

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

**Lawmakers Call for Harmonizing Methane Detection Rulemaking.** On August 5, U.S. Rep. Sean Casten (D-IL) and Rep. John Curtis (R-UT) sent a letter to the Biden administration's Office of Management and Budget (OMB) "urging OMB to harmonize the oil-and-gas methane reduction rulemakings currently underway at various federal agencies and to provide for an efficient process of approving innovative advanced technologies for detecting methane emissions." [Read the letter here.](#) The bipartisan group of lawmakers wrote, "The Biden Administration has several oil and gas methane reduction rulemakings underway or newly final. The effectiveness of these rulemakings in reducing methane pollution can only benefit from consistent rules, standards, and practices that facilitate the swift adoption of innovative advanced technologies. The OMB has a unique role in ensuring that regulations are consistent, compatible and not duplicative across the federal government. We urge OMB to convene these departments and agencies, with the appropriate White House offices, to promote harmonization, where appropriate, of their respective regulations to provide for an efficient approval process across the federal government." The letter requests an OMB response by September 3, 2024. [Read more.](#)

**U.S. Congress in August Recess.** The U.S. Congress is currently in its annual August recess with lawmakers returning to Washington, DC on September 9, 2024. [Read more.](#)

## FEDERAL – Regulatory

**BLM Resource Advisory Council Meeting – Central California.** On August 8, the Bureau of Land Management (BLM) announced that the Central California Resource Advisory Council (RAC) will meet

on September 11, 2024. The announcement also provides future dates of meetings and field tours in 2025. According to the BLM, the "meeting [will] include a briefing on Alabama Hills Management Plan implementation as well as an update on the Bi-State Sage Grouse program. The RAC will also hear reports from the district and field offices." The meeting is open to the public. [Read more.](#)

**BLM Resource Advisory Council Meeting – Missouri Basin.** On August 8, the BLM announced that the Missouri Basin Resource Advisory Council (RAC) will meet on September 11, 2024. According to the notice, this "15-member RAC advises the Secretary of the Interior, through the BLM, on a variety of planning and management issues associated with public land management in Central and Eastern Montana, and North and South Dakota. Agenda topics will include North-Central Montana and Eastern Montana/Dakotas districts' reports, Field Office manager reports, a public comment period, and other topics the council may wish to cover." The meeting is open to the public. [Read more.](#)

**BLM Resource Advisory Council Call for Nominations – Western Montana.** On August 8, the BLM announced a call for nominations for the Western Montana Resource Advisory Council (RAC). The RAC "provides advice and recommendations to the BLM on land use planning and management of the National System of Public Lands within the Western Montana District." One category of member the RAC is seeking are those who "represent energy and mineral development." Interested parties can self-nominate. The deadline for nominations is September 9, 2024. [Read more.](#)

**BLM Proposed Resource Management Plan – New Mexico.** On August 9, the BLM published a *Notice of*

*Availability of the Proposed Resource Management Plan and Final Environmental Impact Statement for the BLM Rio Puerco Field Office, New Mexico* ([89 Fed. Reg. 65392](#)). According to the notice, “This land use plan would replace the current Rio Puerco RMP, which the BLM approved in 1986 and amended in 1992. The Proposed RMP/Final EIS analyzes the impacts of delineating lands to account for changes in population, types of uses, technologies, user interests, and public understanding of resource availability in the Middle Rio Grande Watershed in central New Mexico.” The notice opens a 30-day protest period. [Read more.](#)

**BLM Resource Advisory Council Meeting – New Mexico.** On August 7, the BLM announced that the Southern New Mexico Resource Advisory Council (RAC) will hold a meeting and field tour on September 16 and 17, 2024. A future meeting and field tour are also scheduled for January 2025 as provided in the BLM notice. Agenda topics will include discussion of the “Lesser Prairie Chicken [and] Dunes Sagebrush Lizard Area of Critical Environmental Concern and adjoining areas” as well as “a presentation on the BLM Conservation and Landscape Health Rule (also known as the Public Lands Rule); and a discussion of land access issues in southern New Mexico.” [Read more.](#)

**BLM Proposed Resource Management Plan – North Dakota.** On August 9, the BLM published a *Notice of Availability of the Proposed Resource Management Plan and Final Environmental Impact Statement for the North Dakota Resource Management Plan Revision* ([89 Fed. Reg. 65391](#)). According to the notice, the “North Dakota proposed RMP provides a comprehensive land use plan that guides management on approximately 58,500 acres of BLM-managed public lands and 4.1 million acres of BLM-administered mineral estate in North Dakota. The planning area is currently managed under the 1988 North Dakota RMP, as amended. This planning effort would update management guidance and create a new North Dakota RMP. The proposed RMP/final EIS evaluates five alternatives in detail.” According to the BLM, “Under the final EIS, BLM identifies Alternative D as the proposed plan. BLM will close areas to oil and gas leasing if they have low development potential or

are state-designated drinking water source protection areas.” [Read more.](#) The notice opens a 30-day protest period. [Read more.](#)

**BLM Resource Advisory Council Meeting – Wyoming.** On August 7, the BLM announced that the Wyoming Resource Advisory Council (RAC) will hold a meeting and field tour on September 18 and 19, 2024. According to the BLM, agenda topics for the meeting “may include district and field manager updates and presentations on the final Rock Springs Resource Management Plan (RMP), if available, the Greater Sage Grouse RMP Amendments, the Foundation for America’s Public Lands, wild horse gathers, rule implementation, the Blueprint for 21st Century Outdoor Recreation Plan, and other resource management issues the Council may raise.” RAC meetings and field tours are open to the public. [Read more.](#)

**BLM Federal Advisory Committee.** On August 8, the BLM announced its intent to develop a Federal Advisory Committee “to engage the public and to help inform the Bureau’s implementation of the [Public Lands Rule](#). The Committee will allow the BLM to continue working with and hearing from a range of experts and the public to support successful implementation of the rule. The Committee will represent a broad and diverse range of stakeholders and interests, and will help inform outreach and engagement, advise on best management practices, and participate in the development of agency guidance to support implementation. This will build on the work of BLM’s Resource Advisory Councils, which provide valuable feedback on BLM initiatives, regulatory proposals, and policy changes.” The BLM also announced that the agency “released a set of initial guidance documents to support clear and consistent implementation of the rule across the Bureau’s 12 state and 175 field offices. The guidance documents, which cover topics from land health assessments to restoration and mitigation leasing, provide direction to BLM field personnel and inform the public on how the rule will work in the field. As we continue implementing the rule, the guidance may be updated to accommodate the BLM’s experience, new information or input from the public.” [Read more.](#)

### **EPA/Department of Energy Methane Emissions Reduction Funding Opportunities.** (*Update to 6/24/24 Report*)

On August 13, the U.S. Environmental Protection Agency (EPA) distributed a reminder for their August 26, 2024 funding opportunity deadline for “projects that will help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors.” [Access the program information here.](#) For background, on June 21, the EPA announced that in conjunction with the U.S. Department of Energy “applications are open for \$850 million in federal funding for projects that will help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors.” The announcement included information on how to apply for program funding and the areas in which funding is available. “Today, we’re building on strong standards and historic progress to cut methane pollution and protect communities across the country,” said EPA Administrator Michael S. Regan. “These investments from President Biden’s Investing in America agenda will drive the deployment of available and advanced technologies to better understand where methane emissions are coming from. That will help us more effectively reduce harmful pollution, tackle the climate crisis and create good-paying jobs.” [Read the original announcement here.](#) For access to the grant application web resource, [Read more here.](#)

### **STATE – Legislative**

**For all 600+ 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**

**Oil and Gas Production – California.** On July 22, members of the California Republican congressional delegation sent a letter to Gov. Gavin Newsom (D) expressing “grave concerns with your energy policies and their implications for our national security should

your administration continue down this path of shortsighted energy management.” [Read more.](#) The letter also criticizes Newsom’s plan to phase out oil production by 2045, “regardless of whether Californians continue to consume 1.8 million barrels of crude oil a day. This energy policy sends a clear message to oil producers, refiners, and investors in our state that there is a pending shutdown of essential oil and gas in California.” [Read the letter here.](#)

### **Geothermal Drilling Regulations – Colorado.**

On August 13, the Colorado Energy and Carbon Management Commission (ECMC) voted unanimously in favor of adopting their Deep Geothermal Operations rules. The rulemaking “outlines permitting and enforcement procedures broadly similar to those already in place for oil and gas operations, giving the commission the power to approve or deny permits to protect health and safety and ensuring that local governments have a say in the process.” [Read the rule here.](#) To learn more about the ECMC regulation of geothermal operations, [read more.](#) Gov. Jared Polis (D) has touted the benefits of geothermal development in the state, saying, “Colorado has incredible low-cost renewable energy resources like geothermal that can help reduce emissions and save Coloradans money. Geothermal energy can play an integral role in powering the way Coloradans live, work and play, and will help future generations.” [Read more.](#)

**Oil and Gas Drilling Approval – Colorado.** On August 7, the Colorado Energy and Carbon Management Commission “voted 3 to 1 to approve the Lowry Ranch Comprehensive Area Plan, a proposal from Crestone—a subsidiary of Denver-based Civitas Resources—to develop up to 11 drilling sites spread across 32,000 acres in Arapahoe County.” Kait Schwartz, API Colorado director, said “the approval shows Colorado remains ‘open for business’ despite its recent push for tougher oil and gas regulations.” [Read more.](#)

**Ballot Initiatives – Colorado.** On August 6, a group called Citizens’ Tax Cut announced they have received enough signatures for their ballot initiative, [Proposition 108](#), to qualify for the November general

election ballot. The initiative “aims to reduce assessment rates to 5.7% for residential properties and 24% for commercial properties. If passed alongside [Constitutional Amendment 50](#), which is also on the ballot this November, Proposition 108 would cut this year's tax increase and limit future increases to a maximum of 4%.” Proposition 108 is still pending certification by the Colorado Secretary of State. [Read more](#). Read more about both ballot initiatives on the Secretary of State's website [here](#).

**Conservation of Oil and Natural Gas Proposed Rulemaking – Idaho.** On August 8, the Idaho Department of Lands published proposed rulemaking. ([See page 47 of the Idaho Administrative Bulletin here](#)) According to the bulletin, “These rules are required for the Oil and Gas Conservation Commission to fulfill their duty to prevent waste, protect correlative rights, and prevent pollution of fresh water supplies during the exploration and production of oil and gas resources. The rules define and clarify the procedures for regulating oil and gas exploration and development activities on public and private lands in the state. Following Executive Order 2020-01: Zero-Based Regulation, this rule chapter is scheduled for a comprehensive review in 2024 with the goal of simplifying the rules for increased clarity and ease of use. Revisions are also needed to better align the rules with statute revisions that occurred in 2017 and 2023. The Department aims to right-size its rule chapter and achieve several objectives, including, but not limited to: 1. Eliminating duplicative statutory language or any rule language that conflicts with governing statutes; 2. Removing rule language that is not absolutely necessary, is outdated, or is overly restrictive; and 3. Removing any language that merely relates to the internal processes of the Department.” The public comment period is open through August 28, 2024. [Read more](#).

**Governor Releases Clean Energy Plan – Nevada.** On August 8, Nevada Governor Joe Lombardo (R) released his 33-page “Climate Innovation Plan” that seeks to streamline clean energy development and also boosts Nevada's mining industry. [Read the plan here](#). According to the governor's office, the plan

“seeks to mitigate the changing patterns of the environment, while also considering economic realities and national security. By harnessing clean energy, improving energy efficiency, and fostering economic growth, we're establishing Nevada as a leader in climate solutions.” As reported by *Bloomberg Government*, the governor has “abandoned his Democratic predecessor's plan for cutting the state's greenhouse gas emissions.” [Read more](#).

**Franchise Tax – Oklahoma.** On August 11, the Oklahoma Tax Commission adopted a rule amendment to [Sec. 710:40-1-6](#) of the tax code as directed by a 2023 special session bill, [HB 1039](#). The rule change eliminates the Oklahoma franchise tax levied under [68 O.S. §§ 1203 and 1204](#), effective for tax year 2024 and subsequent tax years. Those sections relate to “Tax on domestic corporations and business organizations” and “Tax on foreign corporations and business organizations” which you can find on p. 411 of the above link. [Read more](#).

**Commissioners of the Land Office Rulemaking – Oklahoma.** On August 6, the Oklahoma Commissioners of the Land Office published a rulemaking regarding bonding requirements for the sale and operation of oil and gas leases. The new rule amends the bonding requirements to provide that “A performance bond in the amount reasonably sufficient to pay for the cost of remediation of the saltwater operation but, not less than Ten Thousand Dollars (\$10,000), shall be posted for each saltwater disposal agreement.” Previously, the rule provided that a performance bond of \$10,000 was required. [Read the rule here](#). For more information about the rulemaking process for this amendment, [Read more](#).

**Railroad Commission Proposed Rulemaking – Texas.** On August 15, the Texas Railroad Commission (RRC) voted unanimously in favor of proposed rulemaking including a “new Chapter 4, Subchapter A, and amendments to [Chapter 4, Subchapter B](#), and various rules in Chapter 3, including [§3.8](#) and [§3.57](#), regarding oil and gas waste management.” ([For new Chapter 4 proposed rules, see p. 5 of the proposed rules here](#).) Section 3.8 specifically relates to water

protection and Section 3.57 relates to reclaiming tank bottoms, other hydrocarbon wastes, and other waste materials. [Access the proposed rulemaking here.](#) According to the RRC, “The amendments pertain to not only waste from oil and gas operations, such as rock and other material pulled up from the ground during drilling, but also encapsulate waste from other operations for which the Legislature has given the RRC jurisdiction. Examples include geothermal, carbon sequestration and brine mining wells.” [Read the RRC press release here.](#) The public comment period is open through September 30, 2024. [Access the RRC public comment portal here.](#)

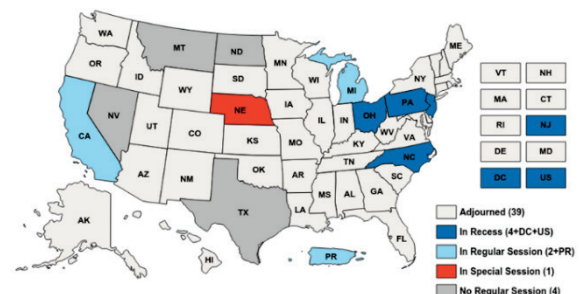
## INDUSTRY NEWS FLASH

## STATE – Judicial

### Interest on Unpaid Royalties; Leasing – Texas.

Recently, in the case [Samson Exploration LLC v. Bordages](#) (Case No. 22-0215), the Texas Supreme Court addressed “whether a mineral-lease provision calls for simple or compound interest on unpaid royalties.” As reported by *JD Supra*, here, the Court held that “An agreement for interest on unpaid amounts is an agreement for simple interest absent an express clear and specific provision for compound interest.” Accordingly, the Court also held that “Because the lessee has previously litigated the identical lease language with a different lessor and lost, we must also consider whether it is collaterally estopped to relitigate the same issue here. We hold that because Texas law disfavors compound interest, an agreement for interest on unpaid amounts is an agreement for simple interest absent an express, clear, and specific provision for compound interest. We also hold that the lessee’s prior litigation of the issue does not collaterally estop it from asserting its claims here.” The Court reversed the appellate court decision and remanded the case back to the trial court for further proceedings. [Read more.](#)

**Wellbore Transactions – Texas.** On July 30, law firm Porter Hedges LLP published a useful article focusing on “the state of Texas law regarding wellbore rights and various related issues raised by transactions involving such rights (and other similar lease severance issues) and provides some practical tips



**Session Notes:** California, Michigan, Ohio, and Pennsylvania are in regular session. The U.S. Congress is in August recess.

**Colorado** Democratic Gov. Jared Polis [announced](#) a special session set for August 26 to address property taxes. According to [KDVR](#), two property tax initiatives are currently on the ballot for November and lawmakers have been negotiating property tax measures in the hopes of removing the potentially risky ballot initiatives. With the deadline to remove the initiatives in early September, Governor Polis plans to call lawmakers to act on property taxes during the special session, with potential measures reducing the state's property tax rate or capping annual property tax revenue growth at four percent.

**Nebraska** began a special session on July 25 to address property taxes. According to the [Associated Press](#), legislators have introduced over 100 bills that aim to reduce property taxes through a variety of possible avenues, including increases in goods subject to sales tax or legalizing marijuana to increase revenue. Public hearings will be held for proposed bills before legislators decide which bills to act upon.

**North Carolina** passed an [adjournment resolution](#) that calls for the regular session to reconvene periodically through December. The legislature adjourned a session on August 1 and is scheduled to hold another session on September 9.

**Signing Deadlines** (by date): **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, to act on legislation or it becomes law without signature. **Illinois** Democratic Gov J.B. Pritzker has 60 days from presentment to act on legislation or it becomes law without signature.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Mexico](#), [New York Assembly](#), [North](#)

[Dakota](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#), [Utah](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Alabama](#), [Florida](#), [Nebraska](#), [Nevada](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#) and [Utah](#). ■

---

### THANK YOU TO OUR ALLIANCE PARTNERS

Your support allows us to spread awareness of the land profession; advocate for the entire energy industry; recruit young professionals; and create evolving, effective programs and services that aid energy professionals and help shape the future.



---

This report is provided exclusively for AAPL members. If you have received this report as a non-member, please contact AAPL member services to learn more about joining AAPL. For more information, email [membership@landman.org](mailto:membership@landman.org) or call us at: 817-847-7700.

---

**CONTENT DISCLAIMER:** Information and/or website sources provided in this report may be among the many resources available to you. This report does not endorse nor advocate for any particular attorney or law firm, nor other private entity, unless expressly stated. Any legal, financial, and/or tax information contained herein is provided solely for informational purposes and does not represent legal, financial, or tax advice on behalf of AAPL and/or its affiliates. Links to outside sources are provided for reference only and any cited outside source is derived solely from material published by its author for public use. Any copyrighted material remains the property of its respective owner and no use or distribution authorization is granted herein.

© 2024 AAPL