

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

- **Arctic National Wildlife Refuge – Alaska.** The [\\$4 trillion federal budget](#) approved by the U.S. Senate on October 19 paves the way for further legislation allowing oil and gas exploration in Alaska's Arctic National Wildlife Refuge (ANWR). In fact, the Senate rejected a Democratic amendment that would have removed language from the budget bill authorizing oil and gas development with ANWR. "The wildlife refuge has been the focus of a political fight for more than three decades. President Bill Clinton vetoed a GOP plan to allow drilling in the refuge in 1995, and Cantwell-led Democrats defeated a similar GOP plan in 2005. The Trump administration and congressional Republicans are pushing to revive the drilling plan as a way to help pay for proposed tax cuts promised by President Donald Trump. The GOP-approved budget includes \$1 billion in revenue from drilling leases over 10 years." Although oil drilling may be years away "the Interior Department is moving forward with plans to conduct seismic studies to help determine where oil is located, a first step toward drilling." [Read more.](#)

FEDERAL – Regulatory

- **BLM Lease Sale – Alaska.** On October 25, the Bureau of Land Management (BLM) announced that it will offer the largest number of tracts ever for oil and gas leasing within the National Petroleum Reserve in Alaska (NPR-A) in its upcoming December lease sale. According to the announcement, the "December 6, 2017, sale will be the 13th in the NPR-A since 1999. These 900 tracts, which cover 10.3 million acres, constitute all the tracts designated as available for development in the 2013 Record of Decision for the Integrated Activity Plan/Environmental Impact Statement for the NPR-A." [Read more.](#)
- **BLM Lease Sale – Colorado.** The BLM has pulled a 40-acre tract on the southern border of the Shenandoah subdivision from their upcoming March 2018 oil and gas lease sale after the parcel drew backlash from area residents. "Public opposition sparked the BLM on October 10 to contact the interested buyer, who nominated the parcel in 2011, to see if they still had any interest in developing the area for oil and gas." According to Jayson Barangan, spokesman for the BLM Colorado state office, the interested buyer said they were no longer interested in obtaining a lease for the parcel due to "its low-energy potential" which allowed BLM to pull the land from the sale. [Read more.](#)
- **BLM Environmental Assessment – Nevada.** The Humboldt-Toiyabe National Forest's Mountain City-Ruby Mountains-Jarbidge Ranger District is accepting public comments on a proposal to make approximately 54,000 acres of oil and gas available for leasing in the

Ruby Mountains. “The input will help the Forest Service prepare an environmental assessment addressing the potential effects of implementing this proposal.” The comment period is open until November 2. [Read more.](#)

- **BLM Environmental Assessment – Wyoming.** The BLM High Desert District has announced that it is seeking public comments on the [Environmental Assessment](#) for the Second Quarter 2018 Notice of Competitive Oil and Gas Lease Sale parcel offering. The BLM plans to offer 163 parcels totaling 199,298.57 acres within the district. This includes nine parcels in the Kemmerer Field Office, one parcel in the Pinedale Field Office, 106 parcels in the Rawlins Field Office, and 38 parcels in the Rock Springs Field Office. On October 24, the office released a [Finding of No Significant Impact](#), which paves the way for the upcoming June 2018 lease sale. [Read more.](#)
- **Interior Department Releases Energy Burdens Report.** On October 24, the Interior Department released its long-awaited report, [Review of the Department of the Interior Actions that Potentially Burden Domestic Energy](#), which identifies “agency actions that potentially burden the development or use of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear energy resources.” Kathleen Sgamma of the Western Energy Alliance said the [Interior report was a positive sign](#) of what the agencies are doing to ease bureaucratic hurdles to energy exploration and production. “We’re glad to see that many of the challenges we identified to the department are being addressed,” said Sgamma. [Read more.](#)
- **Interior Department Secretarial Order No. 3358.** On October 25, Interior Department Secretary Ryan Zinke issued [Secretarial Order No. 3358](#), which establishes an Executive Committee for Expedited Permitting (ECEP) to facilitate increased resource production on federal lands. According to the Order, “[p]ermitting backlogs and regulatory delays have slowed the Department’s progress in advancing this key priority. The ECEP will resolve these problems and enhance our Nation’s energy dominance.” The Order also highlights other recent Department Orders, and covered in previous Weekly Reports, which seek to remove energy production burdens. [Read more.](#)

FEDERAL – Judicial

- **Federal Leasing – Colorado Federal Court.** On October 20, a coalition of environmental groups filed suit against the BLM in an effort to order the agency to reconsider an oil and gas development plan approved this month in the North Fork Valley near Paonia. In its complaint, [Citizens for a Healthy Community, et. al v. Zinke](#) (Case No. 1:17-cv-02519), the plaintiffs seeks to have the BLM reconsider its approval of the Bull Mountain Unit Master Development Plan which allows for the construction of 33 well pads, 146 natural gas wells and four wastewater disposal wells across 19,670 acres of mineral estate. It also includes approval of a drilling permit for an initial well. The plaintiffs allege that the plan will cause detrimental impacts to watersheds, area wildlife, and agricultural products. “The risk of

irreparable harm to this irreplaceable ecosystem is simply too high,” says Natasha Leger, interim executive director at Citizens for a Healthy Community. We will keep you updated once the BLM files its answer. [Read more.](#)

STATE – Legislative

- **Tax Code Bill – Pennsylvania.** On October 25, the Pennsylvania Senate approved the Tax Code bill, [HB 542](#), and sent it to Governor Tom Wolf (D) for signature. Notably, the bill provides no provision for a natural gas severance tax even though the governor pushed for its inclusion. Instead, the Commonwealth will attempt to plug a nearly \$2 billion budget shortfall with \$1.5 billion in borrowing by securitizing or “liquidating” the Tobacco Settlement, and possibly some other General Fund monies, and would apply the state’s sales tax to online marketplaces (\$43.5 million) and impose a new 12 percent assessment on fireworks purchases (\$31.7 million). [Read more.](#)
- **Fiscal Code – Pennsylvania.** On October 25, the Pennsylvania Senate approved the Fiscal Code bill, [HB 674](#), often characterized as the operator’s manual to the state budget because it sets parameters for disbursement of certain appropriations. The bill has been sent to Governor Tom Wolf (D) for signature. The 90-page bill provides directives for the continuation of the state’s oil and gas lease fund as well removing the expiration date for the provisions relating to drilling activity in the Newark River Basin. The bill also provides that a period of non-production under an oil and gas lease is a temporary cessation and is insufficient grounds to terminate the lease. [Read more.](#)

STATE – Judicial

- **Local Regulations – Colorado.** On October 10, the Colorado Oil and Gas Association (COGA), in partnership with the American Petroleum Institute, filed a lawsuit against the Thornton City Council challenging the city’s new regulations that clash with federal and state laws on issues including setback requirements, surface disturbance and operator liability. In the complaint (which has not yet been made publicly available), the plaintiff industry groups have asked the judge to invalidate portions of the new regulations, claiming that the city’s new rules impose “regulations on oil and gas operations and facilities that are preempted by state and federal law.” According to a [statement](#) from Dan Haley, COGA President & CEO, “Thornton’s City Council passed illegal energy regulations in August after an extremely limited stakeholder process. COGA and other willing contributors were given little to no opportunity to offer feedback on the proposed rules. Still, to avoid litigation, we submitted multiple letters articulating serious legal concerns with Thornton’s proposed regulations, particularly regarding operational preemption. Those concerns were ignored, making it necessary to challenge Thornton’s regulations in court.” [Read more.](#)

INDUSTRY NEWS FLASH:

◆ **Energy companies to boost hiring over the next 12 months.** A recent survey of energy employers by NES Global Talent reports that 89 percent of energy employers believe they will boost staffing levels over the coming year, and nearly half report that salaries could increase as well. NES reports that U.S. shale drillers have led the worldwide expansion with the largest number of job openings. “There is a sense of positivity [...] the likes of which we haven't seen since 2013,” said Alex Fourlis, of Oilandgasjobsearch.com, which partnered with NES to conduct the survey. [Read more.](#)

State-by-State Legislative Session Overview

Massachusetts, Michigan, Ohio and Pennsylvania are in regular session. The **District of Columbia** Council, **Puerto Rico** and the **United States** Congress are also in regular session.

Wisconsin is in recess until October 31. **New Jersey** and **Rhode Island** are in recess to the call of the chair.

Oklahoma convened a special session related to budget issues on September 25. The session had been in recess pending a budget agreement and reconvened on October 24. **Alaska** convened its fourth special session related to budget issues on October 23, [The News Tribune](#) reports. A proclamation authorizing the session from Independent Gov. Bill Walker can be found [here](#). **Maine** convened a special session the same day to amend a food sovereignty bill and to address a host of other concerns, reports [U.S. News and World Report](#), and the session is in recess to the call of the chair. **Vermont** had been scheduled to convene a special session on October 23 to address matters related to changes in the federal budget, but did not convene. **Illinois** convened a veto session on October 24, [NPR Illinois](#) reports. **Connecticut** reconvened its first special session on October 25 to consider biennium budget bill [SB 1502](#), which passed the Senate the same day and passed the House on October 26, [Reuters](#) reports.

Illinois Republican Gov. Bruce Rauner has until October 28 to act on special session legislation or it becomes law. **Hawaii** Democratic Gov. David Ige has until November 3 to act on legislation from the first special session or it becomes law and **West Virginia** Republican Gov. Jim Justice must act on legislation from the second special session by the same day or it becomes law. **North Carolina** Democratic Gov. Roy Cooper has until November 16 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 and special sessions or it becomes law. **Connecticut** Democratic Gov. Dannel Malloy has 15 days from presentment to act on special session legislation or it becomes law. **Delaware** Democratic Gov. John Carney has 10 days, Sundays excepted, to act on legislation or it becomes law. **Maine** Republican Gov. Paul LePage has until three days after the next meeting of the legislature to act on legislation 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 special session 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.

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

The following states are currently posting bill drafts, prefiles and interim studies for the 2018 session: [Alabama](#), [Arkansas](#), [Colorado](#) (proposed legislation appears on interim committee pages), [Florida House](#) and [Senate](#), [Georgia](#), [Iowa](#), [Kentucky](#), [Maine Short Titles](#), [Preliminary Titles of Agency Requested](#) bills and [Study Items](#), [Montana](#), [Nebraska](#), [New Hampshire Legislative Service Requests](#) and [Withdrawn LSRs](#), [North Dakota](#), [Oklahoma prefiles](#) and [House](#) and [Senate](#) interim studies, [Utah](#) and [Wyoming](#).

Lands

Land Permits

Pennsylvania [SB 900](#) unanimously passed the Senate on October 24 and is currently pending in the House State Government Committee. The bill would transfer the title for a portion of Project 70 lands, known as the Jordan Creek Parkway, owned by Lehigh County to Whitehall Township. The bill would transfer the lands with all existing Project 70 restrictions still in place. The bill would take effect immediately.

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