



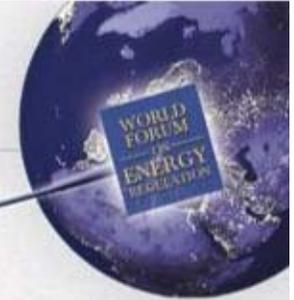
# Facilitating Industry Investment and Development on First Nation Lands

Strater Crowfoot, CEO  
Indian Oil and Gas Canada

- World Forum on Energy  
Regulation IV  
Athens, Greece

# Facilitating Industry Investment and Development on First Nation Lands

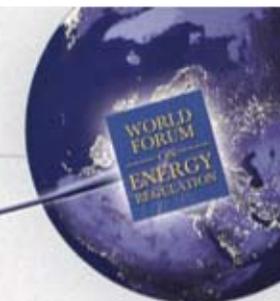
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- "Aboriginal peoples" is collective name for original peoples of North America and their descendants.
- Canadian constitution recognizes three distinct groups of Aboriginal people: Indians (commonly referred to as First Nations), Métis and Inuit.
- **TREATIES:**
  - Before Confederation, Dominion of Canada signed treaties with First Nations. Since Confederation, Government of Canada continues to negotiate modern treaties.
  - Treaty relationships provide resource for resolving long-standing claims and disputes and for improved cooperation between Government of Canada and First Nations.

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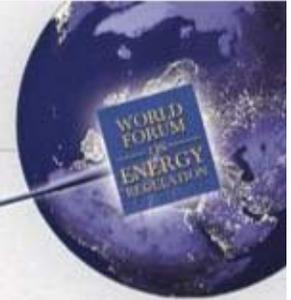
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- Among Aboriginal peoples of Canada, First Nations are unique in that many have full rights to subsurface minerals under their lands
- As part of legal relationship between First Nations and Canadian government, their oil and gas resources are managed on their behalf by Indian Oil and Gas Canada (IOGC), special operating agency of federal government
- Indian Oil and Gas Canada mandate:
  - Fulfill Crown's fiduciary and statutory obligations related to management of oil and gas resources on First Nation lands
  - Further First Nation initiatives to manage and control their oil and gas resources

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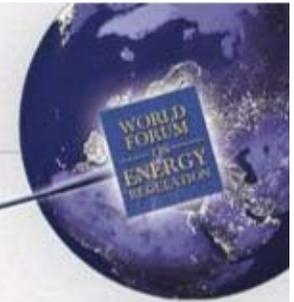
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## Statutory Authorities

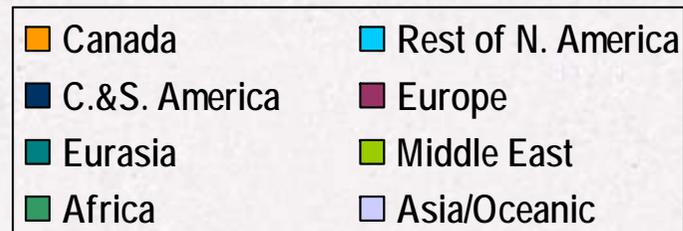
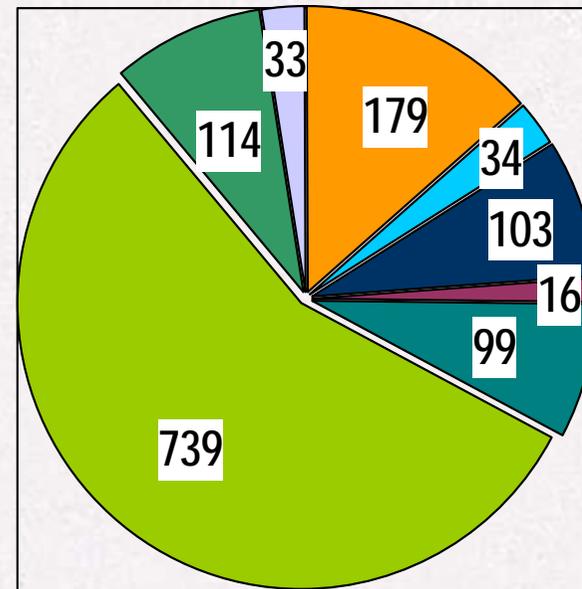
- IOGC operates pursuant to:
  - Indian Oil and Gas Act
    - Indian Oil and Gas Regulations, 1995
- IOGC also operates under provisions of:
  - Indian Act
  - Canadian Environmental Assessment Act
  - Claim Settlements (Alberta and Saskatchewan) Implementation Act
  - Other relevant legislation

# Facilitating Industry Investment and Development on First Nation Lands



- Canada has about 14% of world's proved reserves of oil (including oil sands)<sup>1</sup>
- Canada is 3<sup>rd</sup>-largest producer of natural gas and 7<sup>th</sup>-largest producer of crude oil in world<sup>2</sup>

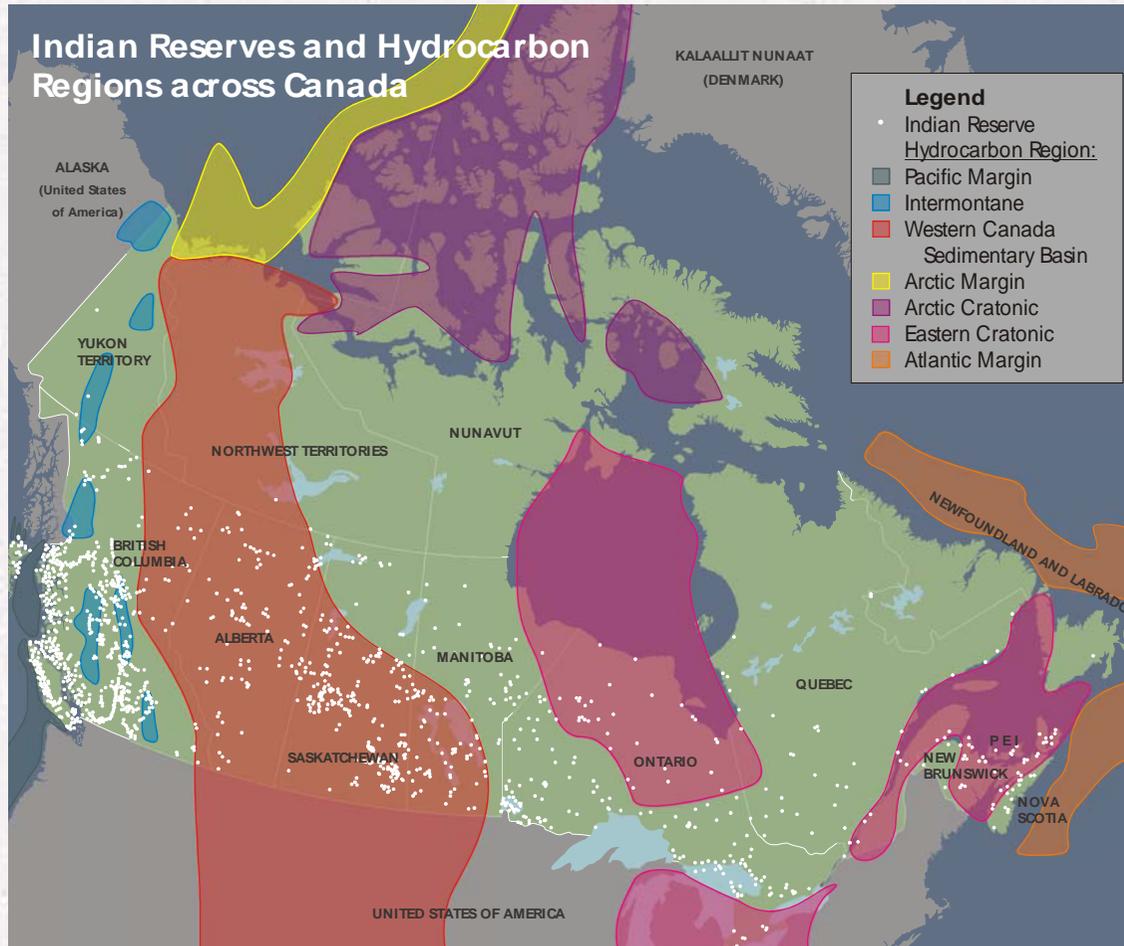
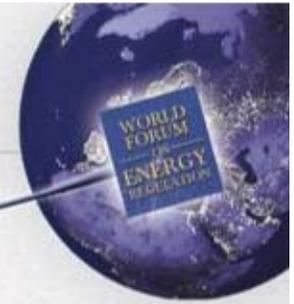
World total proved oil reserves:  
1,317 billion barrels<sup>1</sup>



<sup>1</sup> Oil and Gas Journal December 2006

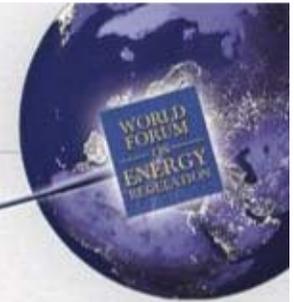
<sup>2</sup> Canadian Association of Petroleum Producers

# Facilitating Industry Investment and Development on First Nation Lands



- IOGC manages and regulates oil and gas resources on over 300 Indian Reserves designated for oil and gas development across Canada
- More than 120 Indian reserves have active oil and gas agreements

# Facilitating Industry Investment and Development on First Nation Lands



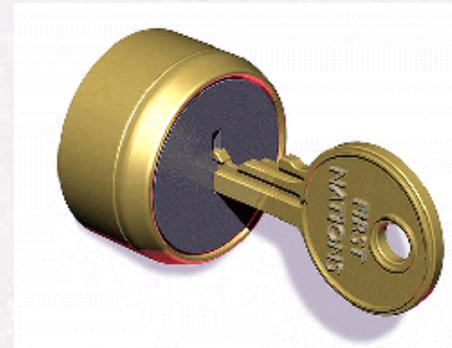
## Oil and Gas Disposition – A Two-Key Process

### IOGC Approval



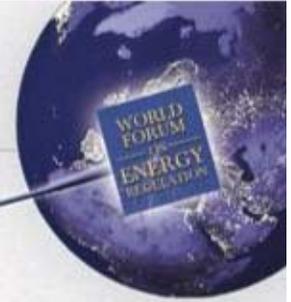
Bonus  
Royalty  
Commitments  
Fair Return

### FN Approval



Partnerships  
Ec/Dev  
Employment  
Culture

# Facilitating Industry Investment and Development on First Nation Lands

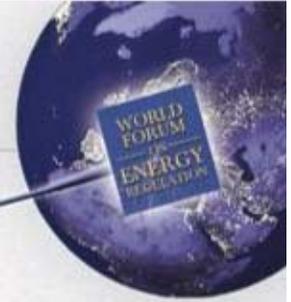


## Modernization of Indian Oil and Gas Act and Indian Oil and Gas Regulations

- *Indian Oil and Gas Act* - legislative tool for Canadian government to manage oil and gas activities for some 200 First Nations with current or potential oil and gas production
- Modernization will align legislation / regulations with current business practices; improve harmonization with provincial regimes; and ensure First Nation lands are attractive to industry for investment in oil and gas
- Amendments to *Indian Oil and Gas Act* approved May 2009, will come into effect when updated regulations are ready, projected for 2011

# Facilitating Industry Investment and Development on First Nation Lands

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## First Nations Oil and Gas and Moneys Management Act (FNOGMMA)

- Optional two-part sectoral legislation for First Nations to take control of:
  - Their oil and gas resources and ensuing moneys, and/or
  - Their moneys held or that would otherwise be held in trust by the Canadian government
- First Nations that opt into oil and gas option can:
  - Deal directly with industry, negotiate optimal deals for their communities and receive and control their oil and gas moneys directly to maximize their economic development opportunities