Division of Energy and Mineral Development

Assistant Secretary – Indian Affairs
Office of Indian Energy and Economic Development
DIVISION OF ENERGY & MINERAL DEVELOPMENT
DEMD’s Mission Statement

Provide the best possible technical and economic advice and services in assisting Indian mineral owners to achieve economic self-sufficiency by creating sustainable economies through the environmentally sound development of their energy and mineral resources.

We serve tribal communities by helping to stimulate job creation and economic development.
Energy and Mineral Development Responsibilities for Leased Trust Resources

- Resource Identification/Project Pre-Development
- Negotiations
- Permitting, Leasing, Monitoring, Compliance

NIOGEMS

DEMD technical assistance

BIA and IESC

DEMD technical assistance
## Summary of Economic Activity on Indian Lands (FY 2017)

<table>
<thead>
<tr>
<th>DOI Activity (FY 2016)</th>
<th>Direct Economic Contribution (sales in billions)</th>
<th>Jobs</th>
<th>Value Added (billions, $)</th>
<th>Total Economic Contribution (billions, $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grazing</td>
<td>0.02</td>
<td>595</td>
<td>n/a</td>
<td>0.05</td>
</tr>
<tr>
<td>Irrigation water*</td>
<td>2.61</td>
<td>47,003</td>
<td>3.31</td>
<td>7.96</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td>4.17 (61%)</td>
<td>45,786(49%)</td>
<td>6.02 (64%)</td>
<td>9.85 (54%)</td>
</tr>
<tr>
<td>Other minerals***</td>
<td>0.01</td>
<td>347</td>
<td>0.05</td>
<td>0.10</td>
</tr>
<tr>
<td>Timber</td>
<td>0.05</td>
<td>508</td>
<td>0.04</td>
<td>0.12</td>
</tr>
<tr>
<td><strong>Total Contributions to the National Economy</strong></td>
<td><strong>6.86</strong></td>
<td><strong>94,238</strong></td>
<td><strong>9.40</strong></td>
<td><strong>18.09</strong></td>
</tr>
</tbody>
</table>

- 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. In FY 2017, 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.

As of Oct 1, 2018, ONRR and OST disbursed $1,022,539,457 to tribes and allotees

DEMD with starts promoting Indian lands for production and development in 2004 with 3 employees

DEMD under AS-IA, Indian Energy and Economic Development

Revenue from Royalties [Million USD$]

Royalty Revenue from Energy and Minerals on Indian Lands from 1980-2018
DEMD has 230 active projects on Indian lands
DEMD Characteristics

• Like a consulting firm of geologists, engineers, marketers, and economists.

• Provides technical assistance to Indian mineral owners covering the entire spectrum of energy and mineral resource development.

• 90% of senior staff from the energy/minerals private sector.

• The assistance is hands-on, project specific, and lasts throughout the life of projects, beginning with resource assessment and culminating in signed agreements to develop tribal resources.
Labor Contract allows for over 60 personnel
Steps for Generating Effective Development Strategies

1. Identify long term community goals and priorities
2. Identify available resources
   - Energy resources
   - Business resources (investment capital, business capacity, etc.)
   - Tribal government resources
3. Evaluate options
   - Iterative process of feasibility studies
Programs and Services

• Technical Assistance
  – Strategic and economic planning
  – Consultation on developing business models on reservations
  – Assist Tribes with negotiation of resource development agreements
  – No cost to Tribes or allottees
• National Indian Oil and Gas Energy and Mineral System (NIOGEMS)
  – NIOGEMS is a map-oriented computer application for managing reservation oil and gas lease, well, production, and other energy/mineral resource data.
  – NIOGEMS pulls from TAAMS, BLM, Commercial (IHS), ONRR, State, USGS, Census, USDA, Tribal, and others – so that NIOGEMS users can access data from just one source.
  – Provides Tribal and Federal users with data management and map-based tools.
  – NIOGEMS staff regularly updates data and conducts data scrubbing & quality control.
This map is not a legal document. The accuracy or correctness of the information provided is not guaranteed.

DEMID makes no expressed or implied warranties as to the use of this map and accompanying data. Agreements, Leases, or Ownership Tracts generated using NIOGEMS processing methods from BIA TAAMS records may contain some land, numeric, or category errors, resulting in certain lands not being mapped. These may be corrected at a future date.
### Examples of Actual NIOGEMS Uses

**BIA - Wind River Agency**

<table>
<thead>
<tr>
<th>Realty Department NIOGEMS Uses</th>
<th>Number of NIOGEMS Users</th>
<th>Description of NIOGEMS Tasks</th>
<th>Average Use of NIOGEMS (hours per day)</th>
<th>Time w/o NIOGEMS (hours)</th>
<th>Time Saved (hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probates</td>
<td>4</td>
<td>Maps for owners, view of land</td>
<td>1</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Acquisition and Disposal</td>
<td>2</td>
<td>Maps for owners, view of land</td>
<td>2</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Rights of Way</td>
<td>3</td>
<td>Maps from legal descriptions</td>
<td>1</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Surface Leasing</td>
<td>2</td>
<td>Homesites, leases, tracts</td>
<td>1</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Minerals</td>
<td>2</td>
<td>Leases, descriptions, production</td>
<td>2</td>
<td>20</td>
<td>18</td>
</tr>
</tbody>
</table>

**Probates** - Works with ownership and heirs. The owners want to know where their land is and what it looks like. The program allows this to be accomplished and eliminates a lot of discussion regarding leases and type land.

**Acquisition and Disposal** - Uses the mapping program for parcel generation, owners review of exchanges, and trust to fee transactions. It is very helpful to have this program explain 89% of the questions.

**Rights of Way** - Uses the program in a variety of ways to explain access issues to customers. It is agreed it would be a long process if the program was not available.

**Surface Leasing** - Handles homesites, business leases, communication towers, etc.

**Mineral Leasing** - Uses this program for all types of data. This program is extremely important to identify the management of mineral resources.

**Realty** - Could not keep up with the workloads required and the information that we need to identify on a day to day basis without NIOGEMS. It is agreed that it would take 10 times as long to identify the necessary data if the above listed tasks were done the old way.
Programs and Services

• Energy and Mineral Development Program
  – Grant program to assess, evaluate and promote development of tribal energy and mineral resources
Budget for Grants

Energy and Mineral Development Program (EMDP) Grants

- 2010: Requested $22, Awarded $5
- 2011: Requested $16, Awarded $4
- 2012: Requested $21, Awarded $3
- 2013: Requested $21, Awarded $3
- 2014: Requested $28, Awarded $9
- 2015: Requested $15, Awarded $5
- 2016: Requested $10, Awarded $6
- 2017: Requested $21, Awarded $6
- 2019: Requested $29, Awarded $6

Years

Millions

- $0
- $5
- $10
- $15
- $20
- $25
- $30

Requested vs. Awarded

DIVISION OF ENERGY & MINERAL DEVELOPMENT
Programs and Services

• 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.
Budget for Grants

Tribal Energy Development Capacity (TEDC)

- **FY '15**
  - Requested: $3.14
  - Awarded: $1.58

- **FY '16**
  - Requested: $7.18
  - Awarded: $1.42

- **FY '17**
  - Requested: $6.13
  - Awarded: $1.53

**Note:** Millions of Dollars
Tribal Energy Drivers

Primary reasons behind a Tribe’s desire to develop energy projects included one or more of the following topics:

- **Enhance Sovereignty**
- **Energy Independence**
- **Environmental Benefits**
- **Economic Impacts**
  - Reduce costs for local users
  - Improve security and reliability
  - Revenue and jobs through resource development
  - Energy for new development

**Tribal Consultation**

One project often cannot address all of these topics – must prioritize goals and assess opportunities that align with top goal(s).
Energy Questions

• Do you know what the current energy flow is for your tribe?

• Do you know how energy is currently impacting economic development for your tribe?

• Do you know what your energy needs will be in 20 years?
Energy Development Capacity

Capacity Development Process

Passive: Pay the Utility Bills
Aware: Understand & monitor energy usage, costs, impacts & opportunities
Engaged: Evaluate & prioritize Energy Projects
Active: Invest in Energy Projects
Innovative: Collaborate & Optimize

Source: Midwest Tribal Energy Resources Association (MTERA)
On-going Activities

❖ Increase Technical Activity
  • Oil and Gas
    • Prospects and enhanced recovery opportunities
    • “Oil & Gas Atlas”
    • Breakeven costs for selected O&G formations
  • Solid Minerals
    • Road construction
    • Emergency preparedness
    • Promote economic opportunities via aggregate development
  • Renewable and Distributed Energy
    • Increase technical assistance for Phase 1 Opportunity Assessments
    • Planning and problem definition
    • Promote low cost heating alternatives

❖ Re-ignite the Native American Energy and Mineral Institute (NAEMI)

❖ Continuously improve interagency collaboration
  • U.S. Department of Energy
  • Western Area Power Administration
  • U.S. Department of Agriculture
  • Tribal Organizations (MTERA, ATNI, USET, etc.)
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