

OIL & GAS MEETING

Oil & Gas Lease
April 26, 1978
2:00 p.m.

Dick Wilson stated that the Superintendent Dave Baldwin, Superintendent from the Osage Tribe of Oklahoma was present who knew a lot about the the oil and gas lease.

Dick stated their were 5 issues of lease sales at Fort Berthold, the process of reviewing the bids and going over the lease did not stop, that is not why they are here.

The first issue was on prices per acre that each company bid on between February 14 and April, \$44.10 for the first bidders and \$62.59 for the second group of bidders, difference of under \$20.00. On the second bidders the Shell oil Company had the first option, they had bid the highest among the bidders, a major bidder can affect prices. The second issue was how does the bonus price differ. The average \$17.10 per acre February \$44 is being received on state land. The third issue, how competitive was the bidding? The companies will get together before the bids and decide which one will bid on which bid. The average was competitive and the prices received were reasonable. The fourth issue how consistent were the prices and bonuses? No one in the very desirable portions of the reservation has a low bid. The fifth issue was adequate notification of the allottees? Whether they had sufficient notice or not. Every effort was made to let everyone know about the lease sales. He sees know evidence of why the lease sales should not be approved. He doesn't see why the Assistant Secretary shouldn't approve the sale.

Rose stated that the people want to know when they will be getting paid. Dick stated that to get the leases approved it takes time. Some of the leases may be in and approved and some may not be. To get the leases approved and the money in from the companies will take several weeks. As soon as the leases are all signed and sent to the oil companies then the process of payment can begin. Dave explained that the superintendent and agency don't have a staff to examine a lease sale and magnitude that this reservation has. It takes about 3 months from the auction and when the lease is approved.

Eva asked Wilson about the sales outside the reservation, Wilson stated the the reservation is doing fairly good. Austin asked what effects there would be if the reservation had the authority to tax a company. Wilson stated that the tribe does have the authority to tax the company. If you are going to tax a company it should be done right away. If you do it when the companies have already come in to bid, then you could lose some of the taxes you are requesting.

Austin asked who has final authority on dual taxes, does the tribe or state have it? Wilson stated that in some of the reservation cases the state does, instead of the tribe, so the tribe loses the taxes, sometimes even when they go to court on the matter. Austin asked Mr. Morgan if there are any statutes like this that affect our reservation. Mr. Morgan replied he didn't think there were any.

Rose was talking about the state tax if the tribe did get it would it affect the people on the reservation that are getting welfare assistance. Dave stated it gets deeper into tax laws.

Delores Sand stated that most of the people that were sitting in on the meeting were wondering about the 1% tax what the tribe is going to do with it and where is it going to go and if it comes out of the individuals lease. Donald stated that this was initiated 15 years ago to be supplemented on Tribal administration, staffing, oil & gas lease, when they do come up. The 1% comes out of the bonus bid not from the individual. Morgan stated that there are not enough staff people in the BIA to do all the paper work for the oil and gas lease, so they have to go to someone else to do the paper work that is why the BIA will get the 1%, who will do the paper work again if there is another oil and gas lease for the tribe if they wanted the 1%. Morgan stated that the 1% would be supplemented to get someone in there to do the paper work. It is being considered.

Austin stated that for those who are not getting oil lease, they would probably be interested in the per cap, all the remaining enrollment has been reviewed April 25, 1978. He asked Morgan how long it will take from there? Morgan stated when they get the final resolution and final exception to the area office, those that were not approved they will have enough time for an appeal, and get the rolls up-to-date. It would then go to Aberdeen and then to Albuquerque. He stated maybe in 3 weeks.

Delores had asked Hazel to explain in Indian to the older people about the 1% on the gas and oil lease.

Austin stated that a memo was sent to the superintendent requesting him to be at a meeting to explain the 1% on oil and gas lease, Hugh also made a remark referring to this. Morgan stated that he didn't get sufficient notice on the meeting. Had he gotten sufficient notice he would of been at the meeting.

Delores stated that she will still not be satisfied until she sees her money.

Donna Davis asked if an individual retains his mineral rights when they sell their land to the Tribe. Rose stated that they do retain their mineral rights. Austin stated that in 1952-1953 after that the land owner kept his mineral rights. IF you sold to an individual you would still retain your mineral rights unless it is stated in the agreement if you want to sell your mineral rights also. But if you sell it patent fee that means you sold everything, even your mineral rights.

Russell stated that he is an enrolled member and that it is the councils obligation to help the people.