

GOVERNMENTAL AFFAIRS WEEKLY REPORT

Weekly Highlights At-A-Glance

FEDERAL – Legislative

H.R. 1799 – Paycheck Protection Program

Extension. On March 30, President Biden signed [H.R. 1799](#), known as the *PPP Extension Act of 2021*, into law. The Act extends the deadline for the Paycheck Protection Program (PPP) to May 31 as it was set to expire on March 31. The legislation received overwhelming bipartisan support in the House and Senate and at the bill signing Biden declared the law a "bipartisan accomplishment." As reported previously, the PPP, created under the Trump administration, offers forgivable loans to businesses, sole proprietorships, independent contractors, and nonprofit organizations affected by the COVID-19 pandemic. The program is administered by the Small Business Administration ([see program information here](#)) which will now continue processing applications through the end of June for those applications submitted by June 1, 2021. [Read more.](#)

S.J. Res. 14 – Oil and Natural Gas Sector: Emission

Standards. On March 25, Sen. Martin Heinrich (D-NM) introduced Senate Joint Resolution, [S.J. Res. 14](#), which seeks to rollback Trump-era regulations under the Congressional Review Act (CRA) to reinstate Obama-era regulations of methane emissions from the oil and gas industry. The [CRA allows new regulations to be overturned through a joint resolution of disapproval](#). Republicans at the start of the 115th Congress (2017) used their unified control of Congress and the White House to overturn 16 rules, all of which were issued under the Obama administration or by Obama appointees. The Democrat's measure states that "Congress disapproves the rule submitted by the Administrator of the Environmental Protection Agency relating to 'Oil and Natural Gas Sector: Emission Standards for

New, Reconstructed, and Modified Sources Review' ([85 Fed. Reg. 57018](#) (September 14, 2020)), and such rule shall have no force or effect." The Trump administration's regulations eased certain emissions standards put in place by his predecessor. [Read more.](#) The House version of the resolution, [H.J. Res. 34](#), was introduced by Rep. Diana DeGette (D-CO) on March 26. [Read more.](#)

S. 985 – Save America's Clean Energy Jobs Act.

On March 25, Sen. Tom Carper (D-DE) introduced [S. 985](#), known as the *Save America's Clean Energy Jobs Act*, which would allow for temporary refundability of certain "investment and production tax credits, which incentivize private development of renewable energy projects such as solar, wind, fuel cells, and carbon capture and sequestration. This will enable clean energy companies to bypass frozen tax equity markets and access these tax credits directly, which in turn will help get stalled projects off the ground and people back to work." According to Sen. Carper, "By allowing for temporary refundability of these clean energy tax credits, the Save America's Clean Energy Jobs Act will help revive the clean energy industry, create jobs throughout the country, and drive the kind of innovation we need to boldly cut emissions from our power sector." [Read more.](#)

S. 986 – Carbon Capture Utilization and Storage Tax Credit Amendments Act.

On March 25, Sen. Tina Smith (D-MN) introduced [S. 986](#), known as the *Carbon Capture Utilization and Storage Tax Credit Amendments Act*, in an effort to reduce greenhouse gas emissions by making tax credits that encourage carbon capture projects more available and easier to use. The bill has bipartisan support from oil and gas producing states cosponsors, including Sen. Kevin Cramer (R-ND), Sen. John Hoeven (R-ND), Sen. Joe Manchin (D-WV), Sen. Shelley Moore Capito

(R-WV), and Sen. John Barrasso (R-WY). “The United States has an opportunity to be a leader when it comes to carbon capture technologies, and this legislation will help us achieve that goal,” said Sen. Capito. “Not only will it help us protect our coal and natural gas industries, which are so critical to states like West Virginia, but this legislation promotes domestic energy production and reducing our power and manufacturing sector emissions. I’m proud to reintroduce this bipartisan legislation that will make a big difference in putting American innovation to work growing our economy and combating climate change in a responsible way, regardless of the current economic circumstances.” [Read more.](#)

S. 498 – State Water Rights Protection Act. On March 1, Sen. Mike Lee (R-UT) introduced [S. 498](#), known as the *State Water Rights Protection Act*. The bill “would amend current law to prevent a president from creating a reserved water right when designating a national monument, though it would not prevent a president from creating a national monument itself. Additionally, it would allow for water rights to be acquired for a national monument through the state system in which the water rights reside.” In describing the need for the legislation, Sen. Mike Lee noted that “As the size and scope of national monuments have significantly grown over time, often without the approval of a state and its inhabitants, these designations can impact, and in some cases terminate, privately held water rights.” [Read more.](#)

S. 420 – Protecting the Right to Organize Act of 2021. On March 24, official bill text was made available for [S. 420](#), known as the *Protecting the Right to Organize Act of 2021*. Sponsored by Sen. Patty Murray (D-WA), the bill primarily provides for enabling workers with the right to organize and join labor unions, but it also aims to close “loopholes that allow employers to misclassify their employees as supervisors and independent contractors and increasing transparency in labor-management relations.” The bill identifies criteria in which a worker may be classified as an independent contractor but favors the presumption that a worker is an employee.

The legislation has not moved since its February 24 referral to the Senate Committee on Health, Education, Labor, and Pensions. [Read more.](#)

FEDERAL – Regulatory

Federal Mineral Interests. On April 1, the Bureau of Land Management (BLM) published a notice of information collection and request for comment regarding conveyance of federally-owned mineral interests to non-Federal owners of the surface estate. According to the notice, *Agency Information Collection Activities; Conveyance of Federally-Owned Mineral Interests (86 Fed. Reg. 17188)*, “The respondents in this information collection are non-Federal owners of surface estates who apply for underlying Federally-owned mineral interests. This information collection enables the BLM to determine if the applicants are eligible to receive title to the Federally-owned mineral interests beneath their lands.” The public comment period is open through June 1, 2021. [Read more.](#)

Federal Reserve Climate Risk Committee. On March 23, the Federal Reserve announced it will create “a committee dedicated to understanding the ways climate change could upend the global financial system.” The new Financial Stability Climate Committee (FSCC) “will focus on the potential threats climate change can pose to the broader financial world.” Dr. Lael Brainard, a governor of the Federal Reserve Board, [told attendees at a Boston financial stability conference](#), “Climate change is already imposing substantial economic costs and is projected to have a profound effect on the economy at home and abroad. Future financial and economic effects will depend on the severity of the physical effects of climate change and the nature and speed of the transition to a sustainable economy. Financial market participants that do not put in place frameworks to assess and address climate-related risks could face significant losses on climate-sensitive assets caused by environmental shifts, by a disorderly transition, or both.” Brainard said the “FSCC will approach this work from a macroprudential perspective—that is, one that

considers the potential for complex interactions across the financial system.” [Read more.](#)

Public Lands Congressional Hearing. On March 23, the House Committee on Natural Resources, Subcommittee on National Parks, Forests, and Public Lands, [held a public hearing](#) titled, “Building Back Better: Examining the Future of America’s Public Lands.” The hearing included testimony from Idaho Gov. Brad Little (R), conservationists, academics, and other stakeholders. The entire [hearing can be viewed here](#). The full witness testimony and hearing record is also available for review. [Read more.](#)

Bears Ears National Monument; Grand Staircase-Escalante National Monument. On March 29, Rep. Bruce Westerman (R-AR), ranking member of the House Natural Resources Committee, [wrote a letter](#) to Interior Secretary Debra Haaland regarding her department’s review of the boundaries and protections of national monuments, which includes the boundaries of two Utah sites, Bears Ears National Monument and Grand Staircase-Escalante National Monument, which the Trump administration reduced. According to The Hill, “the Arkansas Republican also requested further information on the evaluation criteria for the national monuments and the department’s plans, if any, for a formal public comment period.” [Read more.](#)

Senators’ Letter to the Interior Secretary. On March 22, a group of eight Republican U.S. senators [wrote a letter](#) to Interior Secretary Debra Haaland expressing their ongoing opposition to President Biden’s pause on federal oil and gas leasing and requesting information regarding the agency’s March 25 Virtual Forum. The letter requests “a detailed explanation of the legal and procedural effect the forum and subsequent ‘interim report’ will have on the federal decision making process.” The senators also corrected many inaccuracies they found in Interior Department communications related to the oil and gas leasing pause. [Read more.](#)

Interior Department Forum on Federal Oil and

Gas Program. *(Update to 3/22/21 Weekly Report)*

On March 25, the Interior Department held a virtual public forum as “part of its comprehensive review of the federal oil and gas program.” ([Watch a recording of the forum here](#)) “The forum featured several panels to highlight perspectives from labor and environmental justice organizations, natural resource advocates, industry representatives, Indigenous organizations, and other experts.” The public comment period will remain open through April 15, and the public may submit comments directly to the Interior Department at energyreview@ios.doi.gov. For background, on March 9, the [U.S. Department of the Interior announced](#) it would be conducting a “comprehensive study of whether -- and how -- the U.S. government sells drilling rights on federal land and waters, a review that could chart the future of U.S. energy development for decades to come.” The study comes reportedly in response to appeals from both oil and gas industry leaders and environmentalists who have pressed the Biden administration for clarity on the leasing review. As a first step in the process, the Interior Department held the virtual forum on the future of leasing and to hear from those industry representatives, environmental justice groups, and natural resource advocates. [Read more.](#)

Labor Secretary Confirmed. *(Update to 1/25/21 Weekly Report)*

On March 22, the U.S. Senate confirmed President Biden’s pick for Secretary of the U.S. Department of Labor – the agency which enforces the Fair Labor Standards Act and other laws governing independent contractors and workplace policy. Boston Mayor Marty Walsh (D) was confirmed by a 68-29 bipartisan vote, attracting significant Republican support in the Senate. Walsh, a former labor union leader, is expected to increase enforcement efforts against companies in wage and hour, overtime, and employee status cases. [Read more.](#)

Tribal Mineral Rights – North Dakota. On March 19, the Department of the Interior, Office of the Solicitor, withdrew a Trump-era decision that determined a portion of the Missouri River on the Fort Berthold

Indian Reservation belonged to the state of North Dakota. The withdrawal by President Biden's agency states that "the Office of the Solicitor's governing legal interpretation with respect to ownership and trust status of minerals beneath the flooded uplands remains the same. The flooded uplands are held in trust for the benefit of the Mandan, Hidatsa, and Arikara Nation." The affected tribal nations applauded the decision. "The MHA Nation's rights to the Missouri River riverbed minerals have been reaffirmed through a history of longstanding, well-settled, and still applicable legal precedents, and there should be no question as to the validity of the Nation's claims," said National Congress of American Indians President Fawn Sharp.

[Read more.](#)

FEDERAL – Judicial

Federal Oil and Gas Leasing – Louisiana. On March 24, Louisiana led 12 other states in suing the Biden administration "to end a suspension of new oil and gas leases on federal land and water and to reschedule canceled sales of leases in the Gulf of Mexico, Alaska waters and western states." In [Louisiana v. Biden](#) (Case No. 2:21-cv-00778), the litigants claim the Biden administration's "stated policy of banning new drilling permits contravenes congressional commands" and is a violation of various federal statutes. "By executive fiat, Joe Biden and his administration have single-handedly driven the price of energy up — costing the American people where it hurts most, in their pocketbooks," said Louisiana Attorney General Jeff Landry (R). [Louisiana and 12 other states followed up this lawsuit with another filing on March 31](#) demanding that the U.S. District Court for the Western District of Louisiana order the Biden administration to immediately lift the federal oil and gas leasing pause by way of preliminary injunction. [Read more.](#)

Nuclear Waste Site – New Mexico. On March 29, New Mexico sued the U.S. Nuclear Regulatory Commission (NRC) and the U.S. government "seeking to stop them from indefinitely storing the nation's supply of high level radioactive waste

in South Eastern New Mexico." In the suit, [New Mexico v. U.S. Nuclear Regulatory Commission](#) (Case No. 1:21-cv-00284), the complaint "alleges that the NRC is acting beyond the scope of its authority in licensing the proposed interim storage facility to be located in Lea and Eddy County and that the interim storage facility will jeopardize the State's water resources and agricultural interests and shift to the state and local governments the enormously expensive job of training and equipping first responders for up to 120 years to deal with any mishap that occurs as a result of the NRC's untested and unauthorized plan, among other things." In describing the lawsuit filing, New Mexico Attorney General Hector Balderas (D) said, "I am taking legal action because I want to mitigate dangers to our environment and to other energy sectors."

[Read more.](#)

Federal Oil and Gas Leasing – Wyoming. On March 24, Wyoming sued the Biden administration in the U.S. District Court for the District of Wyoming over its decision to temporarily pause new leasing of federal lands for oil and gas development. In [Wyoming v. U.S. Department of Interior](#) (Case No. 0:21-cv-00056), the state "alleges Biden's order violated federal laws, including the National Environmental Policy Act, the Administrative Procedure Act, the Mineral Leasing Act and the Federal Land Policy Management Act." The suit asks the court to review the "de facto moratorium on all federal oil and gas lease sales in Wyoming and across the nation" and stop the Interior Secretary from implementing any halt on federal oil and gas leasing. "Wyoming is fighting back against President Biden's war on American energy workers," said Sen. John Barrasso (R-WY), commenting on the lawsuit. Wyoming's governor "is taking action to combat the Biden administration's illegal ban on oil and gas lease sales on federal land." [Read more.](#)

Kern County Drilling Ordinance – California. (Update to 3/22/21 Weekly Report) On March 22, environmental groups sued the Bureau of Land Management (BLM) for its "hasty decision to sell the first oil and gas leases on public land in California in

nearly a decade without taking the legally required hard look at the harmful impacts the leases will have on air quality, climate, imperiled species, the health of local communities, and precious groundwater resources in the area, as the law requires.” In the complaint, [Center for Biological Diversity v. Bureau of Land Management](#) (Case No. 1:21-at-00316), filed in the U.S. District Court for the Eastern District of California, the litigants challenge BLM plans to open oil and gas development in nearly 1 million acres encompassing Kern County. While lawsuits over the environmental review of this plan were pending, the BLM moved forward with its first sale which includes approximately 4,133 acres of public land. The BLM has yet to answer the complaint. [Read more.](#)

STATE – Legislative

Electronic Database for Oil and Gas – Arkansas. (Update to 2/22/21 Weekly Report) On March 24, Gov. Asa Hutchinson (R) signed HB 1442 into law. The Act, sponsored by Rep. Mary Bentley (R), amended existing law to provide for electronic acceptance of documents and related database infrastructure for oil and gas extraction processes and procedures. The Act has multiple effective dates, all in 2022. [Read more.](#)

Notarial Acts – Maryland. On March 19, SB 735 passed the Senate and has been transmitted to the House. The bill (1) authorizes remote notarial acts with respect to wills and trust instruments; (2) clarifies the application of specified requirements for credential analysis and identity proofing as they pertain to remote notarial acts; (3) establishes requirements and procedures for remote notarial acts involving a tangible record; (4) specifies procedures by which a notary public may administer an oath to a remotely located individual; (5) authorizes the Secretary of State to adopt regulations prescribing the methods for reasonable confirmation of a tangible record; and (6) makes clarifying changes to communication technology requirements applicable to remote notarizations. Finally, the bill specifies that the notarization of any document in conformance with specified executive

orders authorizing remote notarization must be deemed valid if the notarization occurred during the time that the orders were in effect. [Read more.](#)

Notaries Public – Michigan. On March 18, HB 4542 was introduced by Rep. Mark Tisdell (R). The bill would amend existing law by adding certain requirements for notaries public, specifically eligibility requirements for notary public appointments and record keeping. [Read more.](#)

Orphaned Wells – Mississippi. (Update to 1/25/21 Weekly Report) On March 29, SB 2725 died in conference committee. The bill, introduced by Sen. Briggs Hopson (R), would have removed the authority to use capital expense funds for the emergency plugging of orphaned wells. [Read more.](#)

Online Notarization – Nebraska. (Update to 1/11/21 Weekly Report) On March 31, Gov. Pete Ricketts (R) signed LB 94 into law. The Act, sponsored by the Government, Military and Veterans Affairs Committee, amends the Online Notary Public Act to update validity dates for online notarial acts. [Read more.](#)

Unitization – Ohio. On March 24, a committee hearing was held following the introduction of HB 152 by Rep. Brian Stewart (R) and Rep. Tim Ginter (R). The bill would amend existing law to provide for certain hearing requirements, notice, and unit order inclusions by the Chief of the Division of Oil and Gas Resources Management. ([Read a full bill summary fact sheet here](#)). The bill also prohibits the Chief from amending a unit order under certain circumstances, and prohibits the Chief from establishing any new guidelines to administer and implement the law governing unit operation other than by adopting administrative rules. [Read more.](#)

Income Tax Deductions – Pennsylvania. On March 24, HB 423, sponsored by Rep. David Rowe (R), was considered in committee. The bill repeals the Individual Net Income Tax Act and provides that in computing net income there shall be allowed certain deductions which include “In

the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depletion and for depreciation or improvement, according to the peculiar conditions in each case, such reasonable allowance in all cases to be made under rules and regulations to be made by the department.” [Read more.](#)

Notarial Acts – South Dakota. *(Update to 2/8/21 Weekly Report)* On March 18, Gov. Kristi Noem (R) signed SB 193 into law. The Act, sponsored by Sen. David Wheeler (R), provides for notarial acts performed by video communications technology. The Act is effective July 1, 2021. [Read more.](#)

Eminent Domain – Texas. On March 30, HB 3385 was left pending in committee following its introduction. The bill, sponsored by Rep. Glenn Rogers (R), would amend existing law regarding a landowner's bill of rights statement in connection with the acquisition of real property through eminent domain. [Read more.](#)

Oil and Gas Well Financial Security – Texas. On April 1, SB 2108 was referred to committee following its introduction. The bill, sponsored by Sen. Charles Schwertner (R), amends existing law regarding the financial security requirements for operators of oil and gas wells. [Read more.](#)

Oil and Gas Regulation and Cleanup Fund – Texas. On March 29, HB 3973 was referred to committee following its introduction. The bill, sponsored by Rep. Armando Walle (D), amends existing law regarding the composition and use of money in the oil and gas regulation and cleanup fund. [Read more.](#)

Railroad Commission; Wastewater – Texas. On March 29, HB 4066 was referred to committee following its introduction. The bill, sponsored by Rep. Eddie Lucio (D), amends existing law regarding the adoption by the Railroad Commission of Texas of a permit by rule for the beneficial reuse of domestic wastewater and mobile drinking water treatment system wastewater produced at certain oil and gas drilling facilities. [Read more.](#)

Eminent Domain; Pipelines – Texas. On March 29, HB 4107 was referred to committee following its introduction. The bill, sponsored by Rep. Dustin Burrows (R), amends existing law regarding the exercise of the power of eminent domain by a common carrier pipeline. [Read more.](#)

Leasing; Overriding Royalties; Washouts – Texas. On March 29, HB 4218 was referred to committee following its introduction. The bill, sponsored by Rep. Tom Craddick (R), amends existing law regarding a cause of action for the bad faith washout of an overriding royalty interest in an oil and gas lease. [Read more.](#)

Railroad Commission – Texas. On March 29, HB 4222 was referred to committee following its introduction. The bill, sponsored by Rep. Richard Raymond (D), amends existing law regarding the establishment of the oil and gas infrastructure security division within the Railroad Commission of Texas. [Read more.](#)

Oil and Gas Infrastructure – Texas. On March 29, HB 4223 was referred to committee following its introduction. The bill, sponsored by Rep. Richard Raymond (D), amends existing law regarding the adoption of a comprehensive plan to protect oil and gas infrastructure in the state. [Read more.](#)

Cold Weather Preparedness of Gas Wells – Texas. On March 29, HB 4268 was referred to committee following its introduction. The bill, sponsored by Rep. Penny Morales Shaw (D), amends existing law regarding cold weather preparedness of gas wells. [Read more.](#)

Orphaned Wells – Texas. On March 29, HB 4367 was referred to committee following its introduction. The bill, sponsored by Rep. Ryan Guillen (D), amends existing law regarding the reduction and plugging of orphaned oil and gas wells and provides for the imposition of a fee and an exemption from certain taxes and fees. [Read more.](#)

Oil and Gas Waste; Taxation – Texas. On March 29, HB 4442 was referred to committee following its introduction. The bill, sponsored by Rep. Richard Raymond (D), amends existing law regarding the regulation of oil and gas waste, creates a tax exemption and imposes a fee. [Read more.](#)

Produced Water – Texas. On March 29, HB 4524 was referred to committee following its introduction. The bill, sponsored by Rep. Erin Zwiener (D), amends existing law regarding the adoption of rules by the Texas Commission on Environmental Quality regarding the discharge into water of produced water resulting from certain oil and gas activities. [Read more.](#)

Land Title Review Study – Texas. On March 29, HB 4551 was referred to committee following its introduction. The bill, sponsored by Rep. Ryan Guillen (D), would create the Land Title Review Commission to study and provide recommendations on providing alternative remedies to disputed land title claims before litigation is pursued. [Read more.](#)

Drainage; Offset Wells – Texas. On March 22, HB 3409 was referred to committee following its filing by Rep. Craig Goldman (R). The bill amends existing law relating to the duty of a lessee or other agent in control of certain state land to drill an offset well, pay compensatory royalty, or otherwise protect the land from drainage of oil or gas by a horizontal drainhole well located on certain land. [Read more.](#)

Oil and Gas Liens – Texas. On March 22, HB 3794 was referred to committee following its filing by Rep. Charlie Geren (R). The bill amends existing law regarding provisions related to oil and gas liens. [Read more.](#)

Oil and Gas Liens – Texas. On March 10, Sen. Juan Hinojosa (D) introduced SB 1468. The bill would amend existing law regarding oil and gas liens. [Read more.](#)

Severance Taxes – Utah. (Update to 2/8/21 Weekly Report) On March 22, Gov. Spencer Cox (R) signed

SB 133 into law. The Act, sponsored by Sen. David Hinkins (R), creates the Division of Air Quality Oil, Gas, and Mining Restricted Account; Division of Water Quality Oil, Gas, and Mining Restricted Account; the Division of Oil, Gas, and Mining Restricted Account; and the Utah Geological Survey Oil, Gas, and Mining Restricted Account and establishes deposits of certain portions of severance tax revenues to the restricted accounts and makes appropriations. The Act is effective 60 days following session adjournment (March 5, 2021). [Read more.](#)

Supporting Natural Resources and Energy Industries – Utah. (Update to 3/8/21 Weekly Report) On March 22, Gov. Spencer Cox (R) signed SCR 8. The Concurrent Resolution, which expresses the legislature's position, sponsored by Sen. David Hinkins (R), "describes the benefits derived from the natural resources and energy resources in the state; reminds the federal government of the federal government's legal obligation to hold lease sales; reminds the federal government of Bureau of Land Management requirement to manage public lands for multiple uses and values; implores the federal government to consult with state, tribal, and other stakeholders; implores the federal government for a fair and balanced consideration in future federal land management decisions impacting the state; and reminds the federal government that Utah is a sovereign state." [Read more.](#)

Notarial Acts – West Virginia. (Update to 3/8/21 Weekly Report) On March 30, Gov. Jim Justice (R) signed SB 469 into law. The Act, sponsored by Sen. Mark Maynard (R), provides that for the purpose of notarial acts, the Act permits personal appearance by video technology. The Act is effective June 17, 2021. [Read more.](#)

Permitting – West Virginia. (Update to 3/8/21 Weekly Report) On March 27, Gov. Jim Justice (R) signed SB 404 into law. The Act, sponsored by Sen. Randy Smith (R), creates a statutory fee for the modifications to permits issued by the Department of Environmental Protection's Office of Oil and Gas.

The Act is effective June 16, 2021. [Read more.](#)

Independent Contractors – West Virginia.

(*Update to 3/8/21 Weekly Report*) On March 19, Gov. Jim Justice (R) signed SB 272 into law, The Act, sponsored by Sen. Craig Blair (R), simplifies criteria used to define independent contractors and to impose objective standards on the differentiation of independent contractors from employees. The Act is effective June 9, 2021. [Read more.](#)

Severance Taxes – Wyoming. (*Update to 3/22/21 Weekly Report*) On March 22, SF 149 failed in the legislative session. The bill, introduced by Sen. Brian Boner (R), would have provided for certain severance tax reductions. [Read more.](#)

STATE – Regulatory

Venting and Flaring; Methane Emissions – New Mexico. On March 25, New Mexico oil and gas regulators voted unanimously in favor of [adopting new methane emissions rules](#) submitted by application of the New Mexico Oil Conservation Division “to adopt proposed rules to regulate the venting and flaring of natural gas from oil and natural gas production and gathering facilities.” (See also [Case 21528: Natural Gas Waste Proposal to Oil Conservation Commission for complete background and final rules.](#)) The new rules brought “to a close a two-year process that involved testimony from environmental advocates and technical experts from the oil and gas industry.” The first phase of rule implementation “will include data collection and reporting to identify natural gas losses at every stage of the process. Once this information is in hand, regulators will then require operators — from those that manage pipelines to stripper wells and other infrastructure — to capture more gas each year. The target will be capturing 98% of all natural gas waste by the end of 2026.” [Read more.](#)

Governor’s Solar Energy Investment Plan – Pennsylvania. On March 22, Pennsylvania Gov. Tom Wolf (D) [announced the state will undergo the largest solar commitment by any government in the](#)

[U.S. with its investment in solar energy](#), “a major clean energy initiative that will produce nearly 50 percent of state government’s electricity through seven new solar energy arrays totaling 191-megawatts to be built around the state,” according to the announcement. “Part of the governor’s GreenGov initiative, Pennsylvania PULSE (Project to Utilize Light and Solar Energy) will go into operation on January 1, 2023.” [Read more.](#)

Permian Basin Flaring Report – Texas. On March 23, Texans for Natural Gas (TNG) in conjunction with the Texas Independent Producers and Royalty Owners Association (TIPRO) as part of the Texas Methane & Flaring Coalition released a report, [Flaring Progress in the Permian: Leading the World](#), which shows that methane emissions intensity fell 77 percent in the Permian Basin while oil production has increased by over 300 percent. According to TIPRO, the report “underscores the progress being made in the Permian Basin to reduce flaring and methane emissions.” The TIPRO statement on the report notes that this “analysis showcases the commitment of efforts like the Texas Methane and Flaring Coalition to identify and promote operational and environmental recommended practices to minimize flaring and methane emissions, such as ending routine flaring by 2030, and the Coalition appreciates its members for highlighting this important data.” [Read more.](#)

STATE – Judicial

Leasing – Pennsylvania. On March 24, the Pennsylvania Supreme Court, in *Pennsylvania v. Chesapeake Energy Corp.* (Case No. No. 81 MAP 2019), concluded that the state attorney general may not bring claims under the state’s Unfair Trade Practices and Consumer Protection Law (UTCPL) on behalf of private landowners against a lessee for alleged unfair and deceptive practices in acquiring natural gas leases from the landowners. According to Steptoe & Johnson, “In the leasing transaction at issue, the lessees were in the position of a buyer not a seller, purchasing rights to the landowners’ mineral estates in return for bonuses, royalties and other

payments. Therefore, the lessees were not subject to regulation or claims under the UTPCPL.” Thus, the Court held that the UTPCPL regulates the conduct of sellers and does not provide a remedy for sellers (i.e., landowners) against buyers (i.e., lessees). [Read more.](#)

INDUSTRY NEWS FLASH

► **Energy analyst sees two years of growth in drilling activity.** On March 23, Rystad Energy analysts forecasted that “After a challenging 2020, oil and gas demand recovery—supported by COVID-19 vaccination efforts and OPEC+ supply cuts—is proving good for drilling activity. Rystad Energy expects around 54,000 wells to be drilled worldwide in 2021, a 12% increase from 2020 levels. In 2022 drilling is set to increase even more, by another 19% year-on-year to about 64,500 wells, though activity will still fall short of the 73,000 wells drilled in 2019.” [Read more.](#)

► **Oil and gas companies agree to collaborate with Biden administration on climate change.** On March 22, leaders of some of the largest exploration and production companies met privately with White House National Climate Adviser Gina McCarthy and promised to collaborate with the Biden administration in its campaign against climate change. “The meeting, which included executives from three industry trade groups and 10 oil companies -- including Exxon Mobil Corp., BP Plc, ConocoPhillips, Royal Dutch Shell Plc, Chevron Corp. and Devon Energy Corp. -- was the first of its kind since Biden’s inauguration in January.” The group “pledged support for federal regulations explicitly limiting emissions of methane from wells and other oilfield equipment.” [Read more.](#)

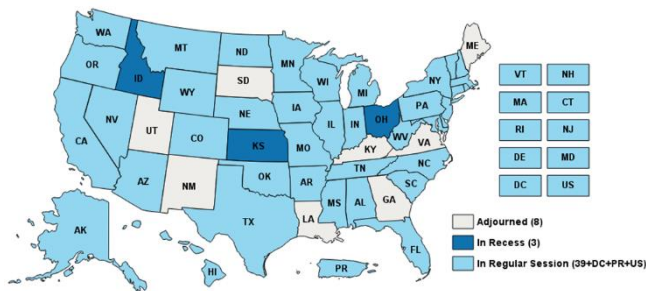
► **API backs carbon tax in lieu of other regulations.** On March 25, in an unexpected move, the American Petroleum Institute (API) board endorsed “putting a tax or other price on carbon dioxide emissions, a shift for the oil industry that could influence the

Biden administration’s plans for a government-wide assault on global warming. The largest U.S. oil industry lobbying group cast its support for a so-called carbon price as part of a broader plan for combating climate change, including efforts to standardize reporting of sustainability efforts and propel emissions-reducing technologies.” Historically, API has been a “staunch opponent” of a carbon tax. API’s support for “the carbon price hinges on the policy being applied economy-wide and replacing existing regulations on greenhouse gases -- a trade-off seen as key to luring support from Republicans on Capitol Hill.” [Read more.](#)

► **Texas nonprofit proposes well plugging and abandoning mission.** According to *Rigzone*, a new nonprofit, the [Texas Well Protected Energy Foundation](#) (TWPEF), is “proposing a shift in responsibility for plugging and abandoning orphan wells to the nonprofit sector rather than government agencies.” TWPEF “will operate as a nonprofit focused on plugging and abandoning orphaned oil, gas, and water wells and promoting energy education.” Tom Slocum, vice president of oil and gas consulting firm Trifecta Solutions LLC and TWPEF founder and board member, pointed out [the organization’s two-fold mission](#) is to eliminate all orphaned wells and educate Americans about oil and gas. “The public as well as oil and gas companies both need nonprofit organizations to step in and lend a hand where government has abdicated its responsibilities regarding the proper plugging and abandoning of orphaned wells,” said Slocum. “Energy education is essential in order for Americans to have a complete knowledge of where their energy comes from and what American energy independence means.” [Read more.](#)

LEGISLATIVE SESSION OVERVIEW

States in Session



Session Notes (by date): Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Washington, West Virginia, Wisconsin, and Wyoming are in regular session. The U.S. Congress is also in session.

The following states are in recess until the dates provided: **Idaho** and **Kansas** (April 6), **Ohio House** (April 14) and **Ohio Senate** (April 20).

New Mexico adjourned their special session late on March 31 after passing [HB 2](#), which will legalize the recreational use of marijuana in the state, reports the [Taos News](#).

The following states adjourned their 2021 legislative sessions on the dates provided: **South Dakota** (March 29), **Kentucky** and **Maine** (March 30), **Georgia** (March 31), **Wyoming** (April 2), and **Mississippi** (April 4). The following state is scheduled to adjourn their 2021 legislative session on the date provided: **West Virginia** (April 10).

Louisiana is scheduled to convene its 2021 legislative session on April 12.

Signing Deadlines (by date): **Utah** Republican Gov. Spencer Cox had until March 25 to sign or veto

legislation; all legislation not acted upon by the governor became law without his signature. **Virginia** Democratic Gov. Ralph Northam had until March 31 to sign or veto legislation; all legislation not acted upon by the governor became law without his signature. **New Mexico** Democratic Gov. Michelle Lujan Grisham has until April 9 to sign or veto legislation, or it will be pocket vetoed. **South Dakota** Republican Gov. Kristi Noem has until April 19 to sign or veto legislation, or it becomes law without signature. **Georgia** Republican Gov. Brian Kemp has until May 10 to sign or veto legislation, or it becomes law without signature. **Illinois** Democratic Gov. J.B. Pritzker has 60 days from presentment to sign or veto legislation or it becomes law without signature. **Kentucky** Democratic Gov. Andy Beshear has 10 days from presentment to sign or veto legislation or it becomes law without signature. **Maine** Democratic Gov. Janet Mills must act on legislation presented within 10 days of adjournment or it becomes law unless returned within three days after the next meeting of the same legislature. **New Jersey** Democratic Gov. Phil Murphy has 45 days from presentment to act on legislation or it becomes law without signature.

Interim Committee Hearings: [Louisiana](#) is currently holding 2021 interim committee hearings.

Bill Pre-Files: [Louisiana](#) is currently posting 2021 bill drafts, pre-files and interim studies. ■

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