

REALIGNING ENERGY SERVICES

Indian Energy and Economic Development (IEED) –
Division of Energy and Mineral Development (DEMD)

Indian Energy Service Center (IESC)



INTRODUCTIONS

- Deputy Assistant Secretary for Policy and Economic Development – Indian Affairs
 - *Mark Cruz*

- Indian Energy and Economic Development (IEED)
 - *Anthony (Morgan) Rodman - Acting IEED Director*

- Bureau of Indian Affairs (BIA)
 - *Johnna Blackhair - Deputy Bureau Director, Office of Trust Services (OTS)*



DISCUSSION TOPICS

- What is the proposal?
- How does the proposed realignment support Indian energy development?
- Functions of DEMD and IESC
- Next Steps

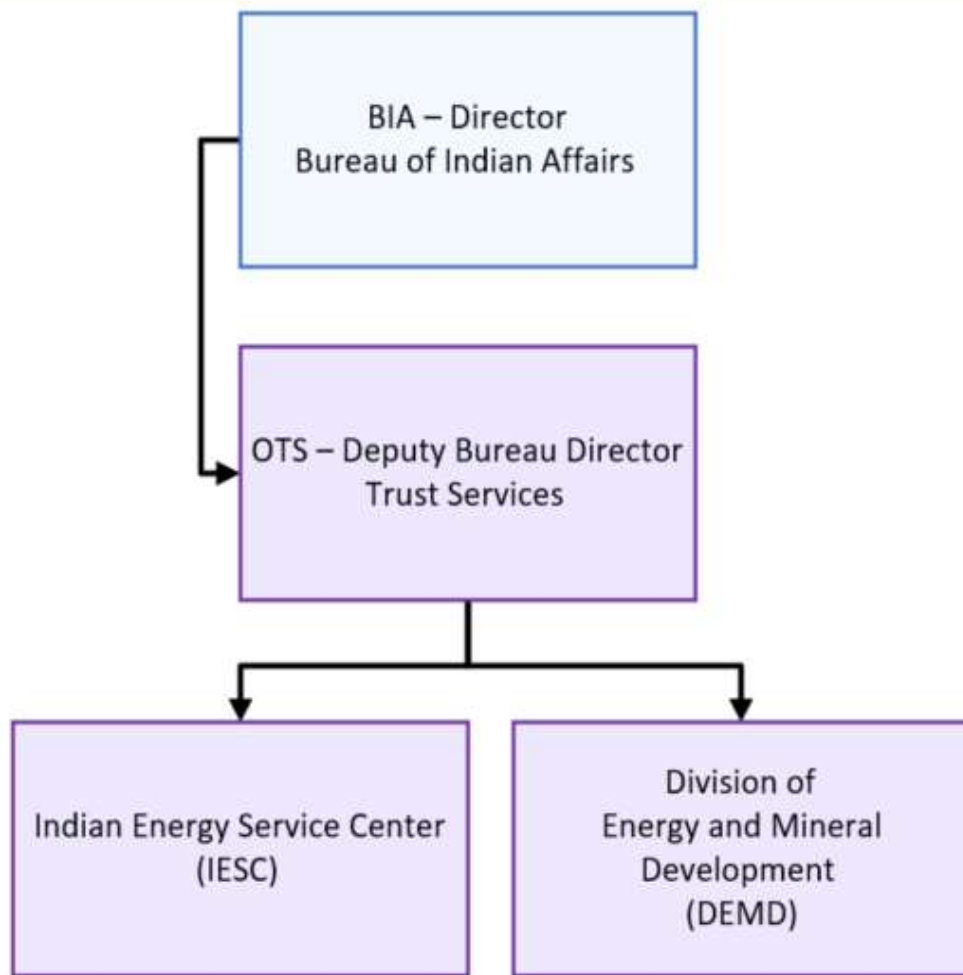


PROPOSAL

- Consolidate energy & mineral related services within Indian Affairs
- Organize DEMD as lateral, separate office to IESC within the Office of Trust Services-BIA



PROPOSED REALIGNMENT OF DEMD UNDER OTS-BIA



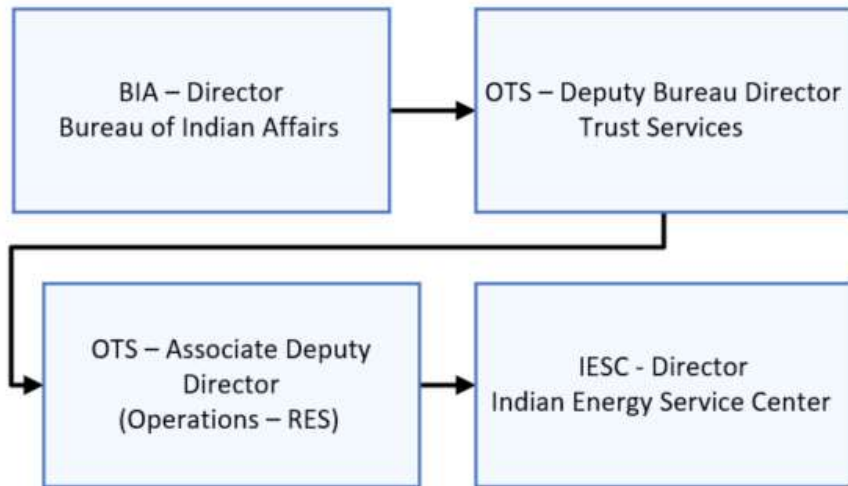
PROPOSED CHANGES

- DEMD and IESC would be lateral offices under OTS-Director
- DEMD would move from AS-IA to BIA
- IESC would move from OTS-Ops-RES
 - NO overall budget decreases for energy development
 - NO physical location move (organizational only)
 - NO reduction in staff

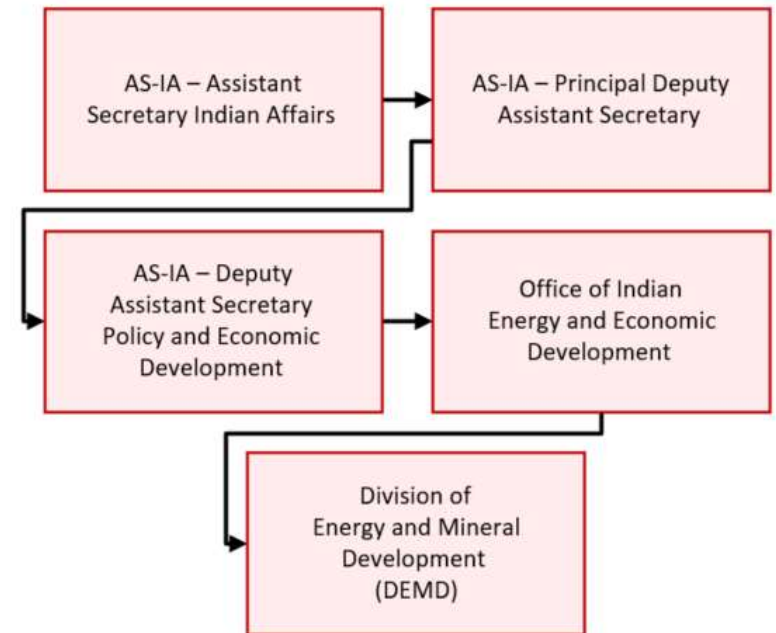


CURRENT ALIGNMENT OF IESC & DEMD

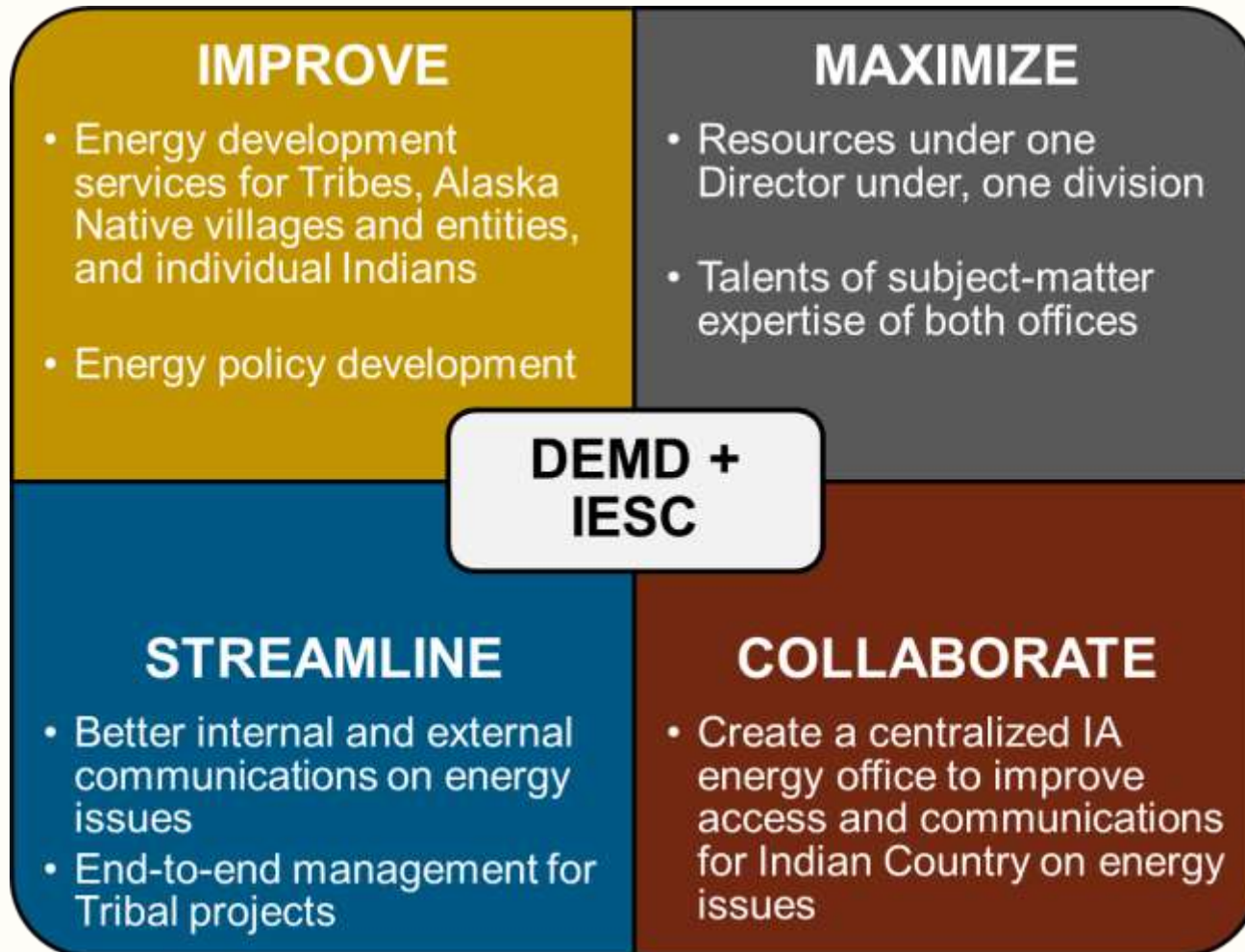
INDIAN ENERGY SERVICE CENTER (IESC)



DIVISION OF ENERGY AND MINERAL DEVELOPMENT (DEMD)



WHY REALIGNMENT?



WHAT IS IESC?

INDIAN ENERGY SERVICE CENTER

- Multi-agency collaboration among BIA, BLM, ONRR, and OST
- Mission: expedite Indian oil and gas activities, standardize processes, remove barriers, and provide multi-disciplinary engagement in support of efficient management of Indian energy and minerals on trust land
- Cost-effective solution providing centralized and multifunctional processing. IESC staff consists of subject-matter-experts that support all phases of the energy leasing/management process
- Three IESC branches: Real Estate Services (BIA), Engineering Services (BLM), and Mineral Services (ONRR)



IESC COMPONENT BUREAUS

- Resolve issues that impede oil and gas development, continuing operations, and final close-out on Trust/restricted land



- Coordinate and promote resource and information sharing between Federal agencies



- Coordinate resolution to complex Trust issues



- Expedite nationwide Trust functions



IESC HIGHLIGHTS

160

Communitization Agreements Processed

120

APDs Completed

44

Sundries Processed

350

Leases encoded into BIA's System

550

Tracts Supported in Lease Sales

121

Determination of NEPA Adequacy Prepared

200

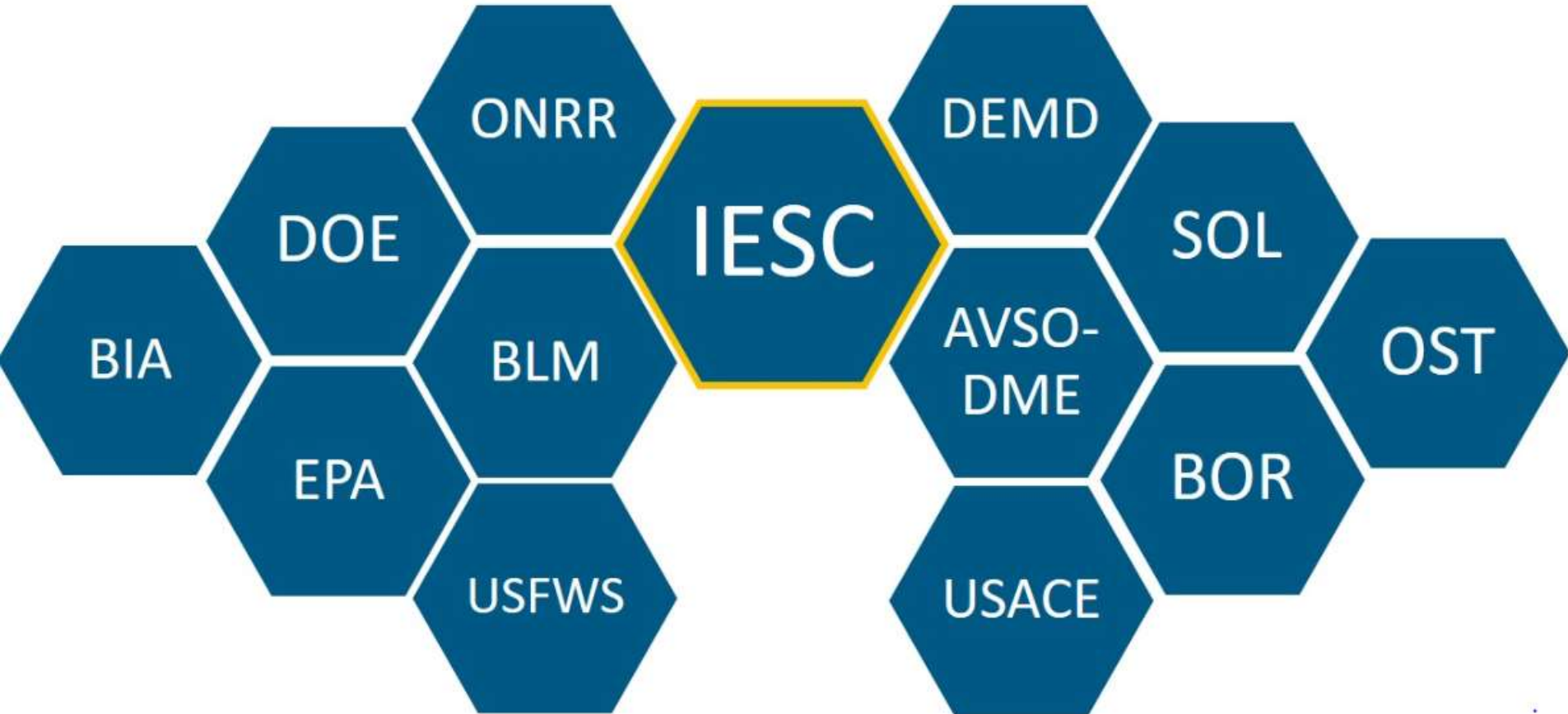
Leases Processed for Expiration Close Out

764

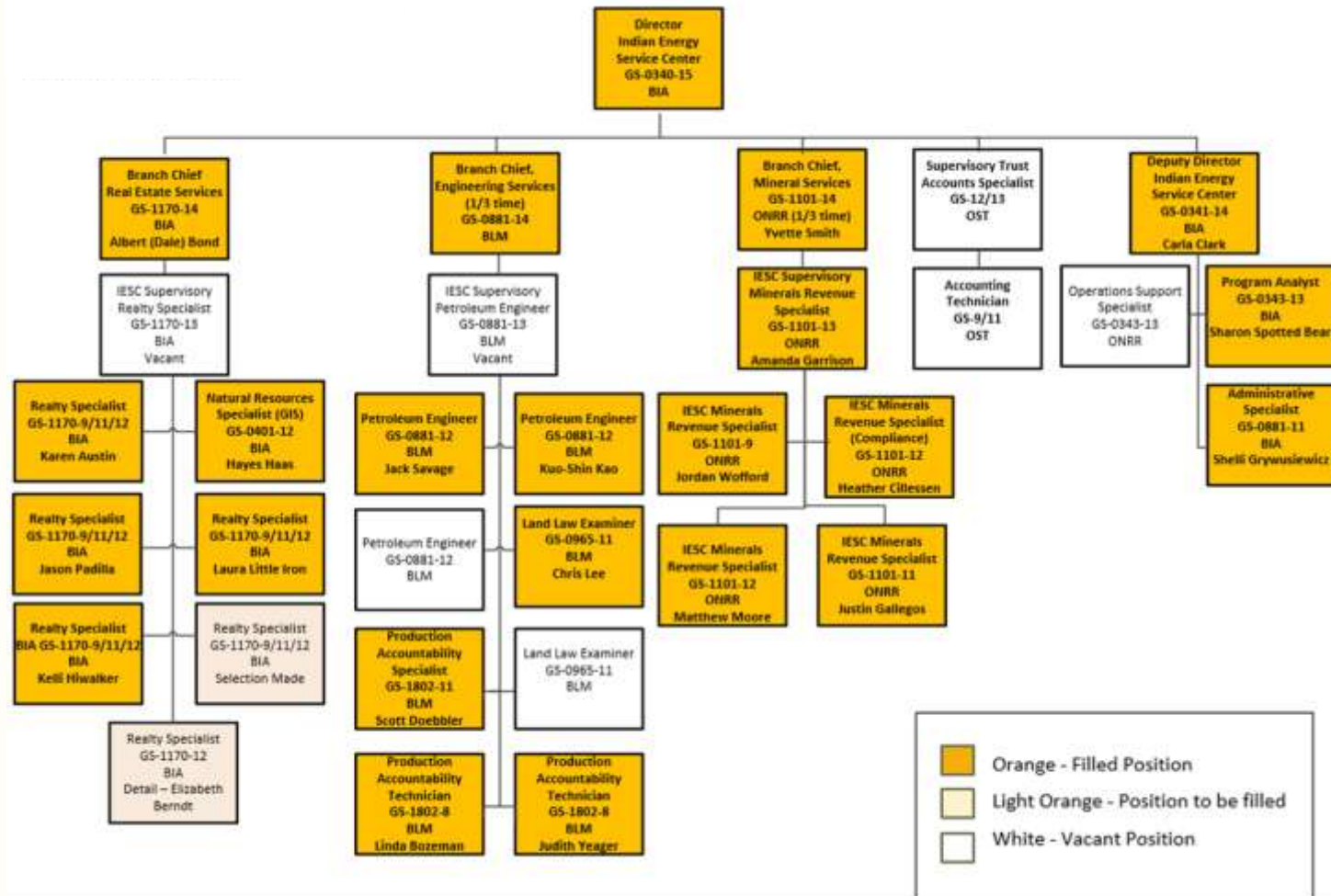
Government and Tribal employees trained on SOP



IESC FEDERAL PARTNERSHIPS



IESC CURRENT STAFFING PLAN



IESC SERVICES PROVIDED

Bureau	Current Positions & FTEs	Services Available
BIA	Director Deputy Director Branch Chief Program Analyst Administrative Specialist Realty Specialists Natural Resource Specialists IT Contractor	<ul style="list-style-type: none"> - Federal Partner Meetings and IEMSC coordination - Communitization Agreement and Lease Reviews & Modifications - Advises on Environmental Impact Statements - Oil & Gas Lease Assignments, Permitting - NEPA Processing Support - Address State of OK Hearing Notice Backlog - Conduct Lease Sales (Local & Online) - Onshore SOP - Fluid Minerals Classroom and Online Trainings for DOI, Tribes/202 Programs - ROW's and Trespass
BLM	Branch Chief Supervisory Petroleum Engineer Petroleum Engineers Land Law Examiners Production Accountability Technicians/Specialists	<ul style="list-style-type: none"> - PE assistance (APDs, Sundry Notices, Injection Wells) - Adjudication (CAs, leasing, etc.) - Cadastral Surveys - Production Accountability Reviews - Processing Space Orders - Onshore SOP - Fluid Minerals Classroom and Online Trainings for DOI, Tribes/202 Programs
ONRR	Branch Chief Supervisory Mineral Revenue Specialist Minerals Revenue Specialist	<ul style="list-style-type: none"> - Production Reconciliation - Coordination of Updates of Standard Operating Procedure - Onshore Fluid Minerals Handbook - Advises on Indian related royalty questions - Identifies royalty discrepancies and refers for in depth review - Outstanding Liability Reviews - Coordinating ONRR reviews of proposed IMDAs - Compliance and Audit Support - Onshore SOP - Fluid Minerals Classroom and Online Trainings for DOI, Tribes/202 Programs



IESC ENERGY PROCESSING CAPACITY

- **IESC Branch of Real Estate Services (BIA)**
 - Oil and gas agreement processing
 - Lease sales and lease maintenance
- **IESC Branch of Minerals Revenue (ONRR)**
 - Oil and gas revenue collection
 - Oil and gas revenue compliance
- **IESC Branch of Engineering Services (BLM)**
 - Oil and gas well permitting
 - Oil and gas agreement processing and diligent development
- **IESC Branch of Beneficiary Services (OST)**
 - Account management
 - Reform oversight



ENERGY AND MINERAL DEVELOPMENT RESPONSIBILITIES BETWEEN DEMD AND IESC

DEMD & IESC'S ROLE IN ALL INDIAN FLUID MINERALS ACTIONS



ECONOMIC IMPACT OF ENERGY

INDIAN COUNTRY REVENUE FOR THE LAST 6 FISCAL YEARS (OCTOBER-SEPTEMBER)

FISCAL YEAR	REVENUE
2014	\$ 1,141,747,611.23
2015	\$ 816,039,641.99
2016	\$ 555,206,652.02
2017	\$ 675,093,708.17
2018	\$ 1,051,269,699.28
2019	\$ 1,136,494,885.66
TOTAL:	\$ 5,375,852,198.35

SUMMARY OF ECONOMIC IMPACT ON INDIAN LANDS (FY2018)

FY2018 ECONOMIC IMPACT
\$6.32 billion in direct economic contribution
44,317 jobs
\$7.34 billion in added value



DEMD: PROGRAMS & SERVICES

Technical Assistance

- Liaison between Tribes and Industry
- Consultation on developing business models on reservations
- Assist Tribes with negotiation of resource development agreements
- Strategic and economic planning

Energy and Mineral Development Program

- Grant program to assess, evaluate and promote development of tribal energy and mineral resources

Tribal Energy Development Capacity Program

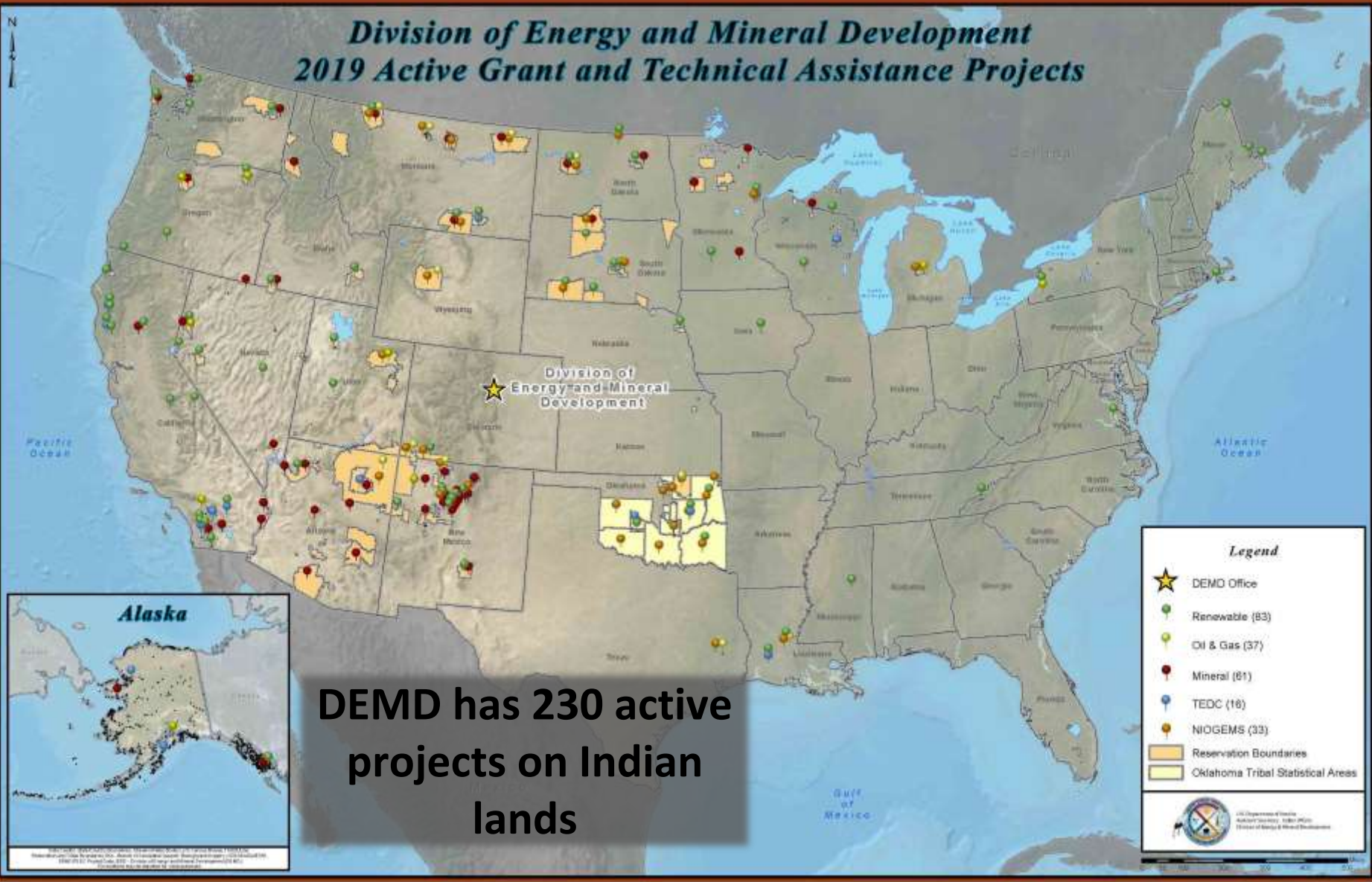
- Grant program to develop tribal managerial, organizational, and technical capacity to maximize the economic impact of energy resource development on Indian land

National Indian Oil and Gas Evaluation and Management System (NIOGEMS)

- NIOGEMS is a map-oriented computer application for managing reservation oil and gas lease, well, production, and other energy/mineral resource data



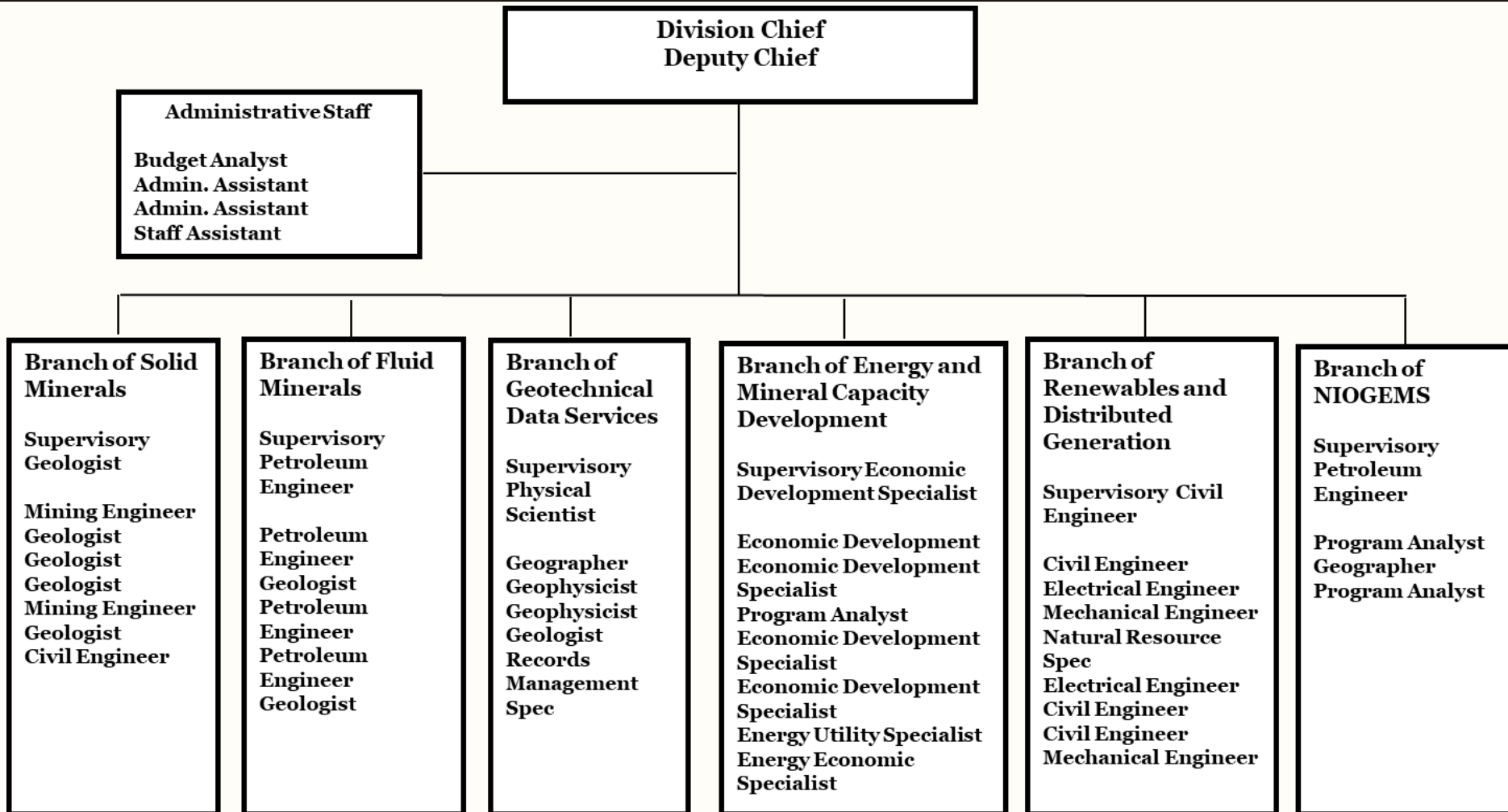
Division of Energy and Mineral Development 2019 Active Grant and Technical Assistance Projects



DEMD has 230 active projects on Indian lands



DEMD: CURRENT ORG CHART



INTEGRATION

- Align the missions of both DEMD and IESC
- Successful integration of office cultures
- Continued high performance of both DEMD and IESC




NEXT STEPS

- Tribal consultations and stakeholder engagement
- Admin functions for integration
- Congressional engagement




CONTACT INFORMATION

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INDIAN ENERGY AND ECONOMIC DEVELOPMENT

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QUESTIONS?



IESC AND DEMD AUTHORITIES

- Indian Energy Service Center
 - 25 CFR Sections 211, 212, 213 - OG leasing on Tribal and Allotted lands
 - 25 CFR Section 225 - Indian Mineral Development Act Agreements
 - 25 CFR Section 226 - OG leasing on Osage lands
 - 25 CFR Section 227 - OG leasing on Wind River lands
 - 30 CFR - ONRR responsibilities; revenue collection and compliance
 - 43 CFR - BLM responsibilities; well permitting, reservoir management
 - Numerous other regulatory authorities
- Division of Energy and Mineral Development
 - 25 U.S.C. § 2106 - Indian Mineral Development Act; Assistance for Indian Mineral Development Act agreement negotiations
 - 25 U.S.C. § 3502(a) - Energy Policy Act; grants and energy development assistance to Tribes to develop organizational capacity



HISTORY OF DEMD AND IESC

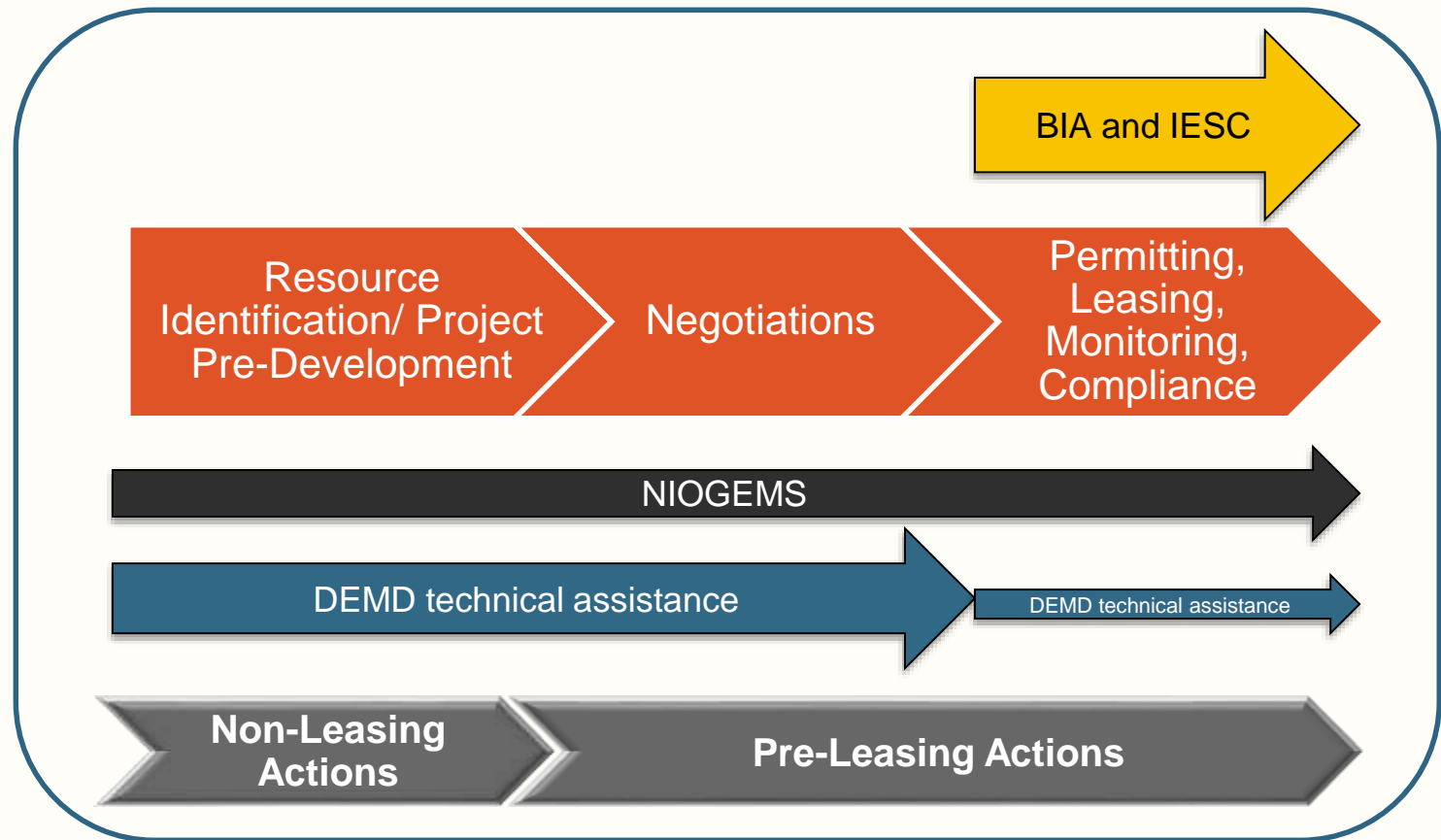
Energy Development in Indian Affairs

- 1975: DEMD established in BIA
- 2005: DEMD was moved from BIA, Trust Services to AS-IA's Office of Indian Energy and Economic Development
- 2014: DOI's Indian Energy and Minerals Steering Committee (IEMSC) developed the concept of a multi-agency processing service center
- 2016: Indian Energy Service Center (IESC) is approved by the IEMSC and the Assistant Secretary of Indian Affairs. IESC is established to support and assist DOI energy offices

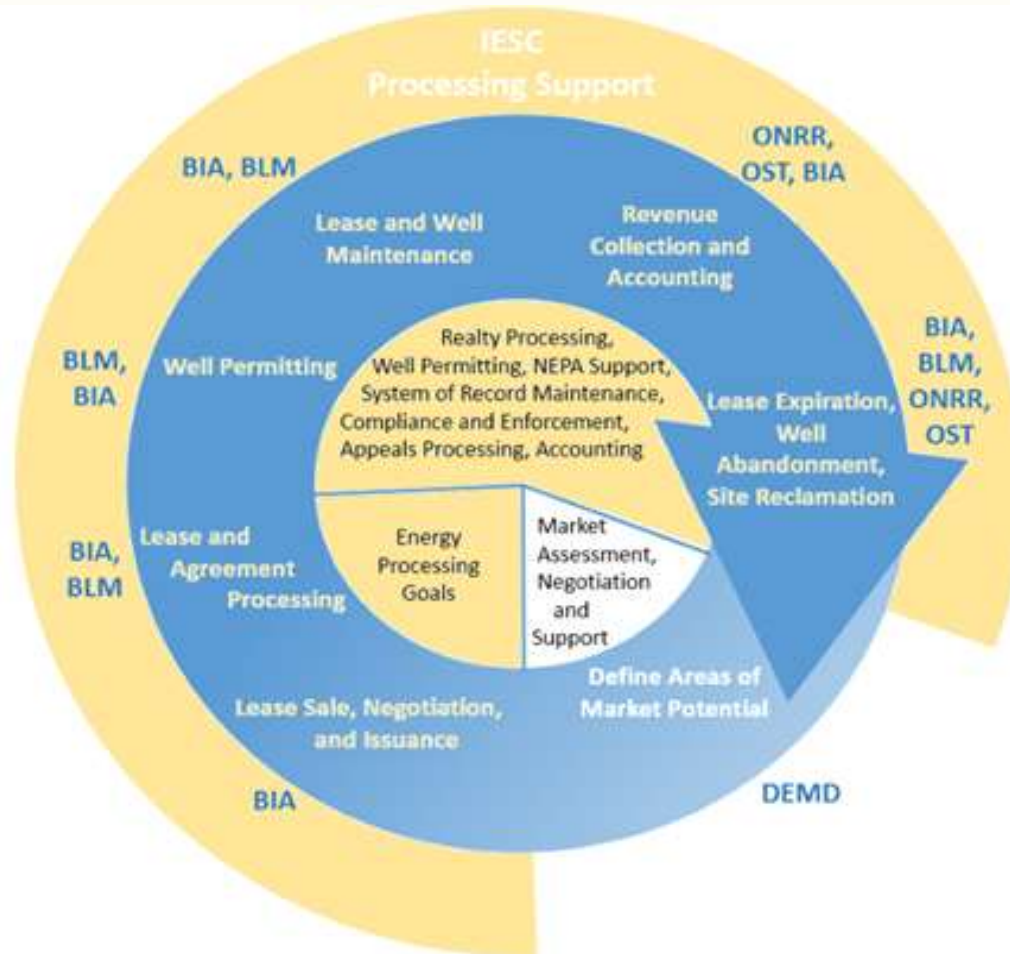


ENERGY AND MINERAL DEVELOPMENT RESPONSIBILITIES BETWEEN DEMD AND IESC

DEMD'S ROLE IN NON-LEASING AND PRE-LEASING ACTIONS



ROLES IN THE OG LEASING PROCESS



This figure depicts the 11 steps of the Indian oil and gas leasing process detailed on the previous slide



ECONOMIC IMPACT OF ENERGY

Summary of Economic Activity on Indian Lands (FY 2018)

DOI Activity (FY 2018)	Direct Economic Contribution (sales in billions)	Jobs	Value Added (billions, \$)	Total Economic Contribution (billions, \$)
Grazing	0.01(.1%)	436(.42%)	n/a	0.04(.2%)
Irrigation water*	2.68(29.5%)	57,962(56%)	3.53(32.2%)	8.05(40.7%)
Energy**	6.32(69.5%)	44,317(43%)	7.34 (67%)	10.51 (53.1%)
Other minerals***	0.01	62	0.00	0.10
Timber	0.09(1%)	733(.7%)	0.07(.6%)	0.19(.96%)
Total Contributions to the National Economy	9.10	103,510	10.95	19.80

* Includes value of crops and jobs produced from irrigation water

** Does not include renewable energy. Tribal renewable energy production was associated with about \$100 million in value added, about \$171 million in economic output, and supported an estimated 638 jobs.

*** Does not include sand and gravel or other industrial minerals. Tribal sand and gravel production was associated with about \$103 million in value added, about \$189 million in economic output, and supported an estimated 834 jobs.

