

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S. 3655 - Strategically Lowering Gas Prices Act.

On Jan. 24, Sen. Ted Budd (R-NC) introduced [S. 3655](#), known as the Strategically Lowering Gas Prices Act. The bill “would prohibit the Biden administration from releasing oil from the Strategic Petroleum Reserve (SPR) until any executive orders blocking energy development on federal land that would otherwise be available for leasing are revoked.” According to Sen. Budd, “Working Americans and small businesses alike are struggling with the high cost of fuel. At the same time, President Biden’s war on American energy has left him with precious few options to ease this economic pain. Instead of encouraging domestic production, his administration has begged foreign nations to increase their energy output, which increases America’s dependence on volatile international markets. He has also tapped our own emergency oil reserves to such an extent that we are no longer well-positioned to deal with the next crisis. The best way to lower fuel prices is for President Biden to reverse his radical environmentalist agenda and pursue an ‘all of the above’ strategy that gets us back to American energy independence. That’s what my bill will force President Biden to do.” [Read more.](#)

FEDERAL – Regulatory

BLM Resource Advisory Council – Utah. On Jan. 25, the Bureau of Land Management (BLM) announced that the Utah Resource Advisory Council (RAC) will be holding multiple meetings and field tours beginning in March. Both in-person and virtual options will be available. RAC meetings are open to the public. “The Utah RAC provides recommendations to the Secretary of the Interior, through the BLM, on a variety of public lands issues.” [Read more.](#)

BLM Oil and Gas Lease Sale – Mississippi. On Jan. 26, the BLM Eastern States State Office “announced an oil and gas lease sale scheduled for March 26, 2024, to offer three oil and gas parcels totaling 91 acres in Mississippi. The BLM completed scoping on these parcels in November 2023 and held a public comment period that closed in December 2023 on the parcels, potential deferrals, and the related environmental analysis. A 30-day public protest period to receive additional public input opened today and will close Feb. 26, 2024.” [Read more.](#)

BLM Solar Development Plan. On Jan. 22, the BLM announced it “is holding two virtual and six in-person open-house meetings in February and March to provide information on the Department of the Interior’s ongoing efforts to support appropriate renewable energy development on our nation’s public lands through an updated Western Solar Plan.” According to the BLM, “the public meetings will preview the BLM’s proposed revisions to the agency’s Utility-Scale Solar Energy Programmatic Environmental Impact Statement (known as the updated Western Solar Plan), which would streamline the BLM’s framework for siting solar energy projects and expand BLM’s solar energy program to cover five additional states across the West.” [Read more.](#)

EPA Methane Emissions Proposed Rulemaking.

(Update to 1/22/24 Report) As an update to our prior reporting, on Jan. 30, the Independent Petroleum Association of America (IPAA) sent a letter to the U.S. Environmental Protection Agency requesting a 30-day comment period extension for the EPA proposed rule, *Waste Emissions Charge for Petroleum and Natural Gas Systems* ([89 Fed. Reg. 5318](#)). The letter states, “IPAA believes a 30-day extension of the WEC Rule comment period is both necessary and reasonable in order for IPAA staff and its members to fully analyze the

proposed WEC Rule and its connections to the Subpart W Rule and Methane Rule, develop comments, and inform EPA's final rule." [Read the letter here](#). The current comment period deadline is March 11, 2024. For background, on Jan. 12, the EPA released their proposed methane waste emissions charge rulemaking that "will assess a charge on certain large emitters of waste methane from the oil and gas sector that exceed emissions intensity levels set by Congress." [Read more](#).

Interior Department National Wildlife Refuge System Proposed Rulemaking. On Feb. 2, the Interior Department and U.S. Fish and Wildlife Service (FWS) published a proposed rule, *National Wildlife Refuge System; Biological Integrity, Diversity, and Environmental Health* ([89 Fed. Reg. 7345](#)), "to ensure that the biological integrity, diversity, and environmental health (BIDEH) of the National Wildlife Refuge System (Refuge System) are maintained, and where appropriate, restored and enhanced, in accordance with the National Wildlife Refuge System Improvement Act of 1997. In addition, the Service is proposing updates to the existing BIDEH policy, which will be available for public comment concurrently with the proposed regulations in this docket. These proposed regulatory and policy revisions would support conservation throughout the Refuge System in response to both longstanding and contemporary conservation challenges, including the universal and profound effects of climate change on refuge species and ecosystems. Together, these proposals would uphold BIDEH across the Refuge System by providing refuge managers with a consistent approach for evaluating and implementing management actions to protect vulnerable species, restore and connect habitats, promote natural processes, sustain vital ecological functions, increase resilience, and adapt to climate change." The public comment period will be open through March 4, 2024. As reported by *Bloomberg Law*, "Environmental groups say they hope the new rules will make it more challenging for any company to ever drill for oil in the Arctic National Wildlife Refuge." However, FWS spokesperson Christine Schuldheisz said the agency "will consider all of its statutory obligations when considering future oil and gas development within the Refuge System." [Read more](#).

U.S. Department of Energy LNG Export Restrictions.

On Jan. 24, AAPL joined the American Exploration and Production Council, American Petroleum Institute, Independent Petroleum Association of America, and dozens of other industry and trade groups "in urging the Biden administration to reject calls to halt permits for U.S. LNG export facilities." In a letter to U.S. Department of Energy Secretary Granholm, "the groups emphasized the critical role that continued U.S. LNG exports play in safeguarding national security, creating U.S. jobs, supporting our European allies and contributing to global climate goals." [Read the letter here](#). The letter comes on the heels of the Biden administration signaling it may impose limits on permitting approvals for U.S. LNG infrastructure and exports to meet certain climate change goals. As stressed in the letter, "Our industry is proud to support our allies and global emissions goals, but the geopolitical and climate benefits of American energy exports cannot be maintained with a regulatory regime that moves at the whims of political pressure. We urge you to reject calls for DOE to prolong the review period or create new hurdles as it considers approvals for new LNG projects and terminals." [Read more](#). **UPDATE:** As reported by *Bloomberg Government*, on Jan. 26, the Biden administration "halted the approval of new licenses to export liquefied natural gas while it scrutinizes how the shipments affect climate change, the economy, and national security — a moratorium likely to disrupt plans for billions of dollars in projects. New exports are now vetted on a case-by-case basis to see whether they are in the public interest — a threshold established by federal law — but government assumptions used in those reviews haven't been updated since 2018. The pause is set to at least temporarily stall projects in development — including Commonwealth LNG, Energy Transfer, and Venture Global LNG facilities planned in Louisiana." [Read more](#). The same day, Sen. Joe Manchin (D-WV), who chairs the Senate Committee on Energy and Natural Resources, announced he plans to hold hearings to "investigate the Biden administration's announcement of a temporary pause of pending decisions on exports of liquefied natural gas" and focus on "this administration's motivations and their implications." [Read more](#).

Trade Groups Send Letter to Congress Urging Action on LNG Exports. On Jan. 30, the Energy Workforce & Technology Council sent a letter to Congressional leaders urging action on LNG exports following the Biden administration's permitting pause on LNG export facilities. Joined by trade groups such as the Independent Petroleum Association of America, Texas Alliance of Energy Producers, and the Western Energy Alliance, the letter notes that "Given the national security implications of this misguided decision for both the United States and our European allies, we urge you to quickly advance legislation to remove the Department of Energy from the non-FTA permitting process to allow critical LNG infrastructure to move forward." [Read the letter here.](#)

Office of Natural Resources Revenue Annual Penalty Inflation Adjustments. On Jan.22, the Office of Natural Resources Revenue (ONRR) published their *2024 Civil Monetary Penalty Inflation Adjustments* final rule ([89 Fed. Reg. 3884](#)). This rule is published every year to adjust for inflation the civil monetary penalty (CMP) amounts it assesses under federal law. The rule provides a comparable table between the 2023 maximum penalty for each category and the new 2024 adjustments. [Read more.](#)

FEDERAL – Judicial

Wind Development; Mineral Estates – Oklahoma. On Dec. 20, 2023, in [United States v. Osage Wind, LLC](#) (Case No. 4:14-cv-00704-JCG-JFJ), the U.S. District Court for the Northern District of Oklahoma "awarded permanent injunctive relief in favor of the Osage Nation and the United States against wind turbine farm developers in the form of ejectment of the wind farm for continuing trespass. A trial to assess the amount of monetary damages due for trespass and conversion will follow." This long-running case arose from a finding that the wind developers were required to have a mineral lease, which they did not, and not just surface use agreements for their wind farm development in Osage County, Oklahoma. [Read a comprehensive background of the case from the Oklahoma Bar Association Journal here.](#) The court found "that the use of the backfill created from extracted

rocks did constitute a continuing trespass. The court relied substantially on the 10th Circuit's earlier holding that the alteration of the excavated rocks and re-use of the crushed rocks to support the foundation constituted unauthorized mining. The court further noted that its broad interpretation of 'mineral development' was supported by the 'Indian canon of interpretation that requires the Court to liberally construe ambiguity in laws intended to benefit Indians in favor of Indians.' In granting the harsh relief of ejectment of the wind farm, the court seemed particularly persuaded by the developers' continuing refusal to obtain a mineral rights lease even after the 2019 10th Circuit ruling that the developers' practices constituted unauthorized mining of the land. To protect the sovereignty of the Osage Nation, the court ordered the removal of the wind towers." [Read more.](#)

STATE – Legislative

Limitations on EPA Regulatory Oversight – West Virginia. On Jan. 12, Sen. Patrick Martin (R) introduced [SB 358](#). Known as the Natural Resources Anti-Commandeering Act, the bill would end state and local enforcement of certain U.S. Environmental Protection Agency rules and regulations by prohibiting state agencies, political subdivisions, and their employees from knowingly and willingly participating in the enforcement of any federal act, law, order, rule, or regulation relating to coal, oil, gas, timber, or other extractive resources, or downstream industries related to such extractive resources if it does not exist under state law. The bill would also prohibit the use of any assets, state funds, or funds allocated by the state to local entities for the enforcement of the same. [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

New Mexico Environment Department Climate Action Plan Meetings. On Jan. 31, the New Mexico Environment Department (NMED) announced the state will hold community events related to the Climate Pollution Reduction Grant (CPRG) Program awarded by the U.S. Environmental Protection Agency “to support the State in creating two climate action plans (a priority plan and a comprehensive plan) for implementing effective greenhouse gas reduction strategies while ensuring the benefits of these actions are delivered to New Mexicans, especially Low Income or Disadvantaged Communities.” To learn more about New Mexico’s CPRG Program, [Read more](#). The next events are open to the public and will be held on Feb. 7 and Feb. 10. [Read more](#).

RRC Votes in Favor of Asking the State Attorney General to Challenge EPA Emissions Standards – Texas. On Jan. 30, Texas Railroad Commissioners voted in favor of requesting Texas Attorney General Ken Paxton challenge new methane emissions standards released by the U.S. Environmental Protection Agency (EPA). As reported by the *Houston Chronicle*, “The regulations would force oil and gas companies [...] to reduce emissions of methane, a potent greenhouse gas, and smog-forming volatile organic compounds over the next one to two years.” [Read more](#). The Railroad Commission notes that it has “joined the Texas Commission on Environmental Quality to coordinate pushback against the rules through multiple public comments submitted to the EPA.” The request is an outgrowth of Texas bill, [HB 33](#), enacted in 2023, that bars “state officials from helping enforce any federal oil and gas law that contradicts the state’s own laws.” As of this reporting, the Attorney General’s office has not responded publicly about whether or how it will proceed. [Read more](#).

RRC Criticizes Biden Administration’s Pending Decision to Pause LNG Exports – Texas. On Jan. 24, Texas Railroad Commissioner Wayne Christian sent a letter to President Joe Biden and Energy Secretary Jennifer Granholm regarding the Biden Administration’s consideration of a pause on permits for new liquefied

natural gas (LNG) export projects, “criticizing the potential action and encouraging them to grow LNG exports to support America’s allies abroad.” According to Railroad Commissioner Christian, “America becoming energy dominant again – like in 2019 – is the key to restoring global order, and that starts with a strong LNG export industry. I don’t know about President Biden, but I’d much rather have the world buy America’s clean natural gas over gas anywhere else. LNG can be a beacon of hope, where many countries no longer produce their own fossil fuels due to the Net Zero agenda. Our energy strategy should be to increase production of our domestic fossil fuels and export that reliable energy to our allies across the globe.” [Read the letter here](#).

INDUSTRY NEWS FLASH

► Texas oil and gas jobs continue to grow.

According to the latest data released by the Texas Workforce Commission, oil and gas jobs have seen continual growth with over 31,000 jobs added as of Dec. 2023. [Read more](#).

► California sees a four-decade decline in crude production. According to a recent *Reuters* article, “It is the end of an era for Big Oil in California, as the most populous U.S. state divorces itself from fossil fuels in its fight against climate change. California’s oil output a century ago amounted to it being the fourth-largest crude producer in the U.S., and spawned hundreds of oil drillers, including some of the largest still in existence. Oil led to its car culture of iconic highways, drive-in theaters, banks and restaurants that endures today.” But, “companies long ago stopped investing in California production, and now want to hive off their old wells there” due to an unfavorable political climate. [Read more](#).

