

WEEKLY HIGHLIGHTS AT-A-GLANCE

FEDERAL – Legislative

- **Congressional Summer Recess – Washington, D.C.** Congress is now in its summer recess and no legislative action will be taken during this period. Neither the House nor Senate will be in session again until after Labor Day in September. [Read more.](#)

FEDERAL – Regulatory

- **Office of Natural Resources Revenue Final Rule.** Today, the Interior Department's Office of Natural Resources Revenue (ONRR) will publish a final rule in the Federal Register ([link to Federal Register page](#)) which will update its civil penalties for the first time since May 1999. Legislation, legal decisions, and recommendations from oversight entities drove the need to modernize and improve its civil penalty authority, according to the agency. The new regulations, which will become effective on August 31, will amend existing rules by applying the regulations to all federal mineral leases, including those for solid minerals and geothermal resources; adjusting civil penalty amounts for inflation; clarify and simplify existing regulations for issuing noncompliance notices and fines; and provide notice that ONRR will place civil penalty matrices on its web site. [Read more.](#)
- **BLM Proposed Rulemaking Notice.** On July 29, the Bureau of Land Management (BLM) published a proposed order, *Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Onshore Oil and Gas Order Number 1, Approval of Operations* (RIN 1004-AE37; [81 FR 49913](#)). The proposal seeks to amend the agency's Onshore Oil and Gas Order Number 1 (Onshore Order 1) to require the electronic filing (or e-filing) of all Applications for Permit to Drill (APD) and Notices of Staking (NOS). According to the BLM, this would help expedite and streamline the APD and NOS review process. The public comment period is open for 30 days from Federal Register publication, until August 29, 2016. [Read more.](#)
- **BLM Online Lease Auctions.** On September 20, the BLM plans to conduct its first [online auction of oil and gas leases](#) for 4,400 acres of public lands in Kentucky and Mississippi. While the "Keep it in the Ground" activists have claimed this is an effort by the BLM to circumvent public protest, the agency has publicly stated that this process has long been in the works since its trial online auction in 2010, and that activist pressure had no bearing on their decision. [Read more.](#)

- **BLM Well Proposal – Alaska.** The BLM said it intends to conduct an environmental review for what would be the second oil and gas production well within the National Petroleum Reserve on BLM-managed land. BLM Alaska said that a 30-day public comment period on the proposed draft supplemental environmental impact statement will begin on July 29, to be published in the Federal Register. [Read more.](#)
- **BLM Environmental Review – Colorado.** Last Tuesday, the BLM announced that it expects to release its preferred alternative on an environmental review of 65 White River National Forest oil and gas leases within a couple of weeks. However, the release of that alternative and an accompanying environmental impact statement would mean the agency won't be granting an energy industry request to reopen the review for further public comment and consider a new, much-higher estimate of the size of the Mancos shale natural gas resource in western Colorado's Piceance Basin. [Read more.](#)
- **BLM Lease Sale – Utah.** The BLM is seeking public input ([link to BLM announcement](#)) on parcels nominated for the February 2017 oil and gas lease sale. The BLM's Canyon Country District will use comments for an environmental assessment analyzing potential impacts associated with leasing the nominated parcels. Written comments will be accepted until Aug. 25, 2016. [Read more.](#)

FEDERAL – Judicial

- **Trespass Statutes – Wyoming.** On July 6, in [Western Watersheds Project, et al v. Wyoming](#) (Case No. 15-cv-00169-SWS) a federal court upheld Wyoming statutes which prohibit the collecting of resource data on private lands without express permission or authorization. The court held that the “desire to access certain information, no matter how important or sacrosanct they believe the information to be, does not compel a private landowner to yield his property rights and right to privacy.” [Read more.](#)

STATE – Judicial

- **Mineral Estate – Ohio.** On July 22, in [Miller v. Cloud](#) (Case No. 15-CO-0018), the Ohio Seventh District Court of Appeals concluded that an estate intended to transfer its interest in the minerals to a property through an auction sale, notwithstanding language in an executor's deed that contained the words “SURFACE ONLY.” [Read more.](#)

INDUSTRY NEWS FLASH:

- ◆ Two unnamed Bureau of Indian Affairs (BIA) officials faked documents in order to profit personally off a gas and oil company, but federal prosecutors decided not to charge them, according to a government watchdog. According to a Department of the Interior [Inspector General report](#), a BIA superintendent and deputy superintendent backdated documents to approve a lease extension for an unidentified oil and gas exploration company operating

on the Blackfeet Indian Reservation. “BIA employees then used the backdated...documents to submit a bill for collection,” the report said. “The oil and gas exploration company appealed the bill for collection, and the backdated documents were discovered during the solicitor review of the appeal.” [Read more.](#)

State-by-State Legislative Session Overview

North Dakota Republican Gov. Jack Dalrymple has called a special session to address shortfalls in the state treasury, [The Bismarck Tribune](#) reports. Governor Dalrymple’s executive order authorizing the special session can be found [here](#). An updated economic forecast for the state predicted that tax revenues would continue to shrink due to depressed oil and farm commodity prices. The forecast predicts a \$310 million deficit for the current budget cycle, which ends on June 30, 2017. “No one should get the impression that North Dakota is in a financial crisis,” Dalrymple said, adding that the state maintains a sizable financial cushion including several hundred million dollars in cash reserves. The state additionally maintains a “Legacy Fund” which receives 30 percent of the state’s oil tax collections and is [estimated](#) to hold \$3.6 billion. There is no draft legislation currently available on the legislature’s special session [website](#), but Dalrymple has reportedly advocated redirecting profits from the Bank of North Dakota, the nation’s only state-owned bank, which [reported](#) a profit of \$130.7 million in 2015. The special session is scheduled to convene on August 2 and is expected to adjourn on August 4.

Massachusetts is in regular session.

California and **New Jersey** are in recess until August 1. **Ohio** is in recess until August 2. **Michigan** is in recess until August 3. The **U.S.** Congress is in recess until September 6. **Pennsylvania** is in recess until September 19. The **District of Columbia** Council is in recess until September 20. **Illinois** is in recess until November 15 and is expected to convene a veto session on that day.

North Dakota is expected to convene a special session related to budget issues on August 2. **Alabama** is expected to convene a special session to address Republican Gov. Robert Bentley’s proposal for a state lottery on August 15.

Delaware Democratic Gov. Jack Markell has until July 31 to act on legislation or it is pocket vetoed. **North Carolina** Republican Gov. Pat McCrory has until July 31 to act on legislation or it becomes law without signature. **Alaska** Independent Gov. Bill Walker has 20 days from presentment, Sundays excluded, to act on legislation or it becomes law without signature. **New York** Democratic Gov. Andrew Cuomo has 10 days from presentment to act on legislation or it becomes law without signature. **Rhode Island** Democratic Gov. Gina Raimondo has 10 days from presentment to act on legislation or it becomes law without signature.

The following states are currently holding interim committee hearings: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [Colorado](#), [Connecticut](#), [Georgia House](#), [Hawaii](#), [Idaho](#), [Indiana](#), [Iowa](#),

[Louisiana](#), [Kansas](#), [Kentucky](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi House](#) and [Senate](#), [Missouri House](#) and [Senate](#), [Montana](#), [Nebraska](#), [Nevada](#), [New Hampshire House](#) and [Senate](#) (committee hearings published in calendar) [New York Assembly](#) and [Senate](#), [North Carolina](#), [North Dakota](#), [Oregon](#), [South Carolina](#), [Tennessee](#), the [Texas House](#), [Senate](#) and [Joint](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#) and [Wyoming](#).

The following states are currently posting bill draft requests/prefiles for the 2017 session: [Alabama House](#) and [Senate](#), [Colorado](#), [Kentucky](#), [Montana](#), [Nevada](#), [North Dakota](#), [Oklahoma](#), [Utah](#), [Virginia](#) and [Wyoming](#) (draft requests appear on individual committee pages).

Endangered Species

Researchers at Princeton University and the University of California-Los Angeles recently concluded that the U.S. Fish and Wildlife Service's arguments for removing gray wolves from endangered species protection are incorrect. Their findings and reasoning was mentioned in a [press release](#) on July 27, the full study will appear in the journal Science Advances. The findings hinge on recent evidence showing that red wolves and eastern wolves are not evolutionarily distinct species, but rather a hybrid of the gray wolf and coyotes. Lead author Bridgett von Holdt, an assistant professor in ecology and evolutionary biology at Princeton University said, "We found no evidence for an eastern or red wolf that has a separate evolutionary legacy. These results suggest that arguments for delisting the gray wolf are not valid."

Landmen

Independent Contractors

UPDATE to 7/25/16 Weekly Report: Both [Massachusetts HB 4351](#) and [SB 2446](#), which propose amendments to HB 4351, were postponed until next session. The bills and proposed amendments would allow independent contractors to be eligible for temporary disability leave or family care leave if the individual has paid a premium for at least one quarter during the past 12 month base period prior to the claim. An independent contract would be eligible for a maximum of 16 weeks of family care leave in a benefit year. Under the amendment, independent contractors would be eligible for temporary disability leave for a maximum of 26 weeks of temporary disability leave in a benefit year.

Lands

Indian Lands

The [North Dakota Tribal and State Relations Committee](#) is scheduled to meet on August 2 at 1:00 pm. On the [agenda](#) is a presentation by Al Nygard, Chief Executive Officer of the Three Affiliated Tribes of the Fort Berthold Reservation, on that status of the tribal-state oil and gas agreement.

Oil and Gas

General Oil and Gas

New Jersey [AB 4031](#) was introduced on July 21 and referred to the Assembly Transportation and Independent Authorities Committee. This bill would create the New Jersey Crude Oil by Rail Safety Task Force. The main goal of the task force would be to study the public health and safety risks and impact of transporting crude oil by rail. The task force would also be responsible for making recommendations on emergency response measures for personnel in the event of a derailment of a train carrying crude oil. Thirteen members will make up the task force and will be required to present their findings and legislative and regulatory recommendations to the legislature and governor. Once the final report is issued, the task force will dissolve within 30 days.

This bill is co-sponsored by Asm. Valerie Vainieri Huttel, D-Englewood, Vice Chair of the Transportation and Independent Authorities Committee and Asm. Tim Eustace-Maywood, Vice-Chair of the Health and Senior Services Committee.

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