



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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3600 (922Varhalmi) P

January 8, 2015

EMS TRANSMISSION: 1/12/2015
Instruction Memorandum No. WY-2015-19
Expires 09/30/2016

To: District Managers

From: Acting Deputy State Director, Division of Minerals and Lands

Subject: Updated Mineral Materials Values

Program Area: Disposal of Mineral Materials

Purpose: This Instruction Memorandum (IM) updates unit values to be used by Authorized Officials (AO) in the Field Offices when disposing of, through sale or permit, mineral materials located on Federal lands within Wyoming.

Policy/Action: Mineral material values are to be reviewed and updated on a biennial basis. The appropriate material unit value in Attachment 1 will, until replaced by another mineral material appraisal, be applicable to (1) over-the-counter sales from community pits and common use areas, (2) free use permits (so that the value provided to governmental entities and nonprofit organizations can be reported to the annual public land statistics), (3) all nonrenewable contract sales for which the total purchase price has yet to be paid (i.e., installment payments remain to be made), and (4) cases of mineral material trespass in accordance with guidance contained in the Mineral Material Trespass Prevention and Abatement handbook H-9235-1. The AO may submit comparable sales data that show any of the unit values in this IM should be higher for a particular geographic area.

For nonrenewable contract sales the updated unit price shall be applied at the start of next calendar month following the date of issuance of this IM. If a nonrenewable contract sale was authorized less than 2 years ago or the last adjustment of value was less than 2 years ago, the updated unit price will be applied at the start of the calendar month immediately following the second anniversary of the sale or second anniversary following the date of the last adjustment.

The unit prices should be used to establish minimum bids for competitive sales unless there have been substantive changes in the local market since the issuance of this IM. In such cases an appraisal utilizing comparable sales data would be completed as part of the application process.

The cost of such would add to the case-by-case processing cost estimate. The AO should carefully consider whether or not a unit price in this IM should apply to a contract sale that is undergoing renewal.

The change in appraised value will be indicated by the entry of Action Code 132 with \$*.**;CY or \$*.**;TN in the action remark into LR2000-Case Recordation. A copy of this IM should be placed into the mineral material case file for documentation purposes. For community pits, common use areas and free use permits, the action date shall be the date of receipt by your office of this IM. For nonrenewable contract sales which are not paid in full, the Action Code 132 shall be entered on the first calendar day of the month the new value will become applicable.

Timeframe: This IM is effective immediately

Budget Impact: Minimal

Background: In accordance with 43 Code of Federal Regulations (CFR) 3602.13 the BLM will not sell mineral materials at less than fair market value and may periodically, usually on a 2 year basis, reappraise the value of mineral materials. Washington Office IM No. 2009-160, Mineral Materials Appraisal Policy, allows for the extension of existing appraisals using appropriate Producer Price Index (PPI), published by the Bureau of Labor Statistics to adjust the estimate of the fair market value.

A long form mineral material appraisal utilizing comparable sales data was completed in late May 2010 and was transmitted to Field Offices via IM No. WY-2010-038 which was dated July 22, 2010. The following table shows the PPI's from May 2012 and November 2014 and the mineral material products to which they are applied.

Series ID WPU	Seasonally Adjusted?	Group	Item	November 2014 ¹ PPI/May 2012 PPI =	Multiplication factor applied to
132101	N	Nonmetallic mineral products	Construction sand, gravel and crushed stone	290.6 / 272.2 = 1.068	Sand, gravel, aggregate, rip-rap, boulders
13990211	N	Nonmetallic mineral products	Dimension stone	233.3 / 210.8 = 1.107	Moss rock, dimension stone (flagstone), decorative rock
139903	N	Nonmetallic mineral products	Miscellaneous mineral products	181.8 / 169.8 = 1.071	Borrow/fill, clinker

To adjust a 2012 unit prices to an approximate 2012 unit value using PPI's the November 2014 PPI is first divided by the May 2012 PPI with the result being rounded to three digits right of the

¹ Preliminary, index is subject to revision four months after publication (Source: www.bls.gov)

decimal point. The 2012 unit price is then multiplied by that figure as shown in Attachment 1 with the result being rounded to the closest penny.

If any purchaser is concerned that any of the reappraised values presented in this IM is in error that party is welcome to present comparable sales data for similar material sold from fee lands that is the result of an arm's length transaction. The mineral material appraisal handbook is H-3630-1.

Manual/Handbook Sections Contact: If you have questions, please contact George Varhalmi at 307-775-6273, and by email at gvarhalm@blm.gov.

Signed by:
Brenda V. Neuman
Acting Deputy State Director
Minerals and Lands

Authenticated by:
Sherry Dixon
Support Services Assistant

1 Attachment:

1 – Mineral Material Rate Schedule – January 2015 (1 p)

Distribution

Director (320), 20 M Street, SE	1 (w/atc.)
Field Managers	1 (w/atc.)
CF	2 (w/atc.)

Mineral Material Rate Schedule – January 2015

Commodity	2012 Price ¹	PPI Multiplication factor	Updated Price ¹ for 2014	/ Unit ²
<i>Construction Materials</i>				
Sand, gravel, aggregate (all counties but Teton)	\$0.65	1.068	\$0.69	Ton
Sand, gravel, aggregate (all counties but Teton)	\$0.99	1.068	\$1.06	LCY
Sand, gravel, aggregate (Teton County)	\$1.56	1.068	\$1.67	Ton
Sand, gravel, aggregate (Teton County)	\$2.35	1.068	\$2.51	LCY
Borrow / fill	\$0.41	1.071	\$0.44	LCY
Clinker (scoria)	\$0.65	1.071	\$0.70	Ton
Clinker (scoria)	\$0.68	1.071	\$0.73	LCY
Clay	case-by-case			
Rip-Rap (up to 2 ft. crushed size)	\$1.56	1.068	\$1.67	Ton
<i>Decorative stone materials</i>				
Boulders (poor quality)	\$12.53	1.068	\$13.38	Ton
Boulders (good quality)*	\$15.66	1.068	\$16.72	Ton
Moss rock	\$20.66	1.107	\$22.87	Ton
Dimension stone (flagstone)	\$20.66	1.107	\$22.87	Ton
Decorative rock	\$20.66	1.107	\$22.87	Ton

The 2010 appraisal was based on material which had been removed from the property and not in-place. Sales should therefore be based on tonnage across scales or loose cubic yards if a count of volume by truck capacity is being kept by the purchaser.

Pre- and post-extraction surveys for bank yards removed is still a valuable product verification tool as long as the AO and purchaser agree upon a bank to loose cubic yard swell factor or tons/cubic yard measurement if the sale is in bank cubic yard but the purchaser is providing weight tickets as part of monthly production reporting. The conversion factors can be based on actual sampling and testing of the material from the sale area to arrive at a deposit specific weight per bank and/or loose cubic yard conversion; from tabular data contained in heavy equipment manufacturer guidebooks; e.g., the Caterpillar Performance Handbook (free downloads available from a variety of internet sources) or from The Mineral Examiners Handbook H-3890-1, Appendix IV-B pages 1 and 2 (note: the Sep. 1, 2004 edition of the appendices to this handbook is marked as –internal-).

¹ This is the price per unit (last column).

² LCY – loose cubic yards; 1 ton = 2,000 lbs.