



DEPARTMENT OF THE INTERIOR INFORMATION SERVICE

BUREAU OF INDIAN AFFAIRS

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HEARING ON AMENDMENT OF OSAGE OIL AND GAS REGULATIONS SET FOR SEPTEMBER 6

Acting Secretary of the Interior Clarence A. Davis today announced that a public hearing will be held at the Osage Indian Agency, Pawhuska, Okla., on September 6 to consider four proposed amendments to the Federal regulations governing the leasing of Osage Reservation lands for oil and gas development.

The reservation, which comprises the whole of Osage County, Okla., has a rather unique ownership pattern. While the surface lands are owned principally by non-Indians, most of the minerals are owned by the Osage Tribe under provisions of a 1906 act and are subject to trust supervision by the Bureau of Indian Affairs.

More than 600 million barrels of oil have been produced from tribal lands in the last half century.

One of the proposed amendments would increase the fees paid to the surface owners by lessees for well and tank-site locations in order to bring these charges in line with current economic conditions. Under existing regulations, which have been in effect since 1932, the fee is \$100 for each well on cultivated or cultivable land, \$35 for each well on lands of other types, and \$10 for each tank site. Under the proposed new regulations it would be \$200 on cultivated land, \$150 on open pasture land, \$100 on other types of land and \$20 for each tank site.

The other three proposed amendments are largely technical in nature. One concerns the procedure for payment of location fees where the surface owner cannot be reached in person or by mail, or where he refuses to accept the payment tendered by the lessee. Another deals with the technical procedure for gas measurement. The third is a delegation to the Superintendent of the Osage Agency of authority now exercised in Washington in connection with agreements for the rescinding of unit leases.

William V. Kastler, Assistant Solicitor of the Department in charge of Indian legal work, will conduct the hearing as a special representative of the Secretary.

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