

OIL AND GAS DEVELOPMENT ON THE FORT BERTHOLD INDIAN RESERVATION

SUMMARY:

A virtual one-stop-shop called the Indian Energy Development Office has been established to address oil and gas development issues on the Fort Berthold Reservation.

BACKGROUND:

In response to a letter dated October 17, 2008, from North Dakota Senator Byron Dorgan, the Acting Deputy Assistant Secretary for Policy and Economic Development of Indian Affairs called for a plan to implement a "One-Stop-Shop" on Fort Berthold. The proposed office would include staff from the BLM, Bureau of Indian Affairs (BIA), Minerals Management Service, and Office of the Trustee with the stated purpose of providing more direct and timely service to the BIA's client base. In a January 15, 2009, agreement, Senator Dorgan and DOI Deputy Secretary Scarlett reached a compromise to use technology to set up a virtual one-stop-shop to address development issues on the reservation

For the past several years, there have been 27 producing Indian leases on the reservation with an average of less than one new application for permit to drill (APD) per year. Rising oil prices and the interest in the Bakken/Three Forks play in North Dakota have combined to spur industry interest on Fort Berthold. Subsequent to the two latest lease sales on the reservation and four Indian Mineral Development Agreements (IMDAs), there has been an increase in notices of staking (NOSs) and APDs on Fort Berthold. Currently there are 442 producing leases.

The North Dakota Field Office processed a total of 321 Indian APDs in fiscal years 2008-2010, and the first 8 months of fiscal year 2011. The trend is expected to continue, if not increase. Current APD processing times are typically 45 to 60 days, in contrast to 60 to 120 days two years ago. The BIA is nearing completion of a programmatic environmental assessment (EA) for oil and gas exploration which will address the impacts of exploration and development. With completion of a programmatic EA, approval times are expected to be much less at the field level.

The North Dakota Field Office Division of Minerals is responsible for various aspects of oil and gas development on Fort Berthold. Additional staffing is planned to keep up with anticipated workload demands in the areas of inspection, enforcement, and production accountability. The North Dakota Field Office continues to respond to arising issues and maintains an initial response time to any inquiry within 24 hours. The North Dakota Field Office participates in Office of Natural Resources Revenue's (ONRR) quarterly outreach meetings and makes a representative available onsite as needed.

PUBLIC INTEREST:

A working group made up of representatives from the BLM, Bureau of Indian Affairs, ONRR, Office of Special Trustee for American Indians (OST), Corps of Engineers, U.S. Forest Service, and the Indian Energy Development Office has been established to resolve any issues or concerns that may arise. These areas include streamlining the communitization agreement (CA) process to provide more timely distribution of royalty payments; creating efficiencies by clarifying workflow processes for CAs and APDs; and developing joint communication packages to ensure consistent messages are delivered to any one audience.

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