



Empowering through Entrepreneurship: The Maverick Springs Oil Field and the Wind River Reservation

Judit Olah

The history of the Maverick Springs oil field in Fremont County, Wyoming, includes the story of how a community marshaled its resources to present increasingly powerful arguments to state and (eventually) federal officers in support of its economic interests. These events demonstrate that the frequently slow pace of disentangling economic interests can itself politicize already heated financial discussions. The stakes were high; the revenues sought from a lease agreement were for public, educational, and medical services to benefit the community directly. Local newspaper commentary confirms the importance to the overall positive outcome of the local community's ability to maintain its poise and calmly ask state and federal officers to "have a fair hearing of both sides of the story." Two key elements of success were the building of statewide support for the local community and the gathering of expert opinions substantiating the validity of claims about local assets.

A significant part of the early history of the Maverick Springs oil field near Riverton, in Fremont County, Wyoming, concerns the fight to renew production after the expiration of the first oil leases. The story is complicated by the roles played by many local organizations and by officers of state and federal bureaucracies, as well as by the political history of the reservation itself. Yet the process showed that by gathering expert opinions, making informed decisions, and sharing those across communities, local leaders followed a successful path worth exploring for its lessons.

Case History

The Maverick Springs oil field falls within the current territory of the Wind River Reservation, 45 miles northwest of Riverton, Wyoming, where drilling for oil began in 1914; federal leases were granted between 1917 and 1921. The

Judit Olah <jolah@uwyo.edu> is curator of the Alan K. Simpson Institute for Western Politics and Leadership, University of Wyoming, Laramie, WY.

Maverick Springs field yielded sulphur-based crude, which typically are used to manufacture products used for lubrication and in road surfacing.¹ Lease agreements facilitated production from those wells by providing royalties to the Native American tribes residing on the reservation as well as to the state and federal governments.

The office of the Secretary of the Interior granted the original lease to the Union Oil Company of California, and the lease was later held by other companies. During the initial period of field development (1918-1927), thirty-two wells were successfully drilled that were capable of production. Leases were for twenty years, with preference for renewal given to existing leaseholders; the leases were up for renewal between 1937 and 1941.²

Production was shut down in the early 1920s, with the companies citing a number of compelling economic reasons: the quality of oil produced (no market for low crude oil); well capacities (too small for economical production); and the remoteness of the area (true even today), coupled with road conditions (dirt roads, problematic in all weather conditions) that made the area virtually inaccessible for considerable parts of the year. The dispute challenging the shutdown involved all these problems. During the production freeze, the two tribes—the Shoshone and the Arapaho—sharing the Wind River Reservation (known as the Shoshone Reservation at the time), and reservation did not receive production royalties.

Inquiries into restarting production reached the Department of the Interior in the late 1920s. As noted later:

The Indian Committee, it appeared, was given little consideration by the various bureaus at Washington. They were received courteously but were told to listen and not to talk as the members were exceedingly busy and state by reasons [sic] why the Maverick field could not be opened and would have no time to enter into an extended discussion leading toward any other answer.³

On June 19, 1933, the Secretary of the Interior waived the enforcement of development and production obligations, terms that were set as conditions in the original lease.⁴ In 1934, the Shoshone and Arapaho tribes jointly expressed their concerns about the unutilized lease.⁵ The dispute boiled down to the central question: would production from the wells be economical?

¹ H. M. Thorne and Walter Murphy, *A Survey of the High-Sulphur Crude Oils (Black Oil) Produced in Wyoming* (Washington, D. C., 1932), box 2, Reports, 5, H. D. Del Monte Papers, American Heritage Center, University of Wyoming, Laramie, Wyo.

² Department of the Interior, Office of Indian Affairs, *Regulations Governing the Leasing, for Production of Oil and Gas, of Unallotted Lands Within the Ceded Portion of the Shoshone Indian Reservation*, 21 Aug. 1916, box 2, Reports.

³ "Maverick Oil Field Sparked Much Interest," *Wyoming State Journal*, 19 Aug. 1937; 1 July 1971, box 2, Miscellaneous.

⁴ H. D. Del Monte to Senator J. C. O'Mahoney, 25 Aug. 1937, box 1, Correspondence 1934-1937.

⁵ Letter to the Commissioner of the Office of Indian Affairs, 16 July 1934, box 1, Correspondence 1934-1937.

After years of frustrating communication difficulties, in 1936 a joint tribal request was sent to Harold D. Del Monte, chair of the Federated Civic Organizations of Fremont County (FCO), stating: “. . . [we] request that you place our case before the consolidated civic organization of Fremont County for its advice and help.”⁶ The FCO started its own evaluation and investigation of the matter, and later focused its efforts by forming a Maverick Springs Committee that dedicated full attention to the proceedings of the case.⁷ As it turned out, involving the civic groups was crucial to the outcome of the negotiations. Through the FCO’s involvement, the county’s local residential communities learned of and came to understand the details of the dispute.⁸ As interest and awareness grew among local residents, Wyoming’s state representatives and eventually U.S. legislators got involved in the case.⁹

By 1937, representatives from Fremont County to the state legislature unanimously supported the resumption of production. They expressed their concern in an undated but official communication, on state legislature letterhead, to Wyoming’s U.S. senator Joseph C. O’Mahoney, signed by Lucille Coningham (state representative), J. E. Smith, and Dr. John G. Cogswell. They declared, “Public opinion is insistent that the treaty be fulfilled and in this we heavily concur.”¹⁰

B. J. Scott, president of the FCO, noted in the same year:

If it is a part of the scheme of things that this branch of Government is supposed to take a definite and aggressive guardianship interest in oil matters then we could certainly say that they have failed to sell themselves to the Indians or non-Indians in this character.¹¹

As the expiration date of the first lease—January 18, 1938—approached, the calls for meetings and the exchange of correspondence grew in volume and intensity. Present at a joint meeting held on January 10, 1938, were representatives of both tribes, the state legislature, the FCO, and the interested oil companies, as well as the superintendent of the Reservation, F. R. Stone. The group held a second meeting on January 29, 1938, and a third joint meeting on June 6, 1938, on the reservation.¹²

⁶ Joint Councils to H. D. Del Monte, 9 May 1936, box 1, Correspondence 1934-1937.

⁷ H. D. Del Monte to Archibald Campbell, undated, box 1, Correspondence 1934-1937.

⁸ F. M. Scott, 31 July 1937, box 1, Correspondence 1934-1937.

⁹ F. M. Scott to Senator J. C. O’Mahoney et al., 30 July 1937, and F. M. Scott to the Secretary of the Interior et al., 29 July 1937, both in box 1, Correspondence 1934-1937.

¹⁰ Letter to J. C. O’Mahoney, 29 July 1937, box 1, Correspondence 1934-1937.

¹¹ F. M. Scott to the Secretary of the Interior, 29 July 1937, box 1, Correspondence 1934-1937.

¹² “Report of the Meeting of the Arapaho and Shoshone Indians of Wind River Indian Reservation with Oscar L. Chapman, Assistant Secretary of the Interior held at the Shoshone Day School, 6 June 1938.”

Discussions were ongoing concerning the areas of concern. In 1937, the tribes wrote to Harold L. Ickes, the Secretary of the Interior, that “. . . findings of the USGS [United States Geological Survey] as to fair price for Maverick crude for the next five years is in absolute conflict with the findings of Union Oil Company of California, which was conducting its investigations and tests for its own business.”¹³ The local groups’ expert calculated that the average total production would be 90 to 100 million barrels, compared to the USGS estimate of 11 million barrels.¹⁴

The widening investigation, initiated by the Joint Council of the Tribes and supported by the wider Fremont County community and the Federated Civic Clubs of Fremont County, called for expert opinions from the USGS and the Department of the Interior. They sought objective assessment of the potential quality and optimal quantity of production, the transportation problem, as well as an estimate of the continuing loss of revenue and its economic consequences for the community.

The FCO decided to collect independent bids for transporting oil from the fields in order to counteract the concerns over transportation costs. On February 1, 1938, when Del Monte wrote to Senator O’Mahoney disputing the oil capacity claim established by the USGS and asking for independent expert testing of the lower sands, he also presented bids received from railroad and trucking companies concerning the total cost of transportation.¹⁵ In light of the widening discussion, Frank O. Horton, Wyoming’s representative to the U.S. House, wrote that “any company or government bureau that says there is no market for black oil in Wyoming is simply lying—they just can’t claim ignorance.”

On September 27, 1938, the tribal Business Council resolutions, followed by a General Council resolution, pressed for action: they wanted either to force production of wells or to cancel the existing leases and open the field to new bidders. The resolution also invited the Secretary of the Interior to visit the reservation, both to encourage further opportunities for communication and to arrange a site visit to the field. As Wyoming’s secretary of state, Lester Hunt, noted to Senator O’Mahoney on November 22, 1938: “to cancel the existing leases and force production of this field, it would certainly be the thing to do from a political angle.”¹⁶ The many oil companies holding the existing leases (including Ohio Oil, Texas Co., and Stanoline Oil and Gas) advanced their own arguments about production inefficiency as reasons for not producing from the wells. On February 22, 1939, Del Monte noted in a

¹³ Councils’ joint letter to the Secretary of the Interior, 24 Feb. 1937, box 2, Reports.

¹⁴ H. D. Del Monte to G. M. Tunison, Council, 8 Feb. 1938, box 1, Correspondence 1938-1941.

¹⁵ H. D. Del Monte to Senator J. C. O’Mahoney, 1 Feb. 1938; Salt Creek Transportation Co. to H. D. Del Monte, 3 Feb. 1938; Barnes Truck Company, 24 Feb. 1938; and Chicago and North Western Railway Company, 28 Feb. 1938, all in box 1, Correspondence 1938-1941.

¹⁶ Lester C. Hunt to Senator J. C. O’Mahoney, 22 Nov. 1938, box 1, Correspondence 1938-1941.

telegram: "Market for Wyoming black oil is controlled almost in its entirety by refineries operated by Standard of Indiana, Sinclair, White Eagle, Texan, Yale and Ohio."¹⁷

In a late 1970s interview regarding the Maverick Springs proceedings, Del Monte emphasized how critical it was to the overall positive outcome that the local community maintained its poise and calmly asked state and federal officials to "have a fair hearing of both sides of the story."¹⁸

Lease renewals were blocked until assurances were made that the field would be brought back into production and the roads would be upgraded to ease the transportation problem. With settlement of these issues, it seemed that production could resume on the renewed leases in 1939.

The transportation issues took a bit longer to resolve¹⁹. In 1941, Senator O'Mahoney noted that for years he had been trying to open the fields so the county and state might benefit from their production: "... the problem of the road construction has been made most difficult by reason of the fact that the Budget Bureau is diverting attention as much as possible away from civil expenditure to expenditures of national defense."²⁰

There was also resistance to opening up production: "[It was] discovered about a month ago, that the renewal leases that have been signed, do not contain the clause demanding test wells."²¹ On April 28, 1941, a joint tribal council delegation left for Washington to address the issue. As the attorney for the Shoshone tribe noted on May 19, 1941:

The Secretary of Interior, last year, refused to renew the leases unless production and marketing be promptly started. His terms were accepted and production has already started. . . . It is believed that adequate supplies of heavy fuel oil are essential in forwarding the National Defense Program.²²

One of the many interesting economic circumstances surrounding the dispute was the fact that in the 1930s Wyoming needed to improve its roads. There were few black-top roads until then, and the onset of oil production ultimately helped the statewide community by providing immediate access to much-needed low gravity crude oil.

¹⁷ Western Union Telegram to G.M. Tunnison, 22 Feb. 1939, box 1, Correspondence 1938-1941.

¹⁸ "Maverick Springs Oil Field," *Wyoming State Journal*, 29 June 1978, p. 9, box 2, Miscellaneous.

¹⁹ Lloyd Pratt of Indian Oil Company to D. D. Del Monte, 1 March 1941, box 1, Correspondence 1938-1941.

²⁰ J. C. O'Mahoney to H. D. Del Monte, 26 April 1941, box 1, Correspondence 1938-1941.

²¹ H. D. Del Monte to J. C. Mahoney, 23 Apr. 1941, box 1, Correspondence 1938-1941.

²² George M. Tunison, Council, to Senator J. C. O'Mahoney, 19 May 1941, box 1, Correspondence 1938-1941.

The Interest Groups

At first glance, the conflict may appear to have arisen from a fundamental disagreement between the landowners and the leaseholders (see Figure 1.)²³ A more careful analysis reveals a complex problem disputed among numerous interest groups (see Figure 2). An independent business council with tribal autonomy governed each tribe, although the two tribes shared the political boundaries of the reservation. To this day, each tribe determines its own business affairs, enters into commercial and other economic agreements independently, and expresses opinions relevant to the tribe based on its business council's assessment. We therefore should not take for granted that the two tribes will act in unison, given tribal autonomy in decision-making.

Clearly, unity was necessary in the search for support from local civic groups and local legislative representatives. One of the most important strategic steps was the realization that by informing the local county community and supporting statements with objective data, the platform of local support included the local community as well as its state representatives and state legislators. The model shows that participants on the opposite side of the conflict were government entities such as the Office of the Secretary of Interior, which regulated and ultimately granted approval of leases. Although the conflict resulted from the oil companies' failure to comply with the original terms of the lease, the power to approve or discontinue leases was in the hands of the Secretary of Interior. The Office of the Secretary of the Interior relied on the Bureau of Indian Affairs, on scientific and expert opinions produced by the USGS,²⁴ as well as on reports generated by the oil companies concerning the oil quality, production rates, and transportation costs involved. The communities challenged the validity of those claims, gathered competing scientific results, expert opinions,²⁵ market prices, and competing bids for transportation from independent parties. In light of the strong evidence supporting their case, they continued to gather and communicate these expert opinions to government officials.²⁶ The socio-political framework in which the conflict occurred became an important factor as well. As World War II became a tragic reality, issues of defense, including dependence on increased fuel production and on reliable road systems added support to the local community's case.

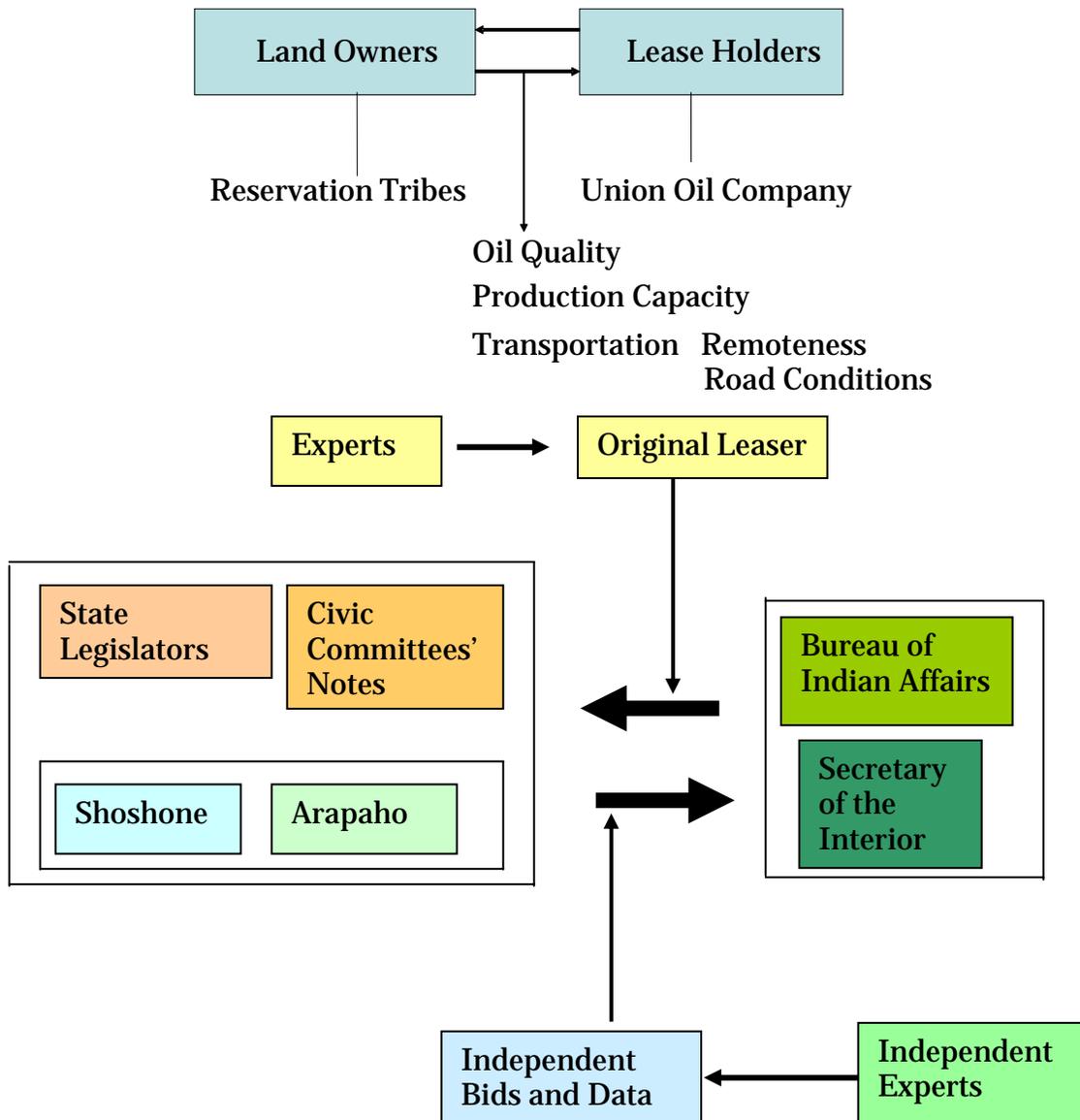
²³ Stone, Address to the Council, *The Wyoming Indian* (Fort Washakie, Wyo., 28 Feb. 1938), 1, box 2, Reports.

²⁴ Charles West, Acting Secretary of the Secretary of the Interior to F. M. Scott, 12 Aug. 1937, box 1, Correspondence 1934-1937.

²⁵ "Report on the Maverick Springs Field submitted by James M. Douglas to C. R. McCollom, Chief Geologist, Union Oil Company of California, Los Angeles, Calif., on 6 Jan. 1925, box 2, Reports.

²⁶ Senator H. H. Schwartz to L. C. Hunt, Secretary of State, 19 Aug. 1937, box 1, Correspondence 1934-1937.

Figure 1



The Acts of Negotiation: Empowering Through Entrepreneurship

Thus, both sides used arguments to substantiate their claims regarding three key issues. Leaseholders reported USGS tests concerning poor oil quality, and used sales figures to demonstrate that production from the wells would not be economical; landowners gathered test results and commissioned competing bids concerning the marketability of the oil to demonstrate that production would indeed be economical for the leaseholders and that the local communities would benefit from substantial royalties. Concerning transportation, the two sides presented reports to the Office of the Secretary of the Interior, each supporting their claims with facts and figures. The local communities also gathered data about similar wells successfully producing oil in the West, in the region, and in the state.²⁷ There are a number of factors that seemed to have assured the positive outcome of the case: a) being armed with facts; b) keeping channels of communication open; c) not allowing the process to be politicized.

With respect to data-gathering, the local community made sure that competing facts, reports, and charts were collected, tested, and interpreted by qualified and reputable experts; for example, they used oil engineers recommended by oil companies, and they solicited transportation bids from major reputable companies in the transportation business.²⁸ The negotiation process took years, with many frustrating turns in the events, conflicts in schedules, and other impediments. In the records, there is no indication of emotionalism or heated confrontation, but rather a solid faith that the overwhelming evidence would eventually prevail, at all levels and to all parties involved. Del Monte reflected on the outcome of events in his 1978 interview: "I was so proud of the Indians. They made no demands. They just asked that the under-secretary hear both sides." Frank O. Horton tried to make a joke in a letter to Del Monte: "I am so glad to save my hair for I don't want any scalping party right now."²⁹ This crude comment only indicated the general sentiment surrounding the dispute. There were major changes in the socio-political and legal circumstances of the reservation during this time. Certainly, there were plenty of opportunities for diverting from the original cause and allowing the issues to take a political turn. The tribes maintained a consistent and confident level of personal communication that proved to be highly successful over the long term. The tribal council went to Washington D.C. multiple times in order to discuss matters with legislators, they invited elected officials to the reservation, they corresponded with civic groups to prevent the matter from slipping through the cracks, and remaining

²⁷ "Maverick Oil Field Sparked Much Interest."

²⁸ A. W. Harper of Yellowstone Oil to L. Newton, 20 Aug. 1937, box 1, Correspondence 1934-1937.

²⁹ Frank O. Horton to H. D. Del Monte, 2 Dec. 1938, box 1, Correspondence 1938-1941.

unresolved. Because the two tribes considered matters relevant to tribal governance at their independent Business Councils, their agreement and the unity the two tribes maintained as they handled the lease renewal situation could not be taken for granted. The negotiations that led to the creation of a community consensus were remarkable. The local civic community assisted in creating the unity between the tribes. Some of that support seemed to come from altruistic motives, and some from financial motives associated with anticipated revenues. Both types of motives were clearly articulated by the local FCO committee as well as by state representatives and senators (as documented in the correspondence history).

On the other side of the dispute, we encounter a similarly complex system of interactions. The oil companies originally communicated and negotiated terms of the original leases with the government without consulting the local community. However, political times shifted significantly during the decades when the case was unfolding. Although from 1918 to 1920 it was perfectly acceptable for the government to make agreements without the specific approval of the Indian tribes, much changed during the course of the 1920s and 1930s. The Bureau of Indian Affairs was restructured; in 1934, the Indian Reorganization Act indicated government willingness to return a greater degree of decision-making to Indian hands. In 1939, the Wind River Reservation regained a significant proportion of its original territories as a result of a lawsuit pursued by the tribes.³⁰ Although the tribes had shared the reservation since 1878, the legal aspects of the issue were not resolved until the Shoshone tribe sued the U.S. government for forcing the Arapaho tribe to settle on their reservation without compensation. The case ended in 1938 with a financial settlement. This resolution was reflected in an official name change of the reservation to the “Wind River Reservation.” While these fortunate conjunctions of events certainly aided the tribes (particularly as compared with other tribes pursuing similar objectives), it was ultimately a local community group taking matters into their own hands, and reaching out to the larger community, at both civic and legislative levels, that led to understanding and support of their causes.

Long-Term Implications

The tribes on the Wind River Reservation continue to belong to the so-called energy tribes; their income is generated primarily by natural energy resources. While poverty, high unemployment, and substance abuse are all key hindrances on the reservation, many in the current leadership agree that the mere survival of the two tribes on the reservation is a phenomenal success story. Wyoming is a beautiful but harsh land, where, throughout its history, the climate and geographical hardships have forced the population to move out of state when the economy turned downward. The phenomenon of “boom and bust” towns is well known in the western landscape. The Wind River community has shown great resilience in tough times, and has taken a serious

³⁰ Senate Bill 1878, 76th Cong., 1st Sess., 20 March 1939.

look at their assets and their true market value. The case of the Maverick Spring oil leases was not the last time the Wind River tribes needed to challenge the natural resources lease agreements and the royalties paid. Yet it is clear that the poise and perseverance that the community showed during those decades and since has set a remarkable example for all leaders of local communities.

Further Research

The story of the Maverick oil field is a drop in the sea of major changes that shaped the local community during the 1920s and 1930s. Researching this story generated many additional questions about the development of the West in the early part of the twentieth century. There are only a handful of works focusing on the modern political history of the Wind River Reservation. The dramatic momentum that the community generated in initiating major changes regarding its economy, political rights, and political boundaries, has yet to receive a full focus study. If we look for leadership characteristics of calm confidence, informed decision making, and long-term persistence in achieving goals, it is certainly a lesson to showcase to other communities and to convey a sense of rightful pride, even to contemporary local residents.