

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S.J. Res. 63/H.J. Res. 116 – Resolution of Disapproval of the U.S. Department of Labor Independent Contractor Rule. Congressional Republican lawmakers have introduced resolutions of disapproval seeking to nullify the recent U.S. Department of Labor Independent Contractor Rule” that changes the test for determining if a worker is an independent contractor. [S.J. Res. 63](#) was introduced by Sen. Bill Cassidy (R-LA) and [H.J. Res. 116](#) was introduced by Rep. Kevin Kiley (R-CA). To learn more about the U.S. Department of Labor Independent Contractor Rule, which took effect on March 11, 2024, [read the exclusive AAPL Fact Sheet here](#).

House Natural Resources Committee Hearing on Federal Energy Legislation. On March 6, the House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, held a legislative hearing on multiple energy bills. Specifically, [H.R. 6482](#): “Enhancing Geothermal Production on Federal Lands Act” (Amends the Geothermal Steam Act of 1970 to promote timely exploration for geothermal resources under geothermal leases); [H.R. 7370](#), “Geothermal Energy Opportunity Act” (to establish a deadline for processing applications related to geothermal leasing); [H.R. 7375](#) (to amend the Mineral Leasing Act to improve the assessment of expression of interest fees); [H.R. 7377](#), “Royalty Resiliency Act” (amends the Federal Oil and Gas Royalty Management Act to ensure the federal government collects royalties only on resources that have been recovered from federally-managed lands); [H.R. 7409](#), “Harnessing Energy At Thermal Sources Act” or the “HEATS Act” (would speed up U.S. energy production by streamlining geothermal energy infrastructure development and production; would expedite geothermal energy

production by clarifying that geothermal operators do not need a federal drilling permit for wells that are on state and private lands where the subsurface geothermal estate is less than 50% federal. While operators would be exempt from federal permitting requirements, they would still be subject to state permitting regulations); [H.R. 7422](#), “Geothermal Cost-Recovery Authority Act of 2024” (To amend the Geothermal Steam Act of 1970 to provide cost-recovery authority for the Department of the Interior; allows for cost recovery from geothermal leasing, permitting, and inspections). Testifying witnesses included Dan Naatz, Chief Operating Officer of the Independent Petroleum Association of America, who spoke on H.R. 7375 and H.R. 7377. To access a full video recording of the hearing and witness testimony, [Read more](#).

FEDERAL – Regulatory

EPA Emissions Rule for Existing Sources in the Oil and Natural Gas Sector. On March 8, the U.S. Environmental Protection Agency (EPA) released their final rule, *Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review* ([89 Fed. Reg. 16820](#)). According to the EPA, the rule “is finalizing multiple actions to reduce air pollution emissions from the Crude Oil and Natural Gas source category. First, the EPA is finalizing revisions to the new source performance standards (NSPS) regulating greenhouse gases (GHGs) and volatile organic compounds (VOCs) emissions for the Crude Oil and Natural Gas source category pursuant to the Clean Air Act (CAA). Second, the EPA is finalizing emission guidelines (EG) under the [Clean Air Act] CAA for states to follow in developing, submitting, and implementing state plans to establish performance standards to limit GHG emissions from existing sources

(designated facilities) in the Crude Oil and Natural Gas source category. Third, the EPA is finalizing several related actions stemming from the joint resolution of Congress, adopted on June 30, 2021, under the Congressional Review Act (CRA), disapproving the EPA's final rule titled, 'Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review,' September 14, 2020 ('2020 Policy Rule'). Fourth, the EPA is finalizing a protocol under the general provisions for optical gas imaging (OGI)." The rulemaking was completed Nov. 30, 2023, and officially announced by EPA Administrator Michael Regan at the COP28 climate talks in Dubai, United Arab Emirates held in December 2023. According to the EPA, the rule "will sharply reduce emissions of methane and other harmful air pollution from oil and natural gas operations. The rule includes standards to reduce methane and volatile organic compounds (VOCs) from new, modified, and reconstructed sources. It also includes Emissions Guidelines for states to follow as they develop plans to limit methane emissions from existing sources. Oil and natural gas operations are the largest industrial source of methane pollution in the U.S. Methane is a climate 'super pollutant,' and rapid, sharp cuts in methane emissions are a crucial addition to cutting carbon dioxide in slowing the rate of warming of Earth's atmosphere." [Read an EPA Fact Sheet here.](#) The rule applies to production and processing, such as onshore well sites; storage tank batteries; gathering and boosting compressor stations; and natural gas processing plants. Some key aspects of the rule include: (1) expanded methane detection monitoring; (2) a two-year phase-in period for eliminating routine flaring of natural gas from new oil wells, and a one-year phase-in of zero-emissions standards for new process controllers and pumps outside of Alaska; (3) a program to leverage third-party expertise to find large emissions known as "super emitters;" and (4) The rule gives states, along with Tribes that wish to regulate existing sources, two years to develop and submit their plans for reducing methane from existing sources. The final emission guidelines also give existing sources ample lead time for compliance, providing three years from the deadline for plan submission for existing sources to comply. [See a detailed EPA presentation here.](#) Oil and gas industry stakeholders have been critical of this 400+ page rule,

including the Independent Petroleum Association of America, who said, "these new source regulations will impose complicated new requirements that could be structured more cost effectively and EPA's requirements for existing sources would lead to the shutdown of 300,000 of about 750,000 total low-production wells." Since its release, the Texas Attorney General has already [filed a legal challenge in federal court](#), at the request of the Texas Railroad Commission. [Read more.](#) And Republican lawmakers in Congress also vow to overturn the rule through a resolution nullifying it pursuant to the Congressional Review Act, which allows Congress to nullify rules within a certain time period after they're finalized. The rule is scheduled to take effect May 7, 2024, unless it is stayed by a federal court in the many pending legal actions challenging it. To learn more, the public can attend the EPA "Alternative Test Method - Advanced Methane Detection Technology" webinar on April 15, 2024, that "will focus on the options in the final rule for using advanced methane detection technologies, such as satellite monitoring, aerial surveys, and continuous monitors, to find leaks or Super-Emitter events. The webinar will include details on the process for applying to use alternative test methods and what needs to be included in the application." [Read more.](#) For a deeper dive into the rule, including EPA regulatory document resources, future trainings, and contacts at the EPA for questions about the rule for oil and natural gas operations, [Read more.](#)

Interior Department; Bureau of Land Management Greater Sage-Grouse Rangewide Planning. On March 15, the Interior Department and Bureau of Land Management (BLM) published a *Notice of Availability of the Draft Resource Management Plan Amendment and Environmental Impact Statement for Greater Sage-Grouse Rangewide Planning* ([89 Fed. Reg. 18963](#)). The notice announces that the BLM "has prepared a Draft Resource Management Plan Amendment (RMPA) and Draft Environmental Impact Statement (EIS) for Greater Sage-Grouse Rangewide Planning and by this notice is providing information announcing the opening of the comment period on the Draft RMPA/EIS and on the BLM's consideration of potential areas of critical environmental concern." As reported by *Bloomberg Government*, the draft plan would restrict oil and gas

development on some swaths of land in the eight Western states and the Dakotas. “The plan calls for allowing oil and gas leasing, but restricting development by preventing the surface of the land from being disturbed in many areas, a restriction called ‘no surface occupancy.’ The scope of those restrictions will vary by state. The goal of the plan is to improve and restore Greater Sage-Grouse habitat by cooperating with state wildlife agencies. The draft is based on components of previous plans the BLM adopted in 2015 and 2019 while incorporating new scientific research and considering more than 1,900 public comments.” The public comment period is open through June 13, 2024. The BLM is also planning to hold multiple public meetings on the plan, for which we will keep AAPL members updated once the BLM has provided those locations and dates in the coming weeks. [Read more.](#)

Interior Department National Wildlife Refuge System Proposed Rulemaking. (*Update to 2/5/24 Report*) On March 5, the Interior Department and U.S. Fish and Wildlife Service extended the comment period for their proposed rule, *National Wildlife Refuge System; Biological Integrity, Diversity, and Environmental Health* ([89 Fed. Reg. 7345](#)), initially released on Feb. 2 with a comment period closing on March 4. Public comments will now be accepted through May 6, 2024. [Read more.](#) For background, the proposed rule seeks “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.” 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.](#)

BLM Cuts Oil and Gas Leasing Acreage – New Mexico. As reported on March 14 by the *Carlsbad Current-Argus*, the Bureau of Land Management (BLM) has cut acreage in a proposed June 2024 auction for oil and gas leases. The BLM “said it proposed leasing four parcels of land in Eddy, five parcels in Lea and two in Chaves counties in the southeast Permian Basin region, combining the New Mexico sale with eight parcels of land in Kansas. The sale offered 760 acres in Eddy County, 480 in Lea County and 359 acres in Chaves County. The BLM initially proposed to lease 18 parcels in New Mexico but removed seven after further analysis, cutting the sale by 3,152 acres.” As reported, “The reduction was also in response to several public comments the BLM received on the nominated parcels, calling for leases to be deferred if they did not appear likely to produce oil and gas, could impact wildlife and cultural resources or contribute to greenhouse gas pollution.” [Read more.](#)

BLM Idaho Resource Advisory Council. On March 5, the Bureau of Land Management (BLM) published a notice of call for nominations to the Idaho Resource Advisory Council ([89 Fed. Reg. 15888](#)). “The RACs provide advice and recommendations to the BLM on land use planning and management of the National System of Public Lands within their geographic areas.” One category of representation the BLM is seeking are those who represent energy and mineral development. Nominations must be received by April 4, 2024, and applicants may self-nominate. [Read more.](#)

Energy Department Announces Funding Opportunities for Carbon Management Priorities. On Feb. 29, the U.S. Department of Energy’s Office

of Fossil Energy and Carbon Management (FECM) “announced up to \$30 million in additional funding to support two carbon management priorities—the conversion of carbon dioxide (CO₂) into environmentally responsible and economically valuable products and the development of lower-cost, highly efficient technologies to capture CO₂ from industrial sources and power plants for permanent storage or conversion. Advancing the development of these technologies will help establish the foundation for a successful carbon capture, storage, and conversion industry in the United States and will help meet the Biden-Harris Administration’s ambitious climate goals of achieving a carbon neutral power sector by 2035 and net-zero greenhouse gas emissions by 2050.” Applicants for the funding opportunity “must address the societal considerations and impacts of their proposed projects, emphasizing diversity, equity, inclusion, and accessibility throughout the research and development process. Applications must explain how projects are expected to deliver equitable access to, and distribution of, benefits produced from successful technology innovations; incorporate diversity, equity, inclusion, and accessibility; and understand the future workforce implications of the innovation. Projects selected under this opportunity will be required to develop and implement strategies to advance these priorities, and report on such activities and outcomes.” The application period is open through April 29, 2024. [Read more.](#)

Interior Department Office of Natural Resources Revenue Agency Information Collection Notice.

On March 12, the Interior Department Office of Natural Resources Revenue (ONRR) published a notice of information collection, *Agency Information Collection Activities; Collection of Monies Due to the Federal Government; and Processing Refund Requests Related to Overpayments Made to ONRR* ([89 Fed. Reg. 17876](#)), that “seeks to revise this collection and receive renewed authority to collect information necessary to cover cross-lease netting in the calculation of late-payment interest; a lessee’s designation of designee for payment obligations; tribal permission for recoupment on Indian oil and gas leases; and refund requests for overpayments made to ONRR.” The public comment period is open through April 11, 2024. [Read more.](#)

SEC Climate Disclosure Rule. On March 6, the U.S. Securities and Exchange Commission (SEC) announced the adoption of an 800+ page climate disclosure rule for public companies, nearly a year later than expected. [Read the SEC Press Release here.](#) The rule, [The Enhancement and Standardization of Climate-Related Disclosures for Investors](#), “will require registrants to provide certain climate related information in their registration statements and annual reports [and] will require information about a registrant’s climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition.” [Read more.](#) In short, the new rule will “require public companies to provide qualitative disclosure” as well as “qualitative financial statement disclosure” as part of their public filings. Those disclosures cover: “climate-related risks; identification, oversight and management of such risks; the impact of those risks on the business; climate-related targets and goals; data relating to a company’s GHG emissions; and climate-related capitalized costs, expenditures, charges and losses, and impacts on financial statement estimates and assumptions.” [Read an SEC Fact Sheet here.](#) For a deeper dive into the required disclosures, [Read more from law firm Holland & Knight here.](#) One positive outcome is that the SEC removed “Scope 3” emissions disclosures from the final rule. These disclosures were included in the proposed rule but received significant pushback from industry stakeholders. That requirement, had it been included, would have required public companies to also disclose “indirect greenhouse gas (GHG) emissions from upstream and downstream activities” in a company’s supply chain – an onerous and burdensome requirement that would be difficult to attain. Additionally, the final rule has scaled-back governance disclosures. As reported by law firm Morgan Lewis, “In response to concerns raised by commentators, the SEC also scaled back certain corporate governance disclosures and, similar to the recent cybersecurity disclosure rules, emphasized that the climate rules are not intended to mandate a specific corporate governance structure or risk-management methodology. Rather, the final rules focus on the disclosure of a registrant’s existing or developing climate-related risk governance practices. In particular, companies will not

need to identify relevant expertise of board members, the specific board members responsible for climate-related risk, the frequency of reporting climate-related risks to the board, or how the board sets climate-related targets or goals. Registrants will be required to describe whether and how the board oversees progress against disclosed climate-related targets, goals, or transition plans.” [Read more](#). The rule also provides for a lengthy phase-in period depending on a company’s filing status. No disclosure reporting is required prior to 2025. [Read more](#). Legal analysts have also provided companies with a roadmap of how to start preparing now for the rule implementation. [Read more](#). Since the rule was released, attorneys general from 22 states have already filed legal challenges in multiple federal courts asserting that the SEC has exceeded its regulatory authority with this first-ever disclosure rule. Congressional lawmakers have also begun hearings in an effort to overturn the rule at the legislative level. [Read more](#). **BREAKING UPDATE:** On March 15, the U.S. Court of Appeals for the Fifth Circuit paused the SEC rule amid litigation challenging the regulations. As reported by *Bloomberg Government*, Liberty Energy Inc. requested the pause as the company pursues its case in federal court. The Fifth Circuit didn’t explain why it approved the hold in its two-page unpublished opinion.

FEDERAL – Judicial

Interior Department Oil Drilling Approvals – North Dakota. On March 5, the U.S. Court of Appeals for the Eighth Circuit, on appeal from the U.S. District Court for the District of North Dakota, upheld the Bureau of Land Management’s approval of eight applications to drill under Lake Sakakawea in North Dakota, which is the “sole source of drinking water” for the Mandan, Hidatsa, and Arikara Nation Indian tribes and which the tribes challenged. In *Mandan, Hidatsa & Arikara Nation v. U.S. Department of the Interior* (Case No. 22-2459), the court held that the “Bureau of Land Management’s approval of the project wasn’t arbitrary or capricious because it was based on reasoned decision-making.” The case turned on a setback the nations established that was more restrictive than the agency’s requirements. The court, however, held that the Bureau of Land Management did not need to

respect the updated setback law because it was the permit holder’s burden to comply with the applicable regulations. In short, the court wrote that if an agency was required to consider “eleventh hour changes” in tribal laws for projects nearing approval, then the agency action could be delayed indefinitely. [Read more](#).

Severed Estates; Surface Use – Ohio. On Feb. 23, the U.S. District for the Southern District of Ohio (Eastern Division) granted a preliminary injunction in [EOG Resources, Inc. v. Lucky Land Management, LLC](#) (Case No. 2:23-cv-4232), stopping Lucky Land Management, LLC “from interfering with EOG’s reasonable use of the surface in connection with its lease of the severed oil and gas rights underlying approximately 313.20 acres located in Noble County, Ohio.” The case revolves around Lucky Land Management’s acquisition of the surface rights to the property in 2022 and their refusal to allow EOG to access the surface even though the property was subject to an oil and gas lease that gave EOG mineral rights to the property. According to the court, “The question is whether EOG can use its access to the surface of Lucky’s property to recover oil and natural gas from under Lucky’s property as well as from under adjacent properties using horizontal drilling.” Here, “The severance deeds and EOG’s oil and gas lease were silent as to whether the reservation of rights included the right to develop minerals underlying neighboring lands. The district court concluded that the severance deeds and EOG’s lease did not grant EOG an express right to use the surface to develop oil underlying neighboring lands. However, the district court found that EOG had a strong likelihood of success on the merits because EOG’s proposed use of the surface (i) did not exceed what is reasonably necessary for EOG to enjoy its right to the mineral estate and (ii) gives due regard to Lucky Land’s use of the surface. The district court noted that the two horizontal well pads impacted less surface acres than drilling 16 two-acre vertical well pads across the property. The district court also found that EOG’s \$100,000 offer demonstrated further due regard for Lucky Land’s surface rights. Specifically, the district court found that \$100,000 for the disturbance of

approximately 45 acres, most of which would only be temporarily disturbed, was an appropriate payment based on the price per acre that Lucky Land paid to purchase the property.” [Read more.](#)

STATE – Legislative

State Land Leases Renewals – Wyoming. On March 4, Gov. Mark Gordon (R) signed HB 10 into law. Sponsored by the Joint Committee on Agriculture, State and Public Lands and Water Resources, the bill authorizes the Director of the Office of State Lands and Investments to grant state land lessees additional time to renew their leases by 30 days. The Act is effective July 1, 2024. [Read more.](#)

State Land Leases Payments – Wyoming. On March 4, Gov. Mark Gordon (R) signed HB 11 into law. Sponsored by the Joint Committee on Agriculture, State and Public Lands and Water Resources, the bill “specifies that all state land lease renewal applications and rental payments are deemed filed on the date of the postmark stamped on the envelope in which they are mailed. The bill also removes specific types of payment methods that were accepted for rental payments and applications and authorizes the Director of the Office of State Lands and Investments to determine appropriate payment methods.” The Act is effective July 1, 2024. [Read more.](#)

For all 500+ 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 Ground Water Quality Bureau Water Reuse Public Hearing. On March 12, the New Mexico Environment Department Ground Water Quality Bureau announced that the Water Quality Control Commission (WQCC) will hold a public hearing both in-person and virtually on May 13, 2024,

following the WQCC’s scheduled meeting “to consider NMED’s proposed water reuse regulations, *Ground and Surface Water Protection – Supplemental Requirements for Water Reuse* (20.6.8 NMAC), which include the restricted reuse of treated produced water (water derived from oil and gas activities) for purposes outside of and unrelated to the oil and gas industry. The proposed regulations may be reviewed online at <https://www.env.nm.gov/opf/water-quality-control-commission/>.” The notice also provides information for those wishing to provide technical testimony and for non-technical public comment, with applicable deadline dates prior to the hearing. [Read more.](#)

New Mexico Environment Department Submits Priority Climate Action Plan to the EPA. On March 6, the New Mexico Environment Department (NMED) announced it has submitted a Priority Climate Action Plan (PCAP) to the U.S. Environmental Protection Agency. According to the NMED, “The PCAP is the first required deliverable of Phase 1 of the Climate Pollution Reduction Grant (CPRG), which was awarded to NMED in July of 2023. The PCAP is publicly available on [New Mexico’s Climate Pollution Reduction Grant](#) webpage. The PCAP outlines priority actions the state needs to take in order to cut greenhouse gas emissions, while providing air quality, health, workforce, and economic benefits to the state’s communities. The measures included in the PCAP are not an exhaustive list of climate actions that need to be taken to reach the state’s climate goals, but rather a list of priority actions that fit into the CPRG context and timeline. The plan was developed collaboratively with the Climate Policy Bureau of the Energy, Minerals and Natural Resources Department (EMNRD) and was built on extensive input collected from other state agencies, communities, workforce entities, and Tribes.” [Read more.](#)

Air Quality Bureau Air Permitting Fees – New Mexico. On March 7, 2024, the Air Quality Bureau (aqb) of the New Mexico Environment Department (NMED) [petitioned the Environmental Improvement Board](#) “to repeal and replace 20.2.71 NMAC, *Operating Permit Fees* (Part 71), and 20.2.75 NMAC, *Construction Permit Fees* (Part 75), to increase air permit fees to cover the costs of administering and implementing the

requirements of the New Mexico Air Quality Control Act and federal Clean Air Act. AQB will hold a [virtual stakeholder engagement meeting](#) on Wednesday, March 20 from 4:00 – 6:00 p.m. The proposed revisions to both regulations will be discussed in detail and there will be time for questions from the public. The full text of the Bureau's proposed amendments to Part 71 and 75 and related documents are available for download on the [Environmental Improvement Board's Docketed Matters webpage](#) or in hard copy at the Bureau's main office, 525 Camino de los Marquez, Santa Fe, New Mexico, 87505." According to the NMED, the agency "has experienced an unprecedented increase in the number and complexity of air quality permit applications. At the same time, assuring compliance with state and federal air quality standards has also expanded significantly in the past 20 years. For example, the number of permitted oil and gas industry facilities has grown by over 2,235% from 34 permits in 2012 to 794 permits in 2023. On average, New Mexico receives 84 new oil and gas construction permit applications annually. During this period, NMED's permit fees remained constant and staffing levels remained flat." According to Environmental Protection Division Director Michelle Miano, "These fee structure updates provide the resources we need to serve applicants effectively and provide a level playing field for businesses throughout the state." As far as the timeline, "NMED has requested the EIB consider the Air Quality Bureau's petition on March 22, 2024, with the request for a hearing in June 2024. Once the EIB agrees to hear the petition, NMED will launch the Public Comment Portal to receive written public comments on the petition that will continue through the conclusion of the EIB hearing." [Read more.](#)

Gov. Shapiro Announces Energy Plan to Include Cap-and-Invest and Renewable Energy for Utilities – Pennsylvania. On March 13, Pennsylvania Gov. Josh Shapiro (D) announced a state energy plan that includes cap-and-invest markets and a push for utilities to use renewable energy. [Read the governor's announcement here.](#) The governor said his plan will "protect and create nearly 15,000 energy jobs, lower utility bills for Pennsylvania households, and take real action to address carbon pollution. If passed by the legislature,

the Governor's initiatives would save Pennsylvania ratepayers \$252 million in the first five years, while generating \$5.1 billion in investment in clean, reliable energy sources." As part of the plan, "the Governor is proposing the Pennsylvania Climate Emissions Reduction Act (PACER) to establish a Pennsylvania-specific cap-and-invest program that allows Pennsylvania to determine its own cap on carbon and invest directly in lowering consumers' electricity bills." The PACER program would take the state out of the Regional Greenhouse Gas Initiative and "give the Commonwealth control over its own energy future." The plan also introduces the program, "the Pennsylvania Reliable Energy Sustainability Standard (PRESS), which will attract federal investments in the Commonwealth and keep utility costs low in the long-term by building out the reliable, affordable fleet of power sources we will need for the decades to come." Finally, "Governor Shapiro's plan also recognizes the critical importance of carbon capture, utilization, and storage (CCUS) in meeting our emissions reductions goals, and he is urging the General Assembly to pass enabling legislation to create a legal and regulatory framework for CCUS in Pennsylvania. This will help our state reduce emissions from the largest industrial sources and create good-paying, clean energy jobs in the process." [Read more.](#)

STATE – Judicial

State Regulation of Oil Operations – California. On March 1, the California Court of Appeal, Fifth Appellate District, on appeal from the Superior Court of Kern County, ruled that the California Geologic Energy Management Division (CalGEM) lawfully issued regulations meant to protect drinking water from damage caused by oil operations that required oil operations to stop in the event of "nearby surface expression." In *TRC Operating Co. v. Shabazian* (Case No. F085832), TRC challenged CalGEM's "directives requiring oil operators to stop drilling and injecting in areas where there could be a surface expression—an occurrence where fluids and gases from underground unintentionally flow to the surface." The case turned on an administrative appeal which parties claimed were "thwarted" and they never

received authorization to resume operations. TRC was successful at the trial level, but here, the court found a regulatory notice wasn't appealable until enforced. The court also found CalGEM's regulations were consistent with the overall statutory scheme of the state code. However, the case is still active because it was been sent back to the trial court as a determination was never made as to whether CalGEM's notice to cease operations was "arbitrary and capricious." [Read more.](#)

Leasing; Production Sharing Agreement; Surface Use – Texas. On Feb. 8, in [Hamilton v. ConocoPhillips Co.](#) (Case No. 13-22-00096-CV), the Texas Court of Appeal, Thirteenth District (Corpus Christi), "affirmed a trial court order dismissing a landowner's claims that an oil and gas producer breached its lease agreement and trespassed on the owner's property when it sited a pad for a horizontal well." The landowner had also challenged the validity of a surface use agreement that he had not signed. The court disagreed, holding that it "already determined that the production sharing agreement grants appellees the easement for the project and obviates the need for further consent. As such, we need not reach the merits of appellant's argument as to the validity of the surface use agreement." The court also dismissed a trespass claim by again relying on the production sharing agreement. [Read more.](#)

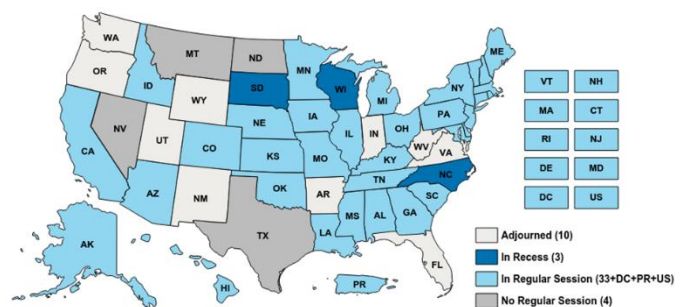
INDUSTRY NEWS FLASH

► **New poll shows majority of Pennsylvania voters oppose Biden administration LNG export ban.** As reported by *Marcellus Drilling News* on March 5, a new poll released by Axis Research and the Pennsylvania Energy Infrastructure Alliance shows 58% of Pennsylvania voters disagree with Joe Biden's pause on approving new LNG export permits. And 57% of poll respondents were Democrats and independents. Additionally, "After learning more about Biden's LNG pause, 41% of those surveyed said they were less likely to vote for Biden because of his LNG pause." [Read more.](#)

► **OPEC+ members extend oil output cuts through June.** As reported on March 4 by the *Oil & Gas Journal*, "Several OPEC+ members, led by Saudi Arabia and Russia, will extend voluntary oil output cuts of 2.2 million b/d into second-quarter 2024, providing the market with a boost amid concerns about global economic growth and rising production outside the group." [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



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

South Dakota is in recess until March 25. **North Carolina** is in recess until April 10.

The following states adjourned the 2024 legislative session on the dates provided: **Indiana** and **Wyoming** (March 8), **Virginia** and **West Virginia** (March 9).

Arkansas is expected to convene for the 2024 legislative session on April 10.

The following states are expected to convene for the 2024 legislative session on the dates provided: **Idaho** (March 22), **South Dakota** (March 25), and **Georgia** (March 28).

Signing Deadlines (by date): **Utah** Republican Gov. Spencer Cox has until March 21 to act on legislation or it becomes law without signature. **Indiana** Republican Gov. Eric Holcomb has until March 22 to act on legislation or it becomes law without signature. **Wyoming** Republican Gov. Mark Gordon has until March 23 to act on legislation or it becomes law without signature. **West Virginia** Republican Gov. Jim Justice has until March 27 to act on legislation or it becomes law without signature. **Virginia** Republican Gov. Glenn Youngkin has until April 8 to act on legislation or it becomes law without signature. **Florida** Republican Gov. Ron DeSantis has 15 days from presentment to act on legislation or it becomes law without signature.

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

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

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