priority Habitat Maps Rulemaking “which is to begin February 26, 2025.” [Read the ECMC notice here.](#) Further, the ECMC announced that “Persons or organizations wanting to participate in this rulemaking as a party are required to file a [request for party status](#) with the Commission on or before 5:00 p.m., Friday, January 17, 2025.” [Access the ECMC party status online form here.](#) The rulemaking will amend ECMC 100-Series regulations, which contain definitions. As provided by the ECMC, “On April 16, 2019, Governor Polis signed Senate Bill 19-181 into law. Senate Bill 19-181 ensures that oil and gas development and operations in Colorado are regulated in a manner that protects public health, safety, welfare, the environment, and wildlife resources. The Commission completed a series of rulemakings in 2020 that implement Senate Bill 19-181’s mandates. As part of those rulemakings, the Commission adopted a definition of High Priority Habitat. The Commission’s definition of High Priority Habitat includes those habitat areas identified by Colorado Parks and Wildlife on maps included as Appendix VII to the Commission’s Rules. The definition of High Priority Habitat also provides that ‘on a periodic but no more frequent than annual basis and will be modified only through the Commission’s rulemaking process described in Rule 529. Notice of such rulemaking proceeding will be provided by February 28 of each year.’” [All rulemaking documents may be accessed here.](#)

Public Regulation Commission Appointment – New Mexico. On January 1, it was announced that Gov. Michelle Lujan Grisham (D) has appointed Greg Nibert, “a former Republican state senator and oil and gas lawyer to a six-year term on the New Mexico Public Regulation Commission.” The Commission’s mission is “ensuring safe operations and reliable utility services at fair, just, and reasonable rates consistent with the State’s legal, economic, environmental, and social policies.” Of the appointment, Nibert said, “The PRC plays a crucial role in ensuring we meet the renewable energy targets set forth in statute for the betterment of our state. I look forward to securing

New Mexico's energy future for generations to come.” [Read more.](#)

Texas Commission on Environmental Quality Chair Appointment – Texas. On January 7, Gov. Greg Abbott (R) announced the appointment of Brooke Paup as Chair of the Texas Commission on Environmental Quality for a term set to expire on August 31, 2027. According to the announcement, “Brooke Paup of Austin was first appointed to the Texas Water Development Board in February 2018. She has 19 years of state government experience. Previously she served as the director of legislative affairs for the Texas Comptroller of Public Accounts and spent several years at the Office of the Attorney General. Additionally, she served as legislative counsel at the Office of State-Federal Relations in Washington, D.C. under Governor Rick Perry. She was appointed to the Environmental Flows Advisory Group in 2022 by Governor Abbott. She is a council member of the Texas Farm and Ranch lands Conservation Program and member of the State Bar of Texas, Junior League, and Symphony League. Paup received a Bachelor of Arts from Texas A&M University and a Juris Doctor from Texas Tech University School of Law.” [Read more.](#)

STATE – Judicial

CalGEM Regulations – California. On January 7, the California Independent Petroleum Association (CIPA) announced it will be filing an amicus brief in the ongoing case, [TRC Operating Company v. Shabazian](#) (Case No. F085832), for review before the California Supreme Court. According to CIPA, “This case addresses a critical issue: whether CalGEM can bypass legislatively mandated appeal rights by issuing ‘notices’ instead of formal ‘orders.’ At the heart of the case is Public Resources Code Section 3225, which guarantees operators the right to appeal formal orders issued by CalGEM. However, CalGEM circumvented this statutory protection in this instance by labeling its directive as a ‘notice’ instead of an ‘order.’ This distinction carries significant implications for operators who are left without a clear avenue to challenge regulatory decisions without risking severe penalties.

The trial court correctly recognized this overreach and ruled that CalGEM's actions conflicted with legislative intent. Unfortunately, the Fifth District Court of Appeal overturned that decision.” [Read more.](#)

Dormant Mineral Act – Ohio. On December 31, 2024, the Ohio Court of Appeals, Ninth District, in [Thomson v. K & R Conservation, LLC](#) (Case No. 2024-Ohio-6098), addressed a dispute concerning ownership of oil and gas rights in real property and “whether a surface owner’s attempt to abandon previously severed minerals under the Ohio Dormant Mineral Act [...] was effective.” Here, the court found that regarding the notice requirements of the Dormant Mineral Act, “it was the surface owner’s failure to attempt to search the public records of a county where the mineral holders were known to last reside that was fatal—not whether that search would have definitively yielded holder identification/location information.” In short, the court held that K & R, the surface owner, “did not exercise reasonable diligence to identify the holders of the mineral rights.” [Read more.](#)

Royalty Interests; Leasing; Pooling – Texas. On December 31, 2024, in [ConocoPhillips Company v. Hahn](#) (Case No. 23-0024), the Texas Supreme Court addressed on appeal the “amount of royalty petitioner ConocoPhillips Company owes respondent Kenneth Hahn, who owns a non-participating royalty interest (NPRI) in production from a mineral estate leased by ConocoPhillips.” Specifically, “ConocoPhillips’s petition asks whether Hahn’s right to a 1/8 fixed share of production was reduced when Hahn either (1) ratified a subsequent lease by the owner of the mineral estate that includes its own royalty term, or (2) signed a later stipulation and cross-conveyance agreeing to accept a different royalty.” The appellate court held “that neither the ratification nor the stipulation and cross-conveyance reduced Hahn’s NPRI.” The Supreme Court agreed “with the court of appeals regarding ratification but disagreed regarding the stipulation.” Here, the court held “that Hahn’s NPRI was not altered by the royalty term of the ratified lease, in which the fee owners of the mineral estate granted ConocoPhillips their rights to possess and extract

minerals in exchange for a royalty.” Further, the court held that “Hahn later reduced his NPRI by conveying part of it to the mineral fee owner in the stipulation and cross-conveyance. The court of appeals’ failure to give effect to the stipulation and cross-conveyance was contrary to” established Texas Supreme Court precedent. As such, the Texas Supreme Court reversed the appellate court by rendering “judgment that ConocoPhillips correctly calculated Hahn’s share of proceeds from the production on the pooled unit.” As noted by the Texas Civil Justice League, “the case maintains the Court’s longstanding position that parties are bound by the agreements they make, as long as those agreements are valid in accordance with contract law principles.” In short, the Texas Supreme Court reversed the appellate court and ruled in favor of ConocoPhillips “holding that the owner of a non-participating royalty interest did not convert his fixed interest into a floating one when he entered into a stipulation and cross-conveyance agreement with another royalty owner in a pooled interest.”

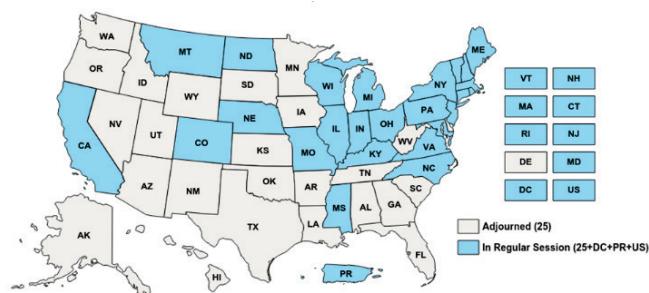
[Read more.](#)

INDUSTRY NEWS FLASH

► **Texas oil and gas industry paid record taxes and royalties in 2024.** As reported on January 8, “The Texas oil and natural gas industry broke multiple records in fiscal 2024, including paying a record \$27.3 billion in taxes and royalties, according to new data published by the Texas Oil & Gas Association (TXOGA). According to TXOGA data, “This is the highest total in Texas history – shattering last year’s record by nearly \$1 billion. What the industry paid in one year, \$27.3 billion, is more than what 34 states received in total tax revenues.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: California, Colorado, Connecticut, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia and Wisconsin are in regular session. The U.S. Congress is also in session.

The following are scheduled to convene for the 2025 legislative session on the dates provided: **Arizona, Arkansas, Georgia, Idaho, Iowa, Kansas and Washington** (January 13); **South Carolina, South Dakota, Tennessee, Texas and Wyoming** (January 14); and **Alaska, New Mexico, and Utah** (January 21).

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Georgia](#), [Hawaii](#), [Idaho](#), [Kansas](#), [Louisiana](#), [Minnesota](#), [Nevada](#), [New Mexico](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2025 bill drafts, pre-files and interim studies: [Alabama](#), [Arizona](#), [Arkansas](#), [Delaware](#), [Florida](#), [Iowa](#), [Kansas](#), [Nevada](#), [New Mexico](#), [Oklahoma](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas](#), [Utah](#), [Washington](#) and [Wyoming](#). ■

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