

Tribes see potential in mineral income

By The Associated Press

RIVERTON - Mineral development on the Wind River Indian Reservation raises both frustration and hope among Eastern Shoshone and Northern Arapaho tribal leaders.

Tribal leaders are frustrated because of ways they say they have been strong-armed by state and federal governments and mineral companies over the years. But they have hope for a future in which the tribes might one day develop their own minerals instead settling for the royalties oil and gas companies pay under lease agreements.

"In the past few decades, we've been pretty content being royalty owners," Shoshone Business Council chair Ivan Posey said.

The tribes already have taken the first step toward independence, creating Wind River Energy Co. several months ago. Former Shoshone council member Wes Martel recently was named to head the company.

Speaking Wednesday at the initial Wind River Energy Summit, Posey acknowledged that although there is a bigger payoff in developing resources minus a third party, there is also more risk involved.

But he said that independence in energy development poses "a great opportunity" for the tribes to provide training and jobs.

Jobs are sorely needed on the reservation, Arapaho Business Council chair Rick Brannan said.

In a detailed presentation on the history of reservation mineral development, Shoshone Business Council member Orville St. Clair said that in 1863, under the initial treaty to establish the reservation, the reservation consisted of 44 million acres in four states.

Five years later, the federal government shrunk the reservation to 4.4 million acres, with the government taking land on South Pass that would later become part of the Shoshone National Forest. As a result, the tribes never received royalties for the gold and iron later mined on South Pass.

St. Clair also questioned why the state can tax minerals coming off the reservation.

Brannan called the tax "a detriment" to mineral companies looking to operate on the reservation.

St. Clair also cited an investigation conducted by the tribes in 1979 that revealed that of the 36 mineral companies operating on the reservation at the time, 35 weren't providing accurate production data, thereby shortchanging the tribes on their royalty payments.

Eighty-five percent of the royalty payments go directly to tribal members and 15 percent goes to fund tribal government.