

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
COLORADO STATE OFFICE
2850 YOUNGFIELD STREET
LAKEWOOD, COLORADO 80215-7093

February 23, 1998

In Reply Refer To:
2200 (CO-935) P

EMS Transmission 02/23/98
Instruction Memorandum No. CO-98-022
Expires: 9/30/99

To: All Field Offices and Deputy State Director, Resource Services

From: State Director

Subject: Land Exchange Processing

On December 23, 1997, the Director issued Instruction Memorandum (IM) No. WO-98-42 (attached). It provides new guidance for land exchange processing.

A primary focus of the new guidance centers on feasibility analysis reports which must now be prepared on virtually all land exchanges and approved at the State Director's level or higher. In the past, a State Office review and State Director's concurrence in these reports were not mandatory. Those feasibility reports that were prepared and forwarded to the State Office were reviewed by the State Office Realty and Appraisal Group and approved by the Deputy State Director for Resource Services for the State Director. Other feasibility reports were reviewed and approved by the District Manager. These procedures will be changed as follows to reflect the new direction from Washington.

1. For routine land exchanges, which are defined as those land exchanges which are required by Congressional legislation, or the result of Justice Department settlement actions, or where the value of the public lands required to complete the acquisition of the offered private lands is less than \$500,000, the following guidance will apply:

* a feasibility analysis report will be required for State Director's signature prior to the publication of a Notice of Exchange Proposal. The

feasibility analysis report must be submitted to the State Office Realty and Appraisal Group (CO-935).

* If the Notice of Exchange Proposal has been published, but the Notice of Decision has not yet been published, a feasibility analysis report will be required for the State Director's signature for all ongoing land exchanges where the feasibility report was not sent to the State Office and signed by the Deputy State Director for Resource Services. These reports will be submitted to CO-935. It will not be necessary for you to resubmit feasibility reports which have already been approved by and signed by the Deputy State Director for Resource Services.

* a feasibility analysis report will not be required for routine land exchanges where the Notice of Decision has already been published, nor will it be necessary for you to resubmit feasibility reports which have already been approved by and signed for the State Director by the Deputy State Director for Resource Services.

2. A feasibility analysis report will be required for all new non-routine land exchanges. Non-routine land exchanges are those which are not directed by legislation or Justice Department settlement actions and the value of the public lands required to complete the acquisition of the offered private lands is \$500,000 or more. The feasibility analysis report must be approved by the State Director and the Assistant Director for Minerals, Realty, and Resource Protection (AD-300). If the value of the public lands is more than \$2 million, the feasibility report must also be forwarded for concurrence by the Director or the Assistant Secretary for Land and Minerals Management.

3. A feasibility analysis report will also be required for all pending non-routine land exchanges where title has not yet transferred from the United States. The following guidance will apply for all pending non-routine land exchanges:

* If you have a feasibility analysis report which already has been approved and signed by the Deputy State Director for Resource Services, you must resubmit that report to CO-935 for concurrence by the State Director and transmittal to the Washington Office.

* If you are ready to publish a Notice of Exchange Proposal or a Notice of Decision, you must submit both a feasibility report and a draft of the Notice of Exchange Proposal or Notice of Decision to CO-935 for State Director approval and transmittal to the Washington Office. The Assistant Director for Minerals, Realty, and Resource Protection must concur in the issuance of any not-yet-published Notices of Exchange Proposal or Notices

of Decision for pending non-routine land exchanges.

* If you have already published the Notice of Exchange Proposal and/or the Notice of Decision and are now ready to transfer title, you must submit the entire case file to CO-935. The file must contain a feasibility report and a draft summary issue paper for State Director concurrence and transmittal to the Washington Office. The issue paper should provide a concise explanation of the background of the exchange, the public benefits to be derived from making the exchange, and how issues raised during the process have been resolved.

* The Chief State Appraiser will prepare an appraisal summary which will also be transmitted to Washington.

The feasibility report is an important tool which we can use to enhance success with land exchanges because it provides an avenue for communication and coordination among all levels of the organization as a particular proposal is being developed. Guidance for preparing the feasibility report is included in Chapter 2 of the final Land Exchange Handbook H-2200-1, dated August 4, 1997. To ensure statewide consistency and that adequate information is included in the feasibility report, you are directed to use the format included as Illustration 2(a) in the Land Exchange Handbook.

This Instruction Memorandum is intended to supplement the guidance contained in the Washington Office Instruction Memorandum and the Land Exchange Handbook. If Washington refines or changes that guidance, we will modify the procedures outlined in this memorandum accordingly. If you have questions, please direct them to Herb Olson at (303) 239-3709, or Jenny Saunders at (303) 239-3708.

Signed by
Frank Salwerowicz
Acting State Director

Authenticated by
Don Snow
EMS Operator

Attachment - IM WO-98-42

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

December 23, 1997

In Reply Refer To:
2100 (350/300) P

EMS TRANSMISSION 1/5/98
Instruction Memorandum No. 98-42
Expires: 9/30/99

To: State Directors

From: Director

Subject: Land Exchange Processing

This memorandum replaces the Director's E-Mail of December 23, 1997, on land exchange processing. There are no changes in required procedures.

Several actions are pending regarding the processing of land exchanges within the Bureau. I recently convened a small working group to consider recommendations for improvements in the Bureau's land exchange program, including the possible establishment of a National Exchange Advisory Team. That working group has completed its report and I am currently reviewing its recommendations. In addition, there are other reports by independent parties which are expected shortly and which will probably include findings and recommendations that are critical of the Bureau's process. I expect to complete a full review of these reports and provide comments or changes in a timely manner.

Pending implementation of the BLM working group's recommendations, the following actions are effective immediately:

1. A feasibility analysis report, approved by the State Director, will be **required** for all land exchanges, in all States, prior to the publication of a Notice of Exchange Proposal (NOEP). If the NOEP has already been published and the feasibility analysis report has not been prepared, then a feasibility analysis report will be required prior to publication of the Notice of Decision (NOD).

2. Subject to paragraph 1 above, all states may proceed with necessary actions for routine exchanges. Routine exchanges are those where the value of public lands to be exchanged is less than \$500,000, required by Congressional legislation or the result of Justice Department settlement actions.

3. All States must submit feasibility analysis reports for other than routine exchanges for concurrence by the Assistant Director, Minerals,

Realty and Resource Protection (AD-300). Guidance on the preparation of feasibility reports is included in the BLM Land Exchange Handbook (H-2200-1). The feasibility analysis report must be approved by the State Director.

4. Feasibility reports for all land exchanges where the public lands are expected to be valued at more than \$2 million will require concurrence of the Director or the Assistant Secretary for Land and Minerals Management.

5. The issuance of any new NOEP or NOD for other than routine land exchanges will require the concurrence of AD-300, until further notice.

6. Pending title transfer actions for other than routine exchanges will require concurrence of the AD-300 prior to State Director approval of title transfer. Request for concurrence requires submittal of an approved feasibility analysis report, summary issue paper and an appraisal summary.

7. The AD-300 concurrence is required prior to the transmittal of any land exchange protest dismissal package from the State Director for Assistant Secretary consideration. Requests for protest dismissals will be closely reviewed by AD-300 prior to the submittal to the W.O. for processing.

These actions are critical to maintaining the credibility of our land exchange program and protecting the public interest. Further refinements and improvements to the land exchange program can be expected as we implement the recommendations from the land exchange working group and consider the results of other internal reviews. Your attention to these issues is significantly important to the future of our land tenure program.

Signed by:
Pat Shea
Director

Authenticated by:
Robert M. Williams
Directives and Records Group, W0540

**BUREAU OF LAND MANAGEMENT
PENDING LAND EXCHANGE ACTIONS**

(December 97 - February 98)

12/23/97 1:00 pm

NAME	PROPONENT	LOCATION	VALUE	ROUTINE	AD-300 Review	DEPARTMENT
				(<\$500,000)		REVIEW

Arizona

Saguaro National Park	Tucson Mtn. Associates	Tucson & Phoenix, AZ	\$8.2 million		X
Morenci	Phelps Dodge Corp.	Morenci, Az.	\$464,000		X
				Protest Decision 12/97	

California

California Desert Act	State Lands Commission	California Desert	\$25 million		X
Cache Creek III	CALBLMX & Rocky Mtn.ELK	Cache Creek	\$5 million		X
Catellus- Palo Verde	Catellus	Colorado River	\$5 million		X
Western Riverside	Riverside County	Riverside County	\$512,000		X
P&V Phase 7	P&V Enterprises	West Mojave	\$939,000		X
Catellus I	Catellus	West Mojave	\$ 5 million		X
Loomis Borax	US Borax	West Mojave	\$750,000		X
Eagle Mtn.	Kaiser Eagle Mtn.	Coachella Valley	\$317,000	X	
Justenson	American Land Conservancy	West Mojave	\$400,000	X	
				Protest Decision 1/98	
				Closing 1/98	

Orwick II/III	TPL	Sacramento	\$785,000		X	
		River			Closing 12/97	
Sierra Pacific II	Sierra Pacific	Redding, CA.	\$ 3 million			X
						NOD 1/98
Aalfs	Dan Aalfs	Trinity County	\$800,000		X	
						NOD 1/98
Fort Sage	State Fish & Game	Fort Sage OHV area	\$691,000		X	
						Closing 1/98
Bertolli	Bertolli	N. California	\$400,000	X		
						NOD 2/98
Imperial County	CALBLMX	Imperial County	\$59,000	X		
						NOD 2/98
Folsom	CALBLMX	American River	\$ 2 million		X	
						Closing 2/98
North Fork American River	CALBLMX	American River	\$300,000	X		
						Closing 1/98
South Fork American River	CALBLMX	American River	\$580,000		X	
						Closing 2/98
Beauty Mtn.	TPL	Beauty Ntn. Wilderness	\$ 3 million			X
						NOEP 1/98
McNoughton I	McNoughton	Coachella Valley	\$ 3 million			X
						NOEP 1/98

Valley Rock	Valley Rock & Sand	Mecca Hills Wilderness	< \$500,000	X	
					NOEP 2/98
Silva	Bob Silva	Siskiyou	\$101,000	X	
					Closing 1/98
Lake Nacimiento	Conservation Partners, Inc.	San Luis Obispo County	\$354,000	X	
					NOD 12/97
Allen	TNC	Kern County	\$10,000	X	
					Closing 1/98
Sanctuary Forest	Kermit Miller	Humboldt County	\$295,000	X	
					NOD 2/98
Evenson	Evenson/Smull	N. California	\$450,000	X	
					NOD 2/98
South Fork Eel	Kahn	Eel River	\$400,000	X	
					NOD 2/98
Benton	TPL	Benton California	\$900,000		X
					NOD 1/98
Colorado					
Gateway Ranch	The Conservation Fund	Lake Fork of Gunnison	\$1.6 million		X
					Closing 12/97
Jerry Creek Reservoir	Ute Water Conservancy	Mesa County	\$350,000	X	
					Closing 2/98
Denver Water Board	Shepherd & Associates	Grand County	\$850,000		X
					Closing 2/98
Jacques	Dr. Jacques	Grand County	\$4,000	X	
					Closing 2/98

Idaho

KBOI Radio	Pacific Northwest Broadcasting	Snake River Birds of Prey NCA	\$80,000	X	Closing 12/97
Blackfoot Mtn.	State of Idaho	Snake River	\$928,000		X Closing 1/98
Watkins	Donald Watkins	Snake River Birds of Prey NCA	\$127,000	X	Closing 12/97

Montana

Two Crow Ranch I	Rocky Mtn. Elk	Missouri Breaks	\$486,000	X	Closing 12/97
Blackfoot River I	TNC	Blackfoot River	\$12 million		X Closing 1/98
Sacrifice Cliff	The Conservation Fund	Billings, MT	\$800,000		X Agreement to Initiate 1/98
Beaverhead Ranch	The Conservation Fund	Dillon, MT	\$1.5 million		X Agreement to Initiate 1/98
Devils Elbow	The Conservation Fund	Helena, MT	\$525,000		X NOD 2/98
Crow Boundary I/II	Legislation	Crow Reservation	\$1.8 million	X	NOEP 2/98 (Legislation)

Nevada

Big Springs Ranch	Big Springs Associates	Wendover, NV	\$1.9 million		X	
						Review Protest 1/98
Indian Creek	Western Resources Management	Mary's River	\$446,000	X		
					Closing 1/98	
Del Webb (Dreyfus)	Del Webb	Lake Tahoe & Las Vegas	\$ 12 million			X
						NOD 2/98
Perma-Bilt Phase II-A	Perma- Bilt (American Land Conservancy)	Carson City Las Vegas	\$1.4 million		X	X
					Review Protest 1/98	Protest Dismissal 1/98
Perma-Bilt (Dreyfus)	Perma- Bilt (American Land Conservancy)	Lake Tahoe & Las Vegas	\$ 5 million			X
						NOD 2/98
RO Ranch	Perma- Bilt (American Land Conservancy)	Nye County	\$1.2 million	X		
					NOEP 12/97	
					(Dept. of Justice)	
Volkmar I	Carl Volkmar	Red Rock Canyon NCA	\$ 16 million			X
						NOD 2/98
Volkmar II	Carl Volkmar	Lake Tahoe	\$24 million			X
						NOD 2/98
Falcon Pointe	Kurt Goodfellow	Ruby Lake NWR	\$903,000		X	
						NOD 2/98
Eldorado Canyon	John Lawrence	Carson City, NV	\$415,000	X		
					NOD 3/98	
New Mexico						
Ball Ranch	NM State Lands	Petroglyph	\$ 1 million		X	
		National Monument				NOEP 2/98

Oregon

Mt. Hood	Longview Fiber	Mt. Hood, OR	\$ 15 million	X	
					Closing 12/97
					(Legislation)
Wildwood	Wonderland Preserve	Salmon River	\$ 1.2 million		X
					Closing 1/98
Harney County	Harney County	S.E. Oregon	\$10,000	X	
					Closing 2/98
Hancock	John Hancock Mutual Life	Oregon Coast Range	\$ 1 million		X
					NOD 2/98
Clearwater II B	Clearwater Land Exchange	Grande Ronde River	\$4,500	X	
					Closing 2/98
Cline Falls II	Deschutes County & Central Oregon Irrigation	Deschutes River Redmond, OR	\$ 1.4 million		X
					NOD 2/98
Minam	Clearwater Land Exchange	Ninam River	\$96,000	X	
					Protest Decision 1/98
Utah					
Zone 5 (Red Cliff)	Richard Stowe	Washington County	\$924,000		X
					Closing 1/98
Gravel Pit	State of Utah	Washington County	\$1.9 million		X
					Closing 1/98
Cox (Red Cliff)	Waren Cox	Washington County	\$3.5 million		X
					Closing 2/98

Silver Reef (Red Cliff)	James Doyle	Washington County	\$5.4 million		X
					Closing 2/98
Hurricane (Red Cliff)	A.R. Spilsbury	Washington County	\$150,000	X	
					Closing 1/98
Sand Hollow	Washington County Water District	Washington County	\$3.2 million	X	
					Closing 2/98
					(Legislation)

Washington

Lincoln County	Clearwater Land Exchange	Spokane District	\$8 million		X
					Closing 1/98
Hercules Ranch	Rex harder	Lincoln County	\$120,000	X	
					Closing 12/97
Palmer Mountain	Palmer Mtn. Inc.	Silkameen River	\$142,000	X	
					Closing 2/98
Benton County	State of Washington	Central Washington State	\$2.5 million		X
					NOEP 2/98

Wyoming

Raymond Mountain	State of Wyoming	Raymond Mtn. WSA	\$150,000	X	
					Closing 2/98
Evelyn Cummings	Evelyn Cummings	Casper	\$75,000	X	
					NOEP 2/98
Joe Collins	Joe Collins	Casper	\$120,000	X	
					NOD 1/98
60 Bar K	60 Bar K Ranch	Casper	\$1.3 million		X
					NOEP 2/98

Randall/ Myron Jones	Randall/Myron Jones	Casper	\$2,500	X
				NOEP 1/98
Ledder	TNC	Casper	\$246,000	X
				Protest Decision 1/98