

6125.0600 NEGOTIATED LEASES.

Subpart 1. **Purpose and eligibility for negotiated leases.** When the commissioner finds that the best interests of the state will be served and the circumstances in this subpart exist, the commissioner, with the approval of the Executive Council, may issue a lease to explore for, mine, and remove metallic minerals through negotiations, to an applicant qualified under part 6125.0410.

A lease may be issued through negotiations under any of the following circumstances:

A. the state's mineral ownership interest in the lands to be leased is an undivided fractional interest and the applicant holds under control a majority of the remaining undivided fractional metallic mineral interests in the lands to be leased;

B. the applicant holds a state metallic minerals lease covering other lands within the same government section of land;

C. the applicant holds, within one-half mile of the requested lands to be leased, a state metallic minerals lease or a private metallic minerals lease and no other party holds a state metallic minerals lease covering land within the same government section of land where the requested lands to be leased are located; or

D. the lands to be leased contain an identified mineral resource, and the applicant holds under its control the majority of the same type of minerals in the remaining lands containing the identified mineral resource.

Subp. 2. **After acquired or later identified state mineral ownership.** The state may acquire additional mineral ownership in a government section where its mineral interests are held under a metallic minerals lease or there may be identification of additional state mineral ownership not known at the time the state mineral ownership in that government section of land was leased. When an applicant applies for a negotiated lease under these circumstances and the commissioner determines it is in the best interests of the state to issue a negotiated lease to the applicant, the royalty rate for the newly acquired or identified lands shall be the same as that contained in the state mineral lease held by the applicant if there has been no new drilling or production since the state metallic minerals lease was issued under parts 6125.0100 to 6125.0700.

Subp. 3. **Application for negotiated lease.** Applications for a negotiated lease shall be submitted on a form obtained from the commissioner and shall contain information as the commissioner may prescribe. The applicant shall submit with the application a certified check, cashier's check, or bank money order, payable to the Department of Natural Resources in the sum of \$100 as a fee for filing the application. The application fee will not be refunded under any circumstances.

The right is reserved to the state to reject any or all applications for negotiated leases.

Subp. 4. **Issuance of lease.** The leases so issued shall be in the form set forth in part 6125.0700, with such additional terms and conditions consistent with the lease as may be agreed upon. The rental and royalty rates agreed upon shall be not less than those prescribed in part 6125.0700.

No lease shall be issued under this part for the removal of metallic minerals from any mining unit for which notice of public sale has been published, until the public sale has been held.

Statutory Authority: *MS s 93.08 to 93.12; 93.25*

History: *12 SR 2512; 19 SR 2434*

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