

RESOLUTION OF THE GOVERNING BODY
OF THE
THREE AFFILIATED TRIBES
OF THE
FORT BERTHOLD INDIAN RESERVATION

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934 and the authority under said Act; and

WHEREAS, The Constitution of the Three Affiliated Tribes generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and

WHEREAS, Article VI, Section 5 (j), of the Constitution of the Three Affiliated Tribes authorizes and empowers the Tribal Business Council to protect and preserve the property, wildlife, and natural resources of the tribes; and

WHEREAS, Public Law 98-602 the Fort Berthold Reservation Mineral Restoration Act restored approximately 175,000 acres of mineral interests acquired for Garrison Dam and Reservoir to the Three Affiliated Tribes; and

WHEREAS, The Tribal Business Council desires that the greatest return possible be obtained from these minerals; and

WHEREAS, The Tribal Business Council believes that this goal can best be realized through active tribal management of these minerals; and

NOW THEREFORE BE IT RESOLVED, That Tribal Business Council of the Three Affiliated Tribes hereby requests that the Bureau of Indian Affairs provide either a 638 Grant or Contract to the Three Affiliated Tribes to manage the above mentioned mineral interests.

Tribal Minerals Management Proposal

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1 Introduction

1.1 Restoration of Minerals

On October 30, 1984, Public Law 98-602 the Fort Berthold Reservation Mineral Restoration Act became law. The act served to restore certain mineral rights to the Three Affiliated Tribes. The minerals restored to the Tribes include all mineral interests in lands within the exterior boundaries of the Reservation, as recognized at the time of taking, which were acquired for the Garrison Dam and Reservoir.

Public Law 81-437 took 154,911.61 acres of land, within the then recognized reservation boundaries, from the Three Affiliated Tribes and members thereof. There were 20,804.83 acres within the area described by the act that were not taken by the act. It is our assumption that all of these lands and minerals were eventually acquired by the United States. If this assumption is correct 175,716.44 acres of mineral interests were restored to the Tribes. The restoration act specifies that all of these minerals are to be held in trust for the Three Affiliated Tribes.

2 Need For Tribal Management

2.1 Current Mineral Status

2.1.1 Currently Leased Minerals

At the present time approximately 137,215 acres of the minerals are leased. Columbia Gas Development Corporation and E.P. Operating Company have the largest amount of acreage. Columbia has a 50% working interest in most of the leases and EP has a 37.5% working interest in most of the leases.

The only income derived from the leases to date is from the annual rentals paid by the lessees. The annual rental rate depends on what the lease rate was at the time of application for the lease. Most leases with anniversary dates prior to August 1, 1977, have an annual rental of \$.50 per acre. Leases after that date generally have an annual rental of \$1.00 per acre. On February 27, 1986, the Minerals Management Service transferred \$153,232.00 of annual rentals collected subsequent to October 30, 1984, to the Bureau of Indian Affairs in Albuquerque.

Nine of the leases, in whole or in part, are currently in suspense. The order to suspend the term of the lease was issued by the Director of the United States Geological Survey (USGS) on April 1, 1981. The application requesting suspension was filed by the Estate of William G. Hellis and R. A. McDonald pursuant to 43 CFR 3103.3-8. When the suspensions are lifted, which should be shortly, the leases will have between 4 months and several years left in their primary term.

Since the lease files have been transferred to Fort Berthold, five leases totaling 5,256 acres have expired. Two more leases will expire during this year. A significant number of the leases expire next year.

2.1.2 Currently Unleased Minerals

At the present time approximately 38,500 acres of the restored minerals are unleased. The Tribes have been approached to lease these minerals. It is very likely that the Tribes will enter into a tribal minerals agreement involving this acreage in the near future. The agreement may be a non-lease agreement.

2.2 Future Mineral Status

As previously mentioned there are approximately 38,500 acres currently not leased. Leases on tens of thousands of acres expire in 1987. The Tribes desire to obtain both short and long term returns on the restored minerals. The Tribes realize that the only way to obtain a return on the minerals, in the short term, is to lease them or utilize an alternative method of contracting for their development.

The Tribes have actively used P.L. 97-381 to lease tribal and allotted minerals. The Tribes intend to utilize the same act to develop the restored minerals. The Tribes have pioneered the use of Section 3(b) of the act. If allotted minerals were unleased and close to the minerals to be contracted an offer would be made to the individual mineral owners to include their minerals to the agreement.

2.3 Tribal Management

Because the minerals were recently put into trust status, it is our assumption that the Department of the Interior has not transferred any resources from the former management agency, BLM, to the new management agency, BIA. The transfer of the minerals quadruples the amount of tribal minerals on the reservation. What this effectively means is that the Tribes will be getting short changed in the level of management applied to the minerals.

Because the minerals are held in trust by the United States it is the responsibility of the government to insure that an adequate level of management is applied to the minerals and the maximum return from the minerals is obtained. The Tribes have already indicated a desire to realize the full value of these minerals. In order for this to happen resources must be allocated for the management of these minerals.

Because the minerals are exclusively tribal it is only logical that the Tribes manage the minerals. In order to do this the Tribes must have convenient access to the lease records involved. The Tribes must also be able to easily ascertain current mineral status. This can only be achieved if mineral records are kept at the Tribal Administration Building by the Tribal Government.

The Tribes have already developed a computerized database for the current leases. The database currently contains such information as: lease serial number, anniversary date, status (suspended, segregated, etc.), rental rate, rental due, rental paid, payment entry date, lessee (see attachment). The information for these leases can be easily sorted and manipulated.

The current database is a start on the road to tribal management of the minerals. However, much work remains to be done in order to insure that the minerals are efficiently managed.

3 Proposal

3.1 Scope of Work

Through a 638 Grant or Contract, or an assignment of fees the Tribes would perform the following:

1. Maintain the current lease file. This would include:
 - a. recording all assignments,
 - b. recording and transferring rental payments,
 - c. terminating leases for non-payment,
 - d. withdrawing expired or terminated leases from the file,
 - e. updating the file when suspensions are lifted or leases are segregated.
2. Map the current leases.
3. Identify those minerals within the 175,716 acres which were never acquired by the United States.
4. Prepare a mineral status map.
5. Perform lease compliance inspections if activities occur on the minerals.

4 Lease Management Finances

4.1 Budget Narrative

Although no grant or contracts funds may currently be available, it may be possible to allocate fiscal year 1987 funds for a tribal minerals management program. Another possible source of funding for the program could be assignment, filing, or execution fees. In the past the BLM charged between \$10 and \$75

to file for a lease on one of the parcels. The BLM also charged \$25 to process an assignment of interest in a lease. The BIA charges a \$10 lease filing fee.

Funds obtained for a lease management program would be used to carry out the scope of work previously described. The principal expense would be in the personnel line item. It is estimated that approximately 680 manhours per year will be required to properly manage the leases. Other expenses will include fringe costs, office supplies, telephone, postage, and indirect charges. If activities occurred on the leases which required lease compliance fieldwork the manpower requirements would need to be increased.

Three different funding options are presented. The first option only includes office work for a mineral recordkeeping system. The second option includes lease compliance inspections should activities occur on the leases. The third option includes lease compliance checks on allotted leases.

4.2 Lease Management Budget

Line Item	Option 1	Option 2	Option 3
Personnel	\$6,800	\$10,400	\$21,000
Fringe @26%	\$1,768	\$2,704	\$5,460
Travel	\$0	\$300	\$600
Equipment	\$0	\$0	\$0
Supplies	\$300	\$400	\$500
Other			
Space Costs	\$700	\$700	\$700
Phone	\$250	\$300	\$400
Other Total	\$950	\$1,000	\$1,100
Total Direct	\$9,818	\$14,804	\$28,660
Indirect Costs @26%	\$2,553	\$3,849	\$7,452
Total Costs	\$12,371	\$18,653	\$36,112

Option 1 is office work only.

Option 2 includes lease compliance fieldwork.

Option 3 includes lease compliance work on allotted minerals also.

Serial Number	Comment	Yr./Mo.	Rental Rate	Total Acres	Rental	Rental Paid	Date Entered	Lessee
33016		76 2	\$.50	266.00	\$133.00	\$133.00	85/1/21	EP et al
31728		76 7	\$.50	160.00	\$80.00	\$80.00	85/6/3	HPC
31731		76 7	\$.50	80.00	\$40.00	\$40.00	84/5/17*	HPC
35234		77 1	\$.50	2559.09	\$1,280.00	\$1,280.00	84/12/14	EP et al
35233		77 1	\$.50	2559.09	\$1,280.00	\$1,280.00	84/12/14	EP et al
35232		77 7	\$.50	2374.06	\$2,375.00	\$2,375.00	85/7/23	EP et al
35236		77 1	\$.50	2555.97	\$1,278.00	\$1,278.00	84/12/14	EP et al
35235		77 1	\$.50	2534.12	\$1,268.00	\$1,267.50	84/12/14	EP et al
35238		77 1	\$.50	2311.83	\$1,156.00	\$1,156.00	84/12/14	EP et al
35237		77 1	\$.50	2470.69	\$1,236.00	\$1,235.50	84/12/14	EP et al
35241		77 8	\$1.00	2523.00	\$2,523.00	\$2,523.00	85/7/23	EP et al
35240		77 8	\$1.00	240.00	\$240.00	\$240.00	85/7/23	EP et al
35239		77 8	\$1.00	2536.90	\$2,537.00	\$2,537.00	85/7/23	EP et al
35244		77 8	\$1.00	2516.40	\$2,517.00	\$2,517.00	85/7/23	EP et al
35243		77 8	\$1.00	2529.55	\$2,530.00	\$2,530.00	84/7/23*	EP et al
35242		77 8	\$1.00	2533.65	\$2,534.00	\$2,534.00	85/7/23	EP et al
24720	Sus/Seg	73 6	\$.50	910.00	\$455.00	See Comment	See Comment	Helilis et al
24720 K	Sus/Seg	73 6	\$.50	40.00	\$20.00	See Comment	See Comment	Helilis et al
24720 J	Sus/Seg	73 6	\$.50	40.00	\$20.00	See Comment	See Comment	Santa Fe
24720 E	Sus/Seg	73 6	\$.50	40.00	\$20.00	See Comment	See Comment	Helilis et al
24720 A	Sus/Seg	73 6	\$.50	40.00	\$20.00	See Comment	See Comment	Helilis et al
24720 E	Sus/Seg	73 6	\$.50	40.00	\$20.00	See Comment	See Comment	Helilis et al
28922		76 2	\$.50	1170.00	\$585.00	\$585.00	85/1/21	EP et al
33015		76 2	\$.50	20.00	\$10.00	\$5.00	85/1/21	EP et al
28924		76 2	\$.50	2480.00	\$1,240.00	\$1,240.00	85/1/21	EP et al
28923		76 2	\$.50	1320.00	\$660.00	\$660.00	1/21/85	EP et al
17482		71 4	\$.50	1607.21	\$804.00	See Comment	See Comment	Helilis et al
37016	Sus	77 9	\$1.00	2000.00	\$2,000.00	\$2,000.00	85/8/26	EP et al
37205		77 12	\$1.00	2221.40	\$2,222.00	\$4,444.00	85/11/2584/11/13	EP et al
37204		77 12	\$1.00	1480.00	\$1,480.00	\$2,960.00	85/11/2584/11/13	EP et al
37206		77 12	\$1.00	2144.31	\$2,145.00	\$4,290.00	85/11/2584/11/13	EP et al
36697		77 9	\$1.00	1280.00	\$1,280.00	\$1,280.00	84/8/16*	EP et al
37017		77 9	\$1.00	660.00	\$660.00	\$660.00	85/8/26	EP et al
37020		77 9	\$1.00	120.00	\$120.00	\$120.00	85/8/26	EP et al
37198		77 12	\$1.00	760.00	\$760.00	\$1,520.00	85/11/2584/11/13	EP et al
37209		78 11	\$1.00	2323.00	\$2,323.00	\$2,323.00	85/10/11	EP et al
37200		77 12	\$1.00	2006.00	\$2,006.00	\$4,012.00	85/11/2584/11/13	EP et al
36359		77 9	\$1.00	830.00	\$830.00	\$830.00	85/8/26	EP et al
36358		78 2	\$1.00	165.04	\$166.00	\$166.00	85/1/21	EP et al
36340		81 6	\$1.00	540.51	\$541.00	\$541.00	85/5/23	EP et al
36393		78 2	\$1.00	650.81	\$651.00	\$651.00	85/1/21	EP et al
37007		77 9	\$1.00	2503.89	\$2,504.00	\$2,504.00	84/8/16*	EP et al
37006		77 9	\$1.00	2089.31	\$2,090.00	\$2,090.00	85/8/26	EP et al
36366		81 2	\$1.00	479.47	\$480.00	\$480.00	85/1/21	EP et al
36388		78 2	\$1.00	368.58	\$369.00	\$369.00	85/1/21	EP et al
36389		78 2	\$1.00	200.00	\$200.00	\$200.00	85/1/21	EP et al
37215		78 11	\$1.00	2560.00	\$2,560.00	\$2,560.00	85/10/11	EP et al
37214		78 11	\$1.00	2560.00	\$2,560.00	\$2,560.00	85/10/11	EP et al
37213		78 11	\$1.00	1895.84	\$1,896.00	\$1,896.00	85/10/11	EP et al
37217		81 11	\$1.00	1533.97	\$1,534.00	\$1,534.00	85/10/11	EP et al
37207		81 11	\$1.00	1973.92	\$1,974.00	\$1,974.00	85/10/11	EP et al
37018		77 9	\$1.00	2000.00	\$2,000.00	\$2,000.00	85/8/26	EP et al

37210	81 11	\$1.00	2254.73	\$2,255.00	\$2,128.00	85/10/11	EP et al
37212	78 11	\$1.00	1975.46	\$1,976.00	\$1,976.00	85/10/11	EP et al
37216	79 11	\$1.00	2209.61	\$2,210.00	\$2,210.00	85/10/11	EP et al
35245	77 8	\$1.00	2501.97	\$2,502.00	\$2,502.00	85/7/23	EP et al
35247	77 8	\$1.00	2547.31	\$2,548.00	\$2,548.00	85/7/23	EP et al
35246	77 8	\$1.00	2521.54	\$2,522.00	\$2,522.00	85/7/23	EP et al
35250	77 8	\$1.00	960.00	\$960.00	\$960.00	85/7/23	EP et al
35249	77 8	\$1.00	2528.48	\$2,529.00	\$2,529.00	85/7/23	EP et al
35248	77 8	\$1.00	2529.90	\$2,530.00	\$2,530.00	85/7/23	EP et al
35257	77 1	\$1.00	2491.87	\$1,246.00	\$1,246.00	84/12/14	EP et al
35258	77 1	\$1.00	1727.53	\$1,728.00	\$1,728.00	85/7/23	EP et al
35251	77 8	\$1.00	2432.25	\$2,433.00	\$2,433.00	85/7/23	EP et al
35260	77 1	\$1.00	2558.32	\$1,279.50	\$1,279.50	84/12/14	EP et al
35359	77 1	\$1.00	2329.38	\$1,265.00	\$1,265.00	84/12/14	EP et al
35263	77 8	\$1.00	2340.69	\$2,341.00	\$2,341.00	85/7/23	EP et al
35262	77 1	\$1.00	2450.91	\$1,225.50	\$1,225.50	84/12/14	EP et al
35261	77 1	\$1.00	1856.69	\$928.50	\$928.50	84/12/14	EP et al
35266	77 8	\$1.00	557.57	\$558.00	\$558.00	85/7/23	EP et al
36060	77 3	\$1.00	480.00	\$480.00	\$480.00	See Comment	See Comment
35265	77 1	\$1.00	53.09	\$27.00	\$27.00	84/12/14	EP et al
35264	77 8	\$1.00	641.84	\$642.00	\$642.00	85/7/23	EP et al
35274	77 1	\$1.00	70.81	\$36.00	\$36.00	84/12/14	EP et al
35268	77 8	\$1.00	701.65	\$702.00	\$702.00	85/7/23	EP et al
35267	77 8	\$1.00	2247.96	\$2,248.00	\$2,248.00	85/7/23	EP et al
35853	77 1	\$1.00	719.12	\$360.00	\$360.00	84/11/15	EP et al
35470	77 8	\$1.00	40.00	\$40.00	\$40.00	85/7/23	EP et al
35302	77 8	\$1.00	159.87	\$160.00	\$160.00	85/7/23	EP et al
50550	82 3	\$1.00	160.00	\$160.00	\$160.00	85/1/14	EP et al
45662	81 3	\$1.00	38.44	\$39.00	\$39.00	85/1/22	EP et al
42683	80 8	\$1.00	2489.94	\$2,490.00	\$2,490.00	85/6/24	EP et al
42451	79 2	\$1.00	18.22	\$19.00	\$19.00	85/1/19	EP et al
40085	79 11	\$1.00	47.99	\$48.00	\$48.00	85/10/11	EP et al
40083	81 6	\$1.00	1142.99	\$1,143.00	\$1,143.00	85/5/23	EP et al
40082	81 6	\$1.00	2024.80	\$2,025.00	\$2,025.00	85/5/23	EP et al
53411	82 6	\$1.00	1067.75	\$1,068.00	\$1,068.00	85/5/23	EP et al
40081	81 6	\$1.00	314.86	\$315.00	\$315.00	85/5/23	EP et al
40080	81 6	\$1.00	1733.97	\$1,734.00	\$1,734.00	85/5/23	EP et al
40079	81 6	\$1.00	808.11	\$809.00	\$809.00	85/5/23	EP et al
40076	81 6	\$1.00	2238.63	\$2,239.00	\$2,239.00	85/5/23	EP et al
40077	81 6	\$1.00	1381.69	\$1,382.00	\$1,474.00	85/5/23	EP et al
40078	81 6	\$1.00	1325.39	\$1,326.00	\$1,343.00	85/5/23	EP et al
40074	81 6	\$1.00	303.33	\$304.00	\$304.00	85/5/23	EP et al
40075	81 6	\$1.00	2014.62	\$2,015.00	\$2,015.00	85/5/23	EP et al
40070	81 6	\$1.00	2571.59	\$2,572.00	\$2,572.00	85/5/23	EP et al
40072	81 6	\$1.00	381.82	\$382.00	\$381.00	85/5/23	EP et al
40073	81 6	\$1.00	1549.58	\$1,550.00	\$1,550.00	85/5/23	EP et al
38363	77 12	\$1.00	160.00	\$80.00	\$80.00	See Comment	See Comment
40068	78 12	\$1.00	372.05	\$373.00	\$373.00	85/11/25	EP et al
40071	81 6	\$1.00	2432.65	\$2,433.00	\$2,433.00	85/5/23	EP et al
36139	77 9	\$1.00	169.45	\$170.00	\$170.00	No receipt	EP et al
37203	77 12	\$1.00	1099.64	\$1,100.00	\$1,100.00	No receipt	EP et al
37208	78 11	\$1.00	597.49	\$598.00	\$598.00	No receipt	EP et al
37201	78 1	\$1.00	408.27	\$409.00	\$409.00	No receipt	EP et al
35471	77 1	\$1.00	50.00	\$25.00	\$25.00	No receipt	EP et al

37202	Seg	78 1	\$1.00	1780.64	\$1,781.00	\$1,781.00	No receipt	EP et al
36339	Seg	78 1	\$1.00	146.05	\$147.00	\$147.00	No receipt	EP et al
37211	Seg	78 11	\$1.00	940.10	\$941.00	\$941.00	No receipt	EP et al

Summary Totals

Total Acres	142,470.57
Total Number of Leases	112
Total Rentals Paid	\$129,765.00

Comments Seg means segregated by either USGS and lessee or by Minerals Restoration Act
 Sus means suspend by USGS decision
 * means no receipt for current rental due

C E R T I F I C A T I O N

I the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Indian Reservation, hereby certify that the Tribal Business Council is composed of 11 members of whom 7 constitutes a quorum, 10 were present at a SPECIAL Meeting, thereof duly called, noticed, convened, and held on the 20 day of MARCH, 1986; that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 8 members, 0 members opposed, 0 members abstained, 2 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman (voting) ~~(not voting)~~.

Dated this 20 day of MARCH, 1986.

John Charging
John Charging
Secretary, Tribal Business Council

ATTEST:

Alyce Spotted Bear
Alyce Spotted Bear
Chairman, Tribal Business Council