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Competitive bidding for oil and gas leases in the rich Williston Basin field, under supervision of the Bureau of Indian Affairs is bringing higher financial returns to Fort Peck Indians than if direct negotiations with the Indians for the lands were permitted, Secretary of the Interior Douglas McKay said today.

Two good illustrations of the value of Bureau supervised sales were revealed this week at a competitive sale on the Fort Peck reservation in eastern Montana.

In one case, Indian heirs owning a two-third's interest in a 40-acre tract were offered $26.50 an acre bonus for a lease. In the sale held by the Bureau, the heirs will receive more than 30 times that amount, or $822.56 an acre. The owners also have good prospects that a well will be drilled on their land in the near future as there is a producing well located on an adjacent tract. Standard Bureau leases require offset drilling to protect leased land from drainage.

The other instance of the value of competitive bidding came to light in the sale, A woman member of the tribe, received an offer of a $19,000 bonus for an oil and gas lease on 320 acres. She had sought a fee patent for the land, but the Bureau, exercising its responsibilities instead, included the land in the recent sale. Under competitive bids she received a bonus of $33,737.60.

In another case a tribesman sought a fee patent after receiving an offer of $17,500 for the outright sale of surface and mineral rights on a 320-acre tract. Believing that the minerals were worth many times that amount, the Bureau included the land in a sale held last March 27. Three times more than the amount offered for outright sale, or $56,807.60 was received, In addition, the owner like all the other Indian lessors, will receive the standard annual rental of $1.25 per acre and a 12 1/2 percent royalty on all oil and gas produced.

Another illustration of the competitive bid system involved a Fort Peck Indian who several months ago sought a fee patent in order to sell his 320-acre tract for $3,520. Acting on the belief that the full market value of the land could be realized only through competitive bidding, the Bureau held and advertised sale of the land. It brought the Indian owner $16,000.

Secretary McKay explained the Department and Bureau have received many urgent requests recently for fee patents and for negotiated oil and gas leases on the Fort Peck Reservation, which is located within the Williston Basin and has been a center of intense oil and gas activity in recent months. In all of the cases cited by the Secretary and many others the Bureau has been functioning in its role as trustee for Indian lands to protect the owners and assure them the greatest possible returns.

Secretary McKay pointed out that the objective of the Department is to terminate Federal responsibility for administering the affairs of individual Indian tribes as rapidly as the circumstances of each tribe will permit. He emphasized, however, that as long as the Bureau continues to have trust responsibilities it will discharge them to the best of its ability and in the best interest of the Indians.