

GOVERNMENTAL AFFAIRS REPORT

Highlights At-A-Glance

FEDERAL – Legislative

S. 4421 – Advancing Tribal Parity on Public Land Act. On June 16, Sen. Martin Heinrich (D-NM) introduced [S. 4421](#), known as the “Advancing Tribal Parity on Public Land Act.” The bill would “protect Native cultural sites located on Federal land, to improve consultation with Indian Tribes, to bring parity to Indian Tribes with regard to Federal public land management laws.” According to Sen. Heinrich, “It is long overdue that we recognize that Tribes across Indian Country have ancestral sites, historical ecological knowledge, and ongoing cultural practices on our federal public lands.” [Read more.](#)

S. 4423 – Tribal Cultural Areas Protection Act. On June 16, Sen. Martin Heinrich (D-NM) introduced [S. 4423](#), known as the “Tribal Cultural Areas Protection Act.” The bill would establish a national Tribal Cultural Areas System to designate public lands with culturally significant sites. Tribal cultural areas would be managed to preserve their cultural values while allowing for traditional Tribal cultural use. The bill would also direct public land management agencies to identify potential Tribal cultural areas and provide authority to Tribal nations in the management of Tribal cultural areas. [Read more.](#)

H.R. 8176 – Unleash American Drilling Act. On July 5, official bill text was made available for H.R. 8176, known as the “Unleash American Drilling Act.” Sponsored by Rep. Ted Budd (R-NC), the bill would “amend the Mineral Leasing Act to require the Secretary of the Interior to issue decisions on applications for permits to drill that have been frozen in contravention of the spirit of such Act.” [Read more.](#)

H.R. 8224 – Fueling American Prosperity Act. On July 8, official bill text was made available for H.R.

8224, known as the “Fueling American Prosperity Act.” Sponsored by Rep. Lauren Boebert (R-CO), the bill would “require the Secretary of the Interior to carry out certain offshore oil and gas lease sales and finalize the next offshore oil and gas leasing program.” [Read more.](#)

FEDERAL – Regulatory

BLM Gunnison Sage-Grouse Resource Management Plans – Colorado; Utah. On July 6 the Bureau of Land Management (BLM) published a *Notice of Intent to Amend Multiple Resource Management Plans Regarding Gunnison Sage-Grouse (*Centrocercus minimus*)* ([87 Fed. Reg. 40262](#)), stating that the BLM “Colorado and Utah State Directors intend to prepare a Gunnison Sage-Grouse Resource Management Plan (RMP) Amendment with an associated environmental impact statement (EIS), and by this notice are announcing the beginning of the public scoping period to solicit public comments and identify issues, providing the planning criteria for public review, and issuing a call for nominations for areas of critical environmental concern (ACECs).” The RMP amendment with an associated EIS is “for the management of Gunnison sage-grouse and its habitat, announce the beginning of the scoping process, seek public input on issues and planning criteria, and invite the public to nominate ACECs.” The public comment period is open through August 22, 2022. [Read more.](#)

BLM Resumes Lease Sales. As reported in the April 25, 2022 issue of the AAPL Governmental Affairs Report, the Bureau of Land Management (BLM) was set to resume long-stalled onshore lease sales. On June 30, the BLM effectively held its first onshore lease sales of the Biden administration, since the only other lease sale it held earlier this year “was tossed in

court on environmental grounds.” The BLM held lease sales in seven Western states: Wyoming, Montana, North Dakota, Nevada, Utah, New Mexico, and Colorado. In Colorado, the lease sale offered six parcels totaling 2,444.13 acres in Weld, Jackson, Moffat, and Rio Blanco counties on public lands managed by the Rocky Mountain and Northwest District Offices. Three parcels were sold for a total of \$1,201,794.50. [Read more](#). In the Montana/North Dakota sale 23 parcels were offered totaling 3,405.8 acres. Nineteen parcels were sold for a total of \$7,354,562.00. Whiting Oil and Gas Corporation of Denver, Colorado, was the highest bidder, with a total bonus bid of \$2,346,485.50 for a 68.53-acre parcel in Mountrail County, North Dakota. [Read more](#). In Nevada, the BLM offered 5 parcels totaling 2,560 acres in Nye County on public lands managed by the Battle Mountain District Office. Four parcels were sold for a total of \$54,700.00. [Read more](#). In New Mexico, the lease sale offered six parcels totaling 535.72 acres in Chaves County, NM, Lea County, NM, and Dewey County, OK on public lands managed by the Roswell Field Office, Carlsbad Field Office, and Oklahoma Field. Six parcels were sold for a total of \$632,385. [Read more](#). In Wyoming, the sale offered 122 parcels totaling 119,493 acres. 81 parcels were sold for a total of \$13,021,696. [Read more](#). Results of the Utah sale were not yet made publicly available as of this reporting. [Read more](#).

FEDERAL – Judicial

EPA Authority; Climate Change – Washington, DC.

On June 30, the U.S. Supreme Court issued its opinion in the pivotal case, [West Virginia v. Environmental Protection Agency](#) (Case No. 20-1530), that drastically alters the Environmental Protection Agency’s ability to regulate climate change. The case, while not specifically related to landmen or the oil and gas industry, provides a framework for how the Supreme Court addresses regulatory overreach regarding greenhouse gas emissions and climate change. As reported by *The Hill*, the “high court’s ruling invoked a legal philosophy called the ‘major questions doctrine,’ which posits that regulations of substantial national significance need to have clear

authorization from Congress.” This may inhibit future moves by the EPA to impose blanket regulations targeting oil and gas production as well as midstream and downstream operations. Here, the case centered on whether the EPA overreached in regulating greenhouse gas emissions from power plants under the Clean Air Act. At stake was whether the EPA had the authority to regulate “beyond the fenceline,” meaning a wider sector approach versus plant-by-plant. In the 6-3 decision, the majority ruled that Congress did not authorize the EPA to induce a shift to cleaner energy sources using the approach that an Obama-era regulation sought to do. Writing for the majority, Chief Justice John Roberts explained that the plan, which involved regulating the power system as a whole instead of regulating individual plants, was an “unprecedented” view of the EPA’s authority that involved a “fundamental revision of the statute, changing it from [one sort of] scheme of . . . regulation” into an entirely different kind. But more broadly, the justices dealt a major blow to the EPA’s and other federal agencies’ regulatory ability to address climate change. In response to the decision, West Virginia Attorney General Patrick Morrisey (R) said his office viewed the case as pertaining to separation of powers, and indicated that it would seek to fight similar cases at different agencies. “This is about maintaining the separation of powers, not climate change,” he said in a statement. “And we’re not done. My office will continue to fight for the rights of West Virginians when those in Washington try to go too far in asserting broad powers without the people’s support.” [Read more](#).

Federal Leasing – Washington, DC. On June 28, environmental groups sued the U.S. Department of the Interior and Bureau of Land Management (BLM) in the U.S. District Court for the District of Columbia in [Dakota Resource Council v. U.S. Dept. of the Interior](#) (Case No. 1:22-cv-01853) challenging “the sale of 173 oil and gas lease parcels, encompassing 144,000 acres of public lands across eight western states.” The plaintiffs argue “the sales constitute a violation of the Federal Land Policy and Management Act, under which the Interior Department has a responsibility to prevent ‘unnecessary or undue degradation’ of public lands. The plaintiffs projected that the sales, as well as

another series of sales scheduled in Colorado, New Mexico, Oklahoma, and Wyoming, will cost billions in harms to air, water, local wildlife and public health.” The lawsuit calls for the BLM to prepare a comprehensive environmental impact statement that should analyze the compatibility of the predicted increased greenhouse gas emissions with the urgent need to address climate change. [Read more.](#)

Federal Leasing – Washington, DC. Related to the above case, on June 29, two environmental groups attempted to stop the June onshore federal lease sales, particularly in Wyoming. In [The Wilderness Society v. Haaland](#) (Case No. 1:22-cv-01871), the plaintiffs “filed suit over the Biden administration’s decision to offer 123 parcels covering nearly 120,000 acres (approximately 188 square miles) of federal land for oil and gas drilling.” The [groups claimed](#) that “The Bureau of Land Management (BLM) is moving forward with the sale despite acknowledging that greenhouse gas pollution from development of the leases could result in billions of dollars in social and environmental harm – the equivalent of adding hundreds of thousands of cars to the road each year. The lease sale will also commit these public lands to oil and gas drilling before BLM completes reforms to the federal oil and gas leasing program that the agency has recognized are needed.” Specifically, the complaint argues “that the Wyoming lease sale violates the National Environmental Policy Act (NEPA) and Administrative Procedure Act by locking in extensive oil and gas development rights without grappling with the enormous climate change costs of doing so, and without addressing protection of groundwater and wildlife.” The complaint, however, was unsuccessful in stopping the lease sale as noted above under the Federal-Regulatory section of this report. [Read more.](#)

STATE – Legislative

Well Reporting – Pennsylvania. On July 1, HB 2724 was introduced by Rep. Christopher Rabb (D). The bill would “provide for the reporting of impacts on communities and public resources caused by unconventional natural gas production.” Specifically, under this legislation, well operators would be required

to report specific information annually and the reports would be made publicly available through the Pennsylvania Department of Environmental Protection’s website. [Read more.](#)

Hydraulic Fracturing; Public Health – Pennsylvania.

On June 14, HB 1467 was introduced by Rep. Rick Krajewski (D). The bill would require “the Department of Health (DOH) to create a full public health response to the serious harms to human health caused by the fracking industry.” The bill would also require the DOH to coordinate with the state Department of Environmental Protection (DEP) “to collect, analyze and maintain updated data on the impact of fracking on public health and make this data available and easily accessible to the public.” Additionally, the bill would “require DOH and DEP to investigate all resident complaints related to fracking facilities. DOH would also coordinate with local health centers and develop public education resources and training on the impact of fracking for local health officials.” The bill has a low likelihood of advancing in the Republican-controlled legislature. [Read more.](#)

STATE – Regulatory

Oil & Gas Conservation Commission Adopts Orphan Well Mitigation Fee Enterprise Rules –

Colorado. On June 30, the Colorado Oil & Gas Conservation Commission (COGCC) announced its adoption of Orphan Well Mitigation Fee Enterprise Rules. “Today’s rulemaking is the necessary follow through to March’s Financial Assurance Rulemaking to establish this first-ever enterprise fund for orphan wells that ensures the creation of an industry funded orphan well program with the highest level of environmental protections,” said COGCC Chair Jeff Robbins. The rulemaking establishes a fee paid by industry that is expected to generate initially \$10M annually and is responsive to address orphan wells in the state of Colorado. The fee will be revisited annually, allowing the funding to increase or decrease depending on the needs and anticipated scale of future orphan well work. This robust orphan well funding mechanism needed the legislature to create the Enterprise Fund. This fund is in addition to the \$10-15 million Colorado

Railroad Commission Rulemaking – Texas. The Railroad Commission of Texas (RRC) announced on June 30 that it “has adopted revisions to the Form P-16, *Acreage Designation*, and the instructions for both drilling permit and well compliance functions. The revisions align the form’s functionality with the options afforded to operators when providing information for exceptions to 16 Texas Administrative Code §40(e)(2) [Statewide Rule 40(e)(2)]. The new Form P-16 and instructions are required to be used effective Wednesday, June 28, 2022.” The adopted revisions to the form include changes to Section II (Ownership Interval boxes added) and Section V (will no longer account for the proposed well. The information provided in this section now only pertains to the developmental tract acreage and any ownership interval information for those tracts). [Read more.](#)

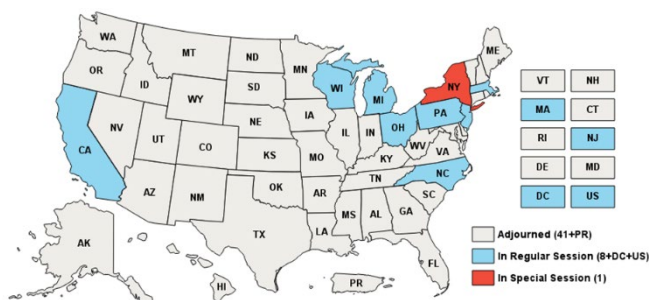
INDUSTRY NEWS FLASH

► **Poll shows high support for pause on federal and state gas taxes.** According to a recent Politico-Morning Consult poll, more than 70 percent of Americans “support temporarily suspending federal and state gas taxes as the country grapples with high inflation and lingering supply chain issues. The poll “found that 72 percent of respondents supported halting the federal gas tax of 18 cents per gallon for 90 days.” An even higher percentage – 74 percent – supported suspending state gas taxes. [Read more.](#)

► **AAPL releases The Path of the Landman outreach video.** AAPL has just released an exciting and informative outreach video, *The Path of the Landman – Powering the World*. The video “tells the story of the land professional’s journey of converting ideas into energy. Bringing a fresh awareness of the landman’s crucial role in the energy industry, it dispels myths and misconceptions while highlighting the importance of the land profession and energy business to our local communities, states, country, and world by providing the basic necessities for a modern life, as well as national security and a strong economy.” The video is available on YouTube and may be [accessed here](#).

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: California, Massachusetts, Michigan, New Jersey, North Carolina, Ohio,

Pennsylvania, and **Wisconsin** are in regular session. The **U.S.** Congress is also in session.

The following states adjourned their 2022 legislative sessions on the dates provided: **Arizona** (June 24), **Rhode Island** (June 25), **Delaware** (June 30) and **North Carolina** (July 1).

Signing Deadlines (by date): **Iowa** Republican Gov. Kim Reynolds had until June 24 to act on legislation or it was pocket vetoed. **Arizona** Republican Gov. Doug Ducey has until July 6 to act on legislation or it becomes law without signature. **Hawaii** Democratic Gov. David Ige has until July 12 to act on legislation or it becomes law without signature. **Missouri** Republican Gov. Mike Parson has until July 14 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature. **Delaware** Democratic Gov. John Carney has 10 days from presentment, Sundays excepted, 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. **Louisiana** Democratic Gov. John Bel Edwards has 20 days from presentment to act on legislation or it becomes law without signature. **Maine** Democratic Gov. Janet Mills must act on legislation presented within 10 days of adjournment or it becomes law unless returned within three days after the next meeting of the same legislature. **Nebraska** Republican Gov. Pete Ricketts has five days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. **New Hampshire** Republican Gov. Chris Sununu has five days from presentment to act on legislation or it is pocket vetoed. **New York** Democratic Gov. Kathy Hochul has 10 days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. **Rhode Island** Democratic Gov. Daniel McKee has six days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. **South Carolina** Republican Gov. Henry McMaster has two days after the next meeting of the legislature to act on legislation or it becomes law without signature.

The following states are currently holding 2022 interim committee hearings: [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Iowa](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Missouri House](#) and [Senate](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Montana](#), [Nevada](#), [New Hampshire House](#) and [Senate](#), [New Mexico](#), [North Dakota](#), [Oregon](#), [Rhode Island](#), [South Carolina House](#) and [Senate](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#). ■

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