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Interior Assistant Secretary Ken Smith today approved a joint venture agreement for the development of oil and gas on the Fort Peck Indian Reservation in Montana.

The contract between the Assiniboine and Sioux Tribes of the reservation and the U.S. Energy corporation was the first contract approved under the new Indian Minerals Development Act of 1982, signed by President Reagan last December.

Smith said that the kind of contract made by the Fort Peck tribes and U.S. Energy "accords perfectly with President Reagan's recently issued Indian policy which calls for the development of reservation economies and the strengthening of tribal governments". He said that President Reagan promised to remove Federal restrictions from tribal governments and the "new minerals act does just that".

Until the President enacted the new law on December 22, 1982. Indian tribes were bound by the provisions of the Indian Minerals Act of 1938, which allowed only straight lease agreements.

A total of 1,360 acres of reservation land is involved in the agreement signed by the Fort Peck tribes and the U.S. Energy Corporation. Under the agreement. the company will bear the entire cost of drilling and bringing in the first producing well Thereafter, the company and the tribes will share the net proceeds from production.