

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0227-24_

SPONSOR: Rickie Nez.

TITLE: An Action Relating to Resources and Development and Naabik'íyáti' Committee and Navajo Nation Council; Approving an Amendment to BIA Oil and Gas Mining Lease 14-20-603-270 Between the Navajo Nation and Navajo Nation Oil and Gas Company and St Oil Paradox LLC for Certain Trust Lands in the Red Mesa Chapter (San Juan County, Utah)

Date posted: October 07, 2024 at 5:08 PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0227-24

DATE: October 4, 2024

TITLE OF RESOLUTION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL; APPROVING AN AMENDMENT TO BIA OIL AND GAS MINING LEASE 14-20-603-270 BETWEEN THE NAVAJO NATION AND NAVAJO NATION OIL AND GAS COMPANY AND ST OIL PARADOX LLC FOR CERTAIN TRUST LANDS IN THE RED MESA CHAPTER (SAN JUAN COUNTY, UTAH)

PURPOSE: The purpose of this legislation is to approve an amendment to BIA Oil and Gas Mining Lease No. 14-20-603-270 between the Navajo Nation as the Lessor and the Navajo Nation Oil and Gas Company and ST Oil Paradox LLC as Lessees to add eighty (80) acres to the lease.

Final Authority: Navajo Nation Council

Vote Required: Simple Majority

This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each Council Delegate to review the proposed resolution in detail.

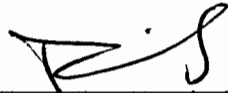
OLC No. 24-424-1

5-DAY BILL HOLD PERIOD ASD
Website Posting Time/Date _____
Posting End Date: 10-12-24
Eligible for Action: 10-13-24

Resources & Development Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2 25th NAVAJO NATION COUNCIL—Second Year, 2024

3 INTRODUCED BY

4 
5 _____
6 (Rick Nez)
7 Primary Sponsor

8 TRACKING NO. 0227-24

9
10 AN ACTION
11 RELATING TO RESOURCES AND DEVELOPMENT AND NAABIK'ÍYÁTI'
12 COMMITTEES AND NAVAJO NATION COUNCIL; APPROVING AN
13 AMENDMENT TO BIA OIL AND GAS MINING LEASE 14-20-603-270
14 BETWEEN THE NAVAJO NATION AND NAVAJO NATION OIL AND GAS
15 COMPANY AND ST OIL PARADOX LLC FOR CERTAIN TRUST LANDS
16 IN THE RED MESA CHAPTER (SAN JUAN COUNTY, UTAH)

17
18 BE IT RESOLVED:

19 SECTION ONE. AUTHORITY

- 20 A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §
21 102(A).
22 B. The Naabik'iyáti Committee shall consider any proposed resolution requiring final action
23 by the Navajo Nation Council. 2 N.N.C. § 164(A)(9).
24 C. The Resources and Development Committee shall make recommendations to the Navajo
25 Nation Council for final approval for mineral agreements. 2 N.N.C. § 501(B)(4)(a).

26
27 SECTION TWO. FINDINGS

- 28 A. The Secretary of the Interior approved BIA Oil and Gas Mining Lease No. 14-
29 20-603-270 (or the "Lease") on September 2, 1953, which encompassed 2,560
30

1 acres of Navajo Nation land in the Red Mesa Chapter in San Juan County,
2 Utah.

- 3 B. Since 1957, over 1.14 million barrels of oil have been produced from the
4 leased lands, which has provided royalty payments to the Navajo Nation
5 throughout the past decades.
- 6 C. The Lease's current lessees are the Navajo Nation Oil and Gas Company
7 ("NNOGC") and ST Oil Paradox LLC (jointly, the "Lessees"). NNOGC is a
8 wholly owned corporation of the Navajo Nation organized under Section 17
9 of the Indian Reorganization Act, 25 U.S.C. § 5124 (formerly 25 U.S.C. §
10 477), as amended. Among other things, NNOGC is authorized "[t]o own and
11 operate, directly or indirectly through subsidiary corporations, joint ventures,
12 associations, partnerships or otherwise, any oil and/or gas production,
13 operating, refining, drilling, or marketing business..." NNOGC Federal
14 Charter, Article VII, Subsection A, ratified by CF-22-98, amended by CO-40-
15 15.
- 16 D. The Lessees are seeking an amendment to the Lease to add an additional
17 eighty (80) acres that were originally part of the Lease's 2,560 acres but have
18 since been relinquished back to the Navajo Nation (also herein referred to as
19 the "Lease Amendment"). The Lease Amendment is attached as **Exhibit A**.
- 20 E. The additional 80 acres are needed to satisfy well spacing requirements and
21 would allow the Lessees to drill an additional oil well, which is referred to as
22 the "Tohonadla 1-K" well.
- 23 F. The Navajo Nation would receive royalty payments for oil production
24 associated with the Tohonadla 1-K well.
- 25 G. The original BIA Oil and Gas Mining Lease No. 14-20-603-270 is attached as
26 **Exhibit B**.
- 27 H. A map depicting the original 2,560 acres and the 80 acres to be added to the
28 Lease via the Lease Amendment are attached as **Exhibit C**.
- 29 I. A resolution from the Red Mesa Chapter supporting the Lease Amendment is
30 attached as **Exhibit D**.

1 J. The NNOGC Board of Directors' Resolution No. 448 supporting the Lease
2 Amendment is attached as **Exhibit E**.

3 K. Executive Official Review Document No. 021798, which includes a
4 determination by the Navajo Nation Department of Justice deeming the
5 document "legally sufficient", is herein attached as **Exhibit F**.

6 L. The Navajo Nation Council finds it is in the best interest of the Navajo Nation
7 to approve the Lease Amendment to the BIA Oil and Gas Mining Lease No.
8 14-20-603-270.

9
10 **SECTION THREE. APPROVAL**

11 A. The Navajo Nation Council hereby approves the amendment to BIA Oil and
12 Gas Mining Lease No. 14-20-603-270 attached as **Exhibit A**.

13 B. The Navajo Nation hereby authorizes the President of the Navajo Nation to
14 execute any and all documents necessary to affect the intent and purpose of
15 this Resolution.