



White Bear First Nations

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



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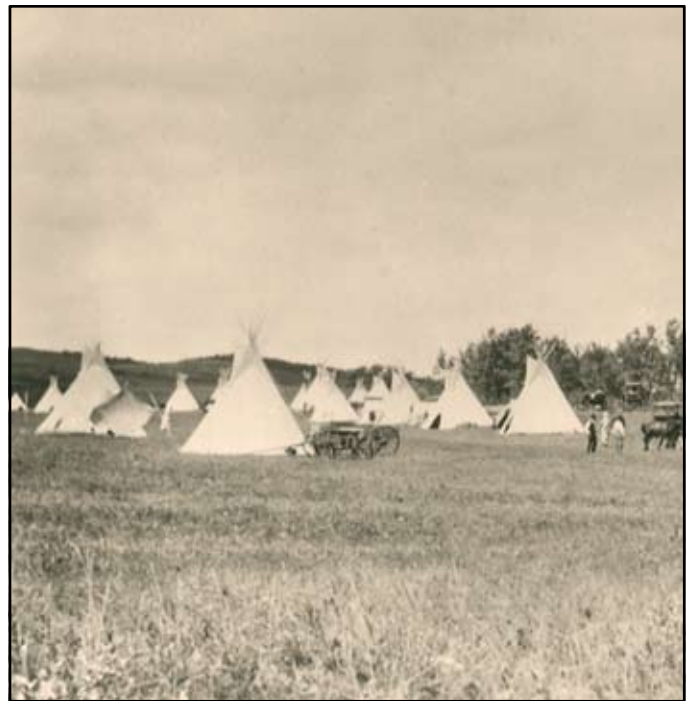
History of Oil and Gas Management on First Nations

Dynamic changes have altered the lands of the White Bear First Nations since the time Chief Wah-Pee-Makwa adhered to Treaty #4 on September 9, 1875. With our land base of approximately 29,967 acres, which was created through the Treaty, White Bear First Nations retained ownership of our mineral rights.

Before any oil and gas development could take place on White Bear lands, the minerals must first have been surrendered to the federal Crown. For the White Bear First Nations, this surrender took place on November 3, 1941. This mineral surrender was signed by the then, Chief and Headmen of the White Bear First Nations and the Department of Mines and Resources, Indian Affairs Branch. Once the mineral rights were surrendered, the Department of Indian Affairs was granted the authority to administer and lease minerals on behalf of, and for the benefit of, the White Bear First Nations.

Exploration for oil and gas on White Bear Lands started in the mid 1950's and in the beginning this activity was managed by a branch of Indian Affairs known as Indian Minerals West. In 1987 this branch was changed to what is now known as Indian Oil and Gas Canada (IOGC). IOGC administrates oil and gas exploration and development under the Indian Oil and Gas Act and the Indian Oil and Gas Regulations 1995.

Since the early 1980's, First Nations who produced oil and gas, have expressed significant concerns over the way Canada administers the resources. First Nations believed that their resources were not effectively being managed for their benefit. First Nations also felt that they were excluded in the decision making processes regarding the leasing and administration of oil and gas activity taking place on their lands. By the late 1980's the direction was starting to point to First Nations having greater control over the management of their resources. It was these ideas that began to pave the way for the creation of the First Nations Oil and Gas Management Initiative or otherwise known as the "Pilot Project".





History of the Pilot Project



The First Nations Oil and Gas Management Initiative or “Pilot Project” was launched on February 17, 1995 with the signing of a Memorandum of Understanding (MOU) between the Minister of Indian Affairs and Northern Development of the Government of Canada and the Chief and Council of the White Bear First Nations. The MOU was signed in response to the expressed interest of several First Nations who wished to gain more control and flexibility over oil and gas resources that were administered on the First Nation’s lands. There are three First Nations currently involved in the Pilot Project; White Bear First Nations, in Saskatchewan and The Blood Tribe/Kainaiwa and Siksika Nation, both of Alberta.

The objectives of the First Nations Pilot Project included the following:

1. To enable the three (3) Pilot Project First Nations to achieve full management and control of their oil and gas resources through the creation of new legislation.

2. To provide the three (3) Pilot Project First Nations with the capacity, training and expertise to manage and administer their own oil and gas resources.
3. To develop a communication process so the members of the Pilot Project First Nations are well informed about the Pilot Project and the objective to move into Full Management and Control.
4. To create employment and economic development opportunities arising from the First Nation being a party to the First Nations Oil and Gas Pilot Project.
5. To develop a model which First Nations, other than the three (3) Pilot First Nations, may follow to achieve full management and control of their oil and gas resources.

The First Nations Oil and Gas Pilot Project is being carried out in three (3) phases:

1. **Co-Management Phase** – This phase began on October 1, 1995 and expired on March 31, 1998. This phase focused on capacity building, training and gaining the expertise in oil and gas administration through programs such as the Petroleum Land Administration for First Nations and the Advanced Land Administration for First Nations, which both were put on by the Southern Alberta Institute of Technology (SAIT). This phase also utilized in-house training at the Indian Oil and Gas Canada (IOGC) offices in Calgary.

2. **Enhanced Co-Management Phase** – This phase began on April 1, 1998 and expired on March 31, 2005. This phase focused on completing the necessary capacity building and training needed for the First Nations to enter into full management and control. This term also focused on the drafting and creation of new legislation that would allow First Nations to move into full management and control. The issues surrounding the fiduciary relationship between the First Nations and Her Majesty the Crown in Right of Canada, and the fiduciary obligations also had to be explored, and positions developed by each party. Each First Nation had to complete a consultation plan that would serve to inform its membership concerning the proposal to assume full management and control of the resources. During this phase the responsibilities of administering the oil and gas resources were shared between the First Nation and Indian Oil and Gas Canada.
3. **Full Management and Control Phase** – In this phase, the First Nation would complete the steps necessary to implement the new First Nations Oil and Gas and Moneys Management Act (FNOGMMA) legislation, and pending a successful vote of the membership ratifying FNOGMMA, the First Nation would assume full management and control of their oil and gas resources and moneys.

The White Bear First Nations has sent five people successfully through the Petroleum Land Administration program at Calgary's Southern Alberta Institute of Technology (SAIT). Since the Pilot Project began there has been extensive ongoing training in the area of oil and gas administration. The White Bear First Nations is confident that we have achieved the expertise needed to assume full management and control of our oil and gas resources.





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

In 2001 negotiations began on a framework proposal between the Government of Canada and the three sponsoring First Nations: The White Bear First Nations, The Blood Tribe/Kainaiwa and Siksika Nation. This framework proposal reflected the intentions of the parties and the mechanisms by which the transfer of oil and gas and moneys management could occur. The First Nations Oil and Gas and Moneys Management Act (FNOGMMA) is the resulting legislation based on this framework proposal and has come into force on April 1, 2006.

FNOGMMA is designed as an Act to provide First Nations with the option of managing and regulating oil and gas exploration and exploitation and of receiving money's otherwise held for them by Canada.

FNOGMMA is a comprehensive regime which will enable the White Bear First Nations to oversee oil and gas resource development on our lands, with a view to increasing economic development in our community. FNOGMMA is also designed so First Nations can exercise full authority over the management of their moneys which are derived from their oil and gas resources, as well as moneys which are currently held by Her Majesty in the Consolidated Revenue Fund (CRF).

Each participating First Nation must now complete the remaining implementation requirements and conduct a consultation with their respective members. Once a consultation with the membership has been

completed a referendum vote will be held with the question put to the membership being;

Do you approve of both

- A. The White Bear First Nations Oil and Gas and Moneys Management Code developed by the White Bear First Nations, and the transfer to White Bear First Nations of the management and regulation of oil and gas exploration and exploitation in the reserve lands of White Bear First Nations, and**
- B. The payment to the White Bear First Nations, in accordance with the White Bear Oil and Gas and Moneys Management Code, of all moneys held today, and all moneys to be collected or received in the future, by Her Majesty for the use and benefit of the White Bear First Nations?**



Implementing FNOGMMA on White Bear First Nations

In accordance with FNOGMMA, there are certain requirements that White Bear First Nations must fulfill before having the management of oil and gas and moneys transferred over to the First Nation. These requirements are as follows:

1. White Bear First Nations must submit a written resolution of the Council requesting the transfer to the First Nation of the management and regulation of oil and gas exploration and exploitation in its reserve lands, and payment to the White Bear First Nations of any moneys held by Her Majesty, or any moneys to be collected or received in the future by Her Majesty for the use and benefit of the First Nation.
2. After receiving the resolution the Minister will provide the First Nation with copies of all contracts issued in respect of the First Nation's lands, copies of any documents respecting those contracts, the particulars of any moneys payable under the contracts stated above and any documents in the Minister's possession with respect to contaminated sites.
3. Also after receiving the resolution the Minister will provide the First Nation with a timetable for delivery of the documents stated above, and, the Minister shall inform the First Nation of the amount of moneys held by Her Majesty for the First Nation at the time of the receipt of the request.
4. Before a vote on FNOGMMA is conducted, the First Nation shall prepare an oil and gas code and a financial code in accordance with FNOGMMA.
5. Following completion of the codes, the Minister and the First Nation may conclude a Transfer Agreement setting out arrangements for the transfer to the First Nation of the management and regulation of oil and gas.
6. Also following completion of the codes, the Minister and the First Nation may conclude a Payment Agreement setting out arrangements for the payment of moneys to the First Nation.
7. After a Transfer Agreement and Payment Agreement have been concluded the First Nation may conduct a vote among its eligible voters, on the ratification of the oil and gas and financial codes, the approval of the transfer of the management and regulation of oil and gas exploration and exploitation and the approval of the payment of moneys held by Her Majesty to the First Nation.
8. If the vote ratifying FNOGMMA is affirmative, and the First Nation has passed its own oil and gas laws, the Governor in Council may, by order, add the First Nations name to the FNOGMMA Schedule. Once added to the Schedule the First Nation will assume the management and regulation of oil and gas exploration and exploitation and, assume the management of their own moneys.



White Bear First Nations Progress on the Implementation of FNOGMMA



The White Bear First Nations has entered the implementation phase of FNOGMMA and the expected timelines for the requirements to be completed are as follows:

1. The White Bear First Nations submitted a Band Council Resolution dated June 19, 2006 which requested the transfer to White Bear First Nations, the management and regulation of oil and gas exploration and exploitation in our reserve lands and, requesting payment to the White Bear First Nations, the moneys held by Her Majesty for our use and benefit and to pay moneys that are to be collected or received in the future by Her Majesty for our use and benefit.
2. The White Bear First Nations has received voluminous documentation with respect to oil and gas contracts within White

Bear First Nations lands. The White Bear First Nations has received a timetable for the delivery of documents which also includes a report regarding the particulars of all monies payable for the relevant contracts. IOGC has also forwarded to the nation copies of all information in the Minister's possession with respect to contaminated sites on White Bear First Nations lands.

3. The White Bear First Nations has prepared the required oil and gas and financial codes in accordance with FNOGMMA and the attached Trust Agreement to the codes for the management of moneys paid to the nation.
4. The White Bear First Nations and Canada have been in negotiations to conclude both a Transfer Agreement and a Payment Agreement. Canada has agreed to complete these items once a successful vote is achieved.
5. The White Bear First Nations will be conducting a consultation with members through the summer of 2009 in preparation for a FNOGMMA ratification vote date set for **September 30, 2009**.

Managing our Oil and Gas and Moneys



The White Bear First Nations are taking the steps to implement the First Nations Oil and Gas and Moneys Management Act. Again this optional legislation will require a successful referendum vote conducted among the membership to approve of the transfer of the management of oil and gas and moneys to the First Nation.

Oil and gas management activities include exploration, extraction, production, storage, distribution, processing, refining, and the use of oil and gas to generate electrical energy.

A First Nation that opts to manage its oil and gas:

A. Will have the power to make laws;

- B. Will have responsibility for resource management, environmental protection, and the regulation and enforcement of the same;
- C. Will assume the obligations for existing oil and gas contracts;
- D. Will enter into and manage all future oil and gas contracts;
- E. Will collect and manage all moneys related to oil and gas activities.

With respect to resource management, environmental protection, regulation and enforcement of oil and gas activities, a First Nation will:

- A. Develop or incorporate oil and gas laws that provide protection that is equivalent to, or better, than the current provincial standards;
- B. Delegate to the Province or some other acceptable regulatory body the power to enforce the White Bear First Nations Oil and Gas Laws

If the White Bear First Nation conducts a successful vote on FNOGMMMA, the responsibilities and liabilities will be as follows:

- A. The First Nation will take over the responsibility for the management of oil and gas activity in the “managed area” which will be the nations reserve lands;
- B. The First Nation will take over the responsibility for the collection and management of its oil and gas moneys;



and

- C. Canada will continue to be liable for oil and gas activity and the moneys collected from oil and gas activity for the period before the First Nation opts into the Act, and also Canada remains liable for any act or omission in respect of moneys occurring before those moneys are transferred to the First Nation.

For greater certainty, Section three (3) of the First Nations Oil and Gas and Moneys Management Act states,

- A. Her Majesty's title to lands in a managed area is not affected by this Act;
- B. Lands in a managed area continue to be set apart by Her Majesty for the use and benefit of the First Nation for which they were set apart;
- C. Lands in a managed area continue to be lands reserved for the Indians within the meaning of Class 24 of Section 91 of the Constitution Act, 1897;
- D. This Act does not affect the ability of a First Nation to participate in and benefit from any federal government program; and
- E. Nothing in this Act shall be construed so as to abrogate or derogate from the protection provided for existing aboriginal or treaty rights of the aboriginal peoples of Canada by the recognition and affirmation of those rights in section 35 of the Constitution Act, 1982.



The Requirements of the First Nations Oil and Gas and Moneys Management Act

The White Bear First Nations Oil and Gas and Moneys Management Code

Before the White Bear First Nations can conduct a vote approving of the transfer of oil and gas and moneys management, the First Nation shall first prepare an oil and gas and moneys management code that:

- A. Lays out the procedure to be followed by the Council of WBFN, in the making, amendment and publication of WBFN's oil and gas laws;
- B. Provides for the accountability of the Council to WBFN members for the management and regulation of oil and gas exploration and exploitation;
- C. Establishes procedures for disclosing and addressing conflicts of interest of members of the Council and employees of the First Nation in the management and regulation of oil and gas exploration and exploitation;
- D. Specifies the mode of holding oil and gas moneys by their payment to a trust of which the White Bear First Nations is settlor and sole beneficiary;
- E. Provides for the manner of collecting oil and gas moneys and the manner of expending moneys received by the First Nation from the trust;

- F. Provides for the accountability of the Council to First Nation members for the management of oil and gas moneys;
- G. Establishes procedures for disclosing and addressing conflicts of interest of members of the Council and employees of the First Nation in the expenditure of those moneys; and
- H. Provides for the amendment of the code by the First Nation.

The White Bear Heritage Trust Agreement

The White Bear First Nations are entering into FNOGMMA with the intent to create a regime, which will allow our capital account an opportunity to have growth and sustainability. Under the current process the company/operator who produces the resource from First Nations lands is usually the one who markets and sells the product. Once the product is sold the royalty share that belongs to the First Nation is forwarded to the Receiver General of Canada on behalf of the First Nation to be deposited into the CRF. The funds are credited to the First Nations capital account and the First Nation can only access their moneys through provisions in the Indian Act.

Canada's interests do not always coincide with the First Nations interests. First Nation's moneys when managed by Canada, are managed using minimum investment



standards. Recent court rulings have stated that Canada does have a fiduciary obligation to manage these moneys however, that obligation does not extend to Canada ensuring that the First Nation's moneys are invested to maximize larger returns to the nation. First Nation's moneys when deposited into the CRF are managed and invested to minimize the risk and obligations of the Crown. This is not an effective means of wealth creation for the nation as it does not maximize the long terms benefits to the White Bear First Nations. The strict provisions of the Indian Act do not allow a First Nation to access their moneys for any economic development-type ventures where there is risk. This greatly reduces the opportunities for First Nations.

With control of the management of our own moneys, the White Bear First Nations can:

- A. Preserve and grow our balance sheet for the long term use and benefit of the First Nation assuring a sustainable income for the current and future generations;
- B. Maximize the investment returns on moneys held in the White Bear Heritage Trust; and
- C. Expend the moneys transferred from the Trust to meet the needs of members, not the requirements of the Indian Act.

In order to carry out the moneys management option under FNOGMMA, the White Bear First Nations has chosen to establish a Trust. The Trust capital will be governed by a reputable and established Trust Company. This does

not prevent a member from being a Trustee however, in accordance with FNOGMMA, the following applies:

1. A member of the Council of a First Nation may not be made a trustee ex officio of a trust established for the purposes of this Act.
2. Every trustee of a trust established for the purposes of this Act other than a trust company shall, before moneys are paid into a trust or at any other time when the Council so requests, provide to the Council of the First Nation, evidence of bonding, insurance or other form of security, in the amount equal to the amount held in the trust, for the recovery of any loss occasioned by theft or by breach of the conditions of the trust.
3. Every trustee must provide evidence that the trustee fulfills the requirements of provincial law, if any, as to the minimum financial worth of trustees generally.

White Bear First Nations Oil and Gas Laws

Once the White Bear First Nations achieves an affirmative vote on FNOGMMA, the Minister may add the First Nations name to the FNOGMMA Schedule, but before the Minister can add the nation's name to the Schedule the White Bear First Nations must first pass its own oil and gas laws.

One of the most significant provisions under FNOGMMA is the law making power that the nation will exercise when carrying out the management of oil and gas exploration and exploitation in its reserve lands. White Bear First Nations when added to the FNOGMMA Schedule will have the power, rights and privileges of an owner in relation to oil and gas in the First Nation's managed area. A First Nation may exercise its power to make oil and gas laws at any time after the date of an affirmative vote approving of FNOGMMA, but no law will have effect until after the First Nations transfer date. Oil and gas laws that come into force on a First Nations transfer date may not impair the rights or interests of a contract holder, however after the transfer date the First Nation holds discretionary law making authority. On the transfer date the White Bear First Nations will enter into FNOGMMA with oil and gas laws that have been incorporated by reference from the Indian Oil and Gas Act and Regulations 1995.

The power of a First Nation to make oil and gas laws does not extend to laws in relation to:

1. Criminal law and criminal procedure;
2. Labour relations, working conditions and occupational health and safety;
3. Fish and fish habitat, within the meaning of the Fisheries Act, migratory birds, within the meaning of the Migratory Birds Convention Act, 1994, and species at

risk, within the meaning of the Species at Risk Act; or

4. International and interprovincial trade, including customs tariffs and export and import controls.

The First Nations oil and gas laws must provide protection for the environment that is at least equal to that provided by the laws of the province. The oil and gas laws must also provide that no project, unless exempted under section 63(1) of FNOGMMA, may be undertaken until an environmental assessment has been conducted. The First Nation may delegate the responsibility of enforcement of the nation's laws through an agreement with the province or any other regulatory body.

The White Bear First Nations intends to complete a regulatory enforcement agreement with the Province of Saskatchewan. It is important to keep in mind that this agreement simply delegates the authority of enforcement of oil and gas laws to the province. The jurisdiction belongs to the White Bear First Nations and ultimately the authority belongs to the White Bear First Nations. The Province of Saskatchewan will simply be acting as our agent in carrying out the enforcement of the White Bear First Nations Oil and Gas Laws.



FNOGMMA Transfer Agreement & Payment Agreement



In accordance with FNOGMMA, after a First Nation has prepared the oil and gas and moneys management codes required, the Minister and the First Nation may conclude a Transfer Agreement setting out arrangements for the transfer to the First Nation of the management and regulation of oil and gas.

The purpose of the Transfer Agreement is to transfer to the First Nation the authority to manage and regulate oil and gas in a managed area, including the authority to collect, manage and expend moneys derived from that oil and gas.

In September of 2004, then Minister of Indian Affairs Andy Scott, sent a letter to the three FNOGMMA Pilot First Nations which

stated that INAC was fully supportive of the consensus reached to have the First Nations and department officials negotiate on all aspects related to a Transfer Agreement pursuant to FNOGMMA. This negotiation would include provisions which would govern the maintenance of the “special” relationship, to the effect that the overall fiduciary relationship between the parties will continue.

The Transfer Agreement also includes provisions for operational funding which will be provided to the First Nation under FNOGMMA. There are also methods for dispute resolution included in the agreement. This agreement will be concluded once the First Nation achieves an affirmative vote from the membership approving and ratifying FNOGMMA.

Also in accordance with FNOGMMA, after a First Nation has prepared the oil and gas and moneys management codes required, the Minister and the First Nation may conclude a Payment Agreement setting out the arrangements for the payment of moneys to the First Nation.

The purpose of this agreement is to make payments to the First Nation of moneys that are otherwise held by Her Majesty in the CRF of Canada for the use and benefit of the White Bear First Nations. This payment agreement refers to moneys which a First Nation generates from other sources outside of oil and gas.

The First Nations Oil and Gas and Moneys Management Voting Regulations

In accordance with FNOGMMA, the governor in Council may make regulations governing the conduct of a vote ratifying a First Nations Oil and Gas and Moneys Management Code and approving of the transfer of the management and regulation of oil and gas exploration and exploitation.

The purpose of the First Nations Oil and Gas and Moneys Management Voting Regulations is to establish the rules and procedures for conducting a vote within a First Nations community and the terms and conditions which the Government of Canada will authorize First Nations to either manage their capital and revenue trust moneys, manage and regulate their oil and gas resources, or both under FNOGMMA.

The voting regulations establish:

1. The duties of the electoral officer and the First Nations Council in the conduct of a vote;
2. The extent the First Nations membership must be informed of the implications of the vote;
3. A voting process that is inclusive and in compliance with the Corbiere decision allowing members both on and off-

reserve the right to vote.

4. A ballot question is included in the regulationstoavoidambiguityconcerning the authority that is being transferred to the First Nation under the vote; and
5. A vote review procedure in the event allegations of non-compliance are raised.

The Government of Canada's role in relation to the vote under these regulations is to provide funding necessary to conduct the vote prior to recommending that the First Nation be added to the FNOGMMA Schedule.

The First Nations Oil and Gas Environmental Assessment Regulations

In accordance with FNOGMMA, the Governor in Council may, on the recommendation of the Minister and the Minister of Environment, make regulations respecting the content of oil and gas laws made in relation to environmental assessments.

The purpose of the First Nations Oil and Gas Environmental Assessment Regulations is to establish basic rules and procedures for conducting environmental assessments for oil and gas projects on reserve lands subject to the First Nations Oil and Gas and Moneys Management Act.



The Regulations were developed jointly by INAC, the Canadian Environmental Assessment Agency and the Department of Justice. The environmental assessment provisions in these Regulations are based on the Canadian Environmental Assessment Act (CEAA).

The Regulations mirror the important aspects of CEAA but change the scope from a national level to a community level. The Regulations require that assessments be conducted as early as possible in the planning stages of a project, to ensure that environmental impacts are considered in the decision making process. The Regulations also retain the types and stages of environmental assessment used in CEAA, specifically:

- Screenings
- Comprehensive studies
- Panel reviews
- Mediation
- Specifying the factors to be considered
- Requiring the implementation of mitigation measures
- Enabling public participation and access to environmental assessment documents

The White Bear First Nations is consciously aware of the potential for environmental impacts when pursuing oil and gas development and remains committed to



using standards and practices that ensure the long term safety and sustainability of one of our most precious resources, the land. There is a delicate balance between development and conservation and the White Bear First Nations is confident that these regulations will strengthen the process with which we follow in determining future oil and gas developments on our lands.

The Benefits of FNOGMMA



The First Nations Oil and Gas and Moneys Management Act (FNOGMMA) will enable the White Bear First Nations to assume control over the management and regulation of our own oil and gas resources and moneys. Having control of the resources is a key step in building a stronger more self-reliant community.

The White Bear First Nation's oil and gas resources are non-renewable and once taken, are gone forever. With control over the resource the White Bear First Nations will be able to maximize the overall benefits (resource rents, value-added participation, employment/contract opportunities etc), leaving the nation in a better position to acquire a larger share of the proceeds derived from this non-renewable resource.

Further benefits of opting into the new FNOGMMA Act include:

- More timely and efficient decision making regarding future oil and gas developments on White Bear First Nations lands
- Decisions regarding the oil and gas resources as well as moneys will be made for the community, by the community
- Taking control of our own moneys will allow us to better manage those moneys with investment strategies that are designed to capture maximum returns
- Existing regulatory gaps will be addressed related to resource management, environmental protection, cultural concerns and enforcement of oil and gas activity on White Bear First Nations lands
- Through FNOGMMA the nation will be able to take advantage of the value-added opportunities, stimulating our local economy and creating jobs for our members.



Frequently Asked Questions

1. *When a First Nation opts into FNOGMMA, will it obtain ownership and title to the lands and resources?*

No, title remains with Her Majesty and the Government of Canada. However, the First Nation will be able to grant oil and gas leases on its reserve lands. As well, it will be able to exploit its oil and gas resources directly, without interference from Canada. Notwithstanding that Her Majesty in right of Canada will still be the title holder to lands on the reserve, Canada will no longer be liable as owner of the land, nor will it be liable for environment or resource conservation matters.

2. *When a First Nation opts into FNOGMMA, does it take over the role of Indian Oil and Gas Canada (IOGC)?*

No, in the FNOGMMA legislation Canada decided to “supercede” the mineral surrender or designation that presently is the sole source of IOGC’s jurisdiction. Canada decided not to delegate to a First Nation that’s opts into FNOGMMA, IOGC’s present powers arising from the mineral surrender or designation. Instead, Canada is being released from its fiduciary and trust-like obligations which arise from the mineral surrenders or designations, in exchange for Canada’s recognition of the First Nation’s inherent and treaty-based beneficial ownership and jurisdiction over the oil and gas situated within reserve lands. As a consequence, a First Nation opting into the

legislation will have the right to grant oil and gas rights without having to first go through the Government of Canada.

3. *Since FNOGMMA includes a provision whereby existing mineral surrenders to the Crown cease to have effect, could a First Nations membership simply vote to “de-surrender” the oil and gas rights within their reserve lands and NOT opt into FNOGMMA?*

Yes, The effect of such a “de-surrender” vote would be to remove the jurisdiction of Indian Oil and Gas Canada (IOGC). IOGC would no longer be able to issue oil and gas leases on the reserve to third parties, thus freeing the First Nation to produce its own oil and gas. However, under the Indian Act the Minister’s consent would still be necessary in order for the First Nation to sell to off-reserve purchasers, oil and gas that the First Nation itself produces from its reserve.

4. *Many provincial oil and gas laws presently do not apply to oil and gas located on reserve lands. If a First Nation opts into FNOGMMA, will those provincial laws then apply to oil and gas on its reserve?*

No.

5. *FNOGMMA permits a First Nation to access its capital moneys from Canada’s Consolidated Revenue Fund (CRF), even though these moneys did not originate from oil and gas activities. Why was this provision included in FNOGMMA?*

Canada requested that the sponsoring First Nations allow this provision to be included in the Act, notwithstanding that the First Nations interests related primarily to moneys originating from oil and gas activities.

6. *FNOGMMA contains no provisions whereby Canada's fiduciary obligations to First Nations are confirmed. Why is this?*

The Minister of Indian Affairs has committed to the sponsoring First Nations that Canada, as a part of the "Transfer Agreement" required to transfer management and control to the First Nation, will reiterate and confirm Canada's "special relationship" with the First Nations opting into FNOGMMA.

7. *The FNOGMMA Act contains no commitments from Canada to provide transitional funding to a First Nation that wishes to opt into FNOGMMA. Will a First Nation have to use its own financial resources when it pursues opting into FNOGMMA?*

No. Again, the Minister has committed that such funding will be provided as part of the "Transfer Agreement".

8. *Will a First Nation's moneys be taxable once they are removed from the CRF into the First Nations Trusts?*

No. The First Nation will apply for an Advanced Tax Ruling from the Canada Revenue Agency to ensure that once the moneys are released to First Nations control they will remain tax exempt.

9. *Overall what is the main benefit to those First Nations who opt into the legislation?*

The Government of Canada, facing pressure and in an effort to fulfill Canada's fiduciary and other constitutional obligations lawfully owed to First Nations, has finally proposed legislation that would transfer oil and gas land and resources to their lawful First Nations owners.

For the first time Canada is recognizing the inherent right and primacy of First Nations to independently govern, regulate and tax commercial activities on their own reserve land. This legislation will allow 100% of the resource rents from oil and gas development to go to First Nations, rather than being shared with the federal and provincial governments. The White Bear First Nations will now be able to join the ranks of other hydrocarbon-producing jurisdictions.

This legislation thus represents a significant departure and improvement from Canada's more recent attempts to legislate restrictions on First Nations.

The White Bear, Siksika and Blood First Nations have been driving this legislative change for some 15 years. FNOGMMA represents the culmination of the efforts made and is a hard fought victory.



The White Bear Petroleum Land Administration will be putting on FNOGMMA information sessions for on-reserve members in the months of July, August and September 2009. The dates for the on-reserve information sessions are TBA. **The date set for the FNOGMMA vote will be September 30, 2009**, Polling Stations will be located on-reserve only, with arrangements being made for mail-in ballots for our off-reserve voting members. We will also be hosting information sessions for our urban members in the following areas:

1. Regina, Sask, Sunday, July 19, 2009 – Ramada Hotel – 9:00am to 5:00pm
2. Saskatoon, Sask, Saturday, July 25, 2009 – Radisson Hotel – 9:00am to 4:00pm
3. Calgary, Alta, Saturday, August 1, 2009 – Delta Hotel South – 9:00am to 5:00pm
4. Edmonton, Alta, Saturday, August 15, 2009 – River Cree Resort – 9:00am to 4:00pm
5. Vancouver, BC, Saturday, August 22, 2009 – Granville Hotel – 9:00am to 5:00pm

For more information on the on-reserve dates that are to be announced, or any other questions related to the oil and gas activity on White Bear First Nations lands, please give us a call using the contact information below.

The White Bear Petroleum Land Administration

Manager – Brent McArthur

(306) 577-2461 ext#270





