

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

- **H.R. 806 – The Ozone Standards Implementation Act.** On July 18, the U.S. House of Representatives passed [H.R. 806](#), the *Ozone Standards Implementation Act*. The bill, sponsored by Rep. Pete Olson (R-TX), delays implementation of Obama-era ozone and other air-quality standards issued by the Environmental Protection Agency. The regulations, which were slated to go into effect later this year, will instead be postponed until 2026. The measure was widely [supported by industry groups](#), including the American Petroleum Institute (API), Independent Petroleum Association of America, and various state oil and gas industry trade associations since it could have impaired domestic energy resource development. Analysis commissioned by the API last year showed oil and gas regions including Texas' Eagle Ford Shale, eastern Utah and possibly central Oklahoma could have been impacted if the regulation went into effect. And it could have also created more restrictions on drilling in areas including the Barnett Shale in North Texas, the Marcellus Shale in western Pennsylvania, and northern Colorado. The bill passed the House by a bipartisan vote of 229-199 and now heads to the Senate for consideration. [Read more.](#)
- **Department of the Interior Funding.** On July 18, the U.S. House of Representatives Appropriations Committee approved an [appropriations bill](#) to fund the Department of the Interior and related agencies for the upcoming fiscal year. Key provisions include \$1.2 billion for the Bureau of Land Management, a decrease of \$46 million below the fiscal year 2017 enacted level, and includes \$68.9 million, which is equal to the fiscal year 2017 level, for on-the-ground sage grouse conservation to protect the species and to preserve federal lands for public and private uses, such as energy development. The spending bill now moves to the full House for consideration. [Read more.](#)
- **Endangered Species Act Reforms.** On July 19, the House Committee on Natural Resources held a [legislative hearing](#) on a package of bills to reform and improve the Endangered Species Act (ESA). According to the Committee, “[t]he bills work to empower states, ensure data transparency, improve listing and delisting processes, and discourage costly litigation that diverts critical resources away from species recovery.” One of those bills, [H.R. 717](#), sponsored by Rep. Pete Olson (R-TX), would bring flexibility to the way the Interior Department handles the listing of species under the ESA. According to Olson, “[u]nder ESA, any organization can petition that a species can be listed (or delisted) as ‘endangered’ or ‘threatened’ and thus eligible for special protections. The current process does not allow federal agencies to prioritize these

listings by targeting the most endangered species first.” According to House Natural Resources Committee Chairman Rob Bishop (R-UT), “the ESA doesn’t work.” Bishop added that the [mission of the ESA](#) “has changed and has been misused to try and control land, to block a host of economic activities, jobs, energy, infrastructure and forest management. It also has proliferated costly litigation, which is actually taking taxpayers’ resources away from actual conservation.” [Read more.](#)

## **FEDERAL – Regulatory**

- **Interior Department Appointment.** On July 20, President Trump announced the nomination of Joe Balash to serve as the Interior Department’s Assistant Secretary of Land and Minerals Management. Balash was the former Commissioner of the Alaska Department of Natural Resources and most recently served as Chief of Staff to Alaska’s junior senator Dan Sullivan. The selection of Balash has been applauded by legislators and industry groups alike. Interior Secretary Ryan Zinke said of Balash that “[h]e brings an incredible combination of state and federal experience to the table, and he will be very effective in helping the Department work with Congress to do the work of the American people.” As the Assistant Secretary for Land and Minerals Management, Balash will advise and oversee the Bureau of Land Management and its associated federal mineral and non-mineral resources. “I look forward to working with Secretary Zinke and his incredible team to seize on those opportunities and deliver on President Trump's America First Energy Plan,” said Balash. [Read more.](#)

## **STATE – Legislative**

- **Local Regulations – Colorado.** On July 18, activists failed to recall Broomfield Mayor Pro Tem and City Council member, Greg Stokes, who earlier this year voted against a five-year moratorium on hydraulic fracturing within the city limits. Many viewed this recall effort as a proxy fight against the drilling practice. “Activists supported by out-of-state groups pushed this recall as a proxy battle over fracking,” said Simon Lomax, research fellow for the pro-industry group Vital for Colorado. “Well, they got what they wanted, and they lost.” [Read more.](#)

## **INDUSTRY NEWS FLASH:**

- ◆ **U.S. shale output up for eight straight month.** (*Rigzone*, 7/17/2017) According to the latest U.S. Energy Information Administration (EIA) report, U.S. shale oil production is forecast to rise for the eighth consecutive month, climbing 112,000 barrels per day (bpd) to 5.585 million bpd. The U.S. shale production level would be the highest since record-keeping began in 2007, according to the EIA’s monthly drilling productivity report. [Read more.](#)

## State-by-State Legislative Session Overview

According to [NASBO](#), as of July 17, 46 states have enacted budgets for fiscal year 2018. In **Oregon**, most agency spending bills have been approved and Democratic Gov. Kate Brown is reviewing a few appropriation bills. A continuing resolution is covering the remaining agencies. In **Connecticut**, **Rhode Island** and **Wisconsin** a budget has not yet been finalized. Rhode Island and Wisconsin have statutory continued budget authority in place until a new budget is enacted. At least 10 states have met, or are currently meeting, in special sessions to resolve budget differences.

**California**, **Massachusetts**, **New Jersey**, **Ohio** and **Wisconsin** are in regular session. The **District of Columbia** Council, **United States** Congress and **Puerto Rico** are also in regular session.

**Maine** is in recess until August 2 and is expected to consider remaining gubernatorial vetoes and adjourn that day. **Michigan** is in recess until August 16. **Pennsylvania** is recessed to the call of the chair, [WSKG](#) reports.

**Missouri** convened a special session set to focus on abortion related issues on June 12, reports [U.S. News and World Report](#). **Alaska** convened its second special session on June 16, immediately following the adjournment of its first special session. A press release from the office of Independent Gov. Bill Walker about the special session can be found [here](#). Governor Walker's proclamation authorizing the special session can be found [here](#) and a supplemental proclamation expanding the list of bills to be considered can be found [here](#). **Washington** convened its third special session on June 21 immediately following the adjournment of its second special session. **Texas** convened a special session on July 18. Republican Gov. Greg Abbott has included a broad list of legislative topics in the special session agenda, which can be found [here](#).

**North Carolina** is expected to convene a special session on September 6 to redraw state legislative and congressional district maps.

**North Carolina** Democratic Gov. Roy Cooper has until July 30 to act on legislation or it becomes law. **Oregon** Democratic Gov. Kate Brown has until August 18 to act on legislation or it becomes law. **Alaska** Independent Gov. Bill Walker has 15 days, Sundays excepted, to act on legislation from the regular session or it becomes law. **Connecticut** Democratic Gov. Dannel Malloy has 15 days from presentment to act on legislation or it becomes law. **Delaware** Democratic Gov. John Carney has 10 days, Sundays excepted, to act on legislation or it becomes law. **Missouri** Republican Gov. Eric Greitens has 45 days from presentment to act on legislation from the regular session or it becomes law. **New Hampshire** Republican Gov. Chris Sununu has five days, Sundays excepted, to act on legislation or it is pocket vetoed. **New York** Democratic Gov. Andrew Cuomo has 10 days from presentment, Sundays excepted, to act on legislation from the regular and special sessions or it becomes law. **Rhode Island** Democratic Gov. Gina Raimondo has six days, Sundays excepted, to act on legislation or it becomes law. **South Carolina** Republican Gov. Henry McMaster has until two days after the next meeting of the

legislature to act on regular session legislation presented after May 6 and special session legislation or it becomes law.

## Oil and Gas

### Oil and Gas General

**California [SB 465](#)** passed the Senate Natural Resources Committee on July 10 and was read a second time and amended on July 13. SB 465 was then referred to the Senate Appropriations Committee. This bill would further detail the role of the oil and gas supervisor in the state and their responsibility regulating oil and gas production and encouraging safe development of oil and gas resources. The bill would require the supervisor to oversee the drilling, operation, maintenance and abandonment of wells, tanks and facilities in oil and gas production. It would require all operators to file a written notice of intent to start drilling with the supervisor. The bill would clarify definitions for idle well as a well that has not been in production for over 24 months, and a long term idle well is one that has not been in operation for eight years or more.

**California [SB 809](#)** passed the Assembly Appropriations Committee on July 19 and then passed second reading the following day and was sent to third reading. Existing law requires the State Oil and Gas Supervisor to appoint a chief deputy and at least one district deputy for each district and to prescribe their duties. This bill instead would require the director to fix the number and boundaries of the districts, and would authorize the director and supervisor to redefine the districts as needed to ensure the efficient administration of provisions regulating oil and gas. The bill would require the director and supervisor to solicit public input before revising the districts. The bill would narrow the definitions of “idle well” and “long-term idle well” by excluding active observation wells from those definitions. This bill is sponsored by Sen. Robert Hertzberg, D-Van Nuys.

### Leasing

**California [SB 188](#)** was read a second time on July 13, amended and returned to the Assembly Appropriations Committee. Previously relating to the emergency response to disasters, this bill was amended and now would prohibit the State Lands Commission and local trustees of granted public trust lands to enter into any new lease or conveyance that authorizes the exploration or development and production of oil and natural gas on lands that are owned by the state because they were granted by a public trust. The bill would prohibit the commission and local trustees of the public trust lands to enter into any new leases as well as any renewal, expansion or modification that would authorize the lessee to engage in new or additional exploration, development or production of oil and natural gas. This bill is sponsored by Sen. Hannah-Beth Jackson, D-Santa Barbara. Senator Jackson is the chair of the Senate Judiciary Committee.

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