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I. Introduction

The following is an update on Virginia legislative activity and case law relating to oil, gas and mineral law from August 1, 2021 to July 31, 2022.

II. Legislative and Regulatory Developments

The following is a discussion of notable legislation:

A. House Bill 2293

House Bill 2293 (“HB 2293”) — An Act to amend and reenact § 58.1-3713 of the Code of Virginia, relating to local gas severance tax; sunset date. HB 2293 amends and reenacts Virginia Code § 58.1-3713, which allows any county or city to adopt a license tax on every person engaging in the business of severing gases from the earth, extending the sunset date therefore until January 1, 2024.

B. Senate Bill 1265

Senate Bill 1265 (“SB 1265”) — An Act to amend and reenact §§ 62.1-44.15:37.1 and 62.1-44.15:58.1 of the Code of Virginia, relating to natural gas pipelines; stop work instructions.

SB 1265 amends and reenacts Virginia Code § 62.1-44.15:37.1 and § 62.1-44.15:58.1, which authorizes the Department of Environmental Quality to conduct inspections of the land-disturbing activities of interstate and intrastate natural gas pipeline companies as such land-disturbing activities related to construction of any natural gas transmission pipeline, by: (i) decreasing the diameter of a qualifying pipeline from thirty-six (36) inches to twenty-four (24) inches; and (ii) expressly defining “adverse impacts to water quality” as “including instances where (a) there has been a violation of any water quality standard adopted pursuant to the State Water Control Law (§ 62.1-44.2 *et seq.*), (b) sediment has been deposited in significant amounts in areas where those deposits are not contained by best management practices, (c) there are repeated instances of adverse impacts or likely adverse impacts within a 30-day period, or (d) there have been widespread and repeated instances of adverse impacts or likely impacts.”

SB 1265 further grants the Department of Environmental Quality authority to issue a stop work instruction for every work area in Virginia upon a finding that substantial adverse impacts or “likely adverse impacts” are found on a repeated, frequent, and widespread basis. The Department of Environmental Quality may issue a stop work instruction for every work area in Virginia until the Department of Environmental Quality determines

that any systemic cause that contributed to such occurrences has been corrected.

III. Judicial Developments

We did not locate any notable judicial developments during the search period.