

WEEKLY HIGHLIGHTS AT-A-GLANCE**FEDERAL – Legislative**

- **H.R. 2316.** On October 2, [H.R. 2316](#), known as the “*Cooperative Management of Mineral Rights Act*”, passed in the U.S. House of Representatives well after its initial introduction in May 2017 by Rep. Glenn Thompson (R-PA). On October 3, the bill was received in the Senate and referred to its Committee on Energy and Natural Resources for consideration. According to the bill sponsor, the bill “protects energy production, private mineral owners in Pennsylvania’s Allegheny National Forest.” The legislation clarifies existing law relating to energy production in the Allegheny National Forest (ANF) consistent with federal court holdings that the Forest Service does not have the authority over oil and gas regulations in the ANF. “This legislation will prevent future lawsuits that impede oil and gas production and will ensure that individuals with sub-surface rights can access their property. With overwhelming bipartisan support again in the House, I look forward to working with the Senate and the President to have this legislation signed into law,” said Rep. Thompson. [Read more.](#)
- **H.R. 3846 (Mineral Leasing Act amendment).** On September 27, Rep. Bill Johnson (R-OH) introduced [H.R. 3846](#), known as “*Providing Opportunity With Energy Revenues in Counties Act*” or the “*POWER Counties Act*”, which would amend the federal Mineral Leasing Act to provide that a portion of certain revenues received by the United States under federal oil and gas leases would be paid to counties within which the leased lands or mineral deposits are located and which revenues may be used by those counties for schools and roads. [Read more.](#)

FEDERAL – Regulatory

- **BLM Venting & Flaring Rule; Proposed Rulemaking.** In a positive development for the industry, on October 5, the Bureau of Land Management (BLM) published a proposed rule, *Waste Prevention, Production Subject to Royalties, and Resource Conservation; Delay and Suspension of Certain Requirements* ([82 Fed. Reg. 46458](#)), to temporarily suspend or delay certain requirements contained in the 2016 final rule, *Waste Prevention, Production Subject to Royalties, and Resource Conservation* ([81 Fed. Reg. 83008](#)) until January 17, 2019. The 2016 rule, promulgated under the Obama administration, was targeted “to reduce waste of natural gas from venting, flaring, and leaks during oil and natural gas production activities on onshore Federal leases” and also clarified “when produced gas lost through venting, flaring, or leaks is subject to royalties, and when oil and gas production may be used royalty-free on-site.” The 2016 rule has been widely opposed by

the oil and gas industry and subject to court challenges seeking its nullification or revision. Under the Trump administration's proposed rule, the BLM has noted that it "is currently reviewing the 2016 final rule and wants to avoid imposing temporary or permanent compliance costs on operators for requirements that may be rescinded or significantly revised in the near future." [Read more.](#)

- **BLM Leasing – North Dakota.** On September 29, the Bureau of Land Management (BLM) announced its intentions to lease a 120-acre parcel near North Dakota's Theodore Roosevelt National Park in its upcoming March 2018 oil and gas lease sale. The BLM has already published its [environmental assessment](#) and is accepting public comments through October 30. Although conservationists raised concerns about the parcel affecting the park area, the BLM said "including the parcel in the lease sale doesn't necessarily mean the minerals would be developed. The BLM would do additional analysis if the agency received an application for permit to drill." [Read more.](#)
- **BLM Leasing – Utah.** (*Update to 10/2/17 Weekly Report*) A BLM [environmental analysis](#) released September 22 proposes to lease 51,400 acres in southeastern Utah for possible oil and gas development in the upcoming March 2018 lease sale. The proposal, which includes 43 parcels in Grand and San Juan counties, has garnered criticism from environmentalists who claim new resource development near Hovenweep National Monument would negatively impact night sky viewing activities for recreational visitors in this "Dark Sky" area. "In 2014, Hovenweep was designated as an International Dark Sky Park because of its seclusion and absence of development nearby. The park offers night sky viewing activities for visitors, including the use of a telescope. It has protections that limit light pollution." The public comment period on this lease sale is open until October 23. [Read more.](#)
- **BLM Permit Fees.** On September 29, the BLM announced its annual adjustment to the fee it charges to process oil and gas drilling permits on public and Indian lands for inflation, effective October 1. That adjustment will increase the fee by \$180. The adjustment is a statutory requirement mandated by federal legislators. Congress originally directed the BLM to adjust the fee annually for inflation over a 10 year period as part of the National Defense Authorization Act for Fiscal Year 2015. [Read more.](#)
- **Interior Department Strategy.** On September 29, Interior Secretary Ryan Zinke told attendees at the Heritage Foundation that politically motivated regulations need to be revoked and agencies across the federal government that make decisions affecting energy resource development need to work together more closely. "My job is to make sure all Americans have a voice. I can assure you the war on American energy is over," said Zinke. The Secretary also vowed that under the Trump administration project permit applications "do not sit in drawers, sometimes for years," while applicants await decisions. He also said he plans to develop a joint model for working with agencies from other departments in resource development. [Read more.](#)

FEDERAL – Judicial

- **BLM Methane Rule – California Federal Court.** On October 4, in consolidated cases, [*California v. U.S. Bureau of Land Management and Sierra Club v. Zinke*](#) (Case Nos. 17-cv-03804-EDL; 17-cv-3885-EDL), the U.S. District Circuit for the Northern District of California ruled that the Trump administration had acted unlawfully when it postponed the compliance dates for certain sections of the Obama-era methane rule, *Waste Prevention, Production Subject to Royalties, and Resource Conservation* ([81 Fed. Reg. 83008](#)) after the rule’s effective date had already passed. According to the Court, the Interior Department misused a provision of the Administrative Procedure Act when it stalled key provisions of a rule aimed at reducing methane venting and flaring on federal and Indian lands. The decision comes just as the BLM unveiled a separate proposal to delay the standards until January 2019 (*see Federal - Regulatory section above*). However, the district court’s order means that the rule will take effect now. At press, the administration had yet to announce if they will appeal the decision to stay the rule implementation as they proceed with their proposed rule for delay. [Read more.](#)

STATE – Regulatory

- **Well Reporting; Regulatory Disclosures – New Mexico.** The Energy, Minerals and Natural Resources Department of the New Mexico Oil Conservation Commission has amended regulations under Sections 19.15.7.16 and 19.15.16.19 NMAC regarding oil and gas well reporting and disclosures. The new rulemaking increases the time frame for reporting completion of horizontal wells to 45 days and requires disclosures concerning hydraulically fractured wells to be made on forms prescribed by the designated disclosure registry. In addition, the rule specifies filing requirements for operators of wells on which hydraulic fracturing treatments were performed if the electronic registry is temporary unavailable, discontinued, or permanently inoperable. The rule is effective Sept. 26, 2017. [Read more.](#)

INDUSTRY NEWS FLASH:

◆ **Congressmen to oil & gas industry: We need a better narrative.** (*RigZone, 10/4/17*) Last week, congressmen from energy-producing states told attendees at the North American Gas Forum that the oil and gas industry needs to do a better job of defining itself to the public to counter ongoing opposition from various anti-industry forces. “You have to tell the right story because people just think that oil and gas is big companies, but 88 percent are small- and medium-sized companies,” said U.S. Rep. Henry Cuellar (D-TX). [Read more.](#)

State-by-State Legislative Session Overview

Connecticut Democratic Gov. Dannel Malloy vetoed [HB 7501x](#) on September 28, the [Connecticut Post](#) reports. The bill contains the state's biennium budget for the two-year period that began on July 1. Governor Malloy's veto message, which can be found [here](#), cites the exclusion of pension investments Malloy views as necessary and unacceptable cuts to higher education funding among reasons for his veto.

Massachusetts, Michigan, New Jersey, North Carolina, Pennsylvania and **Wisconsin** are in regular session. **Puerto Rico**, the **District of Columbia** Council and the **United States Congress** are also in regular session.

Ohio is in recess until October 10.

Oklahoma convened a special session related to budget issues on September 25, reports [U.S. News and World Report](#). The special session is in recess to the call of the chair. **Connecticut** was expected to convene a special session on September 29 to vote on a proposal related to hospital taxation, but the planned session was postponed, [CTnewsjunkie.com](#) reports.

Colorado adjourned a special session related to marijuana taxation on October 3, [The Denver Post](#) reports. No legislation was passed during the session.

Alaska is expected to convene its fourth special session related to budget issues on October 23, the [Juneau Empire](#) reports. **Vermont** is scheduled to convene a special session the same day to address any necessary matters related to changes made by federal legislation. **Maine** is also expected to convene a special session the same day, the [Portland Press Herald](#) reports. **Illinois** is expected to convene a veto session on October 24, [NPR Illinois](#) reports.

Utah Republican Gov. Gary Herbert has until October 10 to act on special session legislation or it becomes law. **California** Democratic Gov. Jerry Brown has until October 15 to act on legislation presented after September 15 or it becomes law. **Illinois** Republican Gov. Bruce Rauner has until October 28 to act on special session legislation or it becomes law. **Hawaii** Democratic Gov. David Ige has until November 3 to act on legislation from the first special session or it becomes law. **Alaska** Independent Gov. Bill Walker has 15 days, Sundays excepted, to act on legislation from the regular and special sessions or it becomes law. **Connecticut** Democratic Gov. Dannel Malloy has 15 days from presentment to act on special session legislation or it becomes law. **Delaware** Democratic Gov. John Carney has 10 days, Sundays excepted, to act on legislation or it becomes law. **Maine** Republican Gov. Paul LePage has until three days after the next meeting of the legislature to act on legislation or it becomes law. **New Hampshire** Republican Gov. Chris Sununu has five days, Sundays excepted, to act on legislation or it is pocket vetoed. **New York** Democratic Gov. Andrew Cuomo has 10 days from presentment, Sundays excepted, to act on legislation from the regular and special sessions or it becomes law. **Rhode Island** Democratic Gov. Gina Raimondo has six days, Sundays excepted, to act on special session legislation or it becomes law. **South Carolina** Republican Gov. Henry McMaster has until two days after the next meeting of the legislature to act on regular session legislation presented after May 6 and special session legislation or it becomes law.

North Carolina Democratic Gov. Roy Cooper had a signing deadline on September 30.

The following states are currently holding interim committee hearings: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [California Assembly](#) and [Senate](#), [Colorado](#), [Connecticut](#), [Delaware](#), [Florida House](#) and [Senate](#), [Georgia House](#) and [Senate](#), [Hawaii](#), [Idaho](#), [Illinois House](#) and [Senate](#), [Indiana](#), [Iowa House](#) and [Senate](#), [Kansas](#), [Kentucky](#), [Louisiana](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Missouri House](#) and [Senate](#), [Montana](#), [Nebraska](#), [New Hampshire House](#) and [Senate](#), [New Mexico](#), [New York House](#) and [Senate](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#), [Oregon](#), [Rhode Island](#), [South Carolina House](#) and [Senate](#), [South Dakota](#), [Tennessee](#), [Texas House](#) and [Senate](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#) and [Wyoming](#).

The following states are currently posting bill drafts, prefiles and interim studies for the 2018 session: [Alabama](#), [Arkansas](#), [Florida House](#) and [Senate](#), [Georgia](#), [Kentucky](#), [Maine](#), [Montana](#), [Nebraska](#), [New Hampshire Legislative Service Requests](#) and [Withdrawn LSRs](#), [North Dakota](#), [Oklahoma prefiles](#) and [House](#) and [Senate](#) interim studies, [Utah](#) and [Wyoming](#).

Lands

Land Permits

Pennsylvania [HB 1009](#) was reported from the House State Government Committee on September 26 and is currently pending in the House Appropriations Committee. This bill would release Project 70 restrictions on a parcel of property and structure located in West Newton Borough in Westmoreland County in return for the development of park and open space in the West Newton Borough in Westmoreland County. If this bill becomes law, it will take effect immediately.

Oil and Gas

Oil and Gas General

Pennsylvania [HR 515](#) was reported from the House Environmental Resources and Energy Committee on September 21. Sponsored by Rep. Jonathan Fritz, R-Susquehanna, this resolution urges the Delaware River Basin Commission to suspend its consideration of a moratorium on natural gas drilling in Northeast Pennsylvania. According to Representative Fritz's [sponsor memo](#), the Delaware River Basin Commission approved a resolution to begin the process of creating a proposal to ban natural gas drilling in the watershed. Democratic Gov. Tom Wolf was joined and supported by officials from New York and Delaware. This resolution would send a message from the Pennsylvania House of Representatives to the commission to request they stop these efforts.

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