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DEPARTMENT of the INTERIOR

news release

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For Release October 31, 1980

ANDRUS ANNOUNCES CANCELLATION OF DISPUTED PEABODY COAL CO. LEASE
ON NORTHERN CHEYENNE INDIAN RESERVATION

Secretary of the Interior Cecil D. Andrus announced today his agreement with the Northern Cheyenne Tribe and Peabody Coal Company cancelling controversial coal leases and permits on the Northern Cheyenne Indian Reservation in southern Montana. The agreement resolves a long-standing dispute among the parties regarding coal development on the reservation.

"This agreement is another example of our affirmative exercise of Interior's trust responsibility to the Indian people," Secretary Andrus said.

"Successful completion of the agreement removes a cloud from the Indian lands and at the same time will promote additional coal production in an environmentally sound manner to meet our Nation's future energy needs. Within the next year, similar agreements are expected to be negotiated with other coal companies holding disputed prospecting permits on the reservation, completely resolving any remaining questions of rights to coal on the Northern Cheyenne lands," Andrus said.

Peabody's disputed leases and permits on the reservation which are cancelled under the agreement covered more than an estimated one billion tons of coal. The lands which Peabody may receive in return cannot, under the agreement, contain more than 130 million tons of recoverable coal.

The agreement furthers the Department's policy of self-determination for the tribe, and returns control of the disputed lands to the Northern Cheyenne people.

This cancellation agreement was developed under provisions of P.L. 96-401, signed into law on October 9, 1980. The Act establishes a process for resolving the long-standing dispute over the validity of the leases on the reservation, thus avoiding expensive and time-consuming litigation. This law, supported by the Department, authorizes and directs the Secretary to negotiate agreements with the Northern Cheyenne Tribe and with parties holding leases and permits on the reservation to cancel the leases and permits in return for non-competitive Federal coal leases off the reservation.

The cancelled leases were executed in 1969 and 1970, but no coal has been extracted during the intervening years because of protests by the tribe.

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