

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

- **Congressional Recess.** The U.S. Senate and U.S. House of Representatives recessed two weeks earlier than scheduled to focus on the midterm elections. The Congress is out of session until November 13, 2018. [Read more.](#)

FEDERAL – Regulatory

- **BLM Sage Grouse; Lease Sale.** On October 25, the Bureau of Land Management (BLM) [announced](#) that it is removing nearly one-million acres from its western states December 2018 oil and gas lease sale. The sale, which includes lands in Utah, Montana, North Dakota, Wyoming and Colorado, will accommodate sage grouse and other habitats. In fact, the sale excludes all parcels with sage grouse habitats, but still offers more than 150,000 acres for oil and gas leasing. The BLM opted to remove the parcels after a federal court disputed the agency's decision to shorten a public comment period earlier this year. In [Western Watersheds Project v. Zinke](#) (Case No. 1:18-cv-01187), the U.S. District Court for the District of Idaho imposed a preliminary injunction against the BLM which will now require a longer public comment period on certain parcels. The BLM says that in the wake of the injunction it has decided to postpone the sale of the delayed parcels until February 2019. [Read more.](#)
- **BLM Lease Sale – Eastern States.** The BLM has announced that its Eastern States office will hold its quarterly online oil and gas lease sale to be held December 13, 2018. The sale will include 1,438.46 acres located in Mississippi counties: Forrest, George, Perry, Smith, and Stone; 942.78 acres in Muskegon County, Michigan; and 75.06 acres in Monroe County, Ohio. [Read more.](#)
- **BLM Proposed Well Pad – Utah.** The BLM is seeking public input on a proposal from an operator seeking to drill an oil and gas well in northern San Juan County, Utah. The proposed well pad is located on public lands approximately 1.7 miles southeast of Looking Glass Rock. The company proposes to access the 5.5 acre well-site via U.S. Route 191 and county-maintained Route 179, and also which crosses private lands. "The Moab Field Office is in the initial stages of the environmental review process for this project and is seeking information from the public to help identify issues, develop alternatives, and guide the analysis for a well-informed decision." According to the BLM, "public input will be accepted October 30 through November 14, 2018. Comments regarding concerns or issues, additional facts or information, or specifically addressing the proposal are most helpful." [Read more.](#)

- **Interior Department Regulatory Reform.** The Interior Department has just reported that President Trump’s 2017 [Executive Order 13771](#) has resulted in \$2.5 billion of regulatory relief for oil and producers during fiscal year 2018. “On President Trump’s first day in office, the total US oil production was 8.8 million b/d. Today, we’re the largest oil and gas producer on the face of the planet, producing 11.2 million b/d, and we’re on our way to 14 million b/d,” said Interior Secretary Ryan Zinke. Other ongoing regulatory actions should also bring positive results, including the BLM’s proposal to revise the Obama-era venting and flaring rule “after a review found that it underestimated its impact on operators and overlapped with existing state and federal regulations” and “updating the use of critical habitat designations and strengthening scientific standards used to list and delist species under the Endangered Species Act.” [Read more.](#)

STATE – Legislative

- **Offshore Oil & Gas Drilling Amendment – Florida.** Recent polling on November election ballot measure, [Amendment 9](#) – a state constitutional amendment that would prohibit offshore oil and gas drilling – is now only supported by 48 percent of voters, down from a high of 55 percent in June polling. In Florida, constitutional amendments require 60 percent voter approval to succeed. The constitutional amendment “would prohibit drilling, either for exploration or extraction, of oil or natural gas in state waters. This prohibition would include the ocean from shoreline to the outermost boundaries of the state’s territorial seas. The measure would not affect the transportation of oil and natural gas products that were produced outside the state’s waters.” Amendment 9 would only apply to state waters, which extend three nautical miles out from shore on Florida’s Atlantic coast and nine nautical miles on the Gulf coast. Federal waters off the coast of Florida have already been off-limits for offshore drilling for years. In early 2018, Interior Secretary Ryan Zinke said that Florida’s coast would be excluded from new oil and gas leases after Governor Rick Scott (R) objected to the new federal offshore leasing plan that Interior announced in January. [Read more.](#)

STATE – Judicial

- **Leasing; Continuous Development – Texas.** On October 25, in [Endeavor Energy Resources, L.P. v. Energen Resources Corp.](#) (Case No. 11-17-00028-CV), the Texas Eleventh Court of Appeals decided a case focusing on the manner in which days are calculated in a continuous-development clause in an oil and gas lease. Specifically, the court was tasked with interpreting a provision that permits “unused” days to extend a subsequent term under the program. Energen asserted “that the plain language of the accumulation provision only permitted Endeavor to extend the 150-day term for a well with unused days from the immediately preceding well.” The trial court adopted Energen’s construction of the provision and this court affirmed that decision. The appeals court stated that they “disagree with Endeavor’s assertion that the plain, grammatical language of the accumulation provision can be read in a manner other

than Energen's interpretation of it. Accordingly, the accumulation provision imposed a special limitation with which Endeavor did not timely comply." Should Endeavor petition for a review of the case to the Texas Supreme Court we will keep you updated with any new information. [Read more.](#)

INDUSTRY NEWS FLASH:

◆ **Oil production on federal lands highest in 16 years.** Oil production on federally managed lands during 2018 was the highest in at least 16 years, according to Interior Department data obtained by *The New York Times*. "Nationally, oil production on federal lands is rising at an extraordinary pace, jumping 25 percent in the first seven months of this year compared with 2016, the last year of the Obama administration," says *New York Times* reporter Eric Lipton. "The Trump administration has taken steps to speed up the permitting process, cut regulations and offer up significantly more land for lease." [Read more.](#)

State-by-State Legislative Session Overview

The **District of Columbia** and **Puerto Rico** are in regular session. **Michigan** is in recess until November 7. **New Jersey** is in recess until November 9. **Illinois** and the **United States** Congress are in recess until November 13. **Ohio** and **Pennsylvania** are in recess until November 14. **Massachusetts**, **New York**, **Rhode Island** and **Wisconsin** are in recess to the call of the chair.

West Virginia's second special session to discuss the Supreme Court Justices' impeachment proceedings has been an ongoing battle since June. On October 1, according to the [Jurist](#), the Senate voted to allow Supreme Court of Appeals Justice Beth Walker to remain on the bench. The Senate reconvened on October 15, where they were scheduled to hear the impeachment trial of Supreme Court Chief Justice Margaret Workman. However, the acting Supreme Court Justices ruled the impeachment process as unconstitutional due to the separation of powers. They also stated there will be no more impeachment trials going forward in the Senate, reports [WOWK](#).

Wisconsin Republican Gov. Scott Walker issued a statement on October 2 calling for an extraordinary session to begin on November 12 to allow the Senate to take up [AB 963](#). The Assembly passed a tax incentive package aimed at keeping two paper mill facilities of Kimberly-Clark from closing their doors in central Wisconsin, reports [The Journal Times](#).

Georgia Republican Gov. Nathan Deal announced a special session for November 13 to discuss cleanup costs associated with Hurricane Michael, reports the [AJC](#).

Illinois Republican Gov. Bruce Rauner has 60 calendar days while the General Assembly is in session to act on legislation or it becomes law without signature. **Maine** Republican Gov.

Paul LePage has three days after the next meeting of the legislature to act on special session legislation or it becomes law without signature. **Missouri** Republican Gov. Mike Parson has 45 days from presentment to act on legislation or it becomes law without signature. **New York** Democratic Gov. Andrew Cuomo has 10 days from presentment, Sundays excepted, to sign or veto legislation or it becomes law without signature. **North Carolina** Democratic Gov. Roy Cooper has 10 days from presentment to act on special session legislation or it becomes law without signature. **Rhode Island** Democratic Gov. Gina Raimondo has six days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. **West Virginia** Republican Gov. Jim Justice has 15 days from adjournment of the special session, Sundays excepted, to act on legislation or it becomes law without signature.

The following states are currently holding 2019 interim committee hearings: [Alabama](#), [Alaska](#), [Arizona](#), [Arkansas](#), [California Assembly](#) and [Senate](#), [Colorado](#), [Connecticut](#), [Florida House](#), [Hawaii](#), [Idaho](#), [Illinois Senate](#), [Indiana](#), [Iowa](#), [Kansas](#), [Kentucky](#), [Maine](#), [Maryland](#), [Minnesota](#), [Mississippi Senate](#), [Missouri House](#) and [Senate](#), [Montana](#), [Nevada](#), [New Hampshire House](#) and [Senate](#), [New Mexico](#), [New York Assembly](#) and [Senate](#), [North Carolina](#), [North Dakota](#), [Oklahoma House](#), [Oregon](#), [Rhode Island](#), [South Carolina](#), [South Dakota](#), [Tennessee](#), [Texas House](#) and [Senate](#), [Utah](#), [Vermont](#), [Virginia](#), [Washington](#), [West Virginia](#), [Wisconsin](#), and [Wyoming](#).

The following states are currently posting 2019 bill drafts, prefiles and interim studies: [Florida Senate](#), [Iowa](#), [Kentucky](#), [Montana](#), [Nevada](#), [New Hampshire](#), [North Dakota](#), [Oklahoma House](#) and [Senate](#), [Utah](#) and [Virginia](#).

Hydraulic Fracturing

General

New Jersey [SB 678](#) passed the Senate following a 31-5 vote on October 29. The bill would prohibit the treatment, discharge, disposal, application to a roadway or other release into the environment, or storage of any wastewater, wastewater solids, sludge, drill cuttings or other byproducts from hydraulic fracturing in any state. The bill would take effect the first day of the third month following enactment.

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