

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

- **Protect Utah's Rural Economy Act of 2018.** On July 11, Sen. Mike Lee (R-UT) introduced [S. 3193](#), known as the Protect Utah's Rural Economy Act, or PURE Act. The bill addresses the burdensome restrictions of the Antiquities Act, which has often precluded responsible energy development on federal lands. According to Sen. Lee, the PURE Act "would protect Utah from future abuses under the Antiquities Act by prohibiting the president from establishing or expanding a national monument in Utah unless the proposed monument has been authorized by an act of Congress and the state legislature." [Read more.](#)
- **Energy and Education Act of 2018.** *(Update to 6/18/18 Weekly Report)* On June 27, [H.R. 5859](#), known as the Education and Energy Act of 2018, and introduced by Rep. Scott Tipton (R-CO), was [reported favorably](#) out of the House Natural Resources Committee and will soon move to the House floor for consideration. The bill would amend the Mineral Leasing Act to "dedicate more of the federal share of mineral and geothermal lease royalties back to the state in which they were generated to support public education." The bill would only apply to new leases and will help generate more revenue for states like Colorado to fund teacher pay and other education resources. "Under H.R. 5859, 33 percent of the federal portion of mineral and geothermal revenues would be sent back to the state in which the revenue was generated. Seventeen percent of all federal revenues from new mineral and geothermal leases would be split between all 50 states." [Read more.](#) You may also access Rep. Tipton's full committee [opening statement on the bill here.](#)

**FEDERAL – Regulatory**

- **Endangered Species Act Reforms.** On July 19, the U.S. Department of the Interior announced [proposed regulatory changes](#) to the Endangered Species Act (ESA) which would eliminate automatic protections for certain plant and animal species, and make it easier for some species to be removed from the list. For example, the years-long environmentalist battle to list the Greater Sage-Grouse as a threatened species would meet with even greater scrutiny. The proposed regulations would recognize the need for some balance among environmental uses, such as natural resource development, when ESA designations are being considered. The effort is part of the Trump administration's overall policy goals of streamlining regulatory processes and removing certain burdensome regulations. [Read more.](#) The proposed changes are

expected to be published in the Federal Register in coming days and then a 60-day public comment period will be open. The oil and gas industry has already applauded the proposed revisions. “We’re optimistic that these modest improvements to the ESA will continue to promote the conservation of protected species and their habitats, while allowing our member companies the flexibility and business certainty needed for the safe and responsible development of America’s public lands,” according to a public statement by the Independent Petroleum Association of America. [Read more.](#)

- **BLM Oil and Gas Lease Sale – Utah.** On July 16, the Bureau of Land Management announced the beginning of a [15-day scoping period](#) for the National Environmental Policy Act (NEPA) process to evaluate offering approximately 329,826 acres totaling 225 parcels of federal minerals in Utah for oil and gas leasing at the December sale. The public comment period ends July 31. Although criticized by activist groups, the shortened public comment time frame is a direct result of the Department of the Interior Secretary Ryan Zinke’s commitment to streamline the federal leasing process while complying with NEPA requirements. [Read more.](#)

### **FEDERAL – Judicial**

- **Climate Change Suit – New York Federal Court.** On July 19, the U.S. District Court for the Southern District of New York dismissed a climate change lawsuit brought against various oil and gas companies by the City of New York. In [City of New York v. BP P.L.C., et al.](#) (Case No. 1:18-cv-00182) the city sought to hold fossil fuel companies liable for various alleged adverse impacts related to global warming. However, in dismissing the claims, and echoing similar rulings by other courts, Judge John Keenan noted that “Climate change is a fact of life, as is not contested by Defendants. But the serious problems caused thereby are not for the judiciary to ameliorate. Global warming and solutions thereto must be addressed by the two other branches of government.” [Read more.](#)

### **STATE – Regulatory**

- **Natural Resources & Economic Development Hearing – Texas.** On September 5, the Texas Senate [Natural Resources & Economic Development Committee](#) will hold a hearing on matters involving monitoring, specifically conducting legislative oversight and monitoring of the agencies and programs under the committee’s jurisdiction and the implementation of relevant legislation passed by the 85th Legislature (2017), including: Texas Railroad Commission Sunset and funding; Environmental Regulatory and Legal Primacy; and emissions reductions effectiveness, among other matters. The hearing will be held in the Texas Capitol Building Hearing Room E1.012 at 9 am. For more information, you may call the Senate’s Committee Coordinator at 512-463-0070. [Read more.](#)

## **STATE – Judicial**

- **Subsequent Purchaser Doctrine; Assignments; Leases – Louisiana.** On July 18, in *Grace Ranch, LLC v. BP America Production Company, et al.* (Case No. 17-1144), the Louisiana Court of Appeal, Third Circuit, upheld the uniform application of the subsequent purchaser doctrine as it applied to mineral rights and leases. Here, the plaintiffs/landowners argued that the doctrine did not apply to mineral rights, alleging conflicts among Louisiana courts and sought a distinction for mineral rights based on their classification as a real right, on principles governing limited personal servitudes, and other provisions of the Louisiana Mineral Code and Civil Code. The court rejected those arguments and relied on case precedent involving oil and gas production surface leases which the court held applied to mineral leases as well. [Read more.](#)
- **Climate Change Suit – Maryland.** On July 20, the City of Baltimore joined a string of similar cases where litigants have filed climate change lawsuits against numerous oil and gas companies. In other such cases to date, the courts have dismissed those actions. In *City of Baltimore v. BP P.L.C., et al.* (Case not yet docket numbered), the city accuses the companies of “knowingly emitting harmful carbon dioxide pollution” and which seeks damages and legal penalties from the companies, citing “alleged offenses including failure to warn the public and public nuisance.” [Read more.](#)

## **INDUSTRY NEWS FLASH:**

◆ **U.S. energy dominance continues with surge in drilled natural gas wells.** On July 13, the American Petroleum Institute (API) released its quarterly well completion report for the second quarter of 2018 which showed a 265 percent increase in estimated exploratory gas well completions as compared to the second quarter of 2017. “Today’s report shows the continued growth and strength of U.S. energy production,” said API Chief Economist Dean Foreman. [Read more.](#)

## **State-by-State Legislative Session Overview**

**Massachusetts, New Jersey, Ohio and Pennsylvania** are in regular session. **Puerto Rico** and the **United States Congress** are also in regular session.

**Michigan** is in recess until July 25. **California** is in recess until August 6. The **District of Columbia Council** is in recess until September 15. **Illinois, New York, Rhode Island and Wisconsin** are in recess to the call of the chair.

**West Virginia** Republican Gov. Jim Justice issued a [proclamation](#) calling for a special session to begin June 26 to address possible removal of one or more Justices of the Supreme Court of

Appeals. The House Judiciary Committee announced meetings to take place between July 12 and July 14. They recessed to gather additional witnesses and reconvened for another three days beginning July 19, reports [West Virginia Public Broadcasting](#).

**Utah** held a one-day special session on July 18 to address online sales taxes, reports the [AP](#).

**New Hampshire's** Executive Council agreed to a special session of the General Court to begin on July 25 in response to a Supreme Court ruling that states can require online retailers to collect sales tax on purchases in states where they don't have a physical presence, reports the [NHPR](#).

**Maine** and **Virginia's** special sessions are in recess to the call of the chair.

**Delaware** Democratic Gov. John Carney has until July 30 to act on legislation or it becomes pocket vetoed. **Utah** Republican Gov. Gary Herbert has until August 7 to act on special session legislation or it becomes law without signature. **Alaska** Independent Gov. Bill Walker has 20 days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. **Connecticut** Democratic Gov. Dannel Malloy has 15 days from presentment to act on legislation or it becomes law without signature. **Illinois** Republican Gov. Bruce Rauner has 60 days from presentment to act on all legislation passed during the veto session or it becomes law. **Kansas** Republican Gov. Jeff Coyler has 10 days, not including the day of presentment, to act on legislation or it becomes law without signature. **Louisiana** Democratic Gov. John Bel Edwards has 20 days from presentment to act on legislation presented after May 8 or it becomes law. **Minnesota** Democratic Gov. Mark Dayton has 14 days from presentment to act on legislation presented on or after May 17 or it is pocket vetoed. **Missouri** Republican Gov. Mike Parson has 45 days from presentment to act on legislation or it becomes law without signature. **New Hampshire** Republican Gov. Chris Sununu has five days from presentment, Sundays excepted, to sign or veto 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. **Rhode Island** Democratic Gov. Gina Raimondo has six days from presentment, Sundays excepted, to act on legislation or it becomes law without signature. **Vermont** Republican Gov. Phil Scott has five days, Sundays excepted, to act on legislation presented after May 16. The disposition of legislation not acted on after that period will be determined on a case-by-case basis. **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. **Wisconsin** Republican Gov. Scott Walker has six days from presentment, Sundays excepted, to act on special session legislation or it becomes law.

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

The following states are currently posting 2019 bill drafts, profiles and interim studies: [Kentucky](#), [Montana](#), [Nevada](#), [North Dakota](#) and [Utah](#).

# Hydraulic Fracturing

## Moratorium

**Massachusetts** [SB 2608](#), which is the Senate version of [HB 4756](#), passed the Senate on July 16 and is now pending in conference committee. The Senate version of the bill includes provisions that would place a moratorium on hydraulic fracturing and the storing, processing or disposal of hydraulic fracturing fluid, wastewater solids, drill cuttings or other byproducts. The moratorium would last from January 1, 2019 to December 31, 2028. The Senate amended HB 4756 with the text of SB 2608 due to frustration with the failure of the House to take up [SB 2564](#), which contained identical text. The House version of the bill relates primarily to peak energy demand and does not contain any provisions relating to hydraulic fracturing.

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