

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

- **Fish and Wildlife Service Regulations.** On January 30, Rep. Kevin Cramer (R-ND) introduced [H. J. Res. 45](#), which disapproves of, and seeks to nullify, the final rule by the U.S. Fish and Wildlife Service (FWS) relating to the management of non-Federal oil and gas rights. The FWS rule, *Management of Non-Federal Oil and Gas Rights* ([81 Fed. Reg. 79948](#)), finalized in November 2016, imposed new regulations regarding the exercise of non-Federal oil and gas rights relating to oil and gas activities associated with any private, State, or tribally owned mineral interest where the surface estate above such rights is administered by the FWS as part of the Refuge System. [Read more.](#)
- **National Park Service Regulations.** On January 30, Rep. Paul Gosar (R-AZ) introduced [H. J. Res. 46](#), which disapproves of, and seeks to nullify, the final rule by the National Park Service (NPS) relating to *General Provisions and Non-Federal Oil and Gas Rights* ([81 Fed. Reg. 77972](#)), finalized in November 2016. The rule governs regulations of non-federal oil and gas operations located within NPS units outside Alaska. The regulations covered exploration, bonding, drilling, production, transportation, plugging, and reclamation operations. [Read more.](#)
- **BLM Onshore Oil and Gas Operations.** On February 1, Rep. Steve Pearce (R) introduced [H. J. Res. 56](#), which disapproves of, and seeks to nullify, the final rule by the BLM, *Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Site Security* ([81 Fed. Reg. 81356](#)), finalized in November 2016. The final rule, known as Onshore Oil and Gas Order No. 3, which was roundly criticized by the oil and gas industry, established “minimum standards for oil and gas facility site security, and includes provisions to ensure that oil and gas produced from Federal and Indian (except Osage Tribe) oil and gas leases are properly and securely handled, so as to ensure accurate measurement, production accountability, and royalty payments, and to prevent theft and loss.” [Read more.](#)
- **Regulatory Reform.** The *Regulatory Accountability Act of 2017* ([H.R. 5](#)), which was introduced last month in the U.S. House of Representatives, has passed that chamber and is currently under consideration by the Senate Committee on Homeland Security and Governmental Affairs. The measure seeks to change the process for federal rulemaking to make those regulations more narrowly tailored, be supported by strong and credible data and evidence, and impose the least burden possible, especially on smaller entities. On February 6, interested parties sent a [letter](#) to Senate Majority

Leader, Mitch McConnell (R-KY), and Senate Minority Leader, Charles Schumer (D-NY), urging passage of the bill. [Read more](#).

- **Public Land Sale.** (As reported by Welborn Sullivan Meck & Tooley, P.C.) On February 1, Rep. Jason Chaffetz (R-UT) announced that he would pull a bill ([H.R. 621](#)) proposing to sell more than three million acres of BLM federal land due to opposition. [Read more](#). According to Chaffetz, many in the West strongly believe that the federal government owns too much land, to the detriment of the states. In his home state of Utah, the legislature is seeking the “return” of federal lands to the state. However, while giving federal land to state or private owners has support in many corners, the idea still has some key detractors which killed the proposal for now. [Read more](#).
- **State Control of Operations.** On February 7, Rep. Louie Gohmert (R-TX) introduced [H.R. 928](#), companion legislation to a version introduced the same day by Sen. James Inhofe (R-OK), [S. 334](#). The measures would put regulation in the hands of states that would give them the right to control hydraulic fracturing on all land within their boundaries and would require companies with such operations on federal lands to comply with those state laws. [Read more](#). Inhofe also introduced [S. 335](#), which gives states the right to develop energy resources on federal land within their borders, excluding Indian lands, national parks, units of the National Wildlife Refuge System and congressionally designated wilderness areas. [Read more](#).
- **State Regulations.** On February 6, Sen. Orrin Hatch (R-UT) introduced [S. 316](#), known as the *Protecting States’ Rights to Promote American Energy Security Act*. The bill would amend the Mineral Leasing Act to recognize the authority of states to regulate oil and gas operations within their borders and eliminate duplicate federal regulations on those lands. [Read more](#).
- **Leasing Program – Alaska.** On January 25, [H.R. 49](#) was referred to the House Energy and Commerce Subcommittee on Energy for consideration. The bill, sponsored by Rep. Don Young (R-AK), would direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program for the exploration, development, and production of oil and gas resources on the Coastal Plain of Alaska. [Read more](#).

## **FEDERAL – Regulatory**

- **Dakota Access Pipeline.** The Dakota Access Pipeline has been cleared for approval. The U.S. Army said it will grant Energy Transfer Partners LP the easement it needs to finish the line that will ship almost half a million barrels of crude a day from North Dakota’s shale fields to refineries across the Midwest and to the Gulf Coast. The approval of the easement follows President Trump’s memorandum that advised expediting review of the project. The \$3.8 billion line has been stalled since September 2016, when the Obama administration halted it. “After months of unnecessary delay, the Missouri

River easement for the Dakota Access Pipeline is being issued by the Army Corps of Engineers,” said North Dakota Congressman Kevin Cramer (R). This final step could enable the pipeline to begin operations as soon as June. [Read more.](#)

- **BLM Onshore Order No. 1.** On February 9, the BLM delayed the implementation of BLM Onshore Oil and Gas Order No. 1 ([82 Fed. Reg. 9974](#)) in the wake of the Trump administration’s hold on regulatory actions. On January 10, the BLM published a notice at [82 FR 2906](#) of the final Order to revise Onshore Order No. 1 to require e-filing of all Applications for Permit to Drill and Notices of Staking which would have been effective this month. The effective date of the rule will now be delayed to March 21. [Read more.](#)
- **BLM Lease Sale.** Last Thursday, the BLM held its largest lease sale in years. “In the first lease sale under the Trump administration, the BLM had its biggest sale in the past four years,” said Utah Republican Rob Bishop, chairman of the House Committee on Natural Resources. According to *The Daily Caller* report, the “BLM sold drilling rights on 278 parcels of public land for \$129.3 million. Bids ranged from \$2 per acre to \$16,500 per acre. The land sold was mostly located in Wyoming — about half of which is directly controlled by the federal government.” [Read more.](#)
- **BLM Leasing – Colorado.** The BLM is seeking comments on requests to lease more than 22,000 acres in Mesa County for oil and gas drilling. The scoping also includes about 7,300 acres in Garfield County, bringing the total northwest Colorado lands included in the December 2017 lease sale to nearly 30,000 acres. The comment period ends March 8. [Read more.](#)

## **FEDERAL – Judicial**

- **BLM Resource Management Plan – Montana Federal Court.** On January 25, in *Western Org. of Res. Councils v. U.S. Bureau of Land Mgmt.* (Case No. CV 16-21-GF-BMM), a federal district court in Montana agreed with environmental groups that combined a number of their NEPA challenges to the BLM’s approval of multiple Resource Management Plans in a single Record of Decision (ROD) chose the right venue in Montana federal court, over objections by the BLM. The Court held that a substantial part of the events that led to the BLM’s single ROD occurred in Montana even though the ROD involved decisions that affected land in Wyoming as well. [Read more.](#)
- **Sage Grouse Conservation – Nevada Federal Court.** On February 9, the Western Energy Alliance and North Dakota Petroleum Council [voluntarily dismissed](#) their case against the Interior Department in [Western Energy Alliance v. U.S. Dept. of the Interior](#) (Case No. 3:16-CV-00739-MMD-WGC) in Nevada. At issue is a federal lawsuit filed last year in the U.S. District Court for the District of North Dakota in which Western Energy Alliance and the North Dakota Petroleum Council challenged implementation of Greater Sage Grouse conservation plans in California, Colorado, Idaho, Montana, Nevada, North

Dakota and Utah. Last year, the North Dakota district court broke up the federal lawsuit into four parts, with the challenge over the BLM and Forest Service plans in Nevada transferred to the U.S. District Court for the District of Nevada. The decision to withdraw the challenge in Nevada was a “tactical” one, and will not affect the industry challenges in the other states, according to an attorney representing the oil and gas industry groups. [Read more.](#)

## **STATE – Legislative**

- **Applications and Permits – Idaho.** On January 26, HB 64 was introduced by the House Resources & Conservation Committee. The bill would make certain changes to the application and permitting process, revise certain fee provisions, and provide rules for appeals, hearings, and administrative remedies. [Read more.](#)
- **Permitting – Illinois.** On February 7, Sen. Julie Morrison (D) introduced SB 974. The bill seeks a moratorium on new permits on lands owned by the Department of Natural Resources or the federal government. The measure prohibits the Department of Natural Resources from entering into contracts in writing designating any person as the permittee of the State of Illinois with the exclusive right to prospect and explore public lands of the State of Illinois for the occurrence of petroleum and repeals provisions governing certain petroleum leases, rights of way over public lands, and preferential rights to prospecting permits. [Read more.](#)
- **Notaries Public – Illinois.** On February 8, Rep. Al Riley (D) introduced HB 2604. The bill would amend the Illinois Notary Public Act concerning the notary public official seal and signature; provides references to the use of “electronic communication” concerning notice and advertisement of notary public services; and makes changes to fees, penalties, maintaining receipts and records, requirements for reproduction of seal and signature; and provides that the illegibility of certain required specified information does not affect the validity of a transaction. [Read more.](#)
- **Employee Misclassification – Kentucky.** On February 7, Rep. Sannie Overly (D) introduced HB 196. The bill sets forth legislative findings and declarations behind employee misclassification problems, provides definitions, determinations of misclassified workers, investigation processes and violations, establishes court remedies, required notice by an employer, and grants authority to promulgate administrative regulations, among other provisions. [Read more.](#)
- **Moratorium on Hydraulic Fracturing – Maryland.** On February 3, Sen. Joan Conway (D) introduced SB 862. The bill seeks to extend the current moratorium on hydraulic fracturing in the state through October 1, 2019, imposes other limits on the extraction process, and sets forth a ballot referendum measure. [Read more.](#)

- **Prohibition on Hydraulic Fracturing – Maryland.** On February 3, Sen. Bobby Zirkin (D) introduced SB 740. The bill would prohibit hydraulic fracturing in the state. [Read more.](#)
- **Costs of Production – Montana.** On February 2, Rep. Austin Knudsen (R) introduced HB 384. The bill would require an oil or gas lessee to pay all costs of production unless parties agree to other terms, and the bill also provides exceptions for payment of those costs. [Read more.](#)
- **Permitting; Leasing – New Mexico.** Last week, a legislative measure, [HJM 5](#), backed by Democratic legislators, and aimed at trying to halt federal oil and gas drilling around Chaco Cultural National Historical Park failed to pass out of the House Energy, Environment & Natural Resources Committee. The unsuccessful memorial requested that the BLM consider a temporary moratorium on hydraulic fracturing-related lease sales and permit approvals in the northwestern New Mexico territory. [Read more.](#)
- **Independent Contractors – Ohio.** On February 7, Sen. Kenny Yuko (D) introduced SB 38. The bill would revise parts of the labor code, and specifically provides a test for determining if a worker is an employee or independent contractor under added Sec. 4177.01(D)(2). [Read more.](#)
- **Applications; Notice – Oklahoma.** On February 6, Rep. Steve Kouplen (D) introduced HB 1356. The bill would require certain notices be made prior to applications, sets conditions for waste and drainage, as well as setting limitations on the location of wellbores. [Read more.](#)
- **Notaries Public – Oklahoma.** On January 18, HB 1366 was introduced by Rep. Elise Hall (R). The bill would make certain changes to the notary public law, including providing for verification under oath or affirmation for certain documents, providing for electronic notarial acts, and providing for validity of certain records or instruments, among other provisions. [Read more.](#)
- **Local Regulations – Oklahoma.** On January 19, HB 1639 was introduced by Rep. Scott Inman (D). The bill would allow regulation of oil and gas activities by municipalities, counties and other subdivisions with reference to well-spacing units, drilling and production. [Read more.](#)
- **Property Rights – Oklahoma.** On January 19, HB 1902 was introduced by Rep. Kevin Calvey (D). The bill would establish the parameters under which government actions regarding a mineral estate may be considered a taking. [Read more.](#)
- **Royalty Reporting; Leasing – Pennsylvania.** (Update to 1/30/2017 Weekly Report) On February 1, K & L Gates' *Oil & Gas Alert* published a detailed look at both previously reported [SB 138](#) (affecting how both producers and non-operating joint venture

partners report royalty information) and [SB 139](#) (providing a new cause of action for lessors making royalty payment inquiries or complaints that result in retaliation, such as ceasing production). [Read more.](#)

- **Oil and Gas Recovery – Texas.** On February 6, Rep. Cecil Bell (R) introduced HB 1597. The bill, titled the *Texas Tertiary Recovery Unitization Act*, provides amendments to the state oil and gas unitization law to provide provisions related to the unitization and recovery of resources through tertiary methods. [Read more.](#)
- **Ad Valorem Taxes – Texas.** On January 30, Sen. Kel Seliger (R) introduced SB 676. This is the companion bill to [HB 119](#) previously reported in the 1/16/2017 Weekly Report. The measures set requirements for the listing of separate interests in minerals in ad valorem tax appraisal records. [Read more.](#)
- **Local Regulations – Utah.** On February 7, Sen. David Hinkins (R) introduced SB 189. The bill would preempt local regulation of oil and gas operations except allows for certain provisions so long as they do not effectively prohibit an oil and gas operation. [Read more.](#)
- **Board of Oil, Gas and Mining – Utah.** On February 7, Sen. Ralph Okerlund (R) introduced SB 191. The bill would modify the duties of the Board of Oil, Gas, and Mining allowing for retroactive effect for a drilling unit under certain conditions. [Read more.](#)
- **Setbacks; Spacing – West Virginia.** On February 8, Sen. Greg Boso (R)) introduced SB 43. The bill would restrict the Oil and Gas Conservation Commission’s authority to regulate setback and spacing between deep wells. [Read more.](#)
- **Permitting; Horizontal Wells – West Virginia.** On February 8, Del. Barbara Fleischauer (D) introduced HB 2170. The bill would impose new rules regarding horizontal drilling related to permitting, notice requirements, well setbacks, environmental disturbances, and compensation for such claims as they relate to residential property. [Read more.](#)
- **Unitization; Consent – West Virginia.** On February 8, Del. Isaac Sponaugle (D) introduced HB 2158. The bill would prohibit drilling units and “deep oil or gas well” units from being established without consents from all owners. [Read more.](#)
- **Unitization; Pooling – West Virginia.** On February 8, Del. Mike Folk (R) introduced HB 2131. The bill would prohibit the state from requiring persons with oil or gas rights connected to “deep oil or gas wells” to involuntarily integrate or unitize their interests, but the measure does not have retroactive effect. [Read more.](#)
- **Oil and Gas Taxation – Wyoming.** (Update to 1/16/2017 Weekly Report). [HB 10](#), introduced on January 9 by the Joint Revenue Interim Committee, died in committee

on February 3. The bill would have required certain reporting by the operator of a well or property and reporting by an owner of production to the operator relating to state oil and gas taxation. [Read more.](#)

## **STATE – Regulatory**

- **Boulder County Moratorium – Colorado.** On January 26, Colorado Attorney General Cynthia H. Coffman sent a [letter](#) to Boulder County’s three commissioners, giving the county just days to rescind its “moratorium” on accepting new applications for oil and gas development or taking other steps to impede the efficient and responsible development of oil and gas resources in the county. If the county fails to act, Attorney General Coffman has pledged to take legal action. We will monitor the next steps as they arise. [Read more.](#)
- **Methane Emissions – Pennsylvania.** On February 6, Pennsylvania’s Department of Environmental Protection (DEP) unveiled draft regulations for a state plan to reduce methane from natural gas production. With the announcement, the DEP has opened up a 45-day public comment period seeking input on planned rules to reduce methane emissions from well sites. The comment period will run through March 21. [Read more.](#) Republican members of the state legislature have moved to block any such regulations, introducing [SB 175](#), which would block the DEP from promulgating any methane emissions rules that are more stringent than the federal government’s. [Read more.](#)
- **Severance Tax – Pennsylvania.** The Pennsylvania Independent Oil & Gas Association’s President, Dan Weaver, has blasted Governor Tom Wolf’s (D) proposal to include a 6.5 percent natural gas severance tax in the state’s fiscal 2017-18 budget. Weaver said the Appalachian basin is mired in a long-term negative gas pricing environment that has a potential to be reversed only with significantly more pipeline capacity that will take at least a few years to achieve under a best-case scenario. “This market reality means that a 6.5% severance tax rate would have a huge detrimental impact on natural gas development and jobs, while raising very little revenue to make even the slightest dent in Pennsylvania’s current and projected budget deficits,” said Weaver. [Read more.](#)
- **Railroad Commission – Texas.** At a state Senate Finance Committee hearing last week, Texas Railroad Commission Chairwoman, Christi Craddick, told legislators that the oil and gas regulator needs more funds to perform its duties. “My fellow commissioners and I urge that the agency must be funded at the level necessary to carry out its mission,” Craddick said. The commission had to cut an average of \$1.3 million a month last year, and its staff of 690 has 130 unfilled openings. [Read more.](#)

## **STATE – Judicial**

- **Royalties – Texas.** On February 3 in *Crawford v. XTO Energy, Inc.* (Case No. 15-0142),

the Texas Supreme Court revived a royalty dispute case dismissed by lower courts. An oil and gas lessor sued the lessee for failure to pay royalties. At issue was whether adjacent landowners to the lessor had to be parties to the suit. The trial court and appeals court concluded that they were necessary parties and dismissed the case since they were not included in the action. However, the Texas Supreme Court disagreed holding that the case could move ahead because the adjacent landowners did not claim an interest relating to the lessor's suit against the lessee. [Read more.](#)

- **Farmout Agreement – Texas.** On January 31, in *Carrizo Oil & Gas, Inc. v. Barrow-Shaver Resources Company* (Case No. 12-15-00083-CV), a Texas appeals court dismissed a jury verdict in favor of a company claiming it lost a \$27-million opportunity to assign its rights to a third party under a farmout agreement. The Court concluded that the production company that farmed out the rights to the plaintiff properly withheld its consent to assign the farmout under the unambiguous terms of the consent-to-assignment clause. [Read more.](#)
- **Mineral Rights; Leasing – West Virginia.** On January 26, in *Bowyer v. Wyckoff* (Case No. 15-1139), the West Virginia Supreme Court denied a co-tenant's bid to force a sale of the surface and oil and gas rights he co-owned with others so that he could develop the shallow rights himself while joining his co-tenants in their attempt to lease the deep rights. The Court concluded that although the trial court erred when it required the landowner to show an "inability of the mineral owners to agree on how to develop the mineral estate" (an element that is not required by statute to force a sale), the landowner never met the statutory requirements to force a partition of the oil and gas rights regardless. [Read more.](#)

## State-by-State Legislative Session Overview

Legislators in **Oklahoma** convened the 2017 legislative session on February 6, [The Miami News-Record](#) reports. Republican Gov. Mary Fallin presided over a joint session to give her traditional State of the State address and to present her budget proposal to the legislature. A transcript of her address can be found [here](#), and the proposed executive budget can be found [here](#). The state faces an estimated \$868 million budget shortfall for fiscal year 2018. Newly appointed House Speaker Charles McCall, R-Atoka, has said that addressing the budget will be an early priority, [The Oklahoman](#) reports. Speaker McCall has expressed interest in improving transparency in the budget process, and had previously called for a week of public budget hearings to give the state's five largest agencies a chance to present their requests to the House and the public. After several consecutive years of cuts to discretionary appropriations, many lawmakers have indicated a need to raise revenues. Revenue-increasing measures require a three-fourths majority vote, and Republicans have majorities of 74-26 in the House and 42-6 in the Senate.



**Alaska, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming** are in regular session. The **District of Columbia** Council, **Puerto Rico** and the **United States** Congress are also in regular session.

**Wisconsin** is in special session. The session, which convened on January 5, will run concurrently with the regular legislative session.

**Florida** is scheduled to convene its 2017 legislative session on March 7 and **Louisiana** is scheduled to convene on April 10.

**Virginia** is scheduled to adjourn its 2017 legislative session on February 25.

**Louisiana** Democratic Gov. John Bel Edwards has announced that he intends to call a special session for February 13-23 to address the fiscal year 2017 budget deficit, [The National Law Review](#) reports.

**Illinois** Republican Gov. Bruce Rauner has 60 days from presentment to act on legislation or it becomes law without signature.

The following states are currently posting bill draft requests/prefiles for the 2017 session: [Florida](#) and [Louisiana](#).

## Franchise Tax

**Tennessee** [SB 8](#) is scheduled to be heard in the Senate Finance, Ways and Means Committee's Revenue Subcommittee on February 14. This bill would change the apportionment formula used to calculate franchise tax from a three-factor formula to a single-sales-factor formula.

This bill is sponsored by Sen. Mark Green, R-Clarksville, and would become law immediately if enacted.

**Texas** [SB 17](#) was read for the first time and referred to the Senate Finance Committee on February 6. This bill aims to decrease the rate of the franchise tax under certain circumstances until the tax is ultimately repealed. Sen. Jane Nelson, D-Lewisville, is the sponsor and this bill would take effect on September 1, 2017, if enacted.

## Landmen

### Employee Classification

**Washington** [HB 1300](#) is scheduled to be heard in the House Ways and Means Committee on February 15. This bill would prohibit employers from misclassifying employees as independent contractors, charge them a fee to be an independent contractor, require an employee to enter into an agreement that would result in a change of their employment classification to independent contractor or evade detection of their goal to misclassify employees. The Department of Labor would be permitted to conduct investigations into the misclassification of employees and provide penalties if companies are found to have misclassified employees. The substitute clarifies that employees and independent contractors have the same meaning in the bill, and includes provisions regarding court orders in the final judgment for violation of the bill.

## Lands

### Leasing

**Montana** [HB 384](#) is scheduled to be heard in the House Energy, Technology and Federal Relations Committee on February 13 at 3:00 p.m. This bill would require a lessee to pay all costs of production from a working interest unless the Board of Land Commissioners finds that sharing the expense of transporting the oil to the nearest market better serves the interest of the state or a lessor and a lessee agree to other terms. This bill would take effect immediately if enacted.

**Nebraska** [LB 535](#) is scheduled to be heard in the Senate Revenue Committee on February 22. This bill would exempt oil, gas or mineral lease conveyance from the requirement of filing a statement with the register of deeds. This bill would become effective three months after adjournment if enacted. This bill is sponsored by Sen. Dan Hughes, R-Venango.

**New York** [AB 5021](#) was introduced on February 6 by Asm. Steve Englebright, D-Setauket, and referred to the Assembly Environmental Conservation Committee. This bill would prohibit the lease of state forests, wildlife management areas and unique areas for the purpose of gas production. If enacted, this bill would take effect immediately.

**New York** [AB 5160](#) was introduced on February 6 by Asm. Linda Rosenthal, D-Manhattan, and referred to the Assembly Environmental Conservation Committee. This bill would require that all natural gas contacts or leases are recorded with the country clerk or equivalent official within 15 days of execution. If enacted, this bill would take effect immediately.

**Oklahoma** [HB 1902](#) was read for the first and second time and referred to the House Rules Committee on February 7. This bill, sponsored by Rep. Kevin Calvey, R-Oklahoma City, would declare any action taken by a municipality or other political subdivision that substantially interferes with a mineral estate, imposes limitations that adversely impact the use and development of minerals or prohibits access to the development of a mineral estate to be a taking

of property rights under [Article II](#) of the Oklahoma Constitution. This bill would take effect immediately if enacted.

## Pooling

**West Virginia** [HB 2131](#) was introduced on February 8 by Del. Michael Folk, R-Martinsburg, and referred to the House Energy Committee. This bill would prohibit the state from requiring people with oil and gas rights that are connected to deep oil or gas wells to involuntarily integrate their interests.

# Oil and Gas

## Oil and Gas General

**Montana** [SB 93](#) passed the Senate on February 7 and was sent to the House where it is awaiting committee referral. This bill would require oil and gas developers and operators to give notice upon completion of their operation to the owner of an occupied dwelling within 990 feet of a borehole, amended from 660 feet of a borehole. This bill is sponsored by Sen. Tom Richmond, R-Billings.

## Royalty Payments

**Nevada** [AB 82](#) was introduced on February 6, read for the first time and referred to the Assembly Taxation Committee. This bill would require every person who is extracting any minerals to include the royalties paid, and name and address of each recipient of a royalty payment in their annual statement showing gross yield and claimed net proceeds. The bill would also require the Department of Taxation to send the amount of taxes due to the person who is extracting the mineral along with a statement of the amount of net proceeds and royalties paid. The taxes are due by the person who is extracting the mineral on or before May 10 of the year in which the certificate is received. If enacted, this bill would take effect on July 1. This bill is sponsored by the Assembly Taxation Committee on behalf of the Department of Taxation.

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