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## Claims

Continued from A1

Other than the sale income (patent fee), the federal government receives no revenue from mining claims filed under the 1872 law.

The law originally applied to nearly all mineral deposits. Since 1920, Congress has narrowed the law to exclude energy sources such as coal, oil, gas, and oil shale, and construction materials, such as building stone and gravel. The law now applies mostly to hardrock minerals such as iron or gold.

Claims filed before the exclusions went into effect have been "grandfathered" and may still be patented, even though no new claims may be filed for those minerals.

The validity of many of the older claims has been questioned, particularly in the case of oil shale. A Reagan administration decision to patent 82,000 acres of oil shale claims in Colorado prompted moves in Congress to suspend all patenting of oil shale claims.

The Reagan administration voluntarily halted the processing of oil shale claims in 1987. But earlier this year, just before leaving office, the Reagan administration moved to resume the patenting of the disputed claims.

A recent report by the General Accounting Office, the investigative arm of Congress, revealed widespread abuses of the patent rights granted by the 1872 Mining Law. The GAO found that the law was being used to acquire property

near ski areas in Colorado and in the Phoenix and Las Vegas suburbs.

In one case, a never-mined gold claim near Keystone, Colo., was purchased for \$400 in 1983. Part of the 160-acre parcel was subsequently subdivided into residential lots selling for \$11,000 per acre. Similar claims are pending near the Breckenridge ski resort in Colorado, the GAO found.

The GAO found 20 patented claims that together brought the federal government less than \$4,500 for lands worth a total of between \$14 million and \$48 million. Another 12 pending applications identified by the GAO would bring in about \$16,000 for land worth from \$14 million to \$47 million.

None of the abuses identified by the GAO report were in Wyoming. A review of BLM records for the state indicates that patents filed since 1977 are tied to legitimate mineral development.

Of the 29,087 acres — more than 45 square miles — of claims patented in Wyoming since December 1977, 25,391 acres have been for bentonite. The mineral is the major component of drilling mud used in oilfield operations.

In addition to Dresser Industries, other major bentonite producers patenting claims — all at \$2.50 per acre — included American Colloid (5,390 acres), Magnet Cove Barium (3,539 acres), and Kaycee Bentonite (1,770 acres).

Minerals Exploration, Inc. patented 1,334 acres of uranium claims, as well as a 642-acre millsite, in an area 30 miles northwest of Rawlins. Bear Creek Uranium patented its 95-acre millsite near Douglas and Getty Petroitomics patented 112 acres at its mill in the Shirley Basin. The uranium claim and millsites brought the federal government \$5 an acre.

Only 2,071 acres of the claims patented since late 1977 have been at the \$5 per acre rate. The remaining 27,015 acres have gone into private hands for \$2.50 per acre. The total income to the U.S. Treasury has been about \$78,000 — an average of \$2.68 per acre.

BLM records show 49 pending claim applications. Acreages have been determined for 33 of those claims, with a total area of 10,674 acres — nearly 17 square miles.

Bentonite accounts for 9,852 acres of the pending claims. There is a pending uranium claim of 562 acres and a kaolin clay claim for 260 acres. Together, the 33 pending claims of known size would bring the government a total of about \$28,000.

Another 234,000 unpatented claims exist on federal land in Wyoming, according to the BLM. In fiscal year 1987, 3,300 claims were invalidated because of inactivity, while 3,500 new claims were filed. Most of the new claims were for gold and uranium, the BLM says.

## 1989-04-02\_Claims (continued)

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