

# INDIAN AFFAIRS DIRECTIVES TRANSMITTAL SHEET

(modified DI-416)

DOCUMENT IDENTIFICATION NUMBER 76 IAM 8 Amendment 1	SUBJECT Mineral Acquisition to reduce number of Fractional Mineral Interests	RELEASE NUMBER #09-34
FOR FURTHER INFORMATION Indian Land Consolidation Center, BIA		DATE <b>JAN 13 2010</b>

**EXPLANATION OF MATERIAL TRANSMITTED:**

The purpose of this release is to amend 76 IAM 8 to include the actual price per acre for mineral interests, and to remove the reference to NPM-TRUS-13, approved 6/14/07 by the Director, BIA which previously established price per acre.

Formerly, Section **1.3 Policy**, paragraph 2 read:

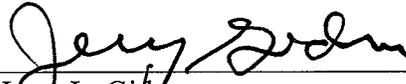
“National Policy Memoranda NPM-TRUS-13, approved on 6/14/07 by the Director, Bureau of Indian Affairs, establishes a price per acre for nominal value mineral tracts. Implementation of a uniform policy at all sites where the ILCP is actively purchasing will allow Central Acquisition Centers to offer the mineral interest owner a consistent, supported value for nominal/no value interest(s). The end result is to reduce the number of fractionated subsurface mineral interests affecting trust lands through purchase.”

Section **1.3 Policy**, paragraph 2 now reads:

For the purpose of acquiring mineral interests utilizing ILCP funding, a value of \$7.50 per acre is established for mineral interests. This shall apply to only mineral interests identified in a Mineral Assessment that has been provided by OME and only for those tracts that OME has determined to be of “nominal” or “no current economic” value. Implementation of a uniform policy at all sites where the ILCP is actively purchasing will allow Central Acquisition Centers to offer the mineral interest owner a consistent, supported value for nominal/no value interest(s). The end result is to reduce the number of fractionated subsurface mineral interests affecting trust lands through purchase.

The substance of this policy chapter has not changed, and no other changes have been made to the text.

Please direct any questions to the Indian Land Consolidation Center at (715) 682-0310.

  
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Jerry L. Gidner  
Director, Bureau of Indian Affairs

**FILING INSTRUCTIONS:**

Remove: None

Insert: 76 IAM 8 (Amended)

# INDIAN AFFAIRS MANUAL

Part 76  
Chapter 8

Indian Land Consolidation Program  
Mineral Acquisition to Reduce the Number  
of Fractional Mineral Interests

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- 1.1 Purpose.** The purpose of this policy is to implement a uniform policy to acquire fractional (subsurface) mineral interest(s) by the Indian Land Consolidation Program (ILCP) in order to reduce the number of fractional (subsurface) mineral interest(s).
- 1.2 Scope.** This policy applies to the following seven BIA Regional Offices: Navajo, Midwest, Great Plains, Northwest, Western, Eastern Oklahoma, and Rocky Mountain.
- 1.3 Policy.** ILCP has, since its inception in April 1999, emphasized the acquisition of small fractionated interests, both surface and subsurface (mineral) interests, which represent 2 percent or less of a parcel of trust or restricted land. Nationally, there are approximately 1,136,000 mineral interests. Of those, approximately 835,000 are 2% or less. In the past, the Bureau of Land Management (BLM) has provided a number of Mineral Reports that would identify geological potential for mineral interests. Many of these Mineral Reports have established a “nominal” value for the mineral interests. Recently, the Office of Minerals Evaluation (OME) has been given the responsibility to provide Mineral Potential Assessments (MPA) and Mineral Appraisals (MA) to the ILCP. If that office issues an MPA that indicates there is no mineralization on a tract that has current economic value, the ILCC interprets that statement to mean the FMV (Fair Market Value) of the mineral interest is zero. Experience has shown the ILCC that applying a zero value to a minimal interest generally results in the interest being excluded from the sale by the seller.

For the purpose of acquiring mineral interests utilizing ILCP funding, a value of \$7.50 per acre is established for mineral interests. This shall apply to only mineral interests identified in a Mineral Assessment that has been provided by OME and only for those tracts that OME has determined to be of “nominal” or “no current economic” value. Implementation of a uniform policy at all sites where the ILCP is actively purchasing will allow Central Acquisition Centers to offer the mineral interest owner a consistent, supported value for nominal/no value interest(s). The end result is to reduce the number of fractionated subsurface mineral interests affecting trust lands through purchase.

## 1.4 Authority.

- A. The American Indian Probate Reform Act** of October 27, 2004, P. L.108-374 (118 Stat. 1773).
- B. The Indian Land Consolidation Act** of November 7, 2000, amended P.L.106-462 (114 Stat. 1991). See Section 213-216 of the Act.

## 1.5 Responsibilities.

- A. Director, Bureau of Indian Affairs (BIA)** is responsible for the development of National Policy affecting Indian lands.

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Part 76  
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of Fractional Mineral Interests

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- B. Director, Indian Land Consolidation Center is responsible for coordinating the Bureau's nationwide program to consolidate fractionated interests in Indian lands pursuant to statutory requirements.
- C. Deputy Bureau Director, Field Operations, BIA is responsible for overseeing the Regional Directors and disseminating policy to them.
- D. Deputy Bureau Director, Trust Services, BIA is responsible for assisting in the dissemination of trust resource policy and information to the Regional Directors.
- E. Regional Directors, BIA are responsible for carrying out policy as directed, and for overseeing the implementation of policy either directly or via Agency Superintendents.