

GOVERNMENTAL AFFAIRS REPORT

FEDERAL - Legislative

H.R. 2613 - Next Generation Pipelines Research and Development Act. On April 10, official bill text was made available for H.R. 2613, known as the Next Generation Pipelines Research and Development Act. Sponsored by Rep. Randy Weber (R-TX), the bill would "improve America's pipeline infrastructure for current and future energy sources." According to Rep. Weber, "This legislation strengthens public-private partnerships and enhances federal research, development, and demonstration efforts to advance key pipeline systems nationwide." Weber added, "Pipeline infrastructure is the backbone of American energy security and economic strength. With over 2.6 million miles of pipelines, the United States leads the world in safely and efficiently transporting the fuel that heats our homes, powers our vehicles, and drives industry. As we continue to expand our energy resources, it is critical that we invest in research and development to modernize and enhance these pipelines." Read more.

FEDERAL – Regulatory

Presidential Executive Order – Sunset Provisions in Federal Energy Regulations. On April 9, President Trump issued an executive order, "Zero-Based Regulatory Budgeting to Unleash American Energy." The order "directs certain agencies to incorporate a sunset provision into their regulations governing energy production to the extent permitted by law, thus compelling those agencies to reexamine their regulations periodically to ensure that those rules serve the public good." The purpose, according to the White House, is to address the massive regulatory regime where "unelected agency officials write most of the complex, legally binding rules on top of that, often stretching these statutory provisions beyond what the Congress enacted. This regime of governance-by-

regulator has imposed particularly severe costs on energy production, where innovation is critical. The net result is an energy landscape perpetually trapped in the 1970s. By rescinding outdated regulations that serve as a drag on progress, we can stimulate innovation and deliver prosperity to everyday Americans." Read the Executive Order here.

Presidential Executive Order - State Climate Regulations. On April 8, President Trump issued an executive order, "Protecting American Energy from State Overreach." The order states that the Trump administration "is committed to unleashing American energy, especially through the removal of all illegitimate impediments to the identification, development, siting, production, investment in, or use of domestic energy resources — particularly oil, natural gas, coal, hydropower, geothermal, biofuel, critical mineral, and nuclear energy resources. An affordable and reliable domestic energy supply is essential to the national and economic security of the United States, as well as our foreign policy. Simply put, Americans are better off when the United States is energy dominant. American energy dominance is threatened when State and local governments seek to regulate energy beyond their constitutional or statutory authorities. For example, when States target or discriminate against out-of-State energy producers by imposing significant barriers to interstate and international trade, American energy suffers, and the equality of each State enshrined by the Constitution is undermined. Similarly, when States subject energy producers to arbitrary or excessive fines through retroactive penalties or seek to control energy development, siting, or production activities on Federal land, American energy suffers." Read the Executive Order here. The order directs the U.S. Attorney General to "identify all State and local laws, regulations, causes of action, policies, and practices

(collectively, State laws) burdening the identification, development, siting, production, or use of domestic energy resources that are or may be unconstitutional, preempted by Federal law, or otherwise unenforceable." As reported by the *Associated Press*, this directive is expected to result in the U.S. Justice Department challenging many state climate policies in federal court. Read more.

BLM Director Nominee Kathleen Sgamma Withdraws. On April 10, Kathleen Sgamma, the Trump administration's nominee to head the Bureau of Land Management, withdraw her name from consideration. As reported by *The Hill*, Sgamma's decision was announced by Utah Sen. Mike Lee (R). Sgamma was previously the President of the Western Energy Alliance – a group AAPL often collaborated with on both regulatory and legislative issues affecting the oil and gas industry. At the time of this report, no reason was provided for Sgamma's withdrawal, however, she issued a statement saying, "It was an honor to be nominated by President Trump as Director of the Bureau of Land Management, but unfortunately at this time I need to withdraw my nomination. I will continue to support President Trump and fight for his agenda to Unleash American Energy in the private sector." Read more.

Department of Energy Offers Land Sites for Artificial Intelligence Infrastructure. On April 3, the U.S. Department of Energy (DOE) announced it is "offering 16 of its sites for the construction of artificial intelligence infrastructure. This offers an opportunity for tech companies and power producers to leverage federal resources and the unique availability for colocation that DOE land provides." In its Request for Information on Artificial Intelligence Infrastructure on DOE Lands (90 Fed. Reg. 14972), the DOE says, it "is exploring opportunities to leverage its land assets to support the growing demand for AI infrastructure." As part of this process, the DOE also "seeks input from grid operators that serve DOE sites on opportunities and challenges associated with existing energy infrastructure and potential co-location of data centers with new energy generation." As noted by law firm Hogan Lovells, Request for Information (RFI)

"responses are intended to inform the development of DOE's next step in this initiative—including considerations like potential site use conflicts and needed mitigation measures, or terms and conditions to operate on DOE owned or managed lands. DOE indicates that future announcements will provide site-specific information such as acreage, environmental sensitivities, hazards, land use plans, power access and energy infrastructure, security, as well as information suggested in responses to this RFI." Responses to the DOE's RFI are requested by May 7, 2025. Read more.

BLM Rescinds Preparation of an Environmental Impact Statement for Oil and Gas Leasing. On April 11, the Bureau of Land Management (BLM) published a notice of rescission, Intent To Prepare an Environmental Impact Statement for the Oil and Gas Leasing Decisions in Seven States From February 2015 to December 2020; Rescission (90 Fed. Reg. 15470). The notice rescinds a Biden-era notice to prepare "an environmental impact statement (EIS) for oil and gas leasing decisions in seven States from February 2015 to December 2020." According to the BLM, the rescission is consistent with an executive order from President Trump and an Interior Secretary order. Read more. The BLM said, "With this action, the Bureau of Land Management will no longer move forward with preparing an environmental impact statement for oil and gas leasing decisions encompassing 3.5 million acres across Colorado, Montana, New Mexico, North Dakota, South Dakota, Utah and Wyoming, and the Bureau is evaluating options for compliance with the National Environmental Policy Act for these oil and gas leasing decisions." Read more.

BLM Oil and Gas Lease Sale - New Mexico.

On April 14, the BLM New Mexico State Office "announced an oil and gas lease sale scheduled for July 24, 2025, to offer 16 oil and gas parcels totaling 7,502 acres in New Mexico. The BLM completed scoping on these parcels in November 2024 and held a public comment period that closed in February 2025 on the parcels and the related environmental analysis." A 30-day public protest period for the

BLM to receive additional public input will be open through May 14, 2025. Read more.

BLM Oil and Gas Lease Sale – Utah. On April 15, the BLM Utah State Office "opened a 30-day public scoping period to receive public input on 46 oil and gas parcels" for a December 2025 oil and gas lease sale. Read more.

BLM Oil and Gas Lease Sale – Utah. On April 4, the BLM Utah State Office "announced an oil and gas lease sale scheduled for June 3, 2025, to offer 13 oil and gas parcels totaling 20,888 acres in Utah." A new 30-day public protest period for the BLM to receive additional public input will be open through May 5, 2025. Read more.

BLM Oil and Gas Lease Sale – Wyoming. On April 14, the BLM Wyoming State Office "opened a 30-day public comment period to receive public input on plans to include 37 oil and gas parcels, totaling 45,178 acres, in an upcoming [September] lease sale in Wyoming. The comment period ends May 15, 2025. The BLM completed scoping on these parcels in March 2025 and is now seeking public comment on the parcels, potential deferrals, and the related environmental analysis. The BLM will use input from the public to help complete its review of each parcel." Read more.

BLM Oil and Gas Lease Sale – Wyoming. On April 11, the BLM "announced an additional oil and gas lease sale scheduled for June 12, 2025, to offer 66 oil and gas parcels totaling 70,415 acres in Wyoming. These parcels did not sell during previous 2023 and 2024 lease sales and are being offered in addition to the lease sale scheduled for June 10, 2025." Read more.

BLM Oil and Gas Lease Sale – Wyoming. On April 8, the BLM Wyoming State Office "opened a 30-day public scoping period to receive public input on 99 oil and gas parcels totaling 84,045.23 acres that may be included in a December 2025 lease sale in Wyoming." The public comment period is open through May 9, 2025. Read more.

Interior Department Announces Major Increase in Gulf of America Oil and Gas Reserves. On April 10, the U.S. Department of the Interior "announced a significant increase in estimated oil and gas reserves in the Gulf of America Outer Continental Shelf, underscoring the region's critical role in advancing our country's national security and American Energy Dominance." According to the Interior Department, "The Bureau of Ocean Energy Management's analysis reveals an additional 1.30 billion barrels of oil equivalent since 2021, bringing the total reserve estimate to 7.04 billion barrels of oil equivalent. This includes 5.77 billion barrels of oil and 7.15 trillion cubic feet of natural gas — a 22.6% increase in remaining recoverable reserves." Interior Secretary Doug Burgum said, "This new data confirms what we've known all along—America is sitting on a treasure trove of energy, and under President Trump's leadership, we're unlocking it. The Gulf of America is a powerhouse, and by streamlining permitting and expanding access, we're not just powering our economy—we're strengthening our national security and putting thousands of Americans back to work." Read more.

Endangered Species Act Protections Proposed Rulemaking. On April 17, the U.S. Fish and Wildlife Service (FWS) and National Oceanic and Atmospheric Administration (NOAA) published a proposed rule, Rescinding the Definition of Harm under the Endangered Species Act (90 Fed. Reg. 16102) that "would repeal the current definition of 'harm' that's prohibited under the Endangered Species Act." According to the proposal, "The existing regulatory definition of 'harm,' which includes habitat modification, runs contrary to the best meaning of the statutory term 'take.' We are undertaking this change to adhere to the single, best meaning of the ESA." As reported by *The Hill*, "Currently, the agencies interpret 'harm' under that law to include damage to a species's habitat — which is what the Trump administration is trying to change." As such, "In practice, the Trump administration's move could loosen restrictions for industrial activities that could damage the habitat of an endangered animal — if the action may not directly hurt the animal itself." The public comment period is open through May 19, 2025. Read more.

Office of Natural Resources Revenue Information Collection. On April 14, the Interior Department's Office of Natural Resources Revenue (ONRR) published a Notice of Information Collection, *Agency Information Collection Activities: Solid Minerals and Geothermal Collections* (90 Fed. Reg. 15574) seeking "renewed authority to collect information necessary to report the production and royalties on solid minerals and geothermal resources from Federal and Indian lands." The ONRR seeks public comment on certain information "to assess the impact of its information collection requirements and minimize the public's reporting burden." The public comment period is open through June 13, 2025. Read more.

FEDERAL – Judicial

Environmentalists Sue Trump Administration Over Plans to Boost Oil and Gas Production -Washington, DC. On April 16, environmentalists sued the Trump administration "for failing to release information on the Trump administration's 'action plans' to boost the oil industry and other fossil fuel producers by rolling back and eliminating environmental safeguards." In Center for Biological Diversity v. Department of Interior (Case No. 1:25cv-01131), the litigants seek to compel multiple federal agencies, including the Interior Department, Commerce Department and the U.S. Environmental Protection Agency, "to disclose records under the Freedom of Information Act" as "[t]he records at issue document the Defendants' implementation of an Executive Order which affects air and water quality, climate change, imperiled plants and wildlife, public lands, human health, and environmental justice." The Trump administration has yet to respond to the lawsuit. Read more.

STATE – Legislative

Climate Lawsuits Against Oil and Gas Industry – California. In a victory for the oil and gas industry, on April 8, <u>SB 222</u> failed in committee. The bill would have created "a cause of action for those harmed by 'climate disasters,' storms, wildfires, and other events caused in part by climate change, against 'responsible

parties,' large companies engaged in the extraction, production, manufacture, marketing, or sale of fossil fuel products." Read a bill summary here. As noted by the IPAA, "SB 222's collapse amid bipartisan opposition and fierce union resistance is a massive setback for climate lawfare activists. Democrats and Republicans on the committee clearly understood the legislation was never about justice or fixing wildfires – it was simply a cash grab for trial lawyers and political activists." Read more.

State Leasing Royalty Rates - New Mexico. On April 10, Gov. Michelle Lujan Grisham (D) signed SB 23 into law. The legislation, according to the Senate analysis, "sets a new maximum royalty rate—the amount oil producers pay on the value of oil or gas removed—on oil and gas leases on 'premium' state trust land in the Permian Basin. The rate would increase from one-fifth of the value of the oil or natural gas produced to one-fourth of the value of the oil or gas removed. A new lease form with the higher maximum rate would be used for leases issued on or after July 1, 2025." As reported by the Los Alamos Daily Post, "The new law – which will go into effect June 20 – only applies to new leases on state lands located within the most productive oil producing areas in southeast New Mexico." Read more.

For the more than 800 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

RRC Oil and Gas Waste Management Rulemaking Webinars – Texas. (*Update to 3/24/25 Report*) To follow up our prior reporting, on April 10, the Texas Railroad Commission (RRC) announced additional webinar sessions regarding the RRC adopted Chapter 4 Rules on oil and gas waste management that will take effect on July 1, 2025. The next session held on

April 30 will cover permitting, in which the RRC "will discuss additional requirements for permitted pits, changes to Notice, and the proposed form revisions for applications." The following session on May 7 will also cover permitting and "will provide insight into waste transportation, compliance, and a look at the proposed new and revised forms and templates." To register for these webinars, Read more. According to the RRC, "Each session will be 90 minutes. Operators are encouraged to email your Chapter 4 questions to 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. And in 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.

INDUSTRY NEWS FLASH

▶ EIA forecasts domestic oil production to peak to 14 million barrels per day. On April 15, the U.S. Energy Information Administration (EIA) forecasted "that oil production will peak at 14 million barrels per day in 2027 and maintain that level through the end of the decade, before rapidly declining." According to the EIA, "Oil output from the world's largest producer will fall to about 11.3 million bpd in 2050, from around 13.7 million bpd this year," based on statistical data

from the U.S. Department of Energy in its Annual Energy Outlook. Read more.

LEGISLATIVE SESSION OVERVIEW

States in Session



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

The following states adjourned their 2025 legislative sessions on the dates provided: The following states adjourned their 2025 legislative sessions on the dates provided: **Kansas** (April 11), **West Virginia** (April 12) and **Arkansas** (April 16).

The following states are scheduled to adjourn their 2025 legislative sessions on the dates provided: **Tennessee** (April 25) and **Arizona** (April 26).

Governor Signing Deadlines (by date): New Mexico Democratic Gov. Michelle Lujan Grisham had until April 11 to act on legislation or it was pocket vetoed. South Dakota Republican Gov. Larry Rhoden had until April 15 to act on legislation or it became law without signature. Idaho Republican Gov. Brad Little had until April 16 to act on legislation or it became law without signature. West Virginia Republican Gov. Patrick Morrisey has until April 30 at act on legislation or it becomes law without signature. Georgia Republican Gov. Brian Kemp has until May 14 to act on legislation or it becomes law without signature. Maryland Democratic Gov. Wes Moore has until May 27 to act on legislation or it becomes law without signature. Arkansas Republican Gov. Sarah Huckabee Sanders has 20 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature.

Kansas Democratic Gov. Laura Kelly has 10 days from presentment 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. Mississippi Republican Gov. Tate Reeves has 15 days from presentment, Sunday excluded, to act on legislation or it becomes law without signature. ■

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