

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

- **H.R. 6771 – Domestic Offshore Energy Reinvestment Act of 2018.** On September 13, [H.R. 6771](#), known as the “Domestic Offshore Energy Reinvestment Act of 2018,” was approved by the House Committee on Natural Resources. Introduced on September 12 by Rep. Garret Graves (R-LA), the bill would increase the money coastal states receive from offshore oil and natural gas drilling off their coasts. Specifically, the bill amends the Gulf of Mexico Energy Security Act of 2006 to increase the State share of offshore oil and gas revenues from 37.5 percent to 50 percent, expands the authorized uses of shared revenues, and eliminates the limitations on revenues shared with Gulf producing States and the Land and Water Conservation Fund. [Read more.](#)
- **H.R. 2606 – Stigler Act Amendments of 2018.** On September 12, [H.R. 2606](#), known as the “Stigler Act Amendments of 2018”, passed the U.S. House of Representatives. The Republican-sponsored measure, introduced by Rep. Tom Cole (R-OK), amends the 1947 Stigler Act to revise provisions regarding the restricted fee status of land in Oklahoma allotted to members of the Five Civilized Tribes (Five Tribes). Under current law, the restricted fee status of land allotted to the Five Tribes is maintained only if the individual holding title has one-half or more Native American blood. Under this bill, the restricted fee status is maintained for lineal descendants by blood of an original enrollee whose name appears on the membership rolls of the Five Tribes. According to Oklahoma law firm, Ball Morse Lowe, PLLC, “this change in the law would undoubtedly effect title opinions involving restricted property interests in Five Tribes allotments” and the sale or lease of restricted mineral interests. ([Read more](#)) The current Stigler Act provides that, upon probate, if the heirs and devisees of an original allottee from the Five Tribes (Chickasaw, Choctaw, Seminole, Creek and Cherokee) have passed out of 1/2 degree Native American blood, the allotment loses its “restricted free” status. Restricted land is not subject to state taxation. “I am pleased that the Stigler Act has passed out of the House,” said Rep. Cole. “Amending the Stigler Act will undo this discriminatory law, and allow for past precedent to be current with the realities of Native-owned land. By eliminating the blood quantum requirement, the amendment will support the preservation of the rights and legacies that Native Americans are entitled to, as well as their inheritance.” The sentiment was echoed by Rep. Steve Russell (R-OK), a bill co-sponsor, who said, “I look forward to the Senate approving this legislation and sending it to the President. Our Native American community in Oklahoma will be better off with this good bill signed into law.” [Read more.](#)

- H.R. 6088 – Streamlining Permitting Efficiencies in Energy Development Act.** (Update to 7/2/18 Weekly Report) On September 6, [H.R. 6088](#), known as the “Streamlining Permitting Efficiencies in Energy Development Act” or “SPEED Act,” was voted favorably out of the House Committee on Natural Resources, which also adopted [Amendment #1](#) offered by Rep. John Curtis (R-UT), who introduced the bill on June 13, 2018. Curtis’ amendment was the only adopted by the committee. (See the full committee bill markup/consideration [here](#).) The bill would amend the Mineral Leasing Act to “require the Bureau of Land Management (BLM) to allow oil and gas producers to perform certain drilling activities on federal lands by obtaining a notification for permit to drill (NPD) in lieu of an application for permit to drill (APD).” According to Rep. Curtis, the “bill will help streamline a burdensome federal process, create new economic development opportunities in rural communities across the district, and keep our country on the path of energy independence.” [Read more](#).
- H.R. 6682 – Protection and Transparency for Adjacent Landowners Act.** On September 6, [H.R. 6682](#), known as the “Protection and Transparency for Adjacent Landowners Act,” was the subject of a committee hearing before the House Committee on Natural Resources’ Subcommittee on Federal Lands. (View the full hearing [here](#).) The bill, introduced on August 28 by Rep. Scott Tipton (R-CO), would protect property owners’ rights during federal land acquisitions. In short, the legislation is intended to ensure landowners have time to protect their rights when the federal government invokes authority to acquire, reclassify or resurvey land next to their property and requires the Bureau of Land Management and the U.S. Forest Service to give written notice to each landowner of the planned action. Other provisions require that if a federal agency determines property should be reclassified as government land, the persons who reasonably believed they owned it must be given a first right to purchase it at a fair market price. [Read more](#).

## **FEDERAL – Regulatory**

- BLM Lease Sale – Colorado.** On September 11, U.S. Senator Michael Bennet (D-CO) and Colorado Governor John Hickenlooper (D) each sent letters to the Acting Colorado State Director of the Bureau of Land Management (BLM) expressing concerns with the upcoming December 2018 oil and gas lease sales in which they urged the BLM to defer certain parcels from the sales. In their letters (see [Bennet letter here](#); see [Hickenlooper letter here](#)), both lawmakers reiterated concerns from the State of Colorado, the Town of Paonia and Gunnison County, where citizens and agricultural organizations have expressed opposition to leasing in certain areas near their communities. Additionally, they note that several lease parcels are located in Greater Sage-Grouse habitat or would affect big game winter range and migration corridors. They also expressed concerns that the lease sales “put water supplies, air quality, and existing economic opportunities at risk, particularly in Colorado’s North Fork Valley.” [Read more](#).

- **BLM Lease Sale – Utah.** On September 11, the BLM’s quarterly oil and gas lease sale resulted in competitive bids for 69 of the 109 parcels offered in the West Desert, Color Country and Green River Districts. More than 133,000 acres were sold, representing more than 65 percent of the acreage offered at auction. The sale brought in more than \$3.3 million with a high total bid per acre of \$221. [Read more.](#)
- **EPA Methane Emissions Revisions.** On September 11, the U.S. Environmental Protection Agency (EPA) announced sweeping proposed revisions to Obama-era methane reductions rulemaking. The proposed regulations, *Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Reconsideration* ([EPA-HQ-OAR-2017-0483](#)), would roll back rules reducing oil and gas industry leaks of methane gas. Oil and gas industry groups welcome the regulatory change that could save the industry millions of dollars in compliance costs. “These common-sense reforms will alleviate unnecessary and duplicative red tape and give the energy sector the regulatory certainty it needs to continue providing affordable and reliable energy to the American people,” said EPA Acting Administrator Andrew Wheeler. “Removing these excessive regulatory burdens will generate roughly \$484 million in cost savings and support increased domestic energy production – a top priority of President Trump.” Industry groups have lauded the welcome revisions. “By fixing the numerous technical problems with the original rule, EPA will enable industry to continue its four-decade success record of reducing methane emissions,” said Kathleen Sgamma, president of the Western Energy Alliance. Barry Russell, CEO and president of the Independent Petroleum Association of America said, “Today’s EPA proposal reverses the growing mistakes of the past. This proposal not only reassures America’s continued path toward global energy leadership, but also continues to protect the environment and communities where energy production is located.” Under President Obama, the EPA completed the existing rule ([81 Fed. Reg. 35823](#)) in June 2016 and it took effect that August. However, competing court challenges from the oil and gas industry and environmental groups have held up its implementation. The [EPA proposal](#) includes a reduction in the frequency of methane emissions monitoring at oil and natural gas wells from twice a year to once a year or every other year; facilities that compress gas for transport through pipelines could see monitoring frequencies reduced from four times a year to once or twice a year; and it also extends the time that companies have to repair leaks from 30 days to 60 days. “The proposed improvements include: aligning requirements between EPA’s rule and existing state programs; modifying the frequency for monitoring leaks (also known as ‘fugitive emissions’) at well sites and compressor stations; and making it easier for owners and operators to use emerging measurement technologies in their leaks monitoring surveys.” [Read more.](#) For a detailed EPA fact sheet on the proposed rule [click here.](#)
- **Forest Service Oil and Gas Development.** On September 13, The U.S. Forest Service published an Advanced Notice of Proposed Rulemaking regarding oil and gas resources regulations that would open the door for greater exploration and development of oil

and gas from the country's 154 national forests and 20 grasslands. Today, only 44 national forests have active oil and gas development. The proposed rulemaking, *Oil and Gas Resources* ([83 Fed. Reg. 46458](#)) would streamline regulatory processes and increase resource development. According to the Notice, "The intent of these potential changes would be to decrease permitting times by removing regulatory burdens that unnecessarily encumber energy production. These potential changes would promote domestic oil and gas production by allowing industry to begin production more quickly." The public comment period is open through October 15, 2018. [Read more.](#)

### **STATE – Regulatory**

- **Injection Well Permits – Kansas.** On September 7, the Kansas Corporation Commission (KCC) upheld more than 2,100 injection well permits issued over the past ten years despite a call from environmentalists to revoke the permits based on earthquake concerns and a claim that the public comment protest period was insufficient. In its Final Order ([Docket No. 18-CONS-3224-CIV](#)), the KCC rejected that argument finding that the public had not been denied an opportunity to participate, wasn't harmed and the subject permits were valid. [Read more.](#)
- **Shale Production – Ohio.** On August 28, the Oil and Gas Division of the Ohio Department of Natural Resources (ODNR) reported that Utica shale grew year-to-year during the second quarter. According to ODNR, during the three months ending June 30, 2018, crude oil production totaled 4,488,104 bbl, 10.98 percent higher than the 4,044,072 bbl reported for the comparable 2017 quarter. Even more impressive was the 42.25 percent jump in natural gas production, with 554,306.9 MMcf in the second quarter, compared to 389,662.5 MMcf during the comparable period last year. [Read more.](#)

### **INDUSTRY NEWS FLASH:**

◆ **U.S. is now likely the largest global crude oil producer.** On September 12, the U.S. Energy Information Administration (EIA) reported that the United States likely surpassed Russia and Saudi Arabia to become the world's largest crude oil producer earlier this year, based on preliminary estimates in EIA's Short-Term Energy Outlook. "In February, U.S. crude oil production exceeded that of Saudi Arabia for the first time in more than two decades. In June and August, the United States surpassed Russia in crude oil production for the first time since February 1999." [Read more.](#)

## State-by-State Legislative Session Overview

**Pennsylvania** is in regular session. **Ohio** is in skeleton session. The **United States** Congress and **Puerto Rico** are in regular session.

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

**New Hampshire** held a veto session on September 13.

**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 passed 14 of the 16 articles of impeachment on August 7 and the House adopted articles of impeachment against the four sitting justices on August 13. The House met on August 29 to elect an interim speaker, and the Senate returned on September 11 to commence impeachment for the remaining justices.

**Missouri**'s special session is in recess until September 19.

**South Dakota** adjourned their [special session](#) on September 12, which upheld state law to begin collecting sales tax from online retailers, reports [KSFY](#).

**California** Democratic Gov. Jerry Brown has until September 30 to act on legislation that was in his possession on or after September 1 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. **Illinois** Republican Gov. Bruce Rauner has 60 days from presentment to act on all legislation passed during the veto session or it becomes law. **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. **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. **Mississippi** Republican Gov. Phil Bryant has 15 days from presentment to act on special session legislation or it becomes law. **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](#) and [Wyoming](#).

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

## Endangered Species

**United States** [HR 6784](#), sponsored by Rep. Sean Duffy, R-Wisconsin, was referred to the House Natural Resources Committee on September 12. The bill, to be known as the Manage our Wolves Act, would provide for the removal of the gray wolf from the endangered species list.

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