

# GOVERNMENTAL AFFAIRS REPORT

## FEDERAL – Legislative

**House Natural Resources Committee Hearing on American Energy Dominance.** On September 9, the House Committee on Natural Resources Subcommittee on Oversight and Investigations held a hearing titled, *Exploring the Economic Potential of the Golden Age of American Energy Dominance*. The hearing focused on permitted activities on federal lands and waters, such as oil and gas leasing, and responsible use of these lands to promote economic prosperity. According to the hearing memo, “After four years of the Biden administration locking up our lands and waters, the time has come to realize the full economic potential of the golden age of American energy and natural resources dominance.” To access a full video recording of the hearing and witness testimony, [Read more](#).

**House Natural Resources Committee Hearing on Permitting Reform Legislation.** On September 9, the House Committee on Natural Resources held a legislative hearing on permitting reform for three bills: [H.R. 573](#) (Studying NEPA’s Impact on Projects Act); [H.R. 4503](#) (ePermit Act); and [H.R. 4776](#) (Standardizing Permitting and Expediting Economic Development Act, or the SPEED Act). According to the hearing memo, “While well-intentioned, the National Environmental Policy Act of 1969 (NEPA) has spawned an extremely cumbersome and lengthy review process that has increased costs and permitting timelines for a wide range of projects. These burdens affect everything from transportation and infrastructure to forestry and energy development.” These bills seek to address those issues by streamlining and improving the NEPA process. To access a full video recording of the hearing and witness testimony, [Read more](#).

**House Energy and Commerce Committee Hearing on Energy Choice and Affordability.** On September 9, the House Committee on Energy and Commerce Energy Subcommittee held a hearing titled, *Building the American Dream: Examining Affordability, Choice, and Security in Appliance and Buildings Policies*. The hearing focused on consumer choice and affordability related to appliances and buildings, such as putting in place policies to prohibit bans on natural gas. Regarding the hearing, the IPAA’s *Energy in Depth* noted that “Americans across the nation are facing high energy costs, and the misguided push to electrify everything, from home heating to cooking, strips away consumer choice while ignores the current affordability crisis. Natural gas is the clear right way to go, as it provides an affordable, reliable solution to energy security issues, while simultaneously decreasing emissions.” [Read more](#). To access a full video recording of the hearing and witness testimony, [Read more](#).

## FEDERAL – Regulatory

**BLM Rescission of Conservation and Landscape Health Rule.** On September 11, the Bureau of Land Management (BLM) published a proposed rule, *Rescission of Conservation and Landscape Health Rule* ([90 Fed. Reg. 43990](#)), that will rescind the Biden-era rule, known as the Public Lands Rule, that allowed federal lands to be leased for restoration in the same way that energy companies lease land for drilling. [Read more about the Rule here](#). Interior Secretary Doug Burgum said the Biden-era rule “would have prevented thousands of acres from being used for energy and mineral productions, grazing and recreation. Overturning it ‘protects our American way of life and gives our communities a voice in the land that they depend on.’” [Read more](#). As noted in the proposed rule, “The 2024 Rule’s leasing provisions

threaten to upset the appropriate balance that the BLM must strike when managing public land under principles of multiple use and sustained yield. The BLM is charged by statute to regulate the ‘use, occupancy, and development’ of public lands in accordance with the principles of ‘multiple use’ and ‘sustained yield.’” But that rule “identifies conservation—a non-use—as a productive use for leases and permits. This is contrary to the BLM’s mandate and statutory authority. Conservation is not a ‘use’ under the statute.” Following the rule rescission announcement, IPAA COO and EVP Dan Naatz said, “Independent oil and natural gas producers have always opposed this misguided policy pushed by the Biden Administration. The Rule turned the long-standing policy of ‘multiple use’ of federal lands on its head and was another step toward non-use of public lands.” [Read more.](#)

**BLM Greater Sage-Grouse Resource Management Planning.** On September 3, the BLM published a Notice of Significant Change, *Opportunity To Comment on Changes to the Proposed Resource Management Plan Amendment for the Greater Sage-Grouse Rangewide Planning* ([90 Fed. Reg. 42607](#)). According to the BLM notice, the agency “is soliciting comments on significant changes to the Proposed Resource Management Plan Amendment (RMPA) for Greater Sage-grouse Rangewide Planning released in November 2024. The environmental consequences of the proposed changes have been analyzed as part of the RMPA/environmental impact statement (EIS) process. Following consideration of any comments on these changes, the BLM will issue Records of Decision (ROD) for the Approved RMPAs for Idaho, Montana/Dakotas, Nevada/California, Utah, and Wyoming.” The public comment period is open through October 3, 2025. [Read more.](#)

**BLM Oil and Gas Lease Sale – Colorado.** On September 2, the BLM Colorado State Office “opened a 30-day public scoping period to receive public input on 103 oil and gas parcels totaling 72,848 acres that may be included in a March 2026 lease sale in

Colorado. The comment period ends Oct. 2, 2025.” [Read more.](#)

**BLM Oil and Gas Lease Sale – Montana; North Dakota.** On August 29, the BLM Montana/Dakotas State Office “opened a 30-day public comment period to receive public input on plans to include 20 oil and gas leases, totaling 4,267 acres in Montana and North Dakota in a January 2026 sale. The comment period ends Sept. 29, 2025. The BLM completed scoping on these parcels in July 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 our review of each parcel.” [Read more.](#)

**BLM Oil and Gas Lease Sale – Wyoming.** On August 28, the BLM Wyoming State Office “announced an oil and gas lease sale scheduled for Dec. 3, 2025, to offer 86 oil and gas parcels totaling 79,169 acres in Wyoming. The BLM completed scoping on these parcels in May 2025 and held a public comment period that closed in July 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 27, 2025.” [Read more.](#)

**Federal Trade Commission Noncompete Agreements Enforcement and Request for Information.** Last week, the Federal Trade Commission (FTC) announced it has “launched a public inquiry to better understand the scope, prevalence, and effects of employer noncompete agreements, as well as to gather information to inform possible future enforcement actions” through its [Request for Information Regarding Employer Noncompete Agreements](#). According to the FTC, “Members of the public including current and former employees restricted by noncompete agreements, and employers facing hiring difficulties due to a rival’s noncompete agreements, are encouraged to share information about the use of noncompete agreements.” The request has a closing date of November 3, 2025, for public comments and may inform future FTC regulatory policies. [Read more.](#)

For a deeper dive into the latest legal and policy issues in FTC's enforcement of noncompete agreements, read more from law firm Crowell & Moring LLP [here](#) and from Gibson, Dunn & Crutcher LLP [here](#).

### **U.S. Environmental Protection Agency Proposes End to Greenhouse Gas Reporting Program.**

On September 12, "U.S. Environmental Protection Agency (EPA) Administrator Lee Zeldin announced a proposed rule to end the burdensome Greenhouse Gas Reporting Program (GHGRP), saving American businesses up to \$2.4 billion in regulatory costs while maintaining the agency's statutory obligations under the Clean Air Act (CAA). Unlike other mandatory information collections under the CAA, the GHGRP is not directly related to a potential regulation and has no material impact on improving human health and the environment. If finalized, the proposal would remove reporting obligations for most large facilities, all fuel and industrial gas suppliers, and CO2 injection sites." As noted by the EPA, "The GHGRP requires 47 source categories, covering over 8,000 facilities and suppliers in the U.S. to calculate and submit their greenhouse gas (GHG) emissions reporting annually. Following a careful review, EPA proposed that there is no requirement under CAA section 114(a) to collect GHG emission information from businesses nor is continuing the ongoing costly data collection useful to fulfill any of the agency's statutory obligations. Therefore, EPA is proposing to remove all GHG reporting requirements, except for those subject to the Waste Emissions Charge (WEC)." [Read more](#). The WEC was removed by the EPA earlier this year. [Read more](#). You may also access an EPA Fact Sheet on the [proposed GHGRP rulemaking here](#).

### **FEDERAL – Judicial**

**Office of Natural Resources Revenue Federal Offshore Royalty Dispute Appeal.** Recently, the U.S. Department of the Interior's Interior Board of Land Appeals vacated an Order to Perform Restructured Accounting and Pay "issued by the Office of Natural Resources Revenue (ONRR) that would have required an offshore operator to

recalculate and repay more than \$20 million in federal royalties across over 40 properties in the Gulf of Mexico (Gulf of America). The decision is a significant victory for industry in a long-running federal offshore royalty dispute." [Read the Administrative Order here](#). For background, EPL Oil & Gas, LLC and related companies, appealed several ONRR decisions "related to the amount of royalties due for EPL's production of oil and gas from Federal leases on the Outer Continental Shelf. Each of the decisions arose from a series of related disputes over EPL's recalculation of the transportation allowances for royalty payments under the Federal Oil and Gas Royalty Management Act." As noted by law firm Holland & Hart, "The decision reinforces the fundamental principle that federal agencies must operate within the bounds of their authority, even when pursuing revenue collection. The Board drew a clear line: ONRR cannot issue audit-style orders without procedural rigor, and it cannot sidestep statutory limits that protect taxpayers from government overreach." [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**

**Federal Permitting Council Energy Infrastructure Streamlining – Alaska.** On August 27, Alaska Gov. Mike Dunleavy (R) announced that "Alaska has signed a Memorandum of Understanding with the Federal Permitting Improvement Steering Council to improve coordination and transparency in permitting major infrastructure projects across the state." Under the agreement, "the Office of Project Management and Permitting within the Alaska Department of Natural Resources will coordinate directly with the Permitting

Council to identify eligible projects, engage project sponsors, and share state regulatory expertise. In turn, the Permitting Council will provide technical assistance, coordinate federal reviews, and ensure project timelines are tracked and visible on the Federal Permitting Dashboard.” The agreement will help expedite energy, mining, and advanced technology fracture projects, among others. [Read more.](#)

**California Energy Commission Delays Oil Company Profit Penalty.** As reported by the *Associated Press* on August 29, the California Energy Commission has delayed implementation of a penalty on oil companies when profits exceed certain levels. The move delays the implementation to 2030, although, “Siva Gunda, the commission’s vice chair, said the state is not ‘walking back’ its efforts to wean itself off fossil fuels but must prioritize protecting consumers at the gas pump.” As reported by the California Independent Petroleum Association, the Commission “had been empowered to levy fines on companies that were deemed to be making windfall profits, but, nearly two years later, regulators still have not defined what counts as ‘excessive.’ Instead, commissioners are now signaling that penalties may not arrive until 2030, if at all.” The Western States Petroleum Association has recommended that the state postpone the penalty for 20 years. “While today’s action by the CEC stopped short of a full statutory repeal or a 20-year pause, it represents a needed step to provide some certainty for California’s fuels market,” CEO Catherine Reheis-Boyd said in a statement. “The vote demonstrates the CEC’s understanding that imposing this failed policy would have likely exacerbated investment concerns contributing to California’s recent refinery closures.” [Read more.](#)

**Brackish Water Treatment Grants – New Mexico.** On August 27, “New Mexico officials announced public entities and tribal governments have just over one week to apply for grants for projects to treat saltier water from deep underground.” As reported, the New Mexico Environment Department (NMED) plans to roll out the program to “distribute \$40 million in grants and contracts for brackish water treatment” to public entities and tribal governments. New Mexico

lawmakers established the program, known as the “Strategic Water Supply, during the legislative session via [House Bill 137](#), which established the fund and furthers the work to try and map New Mexico’s underground water sources.” [Read more.](#) For more information, please visit the NMED Strategic Water Supply information website [available here.](#)

**Railroad Commission State Taskforce on Petroleum Theft Seeks Members – Texas.** On September 2, the Texas Railroad Commission (RRC) announced it “is accepting applications for membership in the State Taskforce on Petroleum Theft (STOPTHEFT), which was created in [Senate Bill 494](#) passed by the 89th Legislature (Regular Session). The deadline to submit applications is September 24, 2025.” As noted by the RRC, “The bill requires the RRC to appoint a task force that must include at least one representative from the oil and gas industry; at least one representative from an energy trade association; and representatives from local, state and federal law enforcement agencies.” [Read more.](#)

**Railroad Commission Oil and Gas Waste Permit Fees – Texas.** On August 26, the Texas Railroad Commission (RRC) notified oil and gas operators of new fees regarding waste management permits pursuant to [SB 2122](#), which was enacted in the 2025 Texas legislative session and took effect on September 1, 2025 and which “establishes fees for certain permit applications to store, treat, or dispose of oil and gas wastes in Texas.” According to the RRC, the bill amended the Texas Natural Resources Code “to require that an applicant for certain waste management permits shall submit to the Commission a nonrefundable fee and surcharge with each application as follows: Landfarm, land treatment, or land application permit or permit amendment: \$500 permit fee and a \$750 surcharge for a total fee of \$1,250; Commercial oil and gas waste separation facility permit: \$2,000 permit fee and a \$3,000 surcharge for a total fee of \$5,000; Amendment to a commercial oil and gas waste separation facility permit: \$1,000 permit fee and a \$1,500 surcharge for a total fee of \$2,500; Commercial surface oil and gas waste disposal facility permit: \$3,000 permit fee and



a \$4,500 surcharge for a total fee of \$7,500; and Amendment to a commercial surface oil and gas waste disposal facility permit: \$1,000 permit fee and a \$1,500 surcharge for a total fee of \$2,500.”

[Read more.](#)

**SITLA Land Sale – Utah.** The Utah School and Institutional Trust Lands Administration (SITLA) has announced that it is offering 11 Utah land parcels offered for sale covering over 1,179 acres in an upcoming SITLA land sale on November 13-18, 2025.

[Read more.](#)

**Electric Generating Capacity Expansion – West Virginia.** On August 28, West Virginia Gov. Patrick Morrisey (R) announced a plan to “supercharge power production” in West Virginia. During remarks at the West Virginia Chamber of Commerce Annual Meeting and Business Summit, Morrissey “set a goal of increasing the state’s electrical generating capacity to 50 gigawatts by 2050.” Promoted as a “50 by ’50” plan, it “will focus on increasing the uses of ‘stable sources of fuel,’ Morrissey said. ‘Primarily coal, natural gas and nuclear,’ he said. ‘By maintaining and building out our grid, our ‘50 by ‘50’ initiative, that’s going to make West Virginia by far the leading per-capita exporter of energy in the nation.’” Following the announcement, the Gas and Oil Association of West Virginia issued a statement applauding the governor’s initiative. “West Virginia’s natural gas industry remains ready to meet the moment and put our low-cost, reliable resources to work in realizing Governor Morrissey’s ‘50 by 50’ vision,” said Association President Charlie Burd. [Read more.](#)

## **STATE – Judicial**

**Deeds; Royalty Interests – Texas.** On September 5, the Texas Supreme Court granted review of an Eighth Court of Appeals (El Paso) ruling in the case, [Clifton v. Johnson](#) (Case No. 23-0671), where the court held “that a deed conveying a fixed 1/128th mineral and floating royalty interest in fact conveyed a non-participating 1/16th interest and a floating 1/16th royalty interest.” The trial court ruled that the deed at issue conveyed a fixed

1/128th interest but the appellate court reversed resulting in the appeal to the Texas Supreme Court for review. Oral argument has been set for December 2, 2025, and we will keep AAPL members updated as the case progresses. For a deeper dive into the case, please see a Texas Civil Justice League article, [available here.](#)

**Business Court Jurisdiction – Texas.** On August 11, in [OWL AssetCo1, LLC v. EOG Resources, Inc.](#) (Case No. 25–BC11B–0027), the Houston Business Court ruled it did not have jurisdiction in an oil and gas dispute involving an agreement between the parties concerning the delivery and disposal of produced water because the amount in controversy did not meet the threshold to be heard in the business court. As reported by the Texas Civil Justice League, “the court determined that it lacked jurisdiction because the amount in controversy did not exceed \$10 million. As established by EOG’s pleadings, the amount in controversy was in fact a minimum of \$8.2 million, the amount EOG claimed it cost to remediate the three spills, or about \$9.1 million, which takes into account EOG’s alleged liquidated damages. Consequently, whether or not the court aggregated OWL’s and EOG’s damages claims, it still wouldn’t exceed the jurisdictional threshold.” EOG argued that since OWL’s petition did not “affirmatively establish an amount in controversy outside the court’s jurisdiction, OWL failed to negate jurisdiction. The court rejected this argument on the basis that OWL attached an affidavit to its motion establishing that the amount in controversy was outside the business court’s jurisdiction.”

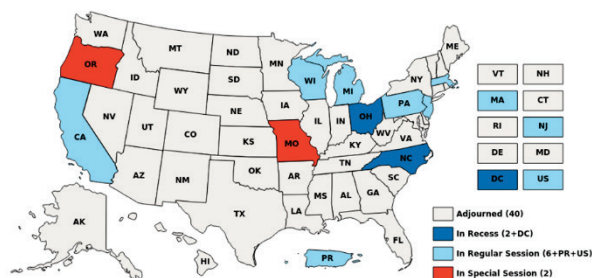
[Read more.](#)

**Wellhead Market Royalty; Postproduction Costs – Texas.** Recently, in [City of Crowley v. TotalEnergies E&P USA, Inc.](#) (Case No. 02-24-00088-CV), the Texas Court of Appeals, Second Appellate District (Fort Worth), addressed a gas-royalty dispute, that according to the court, “turns on a single question of contract interpretation: Does the parties’ mineral lease (the Lease) require the relevant gas-royalty payment to be calculated based on the market value of the gas at the point of sale—here, the wellhead—or based on the combined sum of the wellhead market value plus

post-sale postproduction costs?” The court noted that the question has been answered before in Texas, holding that although the lessor attempted to distinguish the facts here from prior precedent, “by arguing that a separate provision unique to the present Lease converts the wellhead-market-value royalty into a market-value-plus royalty, its attempts are unsuccessful.” In upholding the trial court judgment in favor of TotalEnergies, the court concluded that the “Lessees did not breach the Lease by calculating Lessor’s royalty payment based on the gas’s market value at the wellhead without adding in post-sale postproduction costs.” As noted by law firm Gray Reed, “The valuation provision fixed market value at the wellhead – the point of sale. Moreover, adopting the lessor’s reading would improperly rewrite an at-the-well market-value lease into a ‘total proceeds’ lease.” [Read more.](#)

► **IPAA announces new President and CEO.**

## LEGISLATIVE SESSION OVERVIEW



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

**California** adjourned its 2025 legislative session on September 12, however pending bills may carry over into the 2026 session.

**Governor Signing Deadlines** (by date; active sessions): **Illinois** Democratic Gov. J.B. Pritzker has 60 days from presentment to act on legislation or it becomes law without signature. **Michigan** Democratic Gov. Gretchen Whitmer has 4 days from presentment to act on legislation or it is pocket vetoed.

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

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

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