



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240



IN REPLY REFER TO:

National Policy Memorandum

**Bureau of Indian Affairs
Director**

**Number: NPM-TRUS-4
Title: Acquiring Fractionated Mineral Ownership
Interests Within the Great Plains Region**

**Effective: May 20, 2005
Expires: May 20, 2006**

1. Purpose

The purpose of this policy is to implement a uniform policy to acquire mineral interests in order to reduce the number of fractionated subsurface mineral interests within the Great Plains Region.

Section 2212 of The Indian Land Consolidation Act Amendments of 2004, P.L. 108-374 (the Act) made permanent the Indian Land Consolidation Program (ILCP) to lead the effort to purchase fractional interests (both surface and subsurface) in trust or restricted lands from willing sellers at the discretion of the Secretary of the Interior. In April 2003, the Bureau of Indian Affairs (BIA) established the Indian Land Consolidation Center (ILCC) to provide policy guidance, establish procedures and manage ILCP as it was expanded nationally.

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. Within the Great Plains Region, there are approximately 493,010 mineral interests (Indians only). Of those, approximately 381,270 are 2% or less. The Bureau of Land Management (BLM) has provided a number of Mineral Reports that identifies geological potential for mineral interests. Many of these Mineral Reports have established a "nominal" value for the mineral interests within the Great Plains Region. In order to offer fair market value to the owners of these fractionated mineral interests, a uniform policy must be enacted that establishes a price per acre from which a fair market value may be determined for these subsurface interests. The Great Plains Region currently lacks a uniform policy concerning the value associated with mineral interests. Implementation of a uniform policy to acquire mineral interests will reduce the number of fractionated subsurface mineral interests within the Region.

2. Scope

This policy applies to the Great Plains Region.

3. Policy

Effective immediately, the following acquisition policy is in affect for all ILCP project locations within the Great Plains Region. For purposes of acquiring mineral interests within the Great Plains Region utilizing ILCP funding, a value of \$7.50 per acre is established for mineral interests with an established nominal value from the BLM. This policy shall apply only to mineral interests identified in Mineral Reports that have been provided by BLM and only for those interests that BLM has determined to be of "nominal" value.

The goal is to obtain the most benefit for the cost incurred and to have the greatest impact on reducing the rate of fractionation and the Department's administrative burden. ILCP's first priority will be to target highly fractionated ownership interests that are 2% or less from willing sellers. The purchase of interests greater than 2 percent should be considered only after review of the case file and a clear determination is made that the cost incurred will include a cost savings to the Federal Government, such as when a total "buy out" of an owner's interests will result in the closure of his/her IIM account, elimination of trust oversight and/or elimination of probate responsibilities.

Any unresolved issues or questions should be referred to ILCC for final resolution.

4. Roles and Responsibilities

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

Director, Indian Land Consolidation Center, The ILCC Director is responsible for coordinating the Bureau's nationwide program to consolidate fractionated interests in Indian lands pursuant to statutory requirements.

Deputy Director, Field Operations, BIA. The BIA Deputy Director of Field Operations is responsible for overseeing the Regional Directors and disseminating policy to them.

Deputy Director, Trust Services, BIA. The BIA Deputy Director of Trust Services is responsible for assisting in the dissemination of trust resource policy and information to the Regional Directors.

Regional Directors, BIA. The BIA Regional Directors are responsible for carrying out policy as directed, and for overseeing the implementation of policy either directly or via Agency Superintendents.

5. Approvals

/sgd/

William Pat Ragsdale
Director, Bureau of Indian Affairs

5/25/05

Date