

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0038-20\_

SPONSOR: Carl R. Slater

**TITLE: An Action Relating To Resources And Development Committee, NAABIK'IYATI' Committee And The Navajo Nation Council; Approving The Rattlesnake And Tocito Dome North Oil And Gas Exploration And Development Operating Agreements Between The Navajo Nation And Tacitus, LLC, For Certain Trust Lands On The Navajo Nation (San Juan County, New Mexico)**

***Date posted:*** February 20, 2020 at 5:46 PM

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**LEGISLATIVE SUMMARY SHEET**

**Tracking No.** 0038-20

**DATE:** February 20, 2020

**TITLE OF RESOLUTION:** PROPOSED NAVAJO NATION COUNCIL RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL; APPROVING THE RATTLESNAKE AND TOCITO DOME NORTH OIL AND GAS EXPLORATION AND DEVELOPMENT OPERATING AGREEMENTS BETWEEN THE NAVAJO NATION AND TACITUS, LLC FOR CERTAIN TRUST LANDS ON THE NAVAJO NATION (SAN JUAN COUNTY, NEW MEXICO)

**PURPOSE:** The purpose of the resolution is to approve the Rattlesnake and Tocito Dome North Oil and Gas Exploration and Development Operating Agreements between the Navajo Nation and Tacitus, LLC for certain trust lands on the Navajo Nation (San Juan County, New Mexico). It will also direct all relevant Navajo Nation programs and offices to establish a Community Reinvestment Fund to be governed by a fund management plan developed by the Resources and Development and approved by the Budget and Finance Committees of the Navajo Nation Council.

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

5-DAY BILL HOLD PERIOD: High  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 02-25-20  
Eligible for Action: 02-26-20

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL - Second Year, 2020

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4   
5 Prime Sponsor

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7 TRACKING NO. 0038-20

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9 AN ACTION  
10 RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE,  
11 NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL;  
12 APPROVING THE RATTLESNAKE AND TOCITO DOME NORTH OIL AND GAS  
13 EXPLORATION AND DEVELOPMENT OPERATING AGREEMENTS BETWEEN  
14 THE NAVAJO NATION AND TACITUS, LLC, FOR CERTAIN TRUST LANDS  
15 ON THE NAVAJO NATION (SAN JUAN COUNTY, NEW MEXICO)

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17 **BE IT ENACTED:**

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19 **SECTION ONE. AUTHORITY**

- 20 A. The Navajo Nation Council is the governing body of the Navajo Nation. 2  
21 N.N.C. §102 (A).  
22 B. The Naabik'iyáti' Committee is assigned proposed resolutions that require final  
23 action by the Navajo Nation Council. 2 N.N.C. § 164(A)(9).  
24 C. The Resources and Development Committee shall make recommendations to the  
25 Navajo Nation Council for final approval for mineral agreements. 2 N.N.C. §  
26 501(B)(4)(a).

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28 **SECTION TWO. FINDINGS**

- 29 A. The Tsé Ał Náozt'í and Gadii'ahi/To'koi Chapters have passed resolutions in  
30 support of the Rattlesnake and Tocito Dome North Oil and Gas Exploration and

1 Development Operating Agreements between the Navajo Nation and Tacitus, LLC,  
2 which are herein attached as Exhibit "3."

- 3 B. The Official Executive Review document will be provided to the Navajo Nation  
4 Council when the legislation is considered by the Navajo Nation Council.  
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6 **SECTION THREE. APPROVAL**

7 A. The Navajo Nation hereby approves the Rattlesnake and Tocito Dome North Oil  
8 and Gas Exploration and Development Operating Agreements between the Navajo  
9 Nation and Tacitus, LLC for certain trust lands on the Navajo Nation (San Juan  
10 County, New Mexico), herein attached as Exhibit "1" and Exhibit "2", respectively.

11 B. The Navajo Nation hereby approves the following payments individually contained in each  
12 of the Operating Agreements: A Bonus Payment of \$420,625.00 (\$125/acre) for 3,365  
13 acres in the Tocito Dome North operating area, \$661,125.00 (\$125/acre) for 5,289 acres in  
14 the Rattlesnake operating area, and an annual Navajo Scholarship of \$5,000.

15 C. Three-quarters of one percent (0.75%) of the Gross Proceeds generated from the sale of  
16 helium gas by Tacitus, LLC shall be calculated for deposit into a Community Reinvestment  
17 Fund that shall be established by the Office of the Controller. The amount set aside for the  
18 Community Reinvestment Fund shall be deducted from the royalty payments made by  
19 Tacitus, LLC to the Navajo Nation under the operating agreements.  
20

21 **SECTION FOUR. DIRECTIVE FOR ESTABLISHMENT OF COMMUNITY**  
22 **REINVESTMENT FUND AND FUND MANAGEMENT PLAN**

23 All relevant Navajo Nation programs and offices are hereby directed to establish a  
24 Community Reinvestment Fund, which shall be governed by a fund management plan  
25 developed by the Resources and Development and approved by the Budget and Finance  
26 Committees of the Navajo Nation Council.  
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