INDIAN AFFAIRS
DIRECTIVES TRANSMITTAL SHEET

(modified DI-416)

DOCUMENT IDENTIFICATION NUMBER 76 IAM 8	SUBJECT Mineral Acquisition to reduce number of Fractional Mineral Interests	RELEASE NUMBER #08-29
FOR FURTHER INFORMATION Indian Land Consolidation Center, BIA		DATE MAY 09 2008

EXPLANATION OF MATERIAL TRANSMITTED:

Pursuant to the 130 DM 3.4, the Indian Land Consolidation Center is responsible for establishing land consolidation polices, providing technical advice and assistance to Regions with regard to the implementation of the land acquisition program. The Center is also responsible to provide oversight, direction, monitoring and program evaluation for the Indian Land Consolidation Program.

The purpose of this chapter 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).

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

Jerry L. Gidner
Director, Bureau of Indian Affairs

FILING INSTRUCTIONS:

Remove: None

Insert: 76 IAM 8 (New)

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.

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.

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.

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.