

GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Regulatory

BLM Fluid Mineral Leases and Leasing Process

Final Rule. On April 23, the Bureau of Land Management (BLM) published a final rule, *Fluid Mineral Leases and Leasing Process* ([89 Fed. Reg. 30916](#)). The BLM states, “the final rule implements provisions of the Inflation Reduction Act (IRA) pertaining to royalty rates, rentals, and minimum bids; updates the bonding requirements for leasing, development, and production; and revises some operating requirements. The final rule will improve the BLM’s leasing process by ensuring proper stewardship of public lands and resources.” This rule release follows our prior reporting during the proposed regulatory announcement period in July 2023 when we provided AAPL members with an opportunity to submit public comments and make their voices heard. According to the final rule, “Overall, this rule will enhance the BLM’s administration of oil and gas-related activities on America’s public lands and reflects Congress’s changes to the oil and gas program in the IRA. Specifically, the rule will reflect requirements of the IRA by increasing royalty rates, rentals, and minimum bids for BLM-issued oil and gas leases, and by imposing a fee for the submittal of an expression of interest (EOI) for leasing Federal oil and gas. The rule also updates the bonding requirements for leasing, development, and production to address shortcomings identified in reports by the Government Accountability Office (GAO) and the Department of the Interior’s (DOI’s) Office of Inspector General (OIG). Collectively, the BLM proposed these changes to bring the regulations into compliance with the IRA and the Infrastructure Investment and Jobs Act (IIJA) mandates and to ensure that reclamation costs are not borne by the American public. The BLM is also adjusting its cost recovery mechanisms so that project applicants provide a more appropriate share of the BLM’s up-front costs for processing these applications. Finally, the BLM is implementing several changes to

focus leasing on areas with fewer resource conflicts. The BLM’s final rule will be the first comprehensive update to the Federal onshore oil and gas program’s regulatory framework since 1988.” The rule takes effect June 22, 2024. [Read more.](#)

Interior Department Bans Oil and Gas Drilling on 13.3 million acres in the National Petroleum Reserve

– Alaska. On April 19, the Biden administration finalized rulemaking that will making 13.3 million acres off limits to oil and gas drilling in the National Petroleum Reserve – Alaska (NPR-A). “I am proud that my Administration is taking action to conserve more than 13 million acres in the Western Arctic and to honor the culture, history, and enduring wisdom of Alaska Natives who have lived on and stewarded these lands since time immemorial,” President Joe Biden said in a statement. He said the decision was part of his administration’s push to “meet the urgency of the climate crisis.” [Read more.](#) The Interior Department’s Bureau of Land Management (BLM), which manages the NPR-A, said the “majority of the area closed to oil and gas drilling was determined to be medium or low potential for discovery or development of oil and gas resources.” According to the Interior Department, “The final rule codifies protections for 13.3 million acres encompassed by the existing Special Areas, limiting future oil and gas leasing and industrial development in the Teshekpuk Lake, Utukok Uplands, Colville River, Kasegaluk Lagoon, and Peard Bay Special Areas – places collectively known for their globally significant intact habitat for wildlife, including grizzly and polar bears, caribou and hundreds of thousands of migratory birds. The rule also codifies existing prohibitions on new leasing in 10.6 million acres, more than 40 percent of the NPR-A, consistent with the current NPR-A Integrated Activity Plan.” [Read more.](#)

Interior Department/BLM Proposed Resource Management Plan and Final Environmental Impact

Statement for the Central Yukon Planning Area –

Alaska. On April 26, the Interior Department's BLM published a *Notice of Availability for the Central Yukon Proposed Resource Management Plan/Environmental Impact Statement, Alaska* (89 Fed. Reg. 32457). According to the BLM notice, "The Central Yukon Proposed RMP/Final EIS is a comprehensive framework for future public land management actions in the Central Yukon region of Alaska. The planning area consists of about 55.7 million acres of land, including approximately 13.3 million acres of public lands managed by the BLM Central Yukon Field Office. The Central Yukon RMP will guide management of these public lands for the benefit of current and future generations as part of the BLM's multiple-use mission. This planning effort updates management decisions for public land uses and resources, including subsistence resources, mineral exploration and development, and recreation." The notice opens a 30-day public protest period. [Read more.](#)

New FTC Rule Bans Non-compete Agreements. On April 23, the Federal Trade Commission (FTC) voted to finalize a new rule "to prohibit employers from enforcing non-competes against workers." According to the FTC, the agency "has determined that non-competes are an unfair method of competition and therefore violate Section 5 of the Federal Trade Commission Act; The final rule prohibits employers from entering into new non-competes with workers on or after the effective date; [and] The rule also prohibits employers from enforcing existing non-competes with workers other than senior executives." [Read an FTC Fact Sheet here.](#) Once the rule is officially published in the Federal Register it will take effect 120 days later. [Access the complete rule here.](#) The 570-page *Non-Compete Clause Rule* "makes clear that the non-compete ban will apply to any terms or conditions that require a worker to pay a penalty for engaging in competition, including liquidated damages, forfeiture-for-competition clauses, and severance agreements that condition payment of severance on compliance with a non-compete. Notably, however, the Final Rule also explains that non-competes during a period of garden leave, in which the worker is still employed and receiving the same total annual compensation and benefits on a pro rata basis, are *not* prohibited because such an agreement is not a

post-employment restriction." [Read more.](#) The rule also revises the definition of worker, provides limits on the ban, and provides certain exceptions. [Read a full legal analysis of the rule from law firm Pillsbury Winthrop Shaw Pittman LLP here.](#) Additional resources are [available here from law firm Jackson Wallker LLP](#) as well as various news articles [here](#) and [here](#) and [here](#). Almost immediately after the rule was released, the U.S. Chamber of Commerce, and other business groups, filed suit against the FTC. In [Chamber of Commerce v. Federal Trade Commission](#) (Case No. 6:24-cv-00148), the litigants argue that the rule is "not only unlawful but also a blatant power grab that will undermine American businesses' ability to remain competitive." The U.S. Chamber of Commerce said, "Since its inception over 100 years ago, the FTC has never been granted the constitutional and statutory authority to write its own competition rules. Non-compete agreements are either upheld or dismissed under well-established state laws governing their use. Yet, today, three unelected commissioners have unilaterally decided they have the authority to declare what's a legitimate business decision and what's not by moving to ban non-compete agreements in all sectors of the economy." [Read more.](#) Additional legal challenges are expected and we will continue to closely watch these cases for AAPL members.

FEDERAL – Judicial

Interior Department Methane Emissions

Rulemaking. On April 24, several states filed suit against the U.S. Department of the Interior challenging a recently finalized rule aimed at reducing natural gas waste from oil and gas production from leases on federal and Native American land. In *North Dakota v. U.S. Department of Interior* (Case No. 1:24-cv-00066), Texas, North Dakota, Montana, and Wyoming challenge the U.S. Bureau of Land Management (BLM) rule "requiring drillers to develop plans to detect leaks, make repairs and minimize waste of methane, a potent greenhouse gas." The rule "also requires drillers to pay royalties for natural gas lost during methane flaring or venting if those losses are considered to have been avoidable." [Read more about the final rule here.](#) The states argue that the BLM "rule

Further, the states say the “rule violates federal land management and mineral laws and infringes on their ability to develop air pollution plans and regulations in coordination with the U.S. Environmental Protection Agency under the federal Clean Air Act. They are asking the court to vacate the rule, which goes into effect in June.” [Read more.](#)

special session to present a new budget, which leaders are currently negotiating. A vote on the new budget is expected to take place on May 15.

New Mexico Democratic Gov. Michelle Lujan Grisham has called for a special session starting July 18.

According to her [press release](#), the special session will take up additional public safety protections. Some issues that will likely be addressed include pedestrian safety on roads and in public spaces, laws allowing courts to intervene for those who need substance abuse or mental health help and enhanced penalties for felons in possession of guns, according to [KRQE](#). The session is expected to last several days.

Signing Deadlines (by date): **Idaho** Republican Gov. Brad Little had until April 22 to act on legislation or it became law without signature. **Kentucky** Democratic Gov. Andy Beshear had until April 26 to act on legislation or it becomes law without signature. **Georgia** Republican Gov. Brian Kemp has until May 7 to act on legislation or it becomes law without signature. **Iowa** Republican Gov. Kim Reynolds has until May 20 to act on legislation or it is pocket vetoed. **Florida** Republican Gov. Ron DeSantis has 15 days from presentment to act on legislation or it becomes law without signature. **Maryland** Democratic Gov. Wes Moore has 30 days from presentment to act on legislation or it becomes law without signature. **Nebraska** Republican Gov. Jim Pillen has five days upon presentment, Sundays excluded, to act on legislation or it becomes law without signature. **Tennessee** Republican Gov. Bill Lee has 10 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature.

The following states are currently holding interim committee hearings or studies: [Indiana](#), [Maryland](#), [Montana](#), [Nevada](#), [New Mexico](#), [North Dakota](#), [South Dakota](#), the [Texas House](#), [Utah](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

North Dakota is filing [bill drafts](#) for the 2025 session. ■

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

H.R. 6285 - Alaska's Right to Produce Act. On May 1, [H.R. 6285](#), known as Alaska's Right to Produce Act, passed the House. Sponsored by Rep. Pete Stauber (R-MN), the bill provides for oil and gas leases in the Arctic National Wildlife Refuge (ANWR). [Read more.](#) Specifically, the bill "nullifies any order or action by the President or the Department of the Interior that places a moratorium on, suspends, or otherwise pauses leasing in ANWR's 1002 Area." The bill "also ratifies and approves all authorizations and permits issued for the establishment and administration of the Coastal Plain Oil and Gas Leasing Program. The Environmental Protection Agency and other applicable federal departments and agencies must process, reinstate, or continue to maintain such authorizations and permits. Within 30 days of the bill's enactment, Interior must accept bids for certain ANWR leases that were canceled and reissue the leases. The bill states that the reissued leases must be considered to meet the requirements of specified existing laws, such as the Endangered Species Act of 1973. By December 22, 2024, Interior must also conduct a second lease sale. Further, the bill limits the authority of the President and Interior to cancel future leases issued under the program. The bill also directs the Bureau of Land Management to withdraw its (1) *Notice of Availability of the Draft Coastal Plain Oil and Gas Leasing Program Supplemental Environmental Impact Statement*, and (2) proposed rule titled *Management and Protection of the National Petroleum Reserve in Alaska*. It also nullifies Section 4 of Executive Order 13990 and Secretarial Order 3401. Finally, the bill limits judicial review of approvals of leases under the program." However, as reported by *The Hill*, "While the legislation has some bipartisan support, it's unlikely to move past the Democrat-led Senate or win White House approval." [Read more.](#)

H.R. 4877 - Abandoned Well Remediation Research and Development Act.

On April 30, [H.R. 4877](#), known as the Abandoned Well Remediation Research and Development Act, passed the House. This bipartisan bill, sponsored by Rep. Summer Lee (D-PA), "requires the Department of Energy (DOE) to establish a research, development, and demonstration program concerning abandoned oil and gas wells. Under the program, DOE must work to improve (1) data collection on the location of abandoned oil or gas wells; (2) the plugging, remediation, reclamation, and repurposing of the wells; and (3) strategies to mitigate potential environmental impacts of documented and undocumented abandoned wells. The program terminates after five years." [Read more.](#)

House Committee on Natural Resources Hearing on Extreme Environmental Activist Groups in the Department of the Interior.

On April 30, the U.S. House Committee on Natural Resources Oversight and Investigations Subcommittee held a hearing, *Examining the Influence of Extreme Environmental Activist Groups in the Department of the Interior*. The hearing focused on the following key messages: "The Biden administration is beholden to activist nonprofit, non-governmental organizations (NGOs), particularly those aligned with leftist social and environmental justice agendas; Despite rigorous compliance and ethics requirements, NGOs' growing influence in the federal rulemaking process is significant and often occurs outside of the public eye; [and] under Secretary Haaland, the Department of the Interior (DOI) has cultivated intimate and potentially improper relationships with radical NGOs driving the Biden administration's extreme environmental agenda." According to the hearing memo, "the growing influence of nonprofits on policymaking is not adequately understood and warrants investigation. This is especially true when organizations seem to operate

outside the existing compliance regime and the relationship between nonprofit NGOs and government decisionmakers disregards the spirit of the rules established to govern it.” To access a full video recording of the hearing and witness testimony, [Read more](#).

FEDERAL – Regulatory

Biden Administration Releases Permitting Reform for Clean Energy. On April 30, the White House Council on Environmental Quality released updated permitting reforms for clean energy. As reported by *Bloomberg Government*, the released rules are “designed to speed up permits for clean energy while requiring federal agencies to more heavily weigh damaging effects on the climate and on low-income communities before approving projects like highways and oil wells.” [Access the White House Fact Sheet here](#). Further, the rules “are intended to guide federal agencies in putting the reforms in place. But they also lay out additional requirements created to prioritize projects with strong environmental benefits, while adding layers of review for projects that could harm the climate or their surrounding communities.” In addition, the new rules “would allow projects that have a demonstrated long-term environmental benefit to receive expedited environmental reviews or bypass them altogether. Federal agencies would also be required to identify environmentally preferable alternatives to proposed projects early in the permit review process. They also direct federal agencies to consider whether a proposed project would avoid or reduce the pollution that disproportionately affects low-income and minority communities.” [Read more](#).

BLM Rights-of-Way, Leasing, and Operations for Renewable Energy. On May 1, the Bureau of Land Management (BLM) released a final rule, *Rights-of-Way, Leasing, and Operations for Renewable Energy* ([89 Fed. Reg. 35634](#)), that “updates procedures governing the BLM's renewable energy and right-of-way programs, focusing on two main topics. The first topic is solar and wind energy generation rents and fees, implementing new authority from the Energy Act of 2020 to ‘reduce acreage rental rates and capacity fees, or both, for

existing and new wind and solar authorizations’ and making certain findings required by the statute. The second topic is expanding agency discretion to process applications for solar and wind energy generation rights-of-way inside designated leasing areas (DLAs). In addition to these two main topics, this final rule makes technical changes, corrections, and clarifications to the regulations. This final rule will update the BLM's procedures governing the BLM's administration of rights-of-way issued under Title V of the Federal Land Policy and Management Act (FLPMA), including for solar and wind energy applications and development authorizations.” The rule is effective July 1, 2024. [Read more](#).

BLM Management and Protection of the National Petroleum Reserve in Alaska. On May 7, the BLM published a final rule, *Management and Protection of the National Petroleum Reserve in Alaska* ([89 Fed. Reg. 38712](#)), that “revises the framework for designating and assuring maximum protection of Special Areas’ significant resource values and protects and enhances access for subsistence activities throughout the NPR-A. It also incorporates aspects of the NPR-A Integrated Activity Plan (IAP) approved in April 2022.” According to the BLM, “the final rule implements the critical components of the statutory framework described above, establishing procedures for the BLM to mitigate reasonably foreseeable and significantly adverse effects of proposed oil and gas activities on the surface resources of the Reserve and to provide maximum protection for surface values within Special Areas for proposed oil and gas activities.” The rule takes effect June 6, 2024. [Read more](#).

BLM Conservation and Landscape Health Rule. (*Update to 6/26/23 Report*) On May 9, the BLM published a final rule, *Conservation and Landscape Health* ([89 Fed. Reg. 40308](#)). The rule “provides direction and tools to protect and restore landscapes and ecosystems and make decisions supported by science and data, assisting the agency in managing for resilient landscapes that support multiple uses and sustained yield of resources and preventing unnecessary or undue degradation of the lands and their resources. As intact landscapes play a central

role in maintaining the resilience of an ecosystem, the rule emphasizes protecting those public lands with intact, functioning landscapes and restoring others. This rule is designed to support sustained yield such that the nation's public lands can continue to supply food, water, habitat, and other ecological necessities that can resist and recover from drought, wildfire, and other disturbances, and continue to provide energy, forage, timber, recreational opportunities, and safe and reliable access to minerals." Specifically, the rule (1) Directs BLM to manage for landscape health; (2) Provides a mechanism for restoring and protecting public lands through restoration and mitigation leases; and (3) Clarifies the designation and management of Areas of Critical Environmental Concern. "As stewards of America's public lands, the Interior Department takes seriously our role in helping bolster landscape resilience in the face of worsening climate impacts. Today's final rule helps restore balance to our public lands as we continue using the best-available science to restore habitats, guide strategic and responsible development, and sustain our public lands for generations to come," said Interior Secretary Deb Haaland. [Read more.](#)

BLM Oil and Gas Lease Sale – New Mexico. On May 6, the BLM New Mexico State Office "opened a 30-day public scoping period to receive public input on seven oil and gas parcels totaling 1,317 acres that may be included in a February 2025 lease sale in New Mexico. The comment period ends June 5, 2024." [Read more.](#)

BLM Resource Advisory Council – Wyoming. On May 10, the BLM Wyoming Resource Advisory Council announced it will hold a business meeting on June 12, 2024, and a field tour on June 13, 2024. "The Council provides recommendations to the Secretary of the Interior concerning the planning and management of the public land resources located within the State of Wyoming. Agenda topics for June 12, 2024, may include updates and discussions on statewide planning efforts, energy trends, district and field manager updates, State Director comments, and other resource management issues the Council may raise." Both the business meeting and field tour are open to the public. [Read more.](#)

BLM Appoints New Assistant Director for the Energy, Minerals, and Realty Management Program.

On April 23, the BLM announced "the selection of David Rosenkrance as the Assistant Director for the Energy, Minerals, and Realty Management Program. In this role, Rosenkrance will manage BLM's work on renewable energy, oil and gas, mining and minerals, and grants for rights-of-way associated with solar and wind energy development on public lands. Additionally, he will oversee the realty management program, which administers land exchanges and other actions often linked to recreation and public access projects. Rosenkrance previously worked for the BLM and will return to start his new position in late May." [Read more.](#)

EPA Issues Final Methane Emissions Reporting Rule. On May 6, the U.S. Environmental Protection Agency (EPA) announced a final rule, *Greenhouse Gas Reporting Rule: Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems*

([Access the rule here](#)), "to strengthen, expand, and update methane emissions reporting requirements for petroleum and natural gas systems under EPA's Greenhouse Gas Reporting Program, as required by President Biden's Inflation Reduction Act. The final revisions will ensure greater transparency and accountability for methane pollution from oil and natural gas facilities by improving the accuracy of annual emissions reporting from these operations." [Read more.](#) According to the EPA, "The final subpart W rule will dramatically improve the quality of emissions data reported from oil and natural gas operations, with provisions that improve the quantification of methane emissions, incorporate advances in methane emissions measurement technology, and streamline compliance with other EPA regulations. For the first time, EPA is allowing for the use of advanced technologies such as satellites to help quantify emissions in subpart W. In addition, EPA is finalizing new methodologies that allow for the use of empirical data for quantifying emissions, including options added in response to public comments on the proposed rule. The final rule also allows for the optional earlier use of empirical data calculation methodologies for facilities that prefer to use them to quantify 2024 emissions. These changes will improve transparency and expand the options for owners and

operators to submit empirical data to demonstrate their effort to reduce methane emissions and identify whether a Waste Emissions Charge is owed, based on thresholds set by Congress.” [Access an EPA Fact Sheet here](#). The rule is effective January 1, 2025, except for certain amendatory instructions as indicated. You may register for an upcoming May 21, 2024, EPA Webinar and Q&A Session explaining the rule in detail. [Register here](#).

U.S. Department of Labor Issues Final Rule Increasing Minimum Salary Overtime Exemption. On April 23, the U.S. Department of Labor (DOL) [released a Final Rule](#) “increasing the minimum salary an employee must receive to be excluded from overtime payments. This will result in millions more employees either being entitled to overtime or receiving higher salaries. Previously, updates to salary levels for exemptions could remain stagnant for years or decades and, according to some, were out of touch with current income data.” [Read more](#). For background, the “federal Fair Labor Standards Act (FLSA) requires all employees receive overtime premium payments for hours worked over 40 in a workweek unless an employee qualifies for an exemption. The so-called ‘white collar’ exemptions for executive, administrative, and professional employees require a minimum weekly salary, along with specific primary job duties.” The current white collar employee exemption “minimum salary is \$684 per week, or \$33,568 per year. Another exemption, the ‘highly compensated employee exemption,’ requires a minimum annual salary of \$107,432 (along with having certain duties).” The new salary threshold “will increase to the equivalent of an annual salary of \$43,888 and increase to \$58,656 on Jan. 1, 2025.” [Access a detailed legal analysis of the rule here](#). The rule takes effect July 1, 2024. [Read more](#).

[STATE – Legislative](#)

Landowner Right of First Refusal; Eminent Domain – Oklahoma. On April 29, Gov. Kevin Stitt (R) signed HB 3159 into law. Sponsored by Rep. Eric Roberts (R), the bill “gives landowners the right of first refusal if the acquired land is ever sold by the state or any person who acquired the land through the use of

eminent domain authority. This right does not apply if the land is transferred to another state agency.” The Act takes effect Nov. 1, 2024. [Read more](#).

Recording and Notarizing Real Estate

Transactions – Tennessee. On May 6, Gov. Bill Lee (R) signed SB 2448 into law. The bill enacts the Real Estate Fraud Reduction Act and requires county registers of deeds and notaries public to: “(1) verify the identity of a person recording or notarizing certain documents using a government-issued identification card; and (2) document and maintain as a permanent record certain personally identifying information of a person recording or notarizing such a document.” The bill also requires registers of deeds “to mail notice of the transaction to the last person of record who paid property taxes on the subject property.” The bill also specifies “penalties for violations by a notary public.” The Act takes immediate effect. [Read more](#).

House Select Committee on Protecting Texas LNG Exports Hearing – Texas.

On May 2, the Texas House Select Committee on Protecting Texas LNG Exports held a hearing to analyze “the applicable legal authorities under which the federal action was taken” by the Biden administration in pausing liquified natural gas (LNG) export permit approvals, “Assessing the potential economic, environmental, and social impacts of such federal action on the state; Identifying strategies to mitigate all adverse effects on the LNG industry, Texas’s energy sector, and the state’s economy as a whole;” and “Formulating recommendations for legislative, policy, or other remedial actions to address the challenges posed by the federal suspension of LNG export permits.” [Read more](#). Testifying witnesses included Texas Railroad Commissioner Wayne Christian, Texas Oil & Gas Association (TXOGA) President Todd Staples and TXOGA Chief Economist Dean Foreman, Ph.D., Jennifer Stewart, Director of Climate and ESG Policy for the American Petroleum Institute, and Matt Coday, President of the Oil & Gas Workers Association. [Read more here](#) and [here](#).

For all 500+ 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 – Judicial

Mineral Rights; Centerline Presumption; Rule of Property Conveyance – Colorado. On May 6, in [*Great Northern Properties LLLP v. Extraction Oil and Gas Inc.*](#) (Case No. 2024 CO 28), the Colorado Supreme Court addressed “whether the centerline presumption applies to minerals in Colorado.” As reported by *Colorado Politics*, the court, “citing a need to avoid mass litigation across the state, ruled for the first time that property owners generally retain the mineral rights under roadways adjacent to their land, up to the center line. The decision resolved the question of who is entitled to oil and gas royalties for extraction that occurs beneath rights-of-way when a deed transferring ownership is silent about the mineral rights. The justices acknowledged the issue is more salient now than in decades past due to the increase in hydraulic fracturing and horizontal drilling, allowing greater access to fossil fuel deposits.” [Read more.](#)

Pipeline Right-of-Way; Eminent Domain – Texas. On April 30, the Texas Court of Appeals, First District (Houston), ruled in favor of a pipeline company by denying a landowners’ motion for a temporary injunction. In [Right-Way Sand Co. v. S. Tex. Pipelines, LLC](#) (Case No. 01-23-00573-CV), a pipeline operator sought to “exercise a statutory power of eminent domain in connection with the construction of a new pipeline.” The company alleged that the pipeline would be a “common carrier” and “sought an easement over appellants’ property for the pipeline.” At trial, the appellants argued the operator “had not satisfied the statutory requirements for exercising the power of eminent domain. The appellants also moved for a temporary and permanent injunction” to condemn the pipeline. Here, the appellate court held that the “appellants did not demonstrate their entitlement to a temporary injunction” and “the trial court did not abuse its discretion by denying injunctive relief.” Moreover,

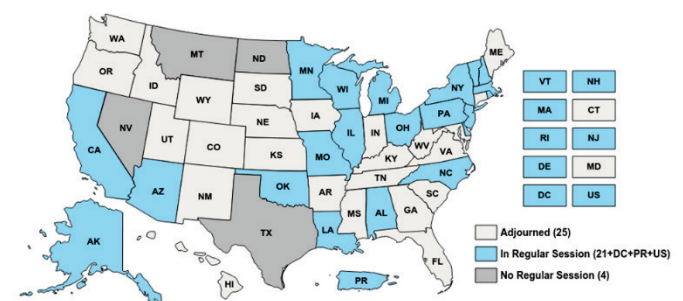
the court held that the pipeline served a “public use” and thus the operator had the power of eminent domain. [Read more.](#)

INDUSTRY NEWS FLASH

► **API Comments on U.S. Environmental Protection Agency’s final revisions to the Greenhouse Gas Reporting Program.** Last week, the American Petroleum Institute (API), joined by the American Exploration & Production Council, Independent Petroleum Association of America, the Petroleum Alliance of Oklahoma, and the American Fuel and Petrochemical Manufacturers, raised “serious concerns about several aspects” of the EPA subpart W rule covered above on page 3 of this report. Those include “flawed methodologies that could lead to inaccurate reporting of higher GHG emissions and increased taxes on American energy at a time of geopolitical instability and economic inflation,” said API Vice President of Corporate Policy, Aaron Padilla. “We are reviewing the final rule and will work with Congress and the administration as we continue to reduce GHG emissions while producing the energy the world needs,” he added. [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Alabama, Alaska, Arizona, California, Delaware, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, and the Wisconsin Assembly are in regular session. The U.S. Congress is also in session.

The following states adjourned their 2024 legislative sessions on the dates provided: **Mississippi** (May 4), **Colorado** (May 8), and **Arkansas** and **South Carolina** (May 9). **Alaska** is expected to adjourn on May 15.

Virginia is scheduled to hold a special session on May 13 to consider a new budget and avert a potential government shutdown. According to [Virginia Mercury](#), the legislature passed a unanimous [resolution](#) to call for a special session after legislators voted to reject all of Republican Gov. Glenn Youngkin's 233 amendments to the budget. To avoid a shutdown when the current budget expires on July 1, the legislature will hold the special session to present a new budget, which leaders are currently negotiating. A vote on the new budget is expected to take place on May 15.

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The following states are currently posting 2024 bill drafts, pre-files and interim studies: [Nebraska](#) and [North Dakota](#). ■

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FEDERAL – Legislative

S.J. Res. 78 – Resolution Disapproving of the BLM’s Fluid Mineral Leases and Leasing Process Rule.

On May 14, Sen. Steve Daines (R-MT) was joined by 12 Republican cosponsors in introducing [S.J. Res. 78](#), a Senate joint resolution disapproving of the recent Bureau of Land Management (BLM) Fluid Mineral Leases and Leasing Process rule that we covered for members in the April 29, 2024, Governmental Affairs Report (See [Fluid Mineral Leases and Leasing Process](#); 89 Fed. Reg. 30916) That BLM rule, which takes effect on June 22, 2024, implements required provisions of the Inflation Reduction Act “pertaining to royalty rates, rentals, and minimum bids; updates the bonding requirements for leasing, development, and production; and revises some operating requirements.” According to Sen. Daines, the “new rule would significantly raise royalties, rates, minimum bids, costs and bonding requirements for oil and gas producers on federal lands making it virtually impossible for small energy producers to continue to operate.” The resolution, which would nullify the rule under the Congressional Review Act, was lauded by industry leaders. “Energy development on federal lands is critical to strengthening America’s energy security, powering our economy, and supporting state and local conservation efforts,” said Holly Hopkins, VP of Upstream Policy at the American Petroleum Institute. “We welcome Sen. Daines’ efforts to overturn this overly burdensome land management regulation and ensure the Biden administration is promoting fair and consistent access to federal resources.” [Read more.](#)

Senate Committee on Energy & Natural Resources Hearing on Electric Demand Growth. On May 21, the Senate Committee on Energy & Natural Resources held a hearing, Full Committee Hearing to Examine the Opportunities, Risks, and Challenges Associated

with Growth in Demand for Electric Power in the United States, the purpose of which was “to examine the opportunities, risks, and challenges associated with growth in demand for electric power in the United States.” Committee Chairman Joe Manchin (D-WV) stressed the importance of traditional energy sources, such as natural gas, in securing an abundant and reliable electrical grid. “EPA recently finalized four new power plant rules that, as far as I can tell, aim to kill coal completely and stop natural gas from replacing it, even though these dispatchable resources are essential for reliability,” said Sen. Manchin. “If this Administration were serious about onshoring critical industries—the ones driving the load growth—they wouldn’t be in a race to take power offline, they’d be racing to bring new generation online. But instead, it’s getting harder and harder to permit and build new energy infrastructure and connect new generation to the grid.” Hearing witnesses included industry leaders and other experts. To access a full video recording of the hearing and witness testimony, [Read more.](#)

FEDERAL – Regulatory

BLM Rights-of-Way, Leasing, and Operations for Renewable Energy. On May 14, the Bureau of Land Management (BLM) published a notice of information collection, *Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Oil and Gas, or Geothermal Resources: Transfers and Assignments* (89 Fed. Reg. 41990), that “enables the BLM to process assignments of record title interest and transfers of operating rights in a lease for oil and gas or geothermal resources.” The public comment period is open through June 13, 2024. [Read more.](#)

BLM Western Montana Resource Advisory Council. On May 17, the BLM published a notice of a public

meeting of the Western Montana Resource Advisory Council. The Council will hold a field tour and meeting on June 26 and June 27, 2024, both of which are open to the public. The Council “provides recommendations to the Secretary of the Interior concerning the planning and management of the public land resources located within the BLM's Western Montana District.” [Read more.](#)

Dune Sagebrush Lizard Listed as Endangered Species by U.S. Fish and Wildlife Service. On May 17, the Interior Department's U.S. Fish and Wildlife Service announced it is “listing the dunes sagebrush lizard as an endangered species under the Endangered Species Act. The decision comes after a rigorous review of the best available scientific and commercial information, a 90-day public comment period, and a public hearing and information session. The designation of critical habitat was found to be prudent but not determinable at this time. The Service has up to one year from the time of listing to propose critical habitat.” [Read the announcement here.](#) The final rule will be effective June 20, 2024. (See also, *Endangered and Threatened Wildlife and Plants; Endangered Species Status for the Dunes Sagebrush Lizard*; [89 Fed. Reg. 43748](#)) However, Texas Railroad Commissioner Wayne Christian criticized the announcement, saying, “This doesn't have a thing to do with ‘saving lizards’; it's about shutting down U.S. oil and gas production to win political brownie points, which will only increase inflation and jeopardize billions of lives globally. It doesn't matter if it's a lizard, a chicken, a whale, or a unicorn, radical environmentalists won't be satisfied until we all get our energy from firewood and are living in a cave again. To them, this is about ending fossil fuels to ‘better humanity’, which is ironic given they allow mankind to flourish by powering 80% of the globe's energy, manufacturing 96% of consumer products, and helping to feed more than half the planet. Right now, the world needs more energy and more Texas oil and gas, and all this does is drive up prices and make it harder on consumers.” [Read more.](#)

STATE – Legislative

Emissions from Oil and Gas Operations – Colorado. On May 17, Gov. Jared Polis (D) signed

[SB24-229](#) into law. The bill “limits pollutant emissions from oil and gas operations, modifies how the Department of Public Health and Environment (CDPHE) and the Energy and Carbon Management Commission (ECMC) in the Department of Natural Resources (DNR) enforce air quality requirements, requires CDPHE to publish additional enforcement reports, establishes community liaisons in the ECMC, and allows for the plugging of marginal oil and gas wells.” [Read a complete bill summary here.](#) Specifically, the bill “requires the Department of Public Health and Environment to adopt rules by Aug. 31, 2026, to reduce nitrogen oxide emissions from upstream oil and gas operations. Between May 1 and September 30 in the ozone non-attainment area, emissions must be reduced by 50% from a 2017 baseline.” [Read more.](#)

Oil and Gas Production Fees – Colorado. On May 17, Gov. Jared Polis (D) signed [SB24-230](#) into law. The bill requires the imposition of an oil and gas production fee for clean transit. The production fee “applies to all oil and gas produced by the producer in the state on and after July 1, 2025.” As reported by *Colorado Newswire*, “Colorado's largest oil and gas companies agreed to the fees, which will fund state efforts to boost public transit and protect wildlife habitats, in exchange for a commitment from Democrats not to pursue major new regulations on the industry for the next several years. The deal also extended a truce between industry groups and environmentalists on ballot measures relating to oil and gas extraction.” [Read more.](#) And as reported by *Colorado Public Radio*, “The political truce is engineered to prevent any additional laws or ballot measures targeting drilling or hydraulic fracturing until 2028 — well into the term of the state's next governor” and freezing “Colorado's approach to fossil fuels for almost four years to allow for the full roll-out of its policies and regulations.” [Read more.](#)

Regulatory Reduction Task Force Meeting – Wyoming. The Wyoming Legislature will hold a Regulatory Reduction Task Force meeting on May 29-30, 2024. According to the Task Force, “The purpose of this meeting is to begin the Task Force's

interim work. The Task Force will receive input from Executive branch agencies, local governments, members of industry groups, and the public on energy and housing. Finally, the Task Force will discuss next steps and future meeting dates.” The meeting, which is open to the public, will be held in person in Jackson and remotely with a live video stream available.

[Read more.](#)

For all 550+ 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

Energy & Carbon Management Commission Deep Geothermal Rulemaking – Colorado. On May 17, the Colorado Energy and Carbon Management Commission announced it will be considering additions and amendments to Commission rules as part of its “Deep Geothermal” rulemaking. As provided, “The proposed Deep Geothermal rules establish a permitting structure for the review and authorization of deep geothermal wells and surface locations.” [Read a detailed summary of the proposed rulemaking here.](#) The Commission also provided that “Persons or organizations wanting to participate in this rulemaking as a party are required to file a written request for party status with the Commission on or before Thursday, May 30, 2024, 5:00 p.m. The Commission will compile a list of all parties with contact information and make it available on the Commission’s website. Late requests for party status will not be accepted absent good cause for the delay.” The Commission will also notify parties of a prehearing conference once available. [Read more.](#)

Railroad Commission Challenges EPA Greenhouse Gas Emissions Rule – Texas. On May 14, the Texas Railroad Commission (RRC) announced that RRC commissioners voted “to refer a new Environmental Protection Agency (EPA) greenhouse gas emissions rule to the Office of the Attorney General to file a lawsuit

to challenge the rule in federal court.” As reported, “The EPA rule adds regulations to existing and future electricity power plants fueled by coal and natural gas to decrease carbon dioxide emissions. However, the rule imposes strict but untested standards in what will likely result in unreasonable infrastructure costs, which could force coal plants to shut down and reduce the ability of natural gas-fired power plant to operate at full capacity.” We will continue to keep AAPL members informed once the Texas Attorney General files a lawsuit. [Read more.](#)

STATE – Judicial

Lease Interpretation; Mineral Rights; Trespass – Ohio. On May 23, the Ohio Supreme Court reversed lower court rulings to find in favor of lessee companies in a lease dispute over certain formations and mineral rights. Specifically, in *Tera, L.L.C. v. Rice Drilling D, L.L.C.* (Case No. 2024-OHIO-1945), the court addressed whether the “Utica Shale” beneath Tera’s land “included the right for appellants to drill wells into a geological area known as the ‘Point Pleasant.’” The court was “also asked to determine whether there was sufficient evidence to sustain the trial court’s award of summary judgment to Tera on its bad-faith-trespass claim against appellants.” The court held, “that there is a genuine issue of material fact regarding the meaning of certain terms in the lease” thus reversing the judgment of the Seventh District appellate court and remanding the case back to the trial court for further proceedings. The court wrote, “We are not persuaded that the lease language clearly established that the Point Pleasant was or was not to be considered part of the Utica Shale” and it was up to a fact-finder to resolve the ambiguity in the contract. [Read more.](#)

Leases; Royalties; Post-Production Costs – Texas. On May 17, the Texas Supreme Court resolved a dispute involving the way a producer accounted for post-production costs in *Carl v. Hilcorp Energy Co.* (Case No. 24-0036). “The producer used some of the gas produced from the well to power post-production activities conducted off the lease on other gas produced from the well. The value of the gas used for post-production activities was a post-production cost of the kind normally chargeable to the royalty holder.

The producer accounted for this value by subtracting the volume of gas it used in post-production from the total volume of gas on which it calculated the royalty. The royalty holder sued, arguing that the producer could not subtract the volume of gas used in post-production because the lease required payment of a royalty on all gas produced from the well.” Specifically, the “lease provided for a market-value-at-the-well royalty on gas ‘sold or used off the [leased] premises’ and limited free-use to gas used on the leased premises. Texas’s high court agreed with the other Texas courts to consider the issue and concluded that the value of the gas used in off-lease post-production activities was a post-production cost that could be shared with the royalty owner.” As reported by law firm Haynes and Boone LLP, the takeaway is that the Texas Supreme Court “confirmed that a royalty owner with a market-value-at-the-well lease must bear its share of all postproduction costs, including the value of gas used for off-lease postproduction activities. The Court expressed no preference as to the accounting method used to calculate royalty in this context.” [Read more.](#)

INDUSTRY NEWS FLASH

► **U.S. oil output in top shale regions to hit six-month high in June.** The U.S. Energy Information Administration (EIA) said in its monthly Drilling Productivity Report that “U.S. oil output from top shale-producing regions will rise in June to its highest in six months.” The EIA reports, “Production in the top basins will reach 9.85 million barrels per day (bpd), its highest since December.” [Read more.](#)

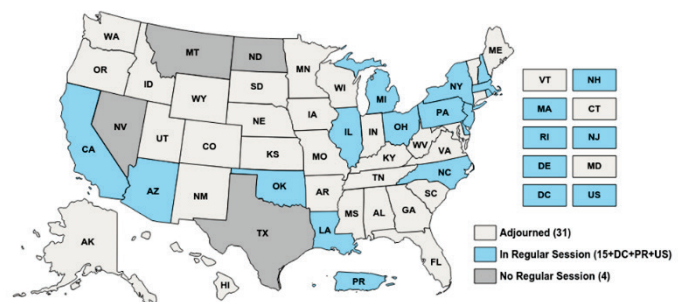
► **Alaska governor elected chairman of the Interstate Oil and Gas Compact Commission.** Alaska Gov. Mike Dunleavy (R) has been elected as the incoming chairman of the Interstate Oil and Gas Compact Commission, succeeding Wyoming Gov. Mark Gordon (R). “The IOGCC is a multi-state government group promoting best practices for regulating and conserving the ‘recovery of domestic oil and natural gas resources while protecting health, safety and the environment.’ Membership is comprised

of the governors of oil and gas producing states, as well as appointed representatives, affiliated provinces in Canada, and some federal agencies. [Read more.](#)

► **West Virginia receives millions from the federal government to plug orphaned wells.** The U.S. Department of the Interior (DOI) has awarded West Virginia nearly \$29.2 million to “plug roughly 200 orphaned oil and gas wells” in the state. As reported, “the DOI granted the state an initial \$25 million to get the plugging process started. DOI officials hope the new funds will advance that effort and reduce the state’s overall leakage of greenhouse gasses.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Arizona, California, Delaware, Illinois, Louisiana, Michigan, North Carolina, Ohio, Oklahoma, and Pennsylvania are in regular session. The U.S. Congress is also in session.

The following states adjourned their 2024 legislative sessions on the dates provided: **Wisconsin** (May 15), **Alaska** (May 16), **Missouri** (May 17), and **Illinois** (May 24).

The following states are expected to adjourn on the dates provided: **Oklahoma** (May 31) and **Louisiana** (June 3).

New Mexico Democratic Gov. Michelle Lujan Grisham has called for a special session starting July 18. According to her [press release](#), the special session

will take up additional public safety protections. Some issues that will likely be addressed include pedestrian safety on roads and in public spaces, laws allowing courts to intervene for those who need substance abuse or mental health help and enhanced penalties for felons in possession of guns, according to [KRQE](#). The session is expected to last several days.

West Virginia adjourned its special session on May 21 after passing all 15 bills that were outlined in Republican Gov. Jim Justice's [proclamation](#). According to [WBOY](#), most of the bills passed addressed budget corrections, including funds for the Departments of Health, Human Services and Transportation. The legislature also passed a bill that created funding for higher education institutions in the state to aid in handling delays with the Free Application for Federal Student Aid (FAFSA).

Signing Deadlines (by date): **Alabama** Republican Gov. Kay Ivey had until May 19 to act on legislation or it was pocket vetoed. **Iowa** Republican Gov. Kim Reynolds had until May 20 to act on legislation or it was pocket vetoed. **Maryland** Democratic Gov. Wes Moore has until May 28 to act on legislation or it becomes law without signature. **Colorado** Democratic Gov. Jared Polis has until June 8 to act on legislation or it becomes law without signature. **Missouri** Republican Gov. Mike Parson has until July 1 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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. **Mississippi** Republican Gov. Tate Reeves has 15 days from presentment, excluding Sundays, to act on legislation or it becomes law without signature. **Tennessee** Republican Gov. Bill Lee has 10 days from presentment, excluding Sundays, to act on legislation or it becomes law without signature.

The following states are currently holding interim committee hearings or studies: [Alabama](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Indiana](#), [Kentucky](#), [Maine](#), [Maryland](#), [Montana](#), [Nevada](#), [New Mexico](#), [North](#)

[Dakota](#), [Oregon](#), [South Carolina](#), [South Dakota](#), the **Texas House**, [Utah](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

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

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

S. 4405 – Repeal of the Methane Emissions Fee.

On May 23, Sen. Ted Cruz (R-TX) and 11 cosponsors introduced [S. 4405](#), a bill to eliminate the new methane emissions fee as required by the 2022 Inflation Reduction Act. [Read more](#). Sen. Cruz said that Biden administration officials “have driven up inflation and jeopardized American jobs and energy security, all of which would be made significantly worse by the methane emissions fee in the Inflation Reduction Act. This fee will particularly harm Texas by undermining producers in the Permian Basin and across the state.” The bill is supported by the Independent Petroleum Producers of America, American Exploration and Production Council, Permian Basin Petroleum Association, Texas Alliance of Energy Producers, U.S. Oil & Gas Association, and the American Petroleum Institute, among others. [Read more](#).

H.J. Res. 162 – Congressional Nullification of Dunes Sagebrush Lizard Endangered Species Rule.

On May 31, Rep. August Pfluger (R-TX) introduced [H.J. Res. 162](#) to nullify through the Congressional Review Act the Biden administration’s recent classification of the dunes sagebrush lizard as an endangered species under the Endangered Species Act (ESA). [Read more](#). We previously covered the rulemaking in the May 28, 2024, AAPL Governmental Affairs Report (See *Endangered and Threatened Wildlife and Plants; Endangered Species Status for the Dunes Sagebrush Lizard*; [89 Fed. Reg. 43748](#)) According to Rep. Pfluger, “Listing the sagebrush lizard under the ESA is an incredible threat to energy production developed in the Permian Basin.” [Read more](#).

Sen. Joe Manchin, Chairman of the U.S. Senate Committee on Energy & Natural Resources, Leaves Democratic Party. On May 31, Sen. Joe Manchin of West Virginia, who is also the powerful Chairman of the U.S. Senate Committee on Energy & Natural Resources, announced he has left the Democratic party but will retain his chairmanship as an Independent. [Read more](#). As reported, “The change comes as Manchin has repeatedly clashed with President Joe Biden — and his former Democratic colleagues — over a host of matters, most prominently implementation of the Inflation Reduction Act, Democrats’ landmark climate law. Manchin has also joined Republicans on numerous votes seeking to overturn Biden administration’s energy and climate actions.” [Read more](#).

Congressional Letter to U.S. Attorney General Regarding Oil Producer Price-Fixing Allegations.

On June 4, Congressional Democrats on the House Judiciary Committee sent a letter to U.S. Attorney General Merrick Garland and the U.S. Department of Justice seeking an investigation into alleged antitrust issues among U.S. oil producers, OPEC, and OPEC+. The representatives wrote, “As members of the House committee charged with oversight of the nation’s antitrust laws, we write to express our alarm about price fixing in the U.S. oil industry. Major oil producers appear to be colluding with each other and foreign cartels to keep prices high, padding their profits at the expense of American consumers. We urge you to use the full authority of the Department of Justice to investigate and, where necessary, prosecute this anticompetitive conduct.” [Read the letter here](#).

Congressional Letter to U.S. Securities and Exchange Commission Regarding the Climate Disclosure Rule. As an update to our March 18, 2024

Governmental Affairs Report, on June 4, a group of Congressional Democrats sent a letter to the Chairman of the U.S. Securities and Exchange Commission (SEC) requesting answers to a series of questions regarding implementation of the SEC's new climate disclosure rule. (See [The Enhancement and Standardization of Climate-Related Disclosures for Investors](#) and [Read the SEC Press Release here.](#)) As we reported, that rule, which "will require registrants to provide certain climate related information in their registration statements and annual reports [and] will require information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition," is currently on hold due to legal challenges, but the lawmakers are still seeking a response from the SEC by June 18, 2024. [Read the letter here.](#)

FEDERAL – Regulatory

BLM Land Management Plan Update – Wyoming.

On May 16, the Bureau of Land Management (BLM) announced it has "issued a final supplemental environmental impact statement (SEIS) and proposed amendment to its Buffalo Field Office land use plan. Release of the final SEIS and proposed amendment opens a 30-day public protest period. The BLM developed the SEIS and plan amendment in response to a 2022 order from the United States District Court for the District of Montana. The BLM's proposed alternative, Alternative A, would amend the 2015 Buffalo Field Office resource management plan and make BLM-managed coal resources in the planning areas unavailable for future leasing. Federal coal production is anticipated to continue through 2041 under existing leases." [Read more.](#)

Voluntary Carbon Markets Policies and Principles.

On May 28, the Biden administration released a [Joint Statement of Policy and New Principles for Responsible Participation in Voluntary Carbon Markets](#). The joint statement sets forth voluntary principles for carbon market participants to follow. The administration provided, "Observers have found evidence that several popular crediting methodologies do not reliably produce

the decarbonization outcomes they claim. In too many instances, credits do not live up to the high standards necessary for market participants to transact transparently and with certainty that credit purchases will deliver verifiable decarbonization. As a result, additional action is needed to rectify challenges that have emerged, restore confidence to the market, and ensure that VCMs [voluntary carbon markets] live up to their potential to drive climate ambition and deliver on their decarbonization promise." [Read more here for a summary of the decarbonization principles.](#) The White House stated that, "High-integrity, well-functioning VCMs can accelerate decarbonization in several ways. VCMs can deliver steady, reliable revenue streams to a range of decarbonization projects, programs, and practices, including nature-based solutions and innovative climate technologies that scale up carbon removal." [Read more.](#)

FEDERAL – Judicial

Climate Change Policies – U.S. Supreme Court.

On May 22, a coalition of 19 Republican state attorneys general filed suit in the U.S. Supreme Court to challenge progressive state actions that impose "ruinous liability and coercive remedies on energy companies through state tort actions governed by state law in state court" to circumvent federal legislative action or federal regulatory policies. In [Alabama v. California](#) (Case No. not yet docketed), the litigants are seeking to block lawsuits filed by five states (California, Connecticut, Minnesota, New Jersey, and Rhode Island) against fossil fuel companies. As reported by law firm Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., this "Supreme Court petition demonstrates even more clearly how issues surrounding climate change and a transition from fossil fuels to sustainable energy have become a partisan division in the United States. In the simplest terms, this lawsuit is a request by one group of states — identifying with one of two political parties — that the federal government intervene and block the law enforcement activities of another group of states — identifying with the other political party. This partisan divide complicates the development of a coherent and comprehensive energy policy in the United States, and creates uncertainty for companies operating

(or attempting to operate) in this area.” We will keep AAPL members updated if the Supreme Court accepts the complaint for review. [Read more.](#)

BLM Leasing Rule – Wyoming. On May 15, the Western Energy Alliance, along with other oil and gas associations, filed a lawsuit in Wyoming federal court challenging the BLM’s final rule, *Fluid Mineral Leases and Leasing Process* (89 Fed. Reg. 30916), which AAPL covered in detail in the April 29 and May 28 issues of the Governmental Affairs reports. That rule, as mandated by the 2022 Inflation Reduction Act, increases royalty rates, rentals, and minimum bids for BLM-issued oil and gas leases. The rule also imposes a fee for the submittal of an expression of interest for leasing Federal oil and gas and updates the bonding requirements for leasing, development, and production. In *Western Energy Alliance v. Haaland* (Case No. 1:24-cv-00100), the litigants argue that the rule “represents a sea change to BLM’s oil and gas leasing program. While BLM contends the Leasing Rule will improve ‘the leasing process by ensuring proper stewardship of public lands and resources,’ the Rule’s impact will be to deter development of federal oil and gas, disproportionately affect small companies, effectively close eligible and available lands to new leasing, and violate BLM’s duty to promote oil and gas development as a multiple use of federal lands. At its heart, the final rule is procedurally deficient, arbitrary and capricious, and contrary to law. The Court should invalidate and vacate the Leasing Rule.” The Western Energy Alliance has specifically noted the onerous new bonding requirements, arguing that “the exorbitant bonding amounts that will price small independents out of the market. The rule increases individual bonds from \$10,000 to \$150,000 and statewide bonds from \$25,000 to \$500,000, but the statewide bonds are misleading as they only cover about seven leases. Even a small company with a modest project will have many more than seven federal leases, meaning that their bonding amounts will be in the multi-millions. The bonding amounts are particularly egregious since there are just 37 orphan wells out of more than 90,250 wells on federal lands. BLM’s increase by 15- to 20-fold in order to take care of a problem on just .04% of all wells is way out of proportion.” [Read more.](#)

STATE – Legislative

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STATE – Regulatory

Wind Project Rulemaking – Ohio. On May 30, new rules from the Ohio Power Siting Board (OPSB) took effect. These rules affect wind and solar generation projects (as well as pipeline and electric transmission). [You may access the complete rulemaking docket here.](#) As reported by law firm Bricker Graydon LLP, “the Order culminates in a multi-year process that began with a series of workshops at the onset of the COVID-19 pandemic and a subsequent stakeholder comment process.” [Read a complete summary of the rule provisions here.](#) For background, the “OPSB is a state agency in Ohio responsible for siting certain energy generation and transmission infrastructure facilities that fall within the definition of a ‘major utility facility,’ including utility-scale wind and solar projects.” Subject to a “multi-phase approval process of the OPSB,” are “Wind projects that are designed for, or capable of, operation at an aggregate capacity of five or more megawatts (MW), and all other energy generation projects that are designed for, or capable of, operation of 50 MW or more. In recent years, jurisdiction has been applied to stand-alone battery storage projects with capacity of 50 MW or greater.” [Read more.](#)

INDUSTRY NEWS FLASH

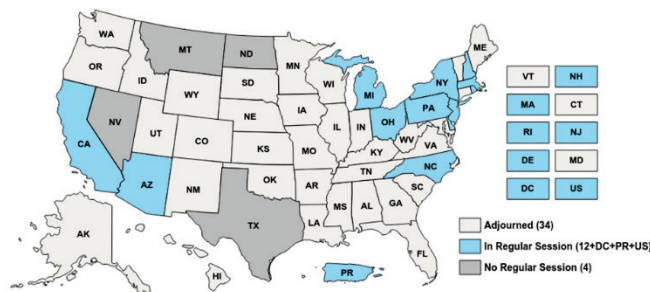
► **ConocoPhillips to Buy Marathon Oil in \$22.5B Deal.** On May 29, ConocoPhillips agreed to acquire Marathon Oil Corporation in an all-stock transaction valued at \$22.5 billion. “This acquisition of Marathon Oil further deepens our portfolio and fits within our financial framework, adding high-quality, low cost of supply inventory adjacent to our leading U.S. unconventional position,” said Ryan Lance,

ConocoPhillips Chairman and Chief Executive Officer. [Read more.](#)

► **OPEC+ Extends Oil Production Cuts through 2025.** On June 3, *Oil & Gas Journal* reported that “in a series of ministerial meetings held June 2, OPEC+ decided to prolong the 3.66 million b/d production cut (announced in 2022 and 2023) for 1 year until end-2025 and extend the voluntary 2.2 million b/d production cut by eight members for another quarter until end-September 2024.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes: Arizona, California, Michigan, North Carolina, Ohio, and Pennsylvania are in regular session. The U.S. Congress is also in session.

The following states adjourned their 2024 legislative sessions on the dates provided: Illinois (May 29), Oklahoma (May 30) and Louisiana (June 3).

Kansas Democratic Gov. Laura Kelly has [called](#) for a special session to start on June 18. According to the [Kansas Reflector](#), the session will aim to reduce property, sales and income tax in the state. This follows Governor Kelly’s veto of the legislature’s tax bill, which she thought was too aggressive in cutting taxes and would create fiscal issues for the state. Kelly says the session “provides the opportunity for bipartisan collaboration on comprehensive tax relief that does not threaten Kansas’ solid fiscal foundation.”

New Mexico Democratic Gov. Michelle Lujan Grisham has called for a special session starting July 18. According to her [press release](#), the special session will take up additional public safety protections. Some issues that will likely be addressed include pedestrian safety on roads and in public spaces, laws allowing courts to intervene for those who need substance abuse or mental health help and enhanced penalties for felons in possession of guns, according to [KRQE](#). The session is expected to last several days.

Ohio adjourned its special session on May 31 after passing [two bills](#) related to state elections. The special session was called by Republican Gov. Mike DeWine to ensure that Democratic President Joe Biden could appear on the state’s ballot in November, and legislators passed [a bill](#) during the special session that would delay the deadline for a party’s nominee to be selected to appear on the ballot. However, according to [Spectrum News 1](#), the bill is now unnecessary as the Democratic Party announced a virtual rollcall ahead of the convention that will allow the President to be nominated in time to fit the state’s original ballot timeline. During the session, legislators also passed [a bill](#) that would ban foreign nationals from contributing to statewide ballot campaigns.

Utah Republican Gov. Spencer Cox announced his intention to call a special session sometime between June 18-20 during interim hearings. According to [Fox 13 News](#), the special session would be used to address concerns over a powerplant in central Utah that plans to shift away from fossil fuels despite the objections of many lawmakers. It would also clean up several other bills, though Governor Cox has yet to announce an official agenda for the session.

Signing Deadlines (by date): **Oklahoma** Republican Gov. Kevin Stitt has until June 14 to act on legislation or it is pocket vetoed. **Missouri** Republican Gov. Mike Parson has until July 1 to act on legislation or it becomes law without signature. **Alaska** Republican Gov. Mike Dunleavy has 20 days from presentment, excluding Sundays, 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.

Illinois Democratic Gov J.B. Pritzker has 60 days from presentment to act on legislation or it becomes law without signature. **Louisiana** Republican Gov.

Jeff Landry has 20 days from presentment to act on legislation or it becomes law without signature.

Tennessee Republican Gov. Bill Lee has 10 days from presentment, excluding Sundays, to act on legislation or it becomes law without signature.

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

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GOVERNMENTAL AFFAIRS REPORT

FEDERAL – Legislative

H. Res. 1303 – Resolution Condemning the Biden Administration’s Recent Ban of Liquefied Natural Gas Export Permits. On June 14, Rep. Randy Weber (R-TX) introduced [H. Res. 1303](#), a resolution “Condemning the Biden administration’s politically motivated ban on liquefied natural gas exports to non-free trade agreement countries.” Rep. Weber said, “The Biden Administration’s decision to ban LNG export permits is a blatant attempt to fulfill campaign promises at the expense of American jobs and economic prosperity. This outrageous ban directly harms Southeast Texas, threatening our national security and devastating our local communities. I am proud to lead my colleagues in condemning this misguided administration and their destructive energy policies. Together, we will fight to protect American jobs, ensure our energy independence, and support the communities that rely on a thriving LNG industry.” [Read more.](#)

Senate Committee on Energy and Natural Resources Hearing on BLM Oversight. On June 13, the Senate Committee on Energy and Natural Resources held a hearing, “Oversight of the Bureau of Land Management,” in which the Bureau of Land Management (BLM) Director Tracy Stone-Manning testified. Committee Chairman Joe Manchin (I-WV) criticized the BLM’s policies in energy development and the permitting process. Sen. Manchin said, “it is clear there remains a major challenge permitting energy projects on BLM-managed lands, regardless of the type of energy that will be produced” and specifically told Director Stone-Manning, “I implore you not to forget your role in our nation’s economic and energy security.” To access a full video recording of the hearing and witness testimony, [Read more.](#)

House Energy and Commerce Committee Hearing on Critical Minerals. On June 13, the House Energy and Commerce Committee’s Environment, Manufacturing, and Critical Materials Subcommittee held a hearing, “Securing America’s Critical Materials Supply Chains and Economic Leadership.” According to Committee Chairwoman Cathy McMorris Rodgers (R-WA), “If America is going to continue its manufacturing and energy leadership, we must significantly increase our domestic supply of the necessary critical materials. These materials are crucial for manufacturing everything from batteries, electric grid components, and semiconductors, to advanced energy technologies. Our current regulatory landscape runs counter to the reasonable predictability necessary for permitting the mining, processing, and refining of these materials domestically.” Witnesses included various industry stakeholders and policy researchers. To access a full video recording of the hearing and witness testimony, [Read more.](#)

House Judiciary Committee Hearing on ESG Decarbonization Collusion. On June 12, the House Judiciary Subcommittee on the Administrative State, Regulatory Reform, and Antitrust held a hearing, “Climate Control: Decarbonization Collusion in Environmental, Social, and Governance (ESG) Investing” that examined “whether existing civil and criminal penalties and current antitrust law enforcement efforts are sufficient to deter anticompetitive collusion to promote ESG-related goals in the investment industry.” Witnesses included industry representatives, including Mindy Lubber, the Chief Executive Officer and President of Ceres, a non-profit sustainability organization, who said, “Climate change is an issue that presents both serious financial risks and opportunities for investments and job creation in the rapidly emerging clean energy economy” and recognized that “Large U.S.-based oil and gas companies have set emissions reduction

targets, indicating that businesses are taking these risks seriously across all sectors.” To access a full video recording of the hearing and witness testimony, [Read more.](#)

Senate Letter to Federal Agencies Criticizing New Hydrogen Policy. On June 18, a group of Republican senators sent a letter to the Internal Revenue Service and the U.S. Department of the Treasury criticizing the Biden administration’s proposed rule on the Section 45V tax credit for hydrogen that AAPL covered in the Jan. 18, 2024, issue of the Governmental Affairs Report. (See “Section 45V Credit for Production of Clean Hydrogen; Section 48(a)(15) Election To Treat Clean Hydrogen Production Facilities as Energy Property,” [88 Fed. Reg. 89220](#)). As reported by the American Exploration & Production Council, the senators argue that redefining “clean hydrogen,” will impose “overly restrictive requirements that make it difficult for U.S. hydrogen producers to qualify for the Section 45V tax credits.” The letter also explains that, “By requiring electricity used to produce hydrogen to be from new sources of clean power, the additionality restriction will undermine existing clean energy assets. Significant buildout of renewable energy to support hydrogen production will surely face permitting, supply chain, and inflation issues. These challenges could easily delay hydrogen projects and lead to inefficiencies in the electric grid.” Since the rule has not yet taken effect the letter asks for the proposed rule to be revised accordingly. [Read the letter here.](#)

FEDERAL – Regulatory

BLM Resource Management Plan/Environmental Impact Statement – California. On June 21, the Bureau of Land Management (BLM) announced it “has prepared a Proposed Resource Management Plan (RMP) and Final Environmental Impact Statement (EIS) for the Redding Field Office and Arcata Field Office Northwest California Integrated Resource Management Plan and by this notice is announcing the start of a 30-day protest period of the Proposed RMP.” According to the BLM, “The planning area is in Mendocino, Humboldt, Del Norte, Siskiyou, Trinity, Shasta, Tehama, and Butte counties, California, and encompasses approximately

382,200 acres of public land and approximately 295,100 subsurface acres of Federal mineral estate.” [Read more.](#)

BLM Resource Management Plan/Environmental Impact Statement – Colorado. On June 21, the BLM announced it “has prepared a proposed Resource Management Plan (RMP) and final supplemental Environmental Impact Statement (EIS) for the Colorado River Valley Field Office (CRVFO) and Grand Junction Field Office (GJFO) Resource Management Plans and by this notice is announcing the start of a 30-day protest period of the proposed RMP.” According to the BLM, “The planning area is located in Garfield, Mesa, Eagle, Pitkin, Routt, Rio Blanco, and Montrose Counties, Colorado, and encompasses approximately 1.56 million acres of public land and 1.92 million acres of Federal mineral estate. CRVFO and GJFO management is identified in their respective 2015 RMPs. Apart from fluid mineral leasing decisions, all existing management as described in the CRVFO and GJFO approved RMPs remains in effect.” [Read more.](#) The upside, as reported by the *Grand Junction Daily Sentinel*, is that the BLM proposal, “eases up, when compared to an earlier proposal, when it comes to the amount of area acreage that would be off limits to new oil and gas leasing.” [Read more.](#)

BLM Resource Advisory Council Application. On June 11, the BLM published a notice of information collection, *Agency Information Collection Activities; Bureau of Land Management Resource Advisory Council Application* ([89 Fed. Reg. 49183](#)), that seeks public feedback on the BLM Resource Advisory Council Application (Form No. 1120-19) “to determine education, training, and experience related to possible service on advisory committees established under” federal law. The public comment period is open through August 12, 2024. [Read more.](#)

EPA/Department of Energy Methane Emissions Reduction Funding Opportunities. On June 21, the U.S. Environmental Protection Agency (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 includes 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 announcement here.](#)

EPA Final Methane Emissions Reporting Rule; Additional Public Q&A Session/Webinar. (*Update to 5/13/24 Report*) As an update to our prior reporting, on June 18, the EPA announced it will hold an additional webinar and Q&A session “to provide more detailed technical information” on the recent rulemaking. According to the EPA announcement, “Participants can register as listeners or to make prepared remarks. If you would like to provide a comment during the webinar, please email Lydia Stubbs at lydia.stubbs@abtglobal.com before June 27.” [Read more here to register for the webinar.](#) For background, on May 6, the EPA announced a final rule, *Greenhouse Gas Reporting Rule: Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems* ([Access the rule here](#)), “to strengthen, expand, and update methane emissions reporting requirements for petroleum and natural gas systems under EPA’s Greenhouse Gas Reporting Program, as required by President Biden’s Inflation Reduction Act. The final revisions will ensure greater transparency and accountability for methane pollution from oil and natural gas facilities by improving the accuracy of annual emissions reporting from these operations.” [Read more.](#) According to the EPA, “The final subpart W rule will dramatically improve the quality of emissions data reported from oil and natural gas operations, with provisions that improve the quantification of methane emissions, incorporate advances in methane emissions measurement technology, and streamline compliance with other EPA regulations. For the first time, EPA is

allowing for the use of advanced technologies such as satellites to help quantify emissions in subpart W. In addition, EPA is finalizing new methodologies that allow for the use of empirical data for quantifying emissions, including options added in response to public comments on the proposed rule. The final rule also allows for the optional earlier use of empirical data calculation methodologies for facilities that prefer to use them to quantify 2024 emissions. These changes will improve transparency and expand the options for owners and operators to submit empirical data to demonstrate their effort to reduce methane emissions and identify whether a Waste Emissions Charge is owed, based on thresholds set by Congress.” [Access an EPA Fact Sheet here.](#) The rule is effective January 1, 2025, except for certain amendatory instructions as indicated in the rule.

Mountain Valley Pipeline Receives Federal Regulator Approval – Virginia; West Virginia.

After years of legal challenges and regulatory delays, on June 11, the Office of Energy Projects in the Federal Energy Regulatory Commission (FERC) authorized the 303-mile Mountain Valley Pipeline, which will transport natural gas from northwestern West Virginia to southern Virginia. And just days later, the pipeline began operations. [Read more.](#) “The approval marks the end of a lengthy regulatory and legal battle over the pipeline that dates back to its first FERC application in 2015.” [Read more.](#) As reported by *The Hill*, “a spokesperson for Equitrans Midstream, one of the companies behind the pipeline, said in a written statement that ‘final preparations are underway to begin commercial operations’ for the project.” [Read more.](#)

Federal Public Lands Withdrawal – Colorado.

On June 14, the BLM and Interior Department, on behalf of the U.S. Fish and Wildlife Service (FWS), published a notice of federal public land withdrawal in Colorado. According to the notice, “the Secretary of the Interior proposes to withdraw 4,792.54 acres of public lands from settlement, sale, location, or entry under the general land laws, including location and entry under the United States mining laws, and from leasing under the mineral and geothermal leasing laws, and reserve them for any term up to an indefinite period as part of the Arapaho National Wildlife Refuge (NWR) located

in Jackson County, Colorado. Publication of this notice temporarily segregates the lands for up to 2 years and announces to the public an opportunity to comment and request a public meeting on the proposed withdrawal.” Comments and requests for a public meeting must be received by September 12, 2024. [Read more.](#)

FEDERAL – Judicial

BLM Public Lands Rule – Utah Federal Court.

On June 18, Utah and Wyoming filed suit against the BLM arguing the Biden administration failed to weigh environmental harms in its recently finalized [Public Lands Rule](#). That rule, when finalized in April, defined conservation as a “use” of public land and “requires officials managing federal land to prioritize protecting intact ecosystems and wildlife migration corridors.” This, according to *Bloomberg Government*, was expected to be challenged in court “because Western states with oil, gas, and mineral resources fear it will stifle drilling and mining.” In *Utah v. Haaland* (Case No. 2:24-cv-00438), the states argue that the National Environmental Policy Act (NEPA), “demands that a Rule of such significance be subject to careful environmental study. But when BLM first proposed the Public Lands Rule, it previewed its intent to sidestep NEPA’s procedures. The Plaintiff States objected. So did local-government entities, non-profit organizations, industry groups, members of Congress, and many others. Interested parties of all stripes entreated BLM to take the ‘hard look’ that NEPA requires before pushing through a Rule that could harm the environment. BLM brushed all these objections aside, by relying on an inapplicable NEPA exclusion and unreasonably concluding that no extraordinary circumstances warrant further review. BLM’s action was arbitrary and capricious, and the Public Lands Rule should be set aside.” As reported, “The Utah Department of Natural Resources said the rule would endanger mature and old-growth forests, disallow the sort of active management most needed to support landscape health, and make restoration work harder to accomplish to the detriment of Utah’s environment, the lawsuit stated. The Wyoming County Commissioners Association said the rule represents a ‘substantial departure from past interpretations of BLM’s

responsibilities’ and ‘will directly impact the actual management of public lands’ that might implicate habitat for the greater sage-grouse.” [Read more.](#)

Industry Groups Challenge EPA Vehicle Emissions Rulemaking – Washington, DC.

On June 13, the American Petroleum Institute (API), alongside groups representing corn growers, agricultural interests, and automotive stakeholders, sued the Biden administration “over its effort to move the nation toward electric vehicles (EVs).” In [American Petroleum Institute v. U.S. Environmental Protection Agency](#) (Case No. 24-1196), the litigants claim that the EPA’s final rule, “Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles” ([89 Fed. Reg. 27842](#); April 18, 2024) and which was effective June 17, 2024, “exceeds the agency’s statutory authority and is otherwise arbitrary, capricious, an abuse of discretion, and not in accordance with law.” [Read more.](#) Of the lawsuit, API Senior Vice President and General Counsel Ryan Meyers said, “EPA has exceeded its congressional authority with this regulation that will eliminate most new gas cars and traditional hybrids from the U.S. market in less than a decade. We look forward to making our case in court.” [Read more.](#)

Industry Groups Challenge EPA Vehicle Emissions Rulemaking (Part 2) – Washington, DC.

Related to the above, on June 13, the American Fuel & Petrochemical Manufacturers (AFPM), Texas Oil & Gas Association, and a coalition of oil and gas and manufacturing industry groups filed suit against the EPA over its new regulation, “that will effectively ban most new gas cars and trucks in less than eight years.” In [American Fuel & Petrochemical Manufacturers v. U.S. Environmental Protection Agency](#) (Case No. not yet docketed), the litigants are asking the court to nullify the recent EPA rulemaking. In a statement, the AFPM said, “EPA’s Light Duty Vehicle rule is unlawful and harmful to consumers, our economy and our national security. We are confident the Court will agree that Congress has not authorized EPA to effectively ban the sale of new gas and diesel cars and overhaul the U.S. economy in such a major way. EPA also overstepped in finalizing fleetwide

average standards, rather than concrete standards that all cars and trucks must meet. Since no gas, diesel or traditional hybrid today can meet 85 grams/mile, EPA's averaging scheme—which is already being contested for the 2023-2026 standards—is clearly meant to force EV adoption. And the choice to ignore all other vehicle lifecycle emissions, save those from the tailpipe, puts internal combustion engine vehicles at an arbitrary disadvantage.” [Read more.](#)

STATE – Legislative

Climate Change Liability – Vermont. On May 30, [S. 259](#) became effective after being enacted by the legislature without the Governor's signature. The Democratic sponsored bill establishes “the Climate Superfund Cost Recovery Program to be administered by the Climate Action Office of the Agency of Natural Resources. The Program would secure compensatory payments from responsible parties to provide a source of revenue for climate change adaptation projects within the State. Payments would be based on proportional liability of responsible parties. The Program would also develop the strategy to identify and prioritize climate change adaptation projects and disperse funds to implement those projects.” [Read the legislature bill summary here.](#) In short, Vermont has become “the first state to pass a law that requires energy companies to pay for part of the damages from extreme weather events. Under the legislation, the Vermont state treasurer, in consultation with the Agency of Natural Resources, has until January 15, 2027, to calculate the total cost to Vermonters and the state of the emission of greenhouse gases from January 1, 1995, to December 31, 2024.” Specifically, “The cost will be split among energy companies based on their share of global emissions during that time. Parties are liable only if they engaged in the trade or business of extracting, producing, or refining oil, gas, or coal and have a sufficient connection with Vermont. Parties that burned the fuels will not be liable. The amount of emissions for which a party is responsible will be determined using the EPA's Emissions Factors for Greenhouse Gas Inventories.” According to law firm Jones Day, “The law likely will face many legal

challenges. In fact, the American Petroleum Institute (API) [sent a letter to the Vermont legislature prior to the law's enactment.](#) According to the letter, API was “‘extremely concerned’ about the bill because it amounted to retroactive lawmaking that a court likely would find excessively harsh due to the long time frame and unknown but potentially extreme fines. API also expressed concern with the lack of nexus between the fine and actual responsibility, the use of strict liability, the possibility of unfair penalties, and the likelihood that the law is preempted by federal law due to its use of global emissions.” [Read more.](#)

For all 570+ 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

Cumulative Impacts and Enhanced Systems and Practices Rulemaking – Colorado. On June 18, the Colorado Energy & Carbon Management Commission (ECMC) announced a notice for a “Cumulative Impacts and Enhanced Systems and Practices” rulemaking. [Read the proposed rulemaking here.](#) The rulemaking is an outgrowth of Governor Polis directing the ECMC “to undertake a series of actions aimed at achieving ozone pollution reduction from oil and gas operations.” The governor “also directed the Commission to adopt through rulemaking environmental best management practices addressing ozone.” And third, the governor instructed the ECMC “to prioritize the development of an environmental best management practices program aimed at incentivizing operations demonstrating industry-leading environmental performance.” Most recently, the governor signed into law bills [HB 24-1346](#) and [SB 24-229](#) (as covered by AAPL Governmental Affairs previously), “directing the Commission to adopt rules to evaluate and address cumulative impacts and require enhanced systems and practices from operators to avoid, minimize, and mitigate emissions of ozone precursors from newly-permitted oil and gas operations

in the ozone nonattainment area.” The rules must be adopted by September 30, 2024. For members of the public seeking to be involved in the rulemaking process, the ECMC “Request for Party Status” is due by June 27, 2024, at 2pm. [Access the ECMC Party Status form here.](#)

Clean Transportation Fuel Standard Advisory Committee Meeting – New Mexico. On June 18, the New Mexico Environment Department announced that the Clean Transportation Fuel Standard (CTFS) Advisory Committee will hold a meeting on June 28 which will include information about the forthcoming CTFS rulemaking. [Read more.](#) The CTFS meeting is open to the public. For more information about attending the meeting, [Read more.](#)

STATE – Judicial

Dormant Mineral Act; Marketable Title Act – Ohio. On June 4, in [Cardinal Minerals, LLC v. Miller](#) (Case No. 2024-Ohio-2133), the Ohio Court of Appeals, Seventh District, addressed an oil and gas dispute pertaining to Ohio’s Dormant Mineral Act (DMA) and the Marketable Title Act (MTA). The court stated, the “Appellant claims this matter presents a textbook example of a facially void abandonment under the DMA. Specifically, Appellant asserts that the surface owners, the Millers, published notice only to the original holders of the severed interest even though the original holders’ estates and the estates of their named heirs and devisees were filed of record in Monroe County. Appellant claims the Millers’ attempted abandonment of the severed interest was null and void. Appellant also alleges the severed interest is not subject to extinguishment under the MTA.” However, the court held that the Appellant lacked standing to bring the lawsuit. Specifically, the interest at issue “ceased to exist in the public record and the quit-claim deeds did not convey any interest in the property.” The court also rejected the Appellant’s abandonment and notice arguments. And finally, the court determined that the instrument at issue “was clearly an assignment of rights to a lawsuit and void under Ohio law.” [Read more.](#)

Leasing; Interest on Unpaid Royalties – Texas.

On June 7, in [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.” The court held, “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.” As described by the Texas Civil Justice League, “an agreement that does not clearly and unambiguously specify compound interest will be interpreted as providing for simple interest.” The court also held that the “lessee’s prior litigation of the issue does not collaterally estop it from asserting its claims here.” Accordingly, the court reversed the appellate court judgment and remanded the case back to the trial court for further proceedings. [Read more.](#)

INDUSTRY NEWS FLASH

► **API releases new policy roadmap.** On June 17, the American Petroleum Institute (API) released [a new policy roadmap](#) “to unleash America’s energy security and help reduce inflation. Ahead of the first presidential debate, API is calling both candidates, as well as policymakers on both sides of the aisle, to leverage America’s energy resources to help protect consumers and cement U.S. energy leadership.” The roadmap contains “five actions policymakers can take today to secure American energy leadership, protect consumers and help reduce inflation,” which includes fixing the current permitting system. [Read more.](#)

► **AXPC publishes article on Federal permits and leases and how they impact domestic energy development.** On June 12, the American Exploration & Production Council (AXPC) published an article, *A Breakdown of Permits vs. Leases, and How They Impact Energy Development*, examining permitting and leasing on federal lands. AXPC writes, “American

or it becomes law without signature. **Tennessee** Republican Gov. Bill Lee has 10 days from presentment, excluding Sundays, to act on legislation or it becomes law without signature.

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