

**MEMORANDUM OF UNDERSTANDING AMONG  
UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
AND  
BUREAU OF LAND MANAGEMENT,  
OFFICE OF NATURAL RESOURCES REVENUE,  
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

**RELATIVE TO  
THE PARTNERSHIP OF THE  
FEDERAL INDIAN MINERALS OFFICE  
FARMINGTON, NEW MEXICO**

**INTRODUCTION**

This Memorandum of Understanding (MOU) provides the procedures for administration, coordination, and cooperation in the partnership among the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), Office of Natural Resources Revenue (ONRR), and the Office of the Special Trustee for American Indians (OST), for the management of the Federal Indian Minerals Office (FIMO) in Farmington, New Mexico.

This office provides local Indian trust services to individual Indian beneficiaries for the management of their oil and gas mineral resources on Navajo allotted lands. The agencies agree to operate the office that integrates the Indian allotted oil and gas management functions under one line of authority. The FIMO Director will report administratively to the agency that provides the full-time employee position. The agency that provides the full time employee position will also provide direct-line supervision of the FIMO Director (hereafter referred to as the "Reporting Agency"), and will provide the administrative support required for the full operation of FIMO.

This MOU provides a framework for the Department of the Interior (DOI) to execute its trust responsibilities requiring coordination to provide efficient and accountable service for the Navajo individual mineral owners in the management of their oil and gas interests.

This MOU also identifies the objectives of the partnership, defines the relationship of the partners, describes responsibilities of the partners, and defines the core functions of the office.

**OBJECTIVES, RESPONSIBILITIES, AND CORE FUNCTIONS**

1. **OBJECTIVES:** The overall objective of FIMO is to provide and improve Indian trust services to the Navajo individual mineral owners in the management of oil and gas interests on Navajo allotted mineral estates. To meet this objective, FIMO consolidates and integrates many of the agencies Navajo allotted oil and gas management functions under one line of authority.
2. **RESPONSIBILITIES:** FIMO is a multi-bureau partnership incorporating the functions of BIA, BLM, ONRR, and OST as they relate to Navajo allotted oil and gas management and development. The Executive Management Group (EMG) is comprised of representatives from each participating Agency that provide guidance and oversight of FIMO operations.

Specifically, the roles of the EMG and FIMO are:

**A. EMG Will:**

- Provide leadership and guidance to FIMO.
- Review spending plans for the fiscal year which are allocated from the Agencies based on staffing levels. Actual budgets will be managed by the respective Agencies.
- Conduct meetings or teleconferences as needed with the FIMO Director.
- Review and approve the annual fiscal year priorities developed by the FIMO Director.
- Review and advise on the Inspection and Enforcement status at the EMG Meetings.
- Review and advise on FIMO operations and processes in accordance with OMB Circular A-123 and appendices.
- Provide technical assistance to support FIMO functions.
- Review and approve the annual outreach schedule develop by FIMO.
- Review the Interagency Agreement required for cost sharing and payment of rent to the BLM for workspace that FIMO currently occupies. If necessary, the EMG will review and update the Interagency Agreement during the fourth year of the five year agreement. This will reflect any changes in employee assignments to FIMO.
- Provide support and assist with other Tribal and Federal entities.
- Meet bi-annually or at the request of the FIMO Director.

**B. FIMO Will:**

- Coordinate outreach schedule. FIMO outreach staff will provide the FIMO Director with their proposed annual outreach schedule representing Navajo Individual Mineral Owners. The FIMO Director will review, revise (as necessary) and approve. When approved, the FIMO Director provides this schedule to the Manager of State & Indian Outreach (SIO) and ONRR for roll-up into their national and annual outreach schedule.
- Perform audit and compliance work, as described under “Core Functions,” (below).
- Update the EMG on functions of the office regarding lease management, outreach, inspection and enforcement, surface compliance, royalty compliance, trust account processes, and allottee ownership issues quarterly.
- Update the Indian Energy Minerals Steering Committee (IEMSC) on functions of the office regarding lease management, outreach, inspection and enforcement, surface compliance, royalty compliance, trust account processes, and allottee ownership issues.
- Identify additional resources needed for projects to improve trust services.
- Identify potential issues on Navajo allotted lands pertaining to oil and gas leases and discuss with EMG as appropriate.
- Operate within the approved budget and staffing levels.
- Provide central services to internal and external customers pertaining to oil and gas on Navajo allotted lands in accordance with FIMO’s delegated authority.

**3. CORE FUNCTIONS:** FIMO will perform the following core functions consistent with the authorities delegated by the BIA, BLM, ONRR, and OST, as described by the Onshore Energy and Mineral Lease Management Interagency Standard Operating Procedures (SOP).

Additionally, FIMO is responsible for coordinating outreach, updating Individual Indian Money (IIM) accounts, records management, audit, compliance, and other services, as described herein.

- Outreach: FIMO will provide joint outreach and customer service to individual Navajo oil and gas mineral owners, who are the trust beneficiaries; to coordinate with companies who operate the Indian leases. FIMO will provide information to Navajo oil and gas mineral owners and ask for their input concerning the management of their lands for oil and gas development. The effort will come in the form of providing direct beneficiary services, such as looking up lease, and/or account information, account updates (names, address, etc.) or having regularly scheduled meetings on issues that directly affect royalties. FIMO will ensure BIA, BLM, ONRR and OST actively participate in outreach events by providing brief presentations, in both English and Navajo, about the services each agency provides under the FIMO umbrella. In implementing direct beneficiary services, FIMO will provide one-stop customer service for Navajo oil and gas mineral owners. The FIMO Director will make the outreach schedules available to the EMG and Navajo oil and gas owners.
  
- Account Updating: FIMO and OST have assisted in providing and improving Indian trust services to the Navajo mineral owners. OST is responsible for the critical function of distributing royalty payments to the allottees. OST will work with FIMO to provide beneficiary-focused services to the Navajo allottees including, but not limited, to the following:
  - IIM Account Orientation.
  - Explanation of Payment and Statement of Performance Orientation.
  - Source of Assets in the IIM Account (Probate, Gift Deed, Land Consolidation, etc.) explanation.
  - Undivided Interest – Fractionation.
  - AIPRA, Probate Process, Estate Planning Orientation (including Will Clinics).
  - Financial Empowerment Seminars/Counseling.
  - Account Maintenance Services – Updates to Name, Address, Taxpayer ID, and Birthdate.
  - Enrollment and account number corrections.
  - Coordination with BIA Social Services for assessments.
  - Assisting account holder with land locations through map reading.
  - Research, filing for loss and cancellation of IIM Checks.
  - Inquiry for disbursement of funds
  
- Records Management: FIMO will maintain separate records or file maintenance systems for each respective Agency, as appropriate. FIMO will perform records management in accordance with the Office of Trust Records Indian Affairs Records

Management Manual (IARMM) and associated policies and procedures for trust records.

- Audit & Compliance: ONRR will work with the FIMO Audit Supervisor to develop and implement an annual audit and compliance work plan, to ensure compliance with lease term and the regulations for the reporting and payment of royalties to the Navajo allottees. The FIMO Audit Supervisor will draft the work plan and submit to the FIMO Director by August 1st, prior to the new Fiscal Year (FY) for review. Once approved by the FIMO Director, the Audit Supervisor will submit to the ONRR GS-14 FIMO Manager by August 15, prior to the new fiscal year. Once the ONRR GS-14 FIMO Manager receives and reviews the work plan, he/she will coordinate with the Audit and Compliance Management (ONRR ACM) work planning team to ensure there is no duplication of audit and compliance work.

### **ADMINISTRATIVE FUNCTIONS**

As mentioned in the introduction, the reporting agency for the FIMO Director shall provide the administrative support functions for FIMO, unless specifically agreed to otherwise. These functions include budget management, procurement, charge cards, property, IT support, security, human resource support, and vehicular support. These functions are as follows:

Budgeting: The reporting agency is responsible for developing, tracking, accounting for, and reporting the budget for FIMO. The budget will not exceed the amount agreed to unless the EMG grants approval to exceed the budget threshold. When an agency does not have a specific budget line item for FIMO, each agency will perform their budget administration separately. ONRR and the BIA each have budgeted the office into their respective allocated monies for these functions. The EMG and the respective agencies will consult with the FIMO Director. The FIMO Director will review the budget decision affecting FIMO.

Procurement: The FIMO Director's reporting agency shall assume exclusive procurement support for FIMO, unless specifically agreed to otherwise. FIMO employees shall comply with the reporting agency's procurement guidance for all FIMO agreements and contracts.

Charge Cards: Each providing agency shall provide charge cards for their FIMO employees. All FIMO employees are subject to the charge card regulations and procedures of their assigned agency, including, but not limited to each participating agency's charge card use, training, and audit requirements. The FIMO Director shall be responsible for certification of employee charge card statements and ensuring that funds are used for authorized purchases and travel. In accordance with DOI policy, the FIMO Director will serve as the Approving Official for all FIMO employees' charge cards.

Property: Each providing agency will provide FIMO with the necessary property for their employees to perform their assigned functions. Property management will conform to the rules and regulations of the employee's agency. Each providing agency will designate a Certified Property Officer for all equipment issued to their employees assigned to FIMO. The FIMO Director will assume oversight responsibilities of property assigned to FIMO.

IT Support: The reporting agency will provide the user level IT support and desktop support for FIMO. The providing agencies will provide system support for their systems to the authorized FIMO employees. The FIMO Director will ensure that FIMO employees comply with DOI training requirements and policies, including FISSA, NIST, and annual Statement of Assurance requirements.

Security: The agency responsible for facility support will provide facility, employee, and user-level security. Records security will conform to the requirements of IARMM for all records, including both electronic and hard copy records. The FIMO Director will develop a Continuity of Operation Plan for all functions performed by FIMO.

Human Resources: FIMO employees will obtain their human resource support from their respective agency. The FIMO Director will perform supervisory duties, such as:

- Creating, implementing, monitoring, and evaluating employee performance in accordance with the employee's respective agency requirements;
- Correcting employee conduct and performance through the implementation of disciplinary actions, and/or Performance Improvement Plans, in accordance with the employee's respective agency requirements.
- Review, approve, and implement Individual Development Plans for FIMO employees. Ensure that FIMO employees complete all DOI required training by the stated due dates.

Fleet Support: Each agency will provide vehicle support for the FIMO Staff. The agency support includes appropriate safety equipment in the vehicle, operation training, and vehicle maintenance.

### **DEFINITIONS AND ACRONYMS (Specific to this MOU)**

Navajo Indian Allotted Lands: Lands located with the jurisdiction of the Navajo Nation, held in trust or restricted status by the United States for the benefit of Navajo Indians; and allotted to a Navajo Indian or taken into trust or restricted status by the United States for an individual Indian.

BIA: Bureau of Indian Affairs.

BLM: Bureau of Land Management.

DOI: Department of the Interior.

EMG: The Executive Management Group, which provides oversight of FIMO functions. EMG is comprised of the Regional Director of the Navajo Region (BIA), the State Director of the New Mexico State Office (BLM), the Program Director, Indian Coordination (ONRR), and the Regional Trust Administrator for Navajo Region (OST).

FIMO: Federal Indian Minerals Office.

IIM: Individual Indian Money

IEMSC: The Indian Energy and Minerals Steering Committee. This DOI executive management committee includes senior managers and staff from BIA, BLM, ONRR, OST, OSM, U.S.G.S, and Office of the Solicitor.

ONRR: Office of Natural Resources Revenue.

OST: Office of the Special Trustee for American Indians.

### **GENERAL PROVISIONS**

- The agencies will waive all administrative overhead fees associated with this agreement.
- This MOU supersedes all previous versions dated prior to the approval date of this MOU and remains in effect until cancelled or superseded by mutual agreement of all approving signatories listed below.
- This MOU will be reviewed annually by the EMG to discuss any potential changes. If there are any significant changes, the EMG will revise the MOU; and the MOU will be approved and re-signed by designated agency officials (outlined, above). The discussion of potential changes will be documented in the EMG meeting minutes.
- The bureaus for budget purposes will sign a separate Interagency Agreement.

Approved by:



Director, Bureau of Indian Affairs  
U.S. Department of Interior

Date: 8-17-17



Acting Director,  
Bureau of Land Management  
U.S. Department of Interior  
Date:

**GREGORY  
GOULD**

Digitally signed by GREGORY GOULD  
DN: c=US, o=U.S. Government, ou=Department of  
the Interior, ou=Office of Natural Resources  
Revenue, cn=GREGORY GOULD,  
o.9.2342.10200300.100.1.1=14001000320087  
Date: 2017.08.14 23:23 -0600

Director, Office of Natural Resources Revenue  
U.S. Department of Interior

Date:



Digitally signed by DOUGLAS LORDS  
DN: c=US, o=U.S. Government, ou=Department  
of the Interior, ou=Office of the Special Trustee,  
cn=DOUGLAS LORDS,  
o.9.2342.10200300.100.1.1=74001000304220  
Date: 2017.08.13 12:18:07 -0600

Principal Deputy Special Trustee,  
Office of the Special Trustee for American  
Indians

U.S. Department of Interior  
Date:

## ADDENDUM

The following core functions are unique to FIMO and the details are not outlined in the SOP. These procedures are subject to change, if necessary.

### **1. Inspection and Enforcement (I&E)**

- **BLM** will complete 100% of Indian Allotted inspection and enforcement on producing leases in accordance with BLM's policy and procedures on a Fiscal Year basis.
- **BLM** will provide the FIMO Director with monthly inspection and enforcement reports.

### **2. Production Verification**

- **BLM** will communicate to FIMO all I&E and record review/analysis done by the Petroleum Engineer Technicians (PET) and Production Accountability Technicians (PAT) when the following situations occur during inspection and an audit review:
  - i. Reporting Errors
  - ii. Volume Discrepancies
  - iii. Regulatory Issues
  - iv. Record Discrepancies

### **3. NEPA Documents**

- **BLM** will draft the NEPA documents for APDs located on Allotted Lands.
- **FIMO** will review APD NEPA documents and provide any additional necessary terms and conditions, and provide a concurrence letter.
- **BLM** will sign the Finding of No Significant Impact and the Decision Record.