

**MEMORANDUM OF AGREEMENT
FOUR CORNERS INDIAN TRUST SERVICES LABORATORY PILOT**

**BUREAU OF INDIAN AFFAIRS
BUREAU OF LAND MANAGEMENT
MINERALS MANAGEMENT SERVICE
INDIAN MINERALS STEERING COMMITTEE**

The Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), Minerals Management Service (MMS), and the Indian Minerals Steering Committee (IMSC), through this Memorandum of Agreement (MOA), agree to establish and operate a pilot project termed the Four Corners Indian Trust Services Laboratory Pilot (Four Corners Pilot or Pilot) to test the consolidation and integration of the three bureaus' Indian minerals management functions under one line of authority.

The Four Corners Pilot is established specifically to implement the major recommendations in the final report of the Four Corners Indian Trust Services Laboratory (as modified by the IMSC), a reinvention laboratory conducted under the auspices of the Vice-President's National Performance Review.

This MOA states the objectives of the Four Corners Pilot, defines the relationship of the Four Corners Pilot to the BIA, BLM, and MMS, outlines cost sharing provisions, and describes the supervisory and management roles/responsibilities of the three bureaus and the IMSC.

OBJECTIVES OF THE FOUR CORNERS PILOT

The overall objective of the Four Corners Pilot is to test methods to improve the provision of trust services to individual Indian mineral owners in the Four Corners region and to report on the test results to the three bureaus and the IMSC both during and after the Pilot is completed. The Pilot will accomplish this objective by operating the existing Farmington Indian Minerals Office (FIMO), a tri-bureau office established in 1992 to coordinate the activities of the BIA, BLM, and MMS in the Four Corners Region. By this MOA, the Memorandum of Understanding under which the three bureaus operated the FIMO, signed on August 21, 1992, is rescinded. More specific objectives of the Pilot are to:

- o Ensure that the Secretary's legal responsibilities as a trustee are performed and that the Department's statutory requirements in mineral lease management are met, for individual Indian mineral leases in the Four Corners Region.

- o Provide a mechanism to increase and otherwise improve communication with and between the Four Corners individual mineral owners and the Department regarding mineral leases, production, and royalties.

The Four Corners Pilot will operate for a term of at least 2 years.

RELATIONSHIP OF THE PILOT AND THE THREE BUREAUS

The Four Corners Pilot is tasked to perform most of the functions that the three bureaus currently perform to manage the mineral leases of individual Indian mineral owners in the region, as recommended in the final report of the Four Corners Indian Trust Services Laboratory. Specifically, the Pilot will perform most: 1) leasing and lease administration functions; 2) lease inspection and enforcement functions; and 3) royalty management functions. The Department and bureaus will provide legal and technical support services as necessary, particularly BLM (drilling and reservoir management), MMS (revenue collection/disbursement, associated reports processing, and major payor audits), and all three bureaus (automated systems support). The Department's functions regarding Individual Indian Money (IIM) accounts may be partially or wholly performed in the Pilot pending future initiatives of and negotiations with the Office of Trust Funds Management.

The Pilot will be managed by an Office Director, a new position to be funded by MMS. The Pilot will be staffed consistent with the recommendations of the Four Corners Indian Trust Services Laboratory by temporary assignment of employees from the three bureaus to MMS, initially as follows: 1) BIA: six employees; 2) BLM: two employees; and 3) MMS: eight employees. These staffing levels may be altered as necessary without formal amendment to this MOA.

COST SHARING PROVISIONS

The three bureaus will share in the cost for jointly-used space, services, travel, and equipment in proportion to the initial staffing levels outlined above, as follows: BIA (35%), BLM (15%), and MMS (50%). This formula will not change during the Pilot, regardless of potential changes to bureau staffing levels. Labor costs will be incurred by the three bureaus for the employees each bureau contributes to the Pilot.

SUPERVISORY/MANAGEMENT ROLES AND RESPONSIBILITIES

The Office Director will report to the Associate Director for Royalty Management, MMS for supervisory and administrative purposes only. All staff working in the Pilot will report to the Director for supervisory and performance appraisal purposes.

The Four Corners Pilot will be managed for policy, guidance, coordination, and overall appraisal purposes by the IMSC. The Office Director will report to the IMSC at least quarterly, and will seek resolution of any policy and/or coordination issues more frequently if needed. Upon completion of the Pilot, the Office Director is required to submit a report to the IMSC assessing the Pilot results and making recommendations for potential changes to the Department's management of individual Indian mineral resources.

The IMSC is responsible for managing the policy and coordination aspects of the Pilot, and for issuing recommendations to the Assistant Secretary for Indian Affairs and Assistant Secretary for Lands and Minerals Management upon completion of the project.

APPROVAL

This MOA is approved.

Aida A. Manuel

Deputy Commissioner
Bureau of Indian Affairs

9-9-96
Date

Mike Dombach

Director
Bureau of Land Management

9/10/96
Date

Joseph A. Kallan

Acting Director
Minerals Management Service

9/6/96
Date

[Signature]

Chairman
Indian Minerals Steering Committee

9/10/96
Date