

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

H. Con. Res. 90 – LNG Export Permits. On Feb. 6, Rep. Brandon Williams (R-NY) was joined by 10 other cosponsors in introducing [H. Con. Res. 90](#). The concurrent resolution “urges a return to permitting LNG exports for the sake of economic prosperity and national security, and condemning the Biden Administration for halting LNG exports.” Rep. Williams said, “The President’s suspension of LNG exports is an example of the worst kind of retaliation politics. He’s put American families who depend on the jobs created by the extraction, processing, and shipping of LNG in harm’s way because of a separate issue he has with the Governor of Texas. Beyond that, this rash decision sends a signal to our allies in Europe that we are not a trustworthy alternative to Russian natural gas. These same allies are using our LNG to wean off of Russian supply, but will be backed into a corner—President Biden strengthens Putin at the expense of American workers.” [Read more](#). In related news, [H.R. 7176](#), Unlocking our Domestic LNG Potential Act, passed the House on Feb. 19. The bill would reverse the recent ban imposed by the Biden Administration by “lifting all DOE restrictions on the import and export of natural gas.” [Read more](#).

House Energy & Commerce Committee Hearing Regarding LNG Export Ban. On Feb. 6, the House Energy & Commerce Committee, Subcommittee on Energy, Climate & Grid Security, held a hearing titled, “Energy, Climate, and Grid Security Subcommittee Hearing: ‘Politics Over People: How Biden’s LNG Export Ban Threatens America’s Energy and Economic Security.’” According to the hearing memo, “The Biden administration’s indefinite ‘pause’ on liquefied natural gas (LNG) exports jeopardizes American energy security, jobs, and the economy. This latest attack on energy production is a political

decision to appease radical climate activists at the expense of our energy security and the security of our allies. If President Biden were serious about environmental stewardship, he would unleash the production and export of clean, affordable, and reliable American natural gas—which has allowed us to reduce emissions more than any other nation. This hearing will be an opportunity to explore the many benefits of American LNG not only for the U.S., but for our allies as well.” Among the testifying witnesses was Toby Z. Rice, President and CEO of EQT Corporation, who said, “Let’s call this what it is: the Biden administration’s decision is pure politics. We all know what this really is: an election year stall designed to garner votes.” To access a full video recording of the hearing and witness testimony, [Read more](#). In related news, on Feb. 6, 23 state attorneys general sent a letter to President Biden and Energy Secretary Jennifer Granholm urging the President “to end the ‘pause’ on exports of liquefied natural gas (LNG).” The letter states that “Instead of addressing America’s real energy challenges, your administration has decided to double down on a reckless environmental agenda through this TikTok-inspired ‘pause.’ But this surprise freeze is (1) unlawful, (2) harmful to our economy, and (3) detrimental to our national security. It emboldens and empowers Iran and Russia, while further hampering our ability to protect ourselves. the LNG pause on approvals for new export sites and facilities.” [Read the letter here](#). Further, the attorneys general argue that the Department of Energy had no authority “to issue blanket denial of export permits” and no such statutory authority was cited by the administration when announcing the pause. The letter also implies that legal challenges may be forthcoming. [Read more](#).

Senate Committee on Energy & Natural Resources Committee Hearing on LNG Export Approvals Pause and Process for Assessing Applications. Related to

the above coverage, on Feb. 8, the Senate Committee on Energy & Natural Resources held a “Full Committee Hearing to Examine the Administration’s Pause on LNG Export Approvals and the Department of Energy’s Process for Assessing LNG Export Applications.” In his opening remarks, Committee Chairman Joe Manchin (D-WV) said, “The White House has gone out of its way to signal that the pause is a political ploy intended to get votes in an election year—it’s all about politics, not economics and not based in facts.” Sen. Manchin also said, “Unfortunately, it seems the White House has already sided with climate activists determined to block any more LNG exports, and I am deeply concerned the White House will put its thumb on the scale at DOE to get the political outcome they want.” In his testimony, David Turk, Deputy Secretary at the U.S. Department of Energy (DOE), told senators that the DOE’s “evaluation of the impact of additional US LNG exports on the climate and economy should take ‘months, not years.’” Turk also said, “Put simply, this temporary pause to update our analyses will not impact our ability to supply our allies with LNG [...] This pause on additional approvals does not interfere with current exports nor other projects already authorized or under construction.” [Read more.](#) To access a full video recording of the hearing and witness testimony, [Read more.](#)

FEDERAL – Regulatory

BLM Resource Advisory Council – Colorado.

On Feb. 12, the Bureau of Land Management (BLM) announced the Colorado Northwest Resource Advisory Council (RAC) will hold its 2024 winter meeting on Feb. 28. The RAC meeting will be held both in person in Craig, CO, and virtually, and is open to the public. “Agenda items include field manager updates, discussions on orphaned wells, planning updates, and a presentation by Colorado Parks and Wildlife on sage grouse.” [Read more.](#)

EPA and DOE Announce Intent to Fund Projects to Reduce Methane Emissions from the Oil and Natural Gas Sectors. On Feb. 9, the U.S. Environmental Protection Agency (EPA) and the U.S. Department of

Energy (DOE) announced a Notice of Intent (NOI) “to make funds available to help measure and reduce methane emissions from the oil and gas sectors as part of President Biden’s Investing in America agenda.” According to the NOI, “This funding from the Inflation Reduction Act will help oil and natural gas sector operators cut methane emissions and transition to innovative methane emissions reduction technologies, while also supporting partnerships to improve emissions measurement and provide accurate, transparent data to impacted communities. Through a combination of technical and financial assistance, the Methane Emissions Reduction Program will help reduce inefficiencies in U.S. oil and gas operations, create new jobs in energy and disadvantaged communities, improve public health, and realize near-term emission reductions—helping reach the nation’s ambitious climate and clean air goals.” [Read more.](#)

LNG Export Licensing Freeze. On Feb. 8, the Independent Petroleum Association of America joined other manufacturing, business, and midstream trade associations who sent a letter to President Biden once again opposing the “Department of Energy freeze on consideration of U.S. LNG export license applications.” The letter writers “urge immediate approval of all pending LNG export licenses, together with rescission of the order pausing the processing of applications for LNG export licenses by the Department of Energy.” [Read the letter here.](#)

FEDERAL – Judicial

Emissions Reporting – California. On Jan. 30, the U.S. Chamber of Commerce, California Chamber of Commerce, and other business groups sued the California Air Resources Board (CARB) in federal court to stop the implementation of two climate bills passed in the California legislature last year. In [Chamber of Commerce of the United States of America v. California Air Resources Board](#) (Case No. 2:24-cv-00801), the lawsuit “challenges two novel California laws that unlawfully attempt to regulate speech related to climate change. [Senate Bills 253](#) and [261](#) impermissibly compel thousands of businesses to make costly, burdensome, and

politically fraught statements about ‘their operations, not just in California, but around the world.’” As reported by the California Independent Petroleum Association, those bills “mandate companies to disclose their carbon emissions and financial risks associated with climate change to investors.” Thus, the lawsuit “argues that these laws infringe upon the First Amendment by compelling companies to partake in speech against their will, without any commercial purpose, and exert political and economic pressure to align with state political desires.” [Read further legal analysis here](#). Neither CARB nor the state attorney general has yet to respond to the lawsuit. [Read more](#).

National Outer Continental Shelf Oil and Gas Leasing Program – Washington, DC. On Feb. 12, the American Petroleum Institute (API) filed a petition in federal court “challenging the Biden administration’s 2024-2029 National Outer Continental Shelf Oil and Gas Leasing Program.” [Read the API Press Release here](#). In [American Petroleum Institute v. Department of the Interior](#), the API “argues the 2024-2029 Gulf of Mexico leasing plan issued by the Biden administration ‘limit[s] access’ to energy, despite federal law requiring the development of a five-year plan that ‘best meets’ American energy needs.” Of the plan, the API said, “Interior’s final five-year program outlined a maximum of three potential oil and gas lease sales – the fewest oil and gas lease sales in a five-year program in history – in the Gulf of Mexico Program Area scheduled in 2025, 2027 and 2029. 2024 will be the first year since 1966 without an offshore lease sale.” The petition asks the U.S. Court of Appeals for the District of Columbia to review the government’s Record of Decision and Approval for the leasing program because it is “arbitrary, capricious, and not in accordance with law.” [Read more](#).

STATE – Legislative

Oil and Gas Drilling Ban – Colorado. On Feb. 13, [SB24-159](#) was introduced by Sen. Sonya Jaquez Lewis (D). The bill would “ban new oil and gas drilling in Colorado by 2030 — which sponsors claim is necessary to counteract climate change and address ‘adverse health impacts’ — is raising a furor

throughout the industry.” A spokesperson for Gov. Jared Polis said the governor was not consulted on the proposal and hadn’t reviewed it yet. In addition to the 2030 oil and gas drilling ban, “the measure imposes liability for decommissioning and remediating wells, saying it is ‘just and equitable for the owners and operators that have profited from oil and gas activity to pay for the remediation costs.’ It goes on to say that ‘it is a matter of great importance to public health and safety’ that the costs ‘be paid to the fullest extent by all potentially responsible parties.’ The proposal makes prior owners and operators liable for cleanup costs of wells, regardless of how long ago they owned the facility and whether the prior operator violated any law.” The bill also provides for rulemaking which “must include certain reductions in the total number of oil and gas wells covered by new permits issued in 2028 and 2029; also requires the commission to include as a condition in any permit issued after July 1, 2024, that certain operations must commence on or before December 31, 2032, as to each oil and gas well included in the permit; [and] provides for mitigation of adverse environmental impacts resulting from oil and gas operations.” [Read more](#).

Independent Energy Office – Pennsylvania.

On Feb. 5, the Senate Appropriations Committee approved [SB 832](#) following its introduction by Sen. Gene Yaw (R). According to Sen. Yaw, the bill “will establish the Independent Energy Office (IEO) within the Commonwealth. Pennsylvania has one of the most diverse energy portfolios in the United States. We have energy sectors ranging from gas, coal, nuclear, renewables, hydro, geo-thermal and wood to name a few. Similar to the Independent Fiscal Office (IFO), the IEO would not support or oppose any policy it analyzes. The IEO would be charged with providing impartial, timely and data driven analysis to guide the state in determining and meeting future energy needs.” [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

Hydraulic Fracturing Phase-Out Rulemaking –

California. On Feb. 9, the California Department of Conservation's Geologic Energy Management Division (CalGEM) released their "Well Stimulation Permitting Phase-Out" proposed rulemaking for public comment. [Read the proposed rule here](#). The rule would phase-out hydraulic fracturing in the state but does not set a sunset date, and although no new permits have been issued since 2021, CalGEM "will officially cease to approve hydraulic fracturing permits on California oil and gas wells" with the rule. Originally, CalGEM considered a five-year phase-out but rejected that in the released rulemaking. "Among the reasons for phasing out permits for fracking the Geologic Energy Management Division cited was that widespread public concern and dissatisfaction regarding hydraulic fracking activities and perceived impacts associated with it have continued to intensify in the years since it started a thorough permitting process for the practice." [Read more](#). According to CalGEM, "The release begins a 45-day public comment period that ends on March 27, 2024. All comments received will be considered for incorporation into the regulation." CalGEM will also hold a virtual public meeting on March, 26. [Read more](#). For more resources on the proposed regulations, visit the CalGEM rulemaking website and access documents under the heading: "Well Stimulation Permitting Phase-Out." [Read more](#).

New Governor Makes Oil and Gas Industry

Announcements – Louisiana. On Feb. 5, Louisiana's recently elected governor Jeff Landry (R) made several announcements regarding the oil and gas industry during his keynote speech at the Louisiana Mid-Continent Oil and Gas Annual Meeting. Gov. Landry first announced he will sign a proclamation supporting the oil and gas industry and will "sign an executive order to expedite permitting processes that may cause hold-ups. He said there would be a dashboard to see the permitting process in real-time."

[Read more](#). Gov. Landry also recently announced "a \$100 million bond allocation for the expansion project at Chevron's Geismar Renewable Diesel Plant" that "is expected to bring 90 new permanent jobs and 1,500 temporary jobs" to the state. [Read more](#).

Clean Transportation Fuel Standards – New Mexico.

[HB 41](#), known as the Clean Transportation Fuel Standards bill, has passed the legislature and now heads to the governor for signature. As provided in an agency analysis, the bill "would amend the Environmental Improvement Act to require the EIB [Environmental Improvement Board] to promulgate regulations governing the carbon intensity of transportation fuels. The bill defines 'carbon intensity' as 'the quantity of fuel lifecycle emissions per unit of fuel energy, expressed in grams of carbon dioxide equivalent per megajoule.' The bill would also provide definitions of 'transportation fuel' and 'fuel lifecycle.' HB 41 would further require that the regulations adopted by the EIB meet a number of criteria, including but not limited to: being technology neutral; reducing the carbon intensity of transportation fuels used in the state by 20% from 2018 levels by 2030 and 30% by 2040; allowing for trading of credits among regulated entities and producers and others; taking into consideration equivalent rules in other jurisdictions and coordinating as appropriate; requiring utilities to invest net credit revenue from the program into transportation infrastructure and projects; considering adoption of additional mechanisms; not discriminating against fuels based on state or jurisdiction of origin; and establishing appropriate permits and fees." The bill also empowers the New Mexico Environment Department (NMED) "to maintain, develop, and enforce regulations for the program." [Read more](#). An NMED fact sheet states, "A Clean Fuel Standard creates a Clean Fuel Market where credits are bought, sold and traded depending on the carbon intensity of the transportation fuel. The Clean Fuel Market only applies to those companies that import or produce transportation fuels for use in New Mexico – everything from traditional fossil fuel diesel to cleaner fuels such as renewable diesel, biodiesel, renewable natural gas and electricity." [Read the HB 41 fact sheet here](#). For additional resources on HB 41 and the Clean Fuel Standard, [visit the NMED website here](#).

Land Conservation Incentives Tax Credit Rulemaking Amendments – New Mexico. On Jan. 30, the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) adopted final rules for the Land Conservation Incentives Tax Credit. According to EMNRD, “This is an amendment to 3.13.20 NMAC, amending Sections 7 through 15, effective 1/30/2024.” The tax credit relates to “Charitable donations of land – or an interest in land (conservation easement) – to public or private conservation agencies for conservation purposes” which “are eligible for a state tax credit through the New Mexico Land Conservation Incentives Act.” To see the amendments in the new rule and a comparison to the prior rule, [see the Final Rule here](#). For more information about the EMNRD Land Conservation Incentives Tax Credit program and applications and procedures, [Read more here](#).

Carbon Capture and Hydrogen Production Public Briefing – Ohio. Carroll County, Ohio will be holding a public briefing on “carbon capture, hydrogen production and related infrastructure development activities” on Feb. 28. According to the announcement, “business and community leaders and interested residents are invited to attend a special briefing” sponsored by the Carroll County Farm Bureau. The briefing will cover “infrastructure requirements and related production activities in Carroll County, energy market trends, remediation standards, as well as regulatory agencies governing different types of energy development.” [Read more](#).

Carbon Dioxide Storage Hub – Ohio; Pennsylvania; West Virginia. A carbon dioxide storage hub is seeking 80,000 acres across Western Pennsylvania, Ohio, and West Virginia. As reported on Feb. 13, by the Pittsburgh Post-Gazette, “Landmen are knocking on doors again in southwestern Pennsylvania, eastern Ohio and West Virginia. This time, it’s not to make deals for what’s already in the ground, but for the empty spaces that could hold the region’s industrial waste — the carbon dioxide that comes out of smokestacks across the tri-state region.” Tenaska is developing the Tri-State Carbon Capture and Sequestration Hub in the region. “We’ve got active negotiations with lots of landowners across eight counties in three states,” said Bret Estep,

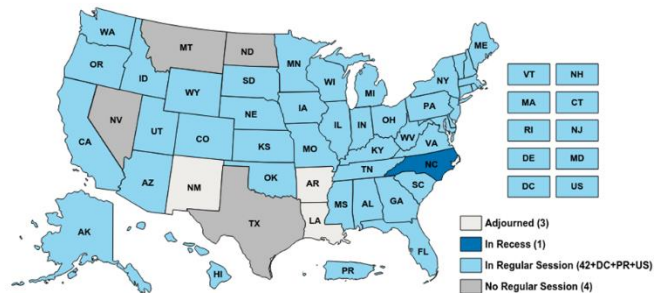
vice president of development for Tenaska. “The reception so far has been ‘excellent,’ he said. ‘I’ve been very impressed.’” [Read more](#).

INDUSTRY NEWS FLASH

► **Texas Oil & Gas Producers Pay Record Royalties.** The Texas Oil and Gas Association (TxOGA) reports that the Texas “oil and gas industry paid a record \$26.3 billion dollars in state and local tax royalties, which is over \$1.5 million dollars more than last year’s record. TxOGA said those funds, about \$73 million dollars a day, go directly to Texas public schools, universities, and roads.” [Read more](#).

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming are in regular session. The U.S. Congress is also in session.

The following states are expected to convene for the 2024 legislative session on the dates provided: **Louisiana** (March 11) and **Arkansas** (April 10).

New Mexico adjourned its 2024 legislative session on February 15 and Democratic Gov. Michelle Lujan Grisham has until March 6 to act on legislation or it is pocket vetoed.

The following states are expected to adjourn on the dates provided: **Utah** (March 1), **Florida**, **Washington** and **Wyoming** (March 8) and **Virginia** and **West Virginia** (March 9).

The following states are currently holding interim committee hearings or studies: [Arkansas](#), [Louisiana](#), [Montana](#), [Nevada](#), [North Dakota](#) and **Texas** [House](#).

The following states are currently posting 2024 bill drafts and pre-files: [Louisiana](#) and [Nevada](#). ■

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