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Proposed amendments to the Federal regulations governing the oil and gas leasing of land owned by Indian tribes or individual Indians were announced today by the Department of the Interior.

The purpose of the amendments is to permit overriding royalties or payments out of production on oil and gas leases on Indian lands. Such royalties or payments are those paid to a lessee when a lease is assigned and are in addition to the royalties or payments paid to the lessor.

Heretofore, overriding royalties have not been specifically prohibited by regulation but it has not been the policy of the Bureau of Indian Affairs to permit them to be paid. It was felt that royalties or payments in addition to those paid to the lessor might impose an undue hardship upon operations under the lease which could result in premature abandonment of an oil or gas well. The practice of reserving overriding royalties is common in the oil and gas industry.

The proposed amendments place all parties on notice that agreements creating overriding royalties or payments out of production shall be subject to the condition that all lease requirements must be met. This should insure diligent development and operation of wells and the plugging and abandonment of wells only after possibilities for commercial production have been exhausted, which is the conservation objective desired.

Interested persons will have 30 days from the date of publication in the Federal Register within which to submit their views in writing before the new regulations become final.