

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

### **H.J. Res. 35 – Methane Emissions Charge Repeal.**

(Update to 3/10/25 Report) In a victory for the oil and gas industry, President Trump signed [H.J. Res. 35](#) into law on March 14. The measure repeals the Biden administration's Waste Emissions Charge, taking immediate effect. [Read more](#). As provided in the congressional legislative summary, "This joint resolution nullifies the Environmental Protection Agency (EPA) rule titled Waste Emissions Charge for Petroleum and Natural Gas Systems: Procedures for Facilitating Compliance, Including Netting and Exemptions and published on November 18, 2024. The rule outlines compliance requirements under the Methane Emissions Reduction Program. Under the program, the EPA collects an annual charge on emissions of methane and other greenhouse gases from entities in the oil and gas sector if their emissions exceed specified waste emissions thresholds." (See [89 Fed. Reg. 91094](#)) At passage, House Speaker Mike Johnson (R-LA) said, "Today, House Republicans rolled back the disastrous natural gas tax imposed by Democrats. This overreach has driven up energy prices, hurt domestic natural gas production, and increased reliance on foreign energy without delivering any so-called environmental benefit." [Read more](#). For background, "The methane fee was mandated by the 2022 Inflation Reduction Act, which directed the EPA to set a charge on methane emissions for facilities that emit more than 25,000 tons per year of carbon dioxide equivalent. The fee started at \$900 per metric ton of methane emitted in 2024, and increased to \$1,200 in 2025, and \$1,500 for 2026 and beyond." [Read more](#). The measure seeking repeal of the charge, or tax, was first introduced in early February by Rep. August Pfluger (R-TX) and Sen. John Hoeven (R-ND) introduced an identical Senate version, [S.J. Res. 12](#). Independent Petroleum Association of America (IPAA) President & CEO Jeff Eshelman said, "the measure had

not yet gone into effect but would have added significant burden to America's independent producers, with initial estimates finding it could increase costs 'as high as \$14.4 billion, increasing 5 percent above inflation annually.' Further, it was estimated that the tax would increase costs for consumers by 17 percent on average, or more than \$100 per year for an average American family." [Read more](#).

### **S.J. Res. 11 – Repealing Offshore Oil and Gas**

**Archaeological Reporting Rule.** In another victory for the oil and gas industry, on March 14, President Trump signed [S.J. Res. 11](#) into law. As provided by sponsor Sen. John Kennedy (R-LA), "This joint resolution nullifies the final rule issued by the Bureau of Ocean Energy Management (BOEM) titled *Protection of Marine Archaeological Resources* and published on September 3, 2024." (See [89 Fed. Reg. 71160](#)) That rule required "operators and lessees conducting oil and gas exploration or development on the Outer Continental Shelf and that are seeking BOEM approval for such activities to also provide BOEM with an archaeological report for the area of potential effects. The report must identify potential archaeological resources (material remains of human life or activities that are at least 50 years old and that are of archaeological interest) on the sea floor. The rule modified regulations that only required such a report when a BOEM regional director has reason to believe that an archaeological resource may be present in the lease area." Rep. Mike Ezell (R-MS), who introduced the House version of the resolution, said, "This is a great day for American energy independence and for the hardworking men and women who power our nation. The Biden administration's misguided rule was a disaster for our energy producers, driving up costs for families and making us more reliant on foreign adversaries. By overturning this rule, we are unleashing American energy and ensuring a stronger, more secure future." [Read more](#).

**H.R. 1949 – Unlocking our Domestic LNG Potential Act of 2025.** On March 6, Rep. August Pfluger (R-TX) introduced [H.R. 1949](#), known as the Unlocking our Domestic LNG Potential Act of 2025. Senate companion bill, [S. 883](#) was introduced by Sen. Tim Scott (R-SC). The bill would “repeal restrictions on the export and import of natural gas.” Specifically, the measure “depoliticizes the export of American liquefied natural gas (LNG) by eliminating the requirement for the U.S. Department of Energy (DOE) to authorize its export and instead giving the Federal Energy Regulatory Commission (FERC) sole authority over the approval process.” The measure has support from numerous industry groups, including the American Exploration and Production Council and the American Petroleum Institute. [Read more.](#) Rep. Pfluger said, “This bill will support thousands of new jobs in Texas, from construction and engineering to operations at export terminals along the Gulf. Furthermore, it will give natural gas producers in Texas a more competitive edge in international markets, ensuring that Texas remains a global energy leader.” [Read more.](#)

## **[FEDERAL – Regulatory](#)**

**Presidential Executive Order to Increase Domestic Mineral Production.** On March 20, President Trump issued an executive order, “Immediate Measures to Increase American Mineral Production.” The order seeks to “boost American mineral production, streamline permitting, and enhance national security.” [Read the executive order here.](#) The order utilizes the Defense Production Act “as part of an effort to provide financing, loans and other investment support to domestically process a range of critical minerals.” [Read a White House Fact Sheet here.](#) Among other directives, the order “also encourages faster permitting for mining and processing projects and a directive for the Interior Department to prioritize mineral production on federal land.” [Read more.](#)

**BLM Oil and Gas Lease Sale – Colorado.** On March 14, the Bureau of Land Management (BLM) Colorado State Office announced the opening of “a 30-day public comment period to receive public input on plans to include 13 oil and gas parcels, totaling 12,111 acres,

in an upcoming lease sale in Colorado.” The public comment period is open through April 14, 2025. [Read more.](#)

**BLM Gunnison County Supplemental Analysis of Oil and Gas Development – Colorado.** On March 14, the BLM announced it “is seeking public input on an enhanced air quality analysis for two oil and gas developments in western Gunnison County. The additional analysis has been completed in response to a District Court decision directing the BLM to complete further review and to ensure consistency with evolving case law and state and federal policy. The Bull Mountain Unit Master Development Plan and the Dual Operator 5-Pad Proposal involve 55 private and 171 federal wells on 38 new and existing well pads. The 2017 environmental impact statement for the Bull Mountain Master Development Plan estimated more than 600 jobs and \$115 million in economic impacts over the life of the project.” The public comment period is open through April 14, 2025. [Read more.](#)

**BLM Oil and Gas Lease Sale – North Dakota.** On March 14, the BLM Montana/Dakotas State Office announced the opening of “a 30-day public scoping period to receive public input on seven oil and gas parcels totaling 3,001 acres that may be included in an October 2025 lease sale in North Dakota.” The public comment period is open through April 14, 2025. [Read more.](#)

**BLM Oil and Gas Lease Sale – Wyoming.** On March 12, the BLM Wyoming State Office “announced an oil and gas lease sale scheduled for June 3, 2025, to offer 29 oil and gas parcels totaling 22,965 acres in Wyoming. The BLM completed scoping on these parcels in October 2024 and held a public comment period that closed in January 2025 on the parcels and the related environmental analysis.” The 30-day public protest period to receive additional public input is open through April 11, 2025. [Read more.](#)

**EPA Regulatory Overhaul.** On March 12, U.S. Environmental Protection Agency (EPA) Administrator Lee Zeldin announced “the agency will undertake 31 historic actions in the greatest and most consequential

day of deregulation in U.S. history, to advance President Trump's Day One executive orders and Power the Great American Comeback. Combined, these announcements represent the most momentous day in the history of the EPA. While accomplishing EPA's core mission of protecting the environment, the agency is committed to fulfilling President Trump's promise to unleash American energy, lower cost of living for Americans, revitalize the American auto industry, restore the rule of law, and give power back to states to make their own decisions."

[Read the announcement here.](#) Key among the many regulatory rollbacks will be "[r]econsideration of regulations throttling the oil and gas industry," such as [Subpart OOOOb](#) and [Subpart OOOOc](#) regulations and its [Subpart W greenhouse gas reporting program](#) affecting oil and gas producers. IPAA lauded the coming changes, saying, "Reconsideration provides a pathway for making these regulations more cost-effective and well-structured. Subparts OOOOb and OOOOc are regulatory programs which if implemented as currently structured could result in 300,000 small, existing wells being shut down. Subpart W has been a key issue for IPAA because of its role in regulatory planning." Additionally, on March 13, the EPA announced it will revise the Waters of the U.S. rule in conjunction with the U.S. Army Corps of Engineers. The EPA said, "The agencies will move quickly to ensure that a revised definition follows the law, reduces red-tape, cuts overall permitting costs, and lowers the cost of doing business in communities across the country while protecting the nation's navigable waters from pollution." The EPA further provided that, "Given the U.S. Supreme Court's watershed [2023] decision in [Sackett v. Environmental Protection Agency](#), it is time for EPA to finally address this issue once and for all in a way that provides American farmers, landowners, businesses, and states with clear and simplified direction." [Read detailed legal analysis of the Sackett case here.](#) That decision held that the Clean Water Act extends only to wetlands that have a continuous surface connection with "waters" of the United States. [Read more.](#) Other forthcoming changes that will involve "reevaluating and revising current rules and policies and will impact nearly all portions of EPA's jurisdiction" include reconsidering the EPA's 2009 Endangerment Finding that "has played a major role in every EPA action that regulates

greenhouse gases;" revisiting "its policy to consider the social cost of carbon when evaluating the impact of permit applications and rulemakings;" reconsideration of wastewater regulations for oil and gas development to help unleash American energy; and revision of the "National Enforcement and Compliance Initiatives to align with the Trump Administration priorities and directives. Specifically, the EPA's press release noted that enforcement actions will 'not discriminate based on race or socioeconomic status' and will not 'shut down energy production.'" [Read more.](#)

### **Interior Department to Expand Arctic Drilling –**

**Alaska.** On March 20, the U.S. Department of the Interior announced "Secretary Doug Burgum is taking immediate steps to unleash Alaska's untapped natural resource potential and support President Donald J. Trump's vision of American Energy Dominance. Under the Secretary's leadership, the Bureau of Land Management will pursue steps to expand opportunities for exploration and development in the National Petroleum Reserve in Alaska and the Coastal Plain of the Arctic National Wildlife Refuge. The BLM will also work towards partial revocation of public land withdrawals that will help solidify the path forward for the proposed Ambler Road and Alaska Liquefied Natural Gas Pipeline projects." [Read the announcement here.](#) Interior Secretary Burgum said, "It's time for the U.S. to embrace Alaska's abundant and largely untapped resources as a pathway to prosperity for the nation, including Alaskans. For far too long, the federal government has created too many barriers to capitalizing on the state's energy potential. Interior is committed to recognizing the central role the State of Alaska plays in meeting our nation's energy needs, while providing tremendous economic opportunity for Alaskans." As reported by *The Hill*, "The Interior Department said that it would take steps toward opening up the entire 1.56 million-acre Coastal Plain of the Arctic National Wildlife Refuge to oil and gas drilling." Additionally, "the department said that it would seek to open up 82 percent of the separate National Petroleum Reserve in Alaska's Western Arctic. The decision comes after the Biden administration limited drilling there to less than half of the 23-million-acre reserve." [Read more.](#)

### **U.S. Geological Survey Oil and Gas Formations.**

On March 13, the U.S. Geological Survey (USGS) “released its assessment of potential for undiscovered oil and gas in formations under Wyoming and parts of southern Montana as well as parts of western South Dakota and Nebraska, assessing that there are technically recoverable resources of 47 million barrels of oil and 876 billion cubic feet of gas.” [Read the USGS announcement here](#). As noted by the *Oil & Gas Journal*, “Since exploration began in the area in the 1920s, the upper Paleozoic reservoirs of the Wind River, Bighorn, and Powder River basins have produced 4 billion bbl of oil – as much oil as the US consumes in 6 months at the current rate of consumption.” [Read more](#).

### **FEDERAL – Judicial**

#### **Climate Change Lawsuits – U.S. Supreme Court.**

On March 10, the U.S. Supreme Court denied a request by 19 Republican-led states “to block lawsuits brought by Democratic-led states seeking to hold oil and gas companies accountable for climate change.” In [Alabama v. California](#) (Case No. 25-158), the court made no substantive determination on the law, however, a dissenting opinion by Justice Thomas and Alito called into question the court’s hesitation to weigh in on cases between states that have not already worked their way through the appeals process, as was the situation here. Those justices noted, “the Court’s assumption that it has ‘discretion to decline review’ in suits between States is ‘suspect’ at best.” Further, the dissenters note, “This discretionary approach” to decline “original jurisdiction” to hear a case “is a modern invention that the Court has never persuasively justified.” The court’s denial of the complaint means, for the time being, those climate change lawsuits seeking to hold oil and gas companies liable can move forward in lower courts. [Read more](#).

### **STATE – Legislative**

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Affairs Network member forums [here](#) or on the AAPL website [here](#).

### **STATE – Regulatory**

**NMED Operating Permits – New Mexico.** On March 12, the New Mexico Environment Department (NMED) announced it has “petitioned the Environmental Improvement Board (EIB) to adopt New Mexico’s proposed amendments to [20.2.70 NMAC, Operating Permits](#). The Petition for Regulatory Change and Public Review Draft are now available on NMED’s docketed matters website,” [Available here](#). “To locate the petition and proposed draft, select the ‘Environmental Improvement Board’ tab, and then select ‘EIB 25-10: In the Matter of Proposed Repeal and Replacement of 20.2.70 NMAC – *Operating Permits* and Title V Program Revision.’ NMED plans to request a hearing to consider and take possible action on the petition at the Board’s March 28, 2025, regular monthly meeting. The meeting agenda will be posted on the EIB’s website at least 72 hours prior to the meeting,” [Available here](#). To learn more from the NMED, [Read more](#). Additionally, the EIB has announced it will hold a hearing on April 28-30, to “Consider Adoption of Proposed Regional Haze State Implementation Plan Revision for the Second Planning Period and Proposed Companion Rule [20.2.68 NMAC – Regional Haze Requirements](#).” [Read more](#).

**RRC Oil and Gas Waste Management Rulemaking Webinars – Texas.** (*Update to 2/24/25 Report*) On March 13, the Texas Railroad Commission (RRC) announced it will be holding a series of webinars regarding the RRC adopted Chapter 4 Rules on oil and gas waste management that will take effect on July 1, 2025. The first session will be held on April 2 and will cover an overview of Chapter 4. Successive session dates will cover authorized pits and permitting, among other possible topics. According to the RRC, “Each session will be 90 minutes. Operators are encouraged to email your Chapter 4 questions to [askaboutchptr4@rrc.texas.gov](mailto:askaboutchptr4@rrc.texas.gov) before the scheduled webinars. The last 30 minutes of each session will be open to answer those questions and any others.” [Read more](#). For background, on



February 11, the RRC published a proposed implementation timeline for this rulemaking. [Read more](#). Previously, on December 17, 2024, the RRC adopted these rules in Chapter 4 which “update oil and gas waste management procedures and incorporate recent legislation.” [Read more](#). According to the RRC, “The new rules in Chapter 4, Subchapter A incorporate and update the requirements from §3.8, relating to Water Protection, and §3.57, relating to Reclaiming Tank Bottoms, Other Hydrocarbon Wastes, and Other Waste Materials. Sections 3.8 and 3.57 are also amended to remove all substantive language from the rules and replace with a notice that the requirements are relocated to Chapter 4. Several other rules in Chapter 3 are amended to replace references to §3.8 and §3.57 with the corresponding provision in new Subchapter A of Chapter 4.” [Access this rulemaking with a redline of the amendments here](#). For a deeper dive into this oil and gas waste management rulemaking, [Read more](#).

## STATE – Judicial

**State Leasing – Ohio.** (*Update to 3/4/24 Report*) On March 13, the Ohio Court of Appeals (Tenth District) dealt a blow to environmentalists when it rejected their appeal challenging oil and gas leasing on state lands in Ohio. In [Save Ohio Parks v. Oil & Gas Land Management Commission](#) (Case No. 24AP- 206), the court affirmed the trial court’s dismissal of the complaint. For background, on Feb. 23, a Franklin County court dismissed a lawsuit brought by environmentalists seeking to halt oil and gas leasing on state lands. As reported by *Bloomberg Law*, the appellate court held that the Oil & Gas Land Management Commission wasn’t performing a “licensing function” when it approved most of the disputed pieces of land for oil and gas exploration, thus, courts don’t have the ability to review the commission’s approvals and the trial judge was correct to dismiss the case because the challengers lacked the legal authority to sue. For background, in 2023, the litigants challenged the approval of requests to drill for oil and gas in public parks and wildlife areas. The trial court held that the parties lacked standing in the case because there lacks “any concrete or specific injury.” The court agreed with the Commission that “at

this stage of the process – the only thing approved is that a bidding process can start as to the nominated land.” [Read more](#).

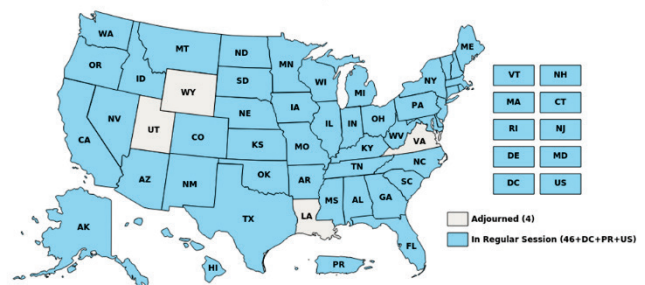
## INDUSTRY NEWS FLASH

### ► Texas Railroad Commission successfully uses federal grants for orphaned well plugging.

As reported on March 18, by *World Oil*, “The U.S. Department of the Interior Office of the Inspector General has released an audit report showing the Railroad Commission of Texas successfully used federal grant funding for orphaned well plugging and complied with all related laws and regulations.” RRC Executive Director Wei Wang said, “We are proud to remain a leader in well plugging efforts nationwide and look forward to working with the new Secretary of the Interior to expeditiously plug wells in Texas. According to a recent Interstate Oil and Gas Compact Commission study, thanks to RRC’s robust state managed plugging program, Texas has seen one of the lowest increases in orphaned well population.” [Read more](#).

## LEGISLATIVE SESSION OVERVIEW

### States in Session



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

**Louisiana** is expected to convene its 2025 legislative session on April 14 and is currently holding interim committee hearings and studies.

The following states have scheduled to adjourn their 2025 legislative sessions on the dates provided: **Idaho** (March 21), **New Mexico** (March 22), **Kentucky** (March

28) and **South Dakota** (March 31).

**Governor Signing Deadlines** (by date): **Virginia** Republican Gov. Glenn Youngkin has until March 24 to act on legislation or it becomes law without signature. **Utah** Republican Gov. Spencer Cox has until March 27 to act on legislation or it becomes law without signature. **Michigan** Democratic Gov. Gretchen Whitmer has 14 days from presentment to act on legislation or it is pocket vetoed. **Wyoming** Republican Gov. Mark Gordon has 15 days from presentment to act on legislation or it becomes law without signature. ■

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