

RALPH EASON, ET AL.  
v.  
BUREAU OF LAND MANAGEMENT

IBLA 2002-472

Decided August 16, 2005

Appeal from an order by Administrative Law Judge Harvey C. Sweitzer setting aside a decision letter of the Vale District Office, Bureau of Land Management, that assigned maintenance responsibility for water improvements based on a 1973 agreement. OR-036-99-03.

Reversed.

1. Contracts: Construction and Operation: Generally – Contracts: General Rules of Construction

When the language of a contract is unambiguous, the terms of the contract will be given their plain meaning and the interpretation of the contract will be determined by the four corners of the document alone.

APPEARANCES: Bradley Grenham, Esq., Office of the Solicitor, U.S. Department of the Interior, Portland, Oregon, for the Bureau of Land Management; W. Alan Schroeder, Esq., Boise, Idaho, for Ralph Eason, et al.

OPINION BY ADMINISTRATIVE JUDGE IRWIN

The Bureau of Land Management (BLM) has appealed an order issued on August 13, 2002, by Administrative Law Judge Harvey C. Sweitzer (2002 Order) that set aside a decision letter sent to Ralph Eason by the Vale (Oregon) District Office, BLM, on October 25, 1999 (1999 Decision) that assigned to BLM maintenance responsibility for certain water improvement projects that were built after 1973. BLM's 1999 Decision was based on its interpretation of an agreement entered into by BLM and Ralph and Beverly Eason on February 26, 1973 (1973 Agreement) and our decision in Ralph and Beverly Eason v. Bureau of Land Management, 145 IBLA 78 (1998). In contrast to BLM's 1999 Decision, which assigned BLM responsibility only for projects built after 1973, Judge Sweitzer's 2002 Order assigned to BLM

maintenance responsibility for all water developments listed in the 1974 Allotment Management Plan (AMP) for the Jackies Butte Allotment. (2002 Order at 6.)<sup>1/</sup>

This appeal originates from the 1973 Agreement, which granted the Easons 1400 animal unit months (AUM's) in consideration of the Easons' consent that BLM construct and maintain water structures and developments where the Easons held water rights. Paragraphs 1 through 3 of the 1973 Agreement provide:

(1) That the SECOND PARTIES [Easons] agree to permit the FIRST PARTY [BLM] to construct and maintain [sic], at its own expense, as many water structures and developments as may be necessary for proper management of the Jackies Butte Unit on which the SECOND PARTIES control the water right. That the water rights of the SECOND PARTY are on and adjacent to the Jackies Butte Unit, Vale District, and the FIRST PARTY wishes to construct and maintain the water structures and developments as may be necessary for proper management on drainages to improve and benefit the Jackies Butte Unit.

(2) The FIRST PARTY, in consideration of the SECOND PARTIES' consent to the construction and development set forth in paragraph (1) hereof, does agree to grant the SECOND PARTIES 200 AUM's for 7 months (1400 AUM's) in addition to their present 434 Class 1 AUM's within the Jackies Butte Unit.

(3) The additional 1400 AUM's above mentioned will be allowed after completion of sufficient water development work to benefit the Jackies Butte Unit. It is the intention that such work will be completed on or before April 1, 1974, but in the event for any reason said work is not completed, then an allowance of additional AUM's will be made to the SECOND PARTY commensurate with the work that is completed by that date and thereafter additional allowances will be made as work is completed until the full 1400 AUM's have been allowed; a minimum of 350 AUM's will be allowed, April 1, 1973; 700 AUM's, April 1, 1974; 1050 AUM's, April 1, 1975; and full 1400 AUM's, April 1, 1976.

On May 30, 1984, BLM issued a decision allocating responsibility for maintenance of range improvements in the Jackies Butte Allotment among several grazing operators in accordance with the proportion of their active preference AUM's. The Easons objected to this decision on the grounds that it was contrary to the 1973 Agreement. Judge Sweitzer issued a decision that affirmed BLM's May 1984 decision

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<sup>1/</sup> Judge Sweitzer's 2002 Order also granted Eason's motion to add Eason Land Co., LLC, and Jesse and Pam White as appellants.

on April 22, 1994. His 1994 decision was appealed to this Board. In Ralph and Beverly Eason v. Bureau of Land Management, 145 IBLA 78 (1998), the Board affirmed his decision in part as modified, vacated it in part, and reversed it in part.

Based on its interpretation of the Board's 1998 decision in Eason, BLM determined in its 1999 Decision that it had maintenance responsibilities for only six water developments constructed after 1973 in accordance with the 1973 Agreement.<sup>2/</sup> The Easons rejected that interpretation, believing that BLM is responsible for the maintenance of 34 water developments, including those constructed before 1973, and appealed.

In his 2002 Order, Judge Sweitzer characterized “[t]he dispute in the present case” as “whether BLM is obligated to pay for the Easons’ share of maintenance costs for structures and developments constructed prior to the execution of the 1973 Agreement.” (2002 Order at 4.) He rejected the parties’ arguments that we dealt with that issue in our 1998 decision in Eason: “That issue remains to be resolved by reference to the 1973 Agreement and related evidence, with the caveat that a ruling on this issue must not be inconsistent with the Board’s conclusion that the facilities and structures to be constructed and maintained without cost to the Easons is limited to those structures and facilities listed in the AMP.” Id. at 5.

Judge Sweitzer found that paragraph 1 of the 1973 Agreement was ambiguous:

While both pre-1973 Agreement developments and post-1973 Agreement developments would fall within the meaning of “structures and developments as may be necessary for proper management of the Jackies Butte Unit,” the first paragraph is ambiguous in that the word “maintain” may refer to only structures to be constructed or both structures to be constructed and those already constructed.

(2002 Order at 5.) “However,” he continued, “the events before and after consummation of the 1973 Agreement support a finding that the parties intended that BLM’s responsibility for the Easons’ share of the maintenance costs under the 1973 Agreement should extend to pre-1973 Agreement water developments and structures.” Id.

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<sup>2/</sup> The six projects were listed in Enclosure 1 accompanying an August 25, 1999, letter from BLM to the Jackies Butte Cattle Association that was intended “to clarify what BLM is responsible for in accordance with [the Board’s 1998 decision in Eason].” (1999 Decision at 1.) Enclosure 1 lists the proposed water developments found on page 32A (Section VI - IMPROVEMENTS NEEDED) of the 1974 AMP for the Jackies Butte Unit that were actually constructed. (1999 Decision at 2.)

Judge Sweitzer noted that BLM's May 30, 1984, decision relied upon the minutes of the Vale District Grazing Advisory Board meetings of November 29 and 30, 1972, which in his view showed "that during the negotiations which culminated in the 1973 Agreement, BLM and Appellant Eason were contemplating that BLM would not only build additional reservoirs, but also maintain the existing ones." *Id.* More importantly, in Judge Sweitzer's view, in its May 1984 decision BLM told the Easons they would not be responsible for maintaining the Jackies Butte pipeline and the Garlow Butte Reservoir because they were in the 1973 Agreement area.<sup>3/</sup> Because the reservoir that supplies the Jackies Butte pipeline and the Garlow Butte Reservoir are both "pre-Agreement structures built in 1950 and 1942, respectively," Judge Sweitzer concluded that BLM was responsible "for the Easons' share of maintenance costs for all water structures and developments listed in the AMP, including those constructed prior to execution of the 1973 Agreement." *Id.* at 6.

[1] The 1973 Agreement between BLM and the Easons is a contract and the normal rules of contract interpretation apply. Thoman v. Bureau of Land Management (On Reconsideration), 155 IBLA 266, 267 (2001); see also Anthony v. United States, 987 F.2d 670, 673 (10th Cir. 1993). The primary function of contract interpretation is to determine the intent of the contracting parties as revealed by the language they chose to use. Sayers v. Rochester Telephone Corp. Supplemental Management Pension Plan, 7 F.3d 1091, 1094 (2d Cir. 1993); see also Seiden Associates v. ANC Holdings, Inc., 959 F.2d 425, 428 (2d Cir. 1992). If the terms of a contract are plain and unambiguous, the intent of the parties will be determined from the plain meaning of the terms of the contract, limited to the four corners of the agreement. See Hunt Construction Group, Inc. v. United States, 281 F.3d 1369, 1373 (Fed. Cir. 2002); Anthony v. United States, 987 F.2d at 673. Language is ambiguous when the language is "reasonably susceptible to at least two different meanings." 5 Kniffin, Corbin on Contracts (Revised Edition, 1998), § 24.7, at 33-34 (1998); see also Giove v. Department of Transportation, 230 F.3d 1333, 1341 (Fed. Cir. 2000); WH Smith Hotel Services v. Wendy's Int'l, Inc., 25 F.3d 422, 427 (7th Cir. 1994). However, ambiguity does not exist merely because the two parties disagree as to the meaning of a term. Corbin on Contracts, *supra* at 34; see Hawkins v. Commissioner of Internal Revenue, 86 F.3d 982, 990 n.7 (10th Cir. 1996); Pollock v. Federal Deposit Insurance Corp., 17 F.3d 798, 803 (5th Cir. 1994).

As noted above, Judge Sweitzer found that the first paragraph of the 1973 Agreement was "ambiguous in that the word 'maintain' may refer to only structures to be constructed or both structures to be constructed and those already constructed."

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<sup>3/</sup> As we understand its appeal, BLM is not contesting its responsibility to maintain those two projects.

With highest regard for Judge Sweitzer, we cannot agree. Paragraph 1 of the 1973 Agreement begins by stating that the Easons “agree to permit [BLM] to construct and maintain \* \* \* as many water structures and developments as may be necessary for proper management of the Jackies Butte Allotment \* \* \* ” (emphasis supplied). The paragraph repeats that BLM “wishes to construct and maintain the water structures and developments as may be necessary for proper management on drainages to improve and benefit the Jackies Butte Unit.” In our view, the words “to construct and maintain” must be read together and therefore “maintain” applies to the water structures and developments that “may be necessary” under the 1973 Agreement.

Our interpretation of paragraph 1 is supported by reading that paragraph in the context of the 1973 Agreement as a whole. In paragraph 2, BLM agrees to grant additional AUM’s to the Easons in consideration of their consent to the construction and development described in paragraph 1, and paragraph 3 provides that the additional AUM’s will be allowed “after completion of sufficient water development work to benefit the Jackies Butte Unit” (emphasis supplied). Paragraph 3 continues by stating that it is intended that “such work will be completed on or before April 1, 1974” (emphasis supplied) but, if it is not, then the AUM’s will be allowed as it is completed. These paragraphs all indicate that the purpose of the water structures and developments was to expand the grazing capacity of the Jackies Butte Allotment by building additional water developments.

Because we find that the language of the 1973 Agreement was not ambiguous, we need not examine extrinsic evidence to determine the intent of the parties.

Therefore, in accordance with the authority delegated to the Interior Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, Judge Sweitzer’s 2002 Order is reversed.

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Will A. Irwin  
Administrative Judge

I concur:

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Christina S. Kalavritinos  
Administrative Judge