

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

H.R. 4880 – Primacy Certainty Act of 2025. On August 5, Rep. Dan Crenshaw (R-TX) and Rep. August Pfluger (R-TX) introduced [H.R. 4880](#), known as the Primacy Certainty Act of 2025, to expedite state primacy over Class VI injection wells. [Read more.](#) The bill “amends the Safe Drinking Water Act such that the Environmental Protection Agency (EPA) must rule on state applications to regulate Class VI injection wells within 180 days—otherwise the application automatically takes effect after 210 days if a state already enforces a similar program. The measure also directs the EPA to appoint a dedicated liaison for state coordination, tap Infrastructure Investment and Jobs Act funds for permit processing, and report annually to Congress on staffing and resource needs.” The Senate companion version, [S. 2505](#), was introduced by Sen. Dan Sullivan (R-AK) on July 29, 2025. [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, 2025. [Read more.](#)

FEDERAL – Regulatory

BLM Oil and Gas Lease Sale – New Mexico; Oklahoma. On August 4, the Bureau of Land Management (BLM) New Mexico State Office announced it is offering 21 parcels containing 8843.010 acres in New Mexico and Oklahoma for an oil and gas lease sale to be held on November 6, 2025. [Read more.](#)

BLM Oil and Gas Lease Sale – North Dakota. On August 19, the BLM Montana/ Dakotas State Office “announced an oil and gas lease sale scheduled for Oct. 21, 2025, to offer four oil and gas parcels totaling

2,068.40 acres in North Dakota. The BLM completed scoping on these parcels in April 2025 and held a public comment period that closed in June 2025 on the parcels and the related environmental analysis. A 30-day public protest period to receive additional public input opened today and will close Sept. 18, 2025.” [Read more.](#)

Interior Department Boosts Offshore Oil and Gas Lease Sharing Revenue. On August 12, the U.S. Department of the Interior announced that “the annual revenue-sharing cap for Gulf of America Outer Continental Shelf energy revenues will rise from \$500 million to \$650 million beginning in fiscal year 2025 and continuing through 2034.” As provided by the Interior Department, “the funds, generated from offshore oil and gas production, support coastal protection, restoration and infrastructure projects in Alabama, Louisiana, Mississippi and Texas, as well as the Land and Water Conservation Fund.” The increases will benefit gulf states by providing “up to \$150 million more each year, accelerating support for areas essential to American energy production.” [Read more.](#)

Interior Department Launches Overhaul of Offshore Wind Rules. On August 17, the Interior Department announced it “is launching a full review of offshore wind energy regulations to ensure alignment with the Outer Continental Shelf Lands Act and America’s energy priorities under President Donald J. Trump. This effort includes reviewing the Renewable Energy Modernization Rule, as well as financial assurance requirements and decommissioning cost estimates for offshore wind projects, to ensure federal regulations do not provide preferential treatment to unreliable, foreign-controlled energy sources over dependable, American-made energy.” Interior Secretary Doug Burgum said, “The Department is

fully committed to making sure that offshore energy development reflects President Trump's America First Energy Dominance agenda and the real-world demands of today's global energy landscape. We're taking a results-driven approach that prioritizes reliability, strengthens national security and upholds both scientific integrity and responsible environmental stewardship." [Read more.](#)

Interior Department to Consider Capacity Density for Wind and Solar Projects. On August 1, Interior Secretary Doug Burgum signed [Secretary Order No. 3438](#) (Managing Federal Energy Resources and Protecting the Environment) "to more efficiently manage our nation's energy resources by permitting projects that optimize energy generation while minimizing their environmental impact." In a press release, the Department said, "Massive, unreliable energy projects, such as wind and solar, are inefficient uses of federal lands when compared to other energy sources with much smaller footprints, like nuclear, gas and coal." Specifically, "in accordance with existing law and President Donald J. Trump's energy executive orders, the Department will now consider proposed energy project's capacity density when assessing the project's potential energy benefits to the nation and impacts to the environment and wildlife. This order directs the Department to permit only energy projects that are the most appropriate use of the federal land and resources." [Read more.](#)

Interior Department Updates Commingling Oil and Gas Production Rulemaking. (*Update to 7/14/25 Report*) To follow up our prior reporting, on August 20, the Interior Department announced it "is updating oil and gas commingling rules to align with the [One Big Beautiful Bill Act](#)." As provided, "The updates, led by the Bureau of Safety and Environmental Enforcement, or BSEE, and the Bureau of Land Management, or BLM, provide clear standards that support safe operations, improve efficiency and maximize recovery of America's energy resources. Commingling is the practice of combining oil or gas production from two or more sources into a single stream for measurement and processing." [You may access that rulemaking here.](#) Additionally, "the BLM

is issuing [interim guidance](#) to broaden commingling authority on public and tribal lands until updated regulations are complete. Field offices are directed to process applications quickly and consistently under the One Big Beautiful Bill Act's expanded provisions." [Read more.](#) For background, on July 7, the Interior Department announced it "is proposing critical updates to Bureau of Land Management oil and gas regulations that would make it easier for operators to combine production from multiple leases—a practice known as commingling. This will implement the One Big Beautiful Bill's directive to the Secretary of the Interior to approve onshore commingling applications. This approach allows oil and gas to be produced from different leases, often under different ownership, using the same well pad, which reduces environmental impacts, lowers operating costs and increases overall efficiency." The Interior Department said, "Current Bureau of Land Management regulations restrict commingling to leases that have identical mineral ownership, royalty rates and revenue distribution. These requirements create unnecessary barriers in many areas of the West where mineral ownership is complex and varied. The proposed changes would allow commingling even when these conditions differ, unlocking energy potential that is currently tied up in regulatory red tape." [Read more.](#)

Interior Department Offshore Oil and Gas Lease Sales. On August 19, the Interior Department announced a plan to hold 30 offshore oil and gas lease sales through 2040. According to a press release, "By committing to a predictable sale schedule, the Department is delivering on President Trump's promise to expand American energy production and strengthen U.S. energy independence." [Read more.](#)

Treasury Department Guidance on Wind and Solar Tax Credits. On August 15, the U.S. Department of the Treasury and Internal Revenue Service issued guidance ([Notice 2025-42](#)) regarding what constitutes "beginning of construction for solar and wind energy projects with respect to the production tax credit" under Section 45Y and Section 48E of the tax code pursuant to the One Big Beautiful Bill Act (OBBA) that winds down "which wind and solar energy projects can

receive the remaining tax credits that were largely eliminated” under the legislation enacted in July. [Read more](#). The OBBB ended tax credits for projects if they don’t begin producing electricity by 2028. But, as reported by *The Hill*, “it contains an exemption for projects that begin construction over the next year. Under the law, those projects would remain eligible for the subsidies even if they don’t produce electricity under the specified time frame.” [Read more](#). For a deeper dive into this topic, see a Foley & Lardner law firm analysis of the tax credit program and guidelines, [available here](#).

U.S. Environmental Protection Agency Cancels Solar for All Program. On August 1, the U.S. Environmental Protection Agency (EPA) “announced it is cancelling the Solar for All federal grant program, which originally committed \$7 billion in awarded grants to support solar in low income and disadvantaged households.” [Read more](#). According to law firm Womble Bond Dickinson, the groundwork for the EPA decision “came in the recent passage of the One Big Beautiful Bill Act. Among its numerous provisions, it included language that eliminated the federal Greenhouse Gas Reduction Fund (GGRF) and rescinded any unobligated funds. The \$7 billion in Solar for All grants was authorized through the GGRF program.” In turn, EPA Administrator Lee Zeldin “said that the law’s elimination of the GGRF meant his agency ‘no longer has the statutory authority to administer the program or the appropriated funds.’” [Read more](#).

U.S. Fish and Wildlife Service Civil Penalty Inflation Adjustments. On August 18, the U.S. Fish and Wildlife Service published a final rule, *Civil Penalties; 2025 Inflation Adjustments for Civil Monetary Penalties* ([90 Fed. Reg. 40045](#)) that provides for the annual inflation adjustments for civil penalties. The penalties apply to multiple sections of federal law, including the Endangered Species Act, as provided. [Read more](#).

FEDERAL – Judicial

Lesser Prairie Chicken – Texas District Court.

In a victory for the oil and gas industry, on August 12, the U.S. District Court for the Western District of Texas (Odessa/Midland) “vacated the Biden-Harris administration’s rule that listed the lesser prairie chicken as an endangered species.” [Read more](#). In *Texas v. U.S. Dept. of the Interior* (Case No. 7:23-cv-00047-DC), the court overturned a Biden-era U.S. Fish and Wildlife Service (FWS) rule aimed at protecting the bird species “which is found in the major oil- and gas-producing states of Texas, Oklahoma, Kansas, New Mexico, and Colorado.” In the order, District Judge David Counts, cited “serious, foundational defects” with the rule. And he wrote that “mere remand [sending the rule back to FWS] would not cure this error.” As noted by the *Oil & Gas Journal*, “The Permian Basin Petroleum Association, five ranchers’ associations, and Texas sued the Biden administration over the 2022 rule.” [Read more](#).

STATE – Legislative

For all 950+ 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 Water Quality Control Commission

Produced Water Rulemaking. To follow up our prior reporting, on August 12, the New Mexico Water Quality Control Commission held a public meeting in which it allowed produced water proposed rulemaking to move forward despite opposition from some in attendance. (See the New Mexico Environment Department Docketed Matters website for more information on the Water Quality Control Commission proposed rule, [available here](#).) As reported, the “proposed rule would allow 13 counties to use the

treated produced water for uses such as watering livestock, 'non-food crops,' construction and release into the environment." [Read more.](#)

New Mexico State Land Office Oil and Gas Lease Sale Breaks Revenue Record. On August 19, the New Mexico State Land Office announced that it "has smashed the record for revenue earned from an oil and gas lease sale, bringing in \$256 million in bonus payments at a public auction." For the August 19 auction, the Land Office offered 10 leases which are located in Lea and Eddy counties, and of which nine included the new 25% royalty rate that became effective in June 2025. [Read more.](#) And as provided by the *New Mexico Political Report*, "One parcel in Eddy County set a new State Land Office record of more than \$84 million, while another parcel established a New Mexico record of \$132,552 per acre, surpassing previous Land Office and Bureau of Land Management records, officials said." [Read more.](#)

University Lands State Oil and Gas Lease Sale -- Texas. The Texas Board for Lease of University Lands has announced an oil and gas lease sale (No. 133) open for bidding on October 8, 2025, and running through October 15, 2025. Tracts offered are located in Ector, Crane, Terrell, Upton, Reagan, and Crockett counties. The 21 tracts cover 54,885.156 net mineral acres available for lease. [Read more.](#)

Railroad Commission Rulemakings -- Texas. On August 19, the Texas Railroad Commission (RRC) announced it "adopted amendments to [§12.108](#) regarding Permit Fees. The amendments were adopted pursuant to [Senate Bill 1](#), 89th Texas Legislature, 2025, and will become effective September 8, 2025. The Commission also proposed amendments to [§§3.15 and 3.107](#) to implement [House Bill 2663](#), 89th Texas Legislature, 2025, and proposed repeals, new rules, and amendments to various rules in Chapters 9, 13 and 14 to implement [House Bill 5629](#) and [Senate Bill 1818](#), 89th Texas Legislature, 2025." The above relate to RRC Coal Mining Regulations, LP-Gas Safety rules, Regulations for Compressed Natural Gas, and Regulations for Liquefied Natural Gas, respectively. According to the RRC, "The

adoption notice and the proposals will be published in the Friday, September 5, 2025, issue of the [Texas Register](#). Comments on the proposals will be accepted until 5:00 pm, Monday, October 6, 2025." [Read more.](#) You may access all of the [RRC rulemaking documents and public comment portal here.](#)

STATE – Judicial

Well Setback Legislation – California. In an interim victory for the oil and gas industry, on July 25, the California Superior Court (Los Angeles) allowed a challenge to California's well setback bill, [SB 1137](#), to proceed in [Native Oil Producers and Employees of California v. California](#) (Case No. 25STCP01509). As provided by the plaintiff Native Oil Producers and Employees of California (NOPEC), "SB 1137, enacted in September 2022, mandates an arbitrary 3,200-foot setback for oil operations. The law prevents new wells and disallows routine maintenance on existing facilities, undermining California's energy independence, endangering thousands of local jobs, harming national security, raising gasoline prices, and jeopardizing the economic stability of communities that rely on in-state oil production." [Read more.](#) The California Independent Petroleum Association (CIPA), which is affiliated with the NOPEC plaintiffs, "claims that SB 1137 is unconstitutional, lacks scientific support, and is intentionally designed to shut down California's in-state production in favor of imported oil." In the ruling, the court "found NOPEC had alleged sufficient facts that SB 1137's health risk findings may be arbitrary, its definitions vague, and its true purpose to eliminate the oil industry. The court ruled these claims can proceed to trial." Second, the "court also allowed NOPEC's request for a writ of traditional mandate to move forward, which could result in orders to block the enforcement of SB 1137 if it is found unconstitutional." The case will now move to trial with a status conference scheduled for September 22, 2025. We will continue to keep AAPL members informed as the case progresses. [Read more.](#)

Utility-Scale Wind Farm Regulations – Illinois. On August 1, in [Hickory Wind, LLC v. Village of Cedar Point](#) (Case No. 3-24-0513), the Illinois Appellate

[Carolina](#), [South Dakota](#), [Tennessee](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

[Alabama](#) and [Tennessee](#) are currently posting pre-files for the 2026 legislative session. ■

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.

 bpxenergy



 COTERRA

 devon

 eogresources

 EQT

 expand

 Ovintiv

 OXY

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 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.

© 2025 AAPL