

lawfully be continued, then and in such case the *Commissioner* may sell or order the same to be sold under a procedure specified by the *Commissioner*."

Sec. 4. **Laws repealed.**—That Mason's Minnesota Statutes for 1927, Sections 6216 and 6217, be and the same are hereby repealed.

Approved March 30, 1943.

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CHAPTER 233—H. F. No. 840.

(AMENDING SECTIONS 93.15 AND 93.19 MINNESOTA STATUTES 1941.)

*For an act relating to leases for the mining of taconite and other iron ore heretofore or hereafter issued, and amending Laws 1941, Chapter 546, and Mason's Minnesota Statutes of 1927, Sections 6404 and 6408 as amended.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Law amended—Division of land into mining units.**—Mason's Minnesota Statutes of 1927, Section 6404, as amended by Laws 1941, Chapter 546, is amended to read as follows:

"The commissioner of conservation shall divide all lands belonging to the state, or in which the state has an interest, excepting lands situate under the waters of any public lake or river, into mining units of not to exceed in the aggregate two contiguous forty-acre tracts of land, unless some of the descriptions are fractional subdivisions according to the government survey thereof, in which case the acreage may exceed eighty acres, but shall not exceed a total of ninety acres; provided that in case of lands containing taconite or low grade magnetite ore deposits, the total area included in a mining unit may be larger but shall not exceed three contiguous units as otherwise hereinbefore limited. The land so included by the commissioner in a single unit at the time an application for a permit to prospect for iron ore thereon is received shall constitute one mining unit within the meaning hereof. No mining unit herein provided for shall contain lands belonging to more than one permanent trust fund."

Sec. 2. **Law amended—Leases to permit holders—royalties.**—Mason's Minnesota Statutes of 1927, Section 6408, as amended by Laws 1941, Chapter 546, is amended to read as follows:

"At any time prior to the expiration of any prospecting permit the original holder, or any assignee thereof, shall have the right to receive from the commissioner of conservation a mining lease, which shall bind the state and the person to whom it shall be issued to the mutual observance of the obligations and conditions thereof. As a condition precedent to the issuing of such mining lease, the holder of the permit shall file a full report properly verified of all work of exploration done under such permit, in accordance with the provisions of *Mason's Minnesota Statutes of 1927, Section 6407*, or an affidavit in case no work was done stating such facts, and shall pay to the state treasurer a sum of money based on the quarterly royalty payment of \$312.50 for the first year, as set out in the lease, in the ratio that the unexpired portion of the quarter bears to the full quarter. Provided that, if the holder of any such permit shall indicate in an application for a lease that he considers the lands covered by his permit to be principally valuable for the taconite thereon, or that he desires a taconite lease thereon, then the commissioner of conservation, on the basis of all available information in his possession, including information acquired as the result of exploratory work under such permit, if any, shall determine whether the lands covered by such permit are principally valuable for the taconite thereon and have no substantial value because of merchantable deposits of ores of the kinds defined in *Laws 1941, Chapter 546, Section 5, schedules 1 to 6, inclusive*, and, if he shall so determine, such applicant shall be entitled to a lease in the form set out in *Mason's Minnesota Statutes of 1927, Section 6409* as amended, except that the rental for the first ten years shall be \$400.00 per mining unit per year, payable quarterly in advance, and at the close of such period of ten years the annual rental shall be \$1,600 per mining unit as provided in said section in case of leases for the mining of taconite ore. In such cases the commissioner shall designate said lease as a 'Taconite Iron Ore Mining Lease' and shall insert in the blank provided for the amount of the first quarterly payment in the form of lease set forth in said *Section 6409*, as amended, the figure representing the reduced quarterly rental for taconite leases, as herein specified.—Provided that, if, following the issuance of a lease so designated as a taconite iron ore mining lease, additional information acquired by the commissioner of conservation shall disclose that such lands have merchantable deposits of ore of the classes defined in *schedules 1 to 6, inclusive*, of said section, which deposits, without reference to the taconite upon such lands, would give substantial value to such unit, the commissioner shall report the facts to the executive council. If the executive council, after hearing upon reasonable notice to the holder of such lease, shall determine that the lands covered by such lease contain merchantable deposits of iron ores which, without reference to taconite ores upon said lands, would give substantial value to the unit cov-

*ered by such lease, then it may order the rental stipulated in such lease to be increased to the rate of \$5,000 per year, and such increased rental shall be payable for the period from and after the date of such order so made and until the merchantable deposit or deposits of such ores, other than taconite ores, so found to exist on such lands have been exhausted; after which time said lower rates of annual rental shall be reinstated and again effective. If the permit holder shall fully comply with all terms and conditions therein contained the commissioner of conservation shall return to him or his assigns the amount of the certified check which accompanied his bid."*

**Sec. 3. Payment of royalties.**—All ores or concentrates shipped from the lands covered by any lease under Laws 1941, Chapter 546, shall be classified and paid for under and in accordance with the particular schedule of Section 5 of said law properly applicable thereto. The royalty provided for taconite concentrates in schedule 7 of Section 5 of said law shall be applicable to concentrates produced from taconite ores which, in accordance with good engineering and metallurgical practice, require treatment by fine grinding, magnetic separation, flotation, or some other method or methods other than or in addition to one or more of the methods specified in schedules 1 to 6, inclusive, of said section to make them suitable for blast furnace use.

**Sec. 4. Taconite lease.**—In any case where, pursuant to a permit holder's application for a lease in which he has indicated that he considers the lands covered by his permit to be principally valuable for the taconite thereon or that he desires a taconite lease thereon, the commissioner of conservation heretofore shall have issued a lease in which he inserted in the blank provided for the amount of the first quarterly payment the figure representing the reduced quarterly rental for taconite leases; as herein provided, and shall have designated such lease a "Taconite Lease" or a "Taconite Iron Ore Mining Lease" upon the lease or upon his records, such act shall be construed as a determination that such lands were principally valuable for the taconite thereon and had no substantial value because of merchantable deposits of ores of the kinds defined in Laws 1941, Chapter 546, Section 5, schedules 1 to 6, inclusive, and such lease so issued shall be valid as a lease designated a "Taconite Iron Ore Mining lease," and subject to the right of the Executive Council to redetermine the classification of the mining unit covered thereby in the manner provided by Section 2 hereof, and subject to the provisions of Sections 1 and 3 hereof. Provided that any lessee desiring the protection of this section shall file with the commissioner of conservation, within ninety days from the approval of this act, written consent to the application of all the provisions of this act to said lease.

Approved March 30, 1943.