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INTERIOR RECOMMENDS REMOVAL OF RESTRICTION ON  
MINERAL LEASING OF INDIAN TRIBAL LANDS

Legislation to lift mineral lease limitations that have hampered the development of Indian tribal lands has been submitted to Congress by the Department of the Interior, Assistant Secretary Roger C. Ernst announced today.

Specifically, the proposed legislation would remove the 10-year limit on nonproducing leases which, Assistant Secretary Ernst said, prevents tribes in some cases from realizing the full benefit of their mineral assets.

Under present law, the 10-year limit applies to all tribal lands except those of the Five Civilized Tribes, the Osage Tribe and the Quapaw Tribe, all of Oklahoma. No such limitation is imposed on lands of individual Indians or on the holdings on non-Indian individuals or groups.

Mr. Ernst said that the present restrictions are "discriminatory" and place all but the three exempted tribes at a disadvantage by subjecting them to a restriction not applicable to other Indians or non-Indians having mineral assets.

"In the case of unproven areas where extended exploration is necessary, a prospective lessee may be unwilling to incur the necessary expenses if he is required to get into production within 10 years or risk loss of his lease," Mr. Ernst said.

Mr. Ernst said that there was also definite need for authority to permit a lessee to shut down operations for a limited time without forfeiting his lease. A tribe can protect itself from unnecessary delays by including in the lease a requirement for an annual minimum royalty in lieu of production, he pointed out.

Besides removing the 10-year limitation, the recommended legislation would also permit the inclusion of Indian tribal lands in unitization agreements covering all types of mineral development.

Another change embraced in the Department-sponsored amendment is the removal of a specific restriction applying to the tribally reserved mineral assets in lands on the Crow Reservation in Montana where the surface was allotted years ago to individual tribal members. The restriction, which would be eliminated, now provides that leases for development of these tribally reserved minerals may not extend beyond June 3, 1970, which is the expiration date for tribal ownership of the assets. This limitation, the Department pointed out, is making it difficult for the Tribe to find any lessees at all.

In addition, the Department's proposal would make a number of minor changes to clarify the present law that governs mineral leases of tribal lands.

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