Indian Affairs - Office of Public Affairs

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Secretary of the Interior Thomas S. Kleppe today announced approval of a major uranium exploration and development agreement between the Navajo Nation and the EXXON Corporation.

The agreement gives EXXON the fight to explore or prospect for uranium in a 400,000 acre tract on the Navajo Reservation in San Juan County, New Mexico. If ore in sufficient quantities to warrant development is discovered, EXXON is authorized to take a total of 51,200 acres to lease for mining purposes.

The Navajos will receive an initial bonus payment of $6 million for the prospecting permit and have the right either to accept a royalty on mining operations or participate as joint owners, up to 49 percent, with EXXON in any mining unit. The agreement also includes a strong hiring provision regarding the employment of Navajos.

The joint venture option in the agreement is a milestone in Navajo tribal administration. This is the first time that the tribe has had the possibility of participating as a partner in the development of reservation mineral resources.

Approval of the agreement by the Secretary included the waiver of certain regulations to enable the tribe to exercise a greater management role in the development and administration of the project.

The term of the prospecting permit is two years, with automatic extensions of two successive two-year periods. EXXON is obliged to expend specified, substantial amounts in exploration activities each year and cannot hold the acreage for speculative purposes. The permit contains provisions to protect the environment.

The tribe’s option to take a working interest in mining operations in lieu of royalties can be exercised either as a contributor or non-contributor of capital and operating funds.

Secretary Kleppe's approval of the agreement followed his review of a final environmental impact statement on the project issued in November, 1976.