

CHAPTER 93
MINERAL LANDS

	NATURAL RESOURCES	93 30	Payment of lease money by coowner in case of default
93 001	Policy for mineral development		
93 002	Mineral coordinating committee	93 31	Coowners to share in benefit of original owner
93 003	Iron mining, conditions		
	RESERVATIONS, PERMITS, LEASES	93 32	Sufficiency of notice
93 01	Reservation of minerals and water powers	93 33	Surface of land may be leased
93 02	Certificate of sale, patents, reservation	93 335	State lands, minerals, mineral rights acquired under tax laws
93 03	Patent under land grant to railroad, reservation	93 34	Unlawful to mine under public waters
93 04	Disposition of minerals reserved	93 351	Prospecting for iron ore in bed of state waters.
93 05	Holder of permit or lease	93 352	Application for permits to prospect
93 055	Action to quiet title to lands covered by mineral permit or lease	93 353	Rights of permit holders
93 06	Reservation of minerals under navigable lakes	93 354	Permit holders may receive leases, royalties
93 07	Disposal of funds	93 355	Payments on leases
93 08	Prospecting for minerals under waters of meandered lakes and streams	93 356	Revenues paid into permanent school fund
93 09	Assignments and contracts.	93 357	Approval of instruments
93 10	Right of lessee to prospect for minerals	93 37	Agreements for weighing ore.
93 11	Minerals matter of public interest	93 38	Expense paid by lessee.
93 12	Forfeiture of permits and leases	93 39	Existing contracts not modified
93 13	Draining of lakes and leasing of ore lands in beds thereof	93 41	State-owned iron-bearing materials
93 14	Issuance of permits to prospect for ores, leases	93 42	Extension of certain contracts
93 15	Mining units, designation, area	93 43	Permits, licenses and leases to copper, copper-nickel or nickel producers
93 16	Permits, sale, notice		RECLAMATION OF LANDS
93 17	Application for permits, bids, awards	93 44	Declaration of policy
93 18	Permit holders, rights, duties	93 45	Iron Range Trail, establishment, commissioner's duties
93 19	Permit holders, leases, royalties	93 46	Definitions
93 191	Iron ore mining lease, modification	93 461	Peat included in mineland reclamation
93 192	State lease to adjacent permittee	93 47	Duties and authority of commissioner
93 193	Taconite iron ore mining permits and leases	93 48	Variance
93 20	Rentals, royalties, form of lease	93 481	Permit to mine
93 201	Royalties for taconite concentrates	93 49	Financial assurance of operator
93 202	Taconite leases	93 50	Appeal
93 21	Execution of lease	93 51	Penalties for violation
93 22	Disposal of moneys received		OIL AND GAS WELLS
93 222	Taconite iron ore special advance royalty account.	93 515	Oil and gas wells, rules relating to spacing, pooling, and unitization
93 23	Possession of premises, when		SEVERED MINERAL INTERESTS
93 24	Mining of other than iron ores	93 52	Clarification of ownership of severed mineral interests, verified statement as to interests
93 25	Ores other than iron, leases		
93 26	Permits and leases to be recorded	93 55	Failure to file or refile, forfeiture after notice and hearing, leasing, recovery of fair market value of forfeited interest
93 27	Assignments, agreements, or contracts affecting permits or leases, records		
93 28	Approval of instruments, fees	93 551	Validation of certain statements, correction of certain errors
93 283	Iron ore, prospecting, encouragement		
93 285	Stockpiled iron ore	93 58	Publication of act

NATURAL RESOURCES

93.001 POLICY FOR MINERAL DEVELOPMENT.

It is the policy of the state to provide for the diversification of the state's mineral economy through long-term support of mineral exploration, evaluation, environmental research, development, production, and commercialization.

History: 1987 c 386 art 7 s 1; 1993 c 113 art 2 s 1

93.002 MINERAL COORDINATING COMMITTEE.

Subdivision 1. **Establishment.** The mineral coordinating committee is established to plan for diversified mineral development. The mineral coordinating committee consists of the director of the minerals division of the department of natural resources, the deputy commissioner of the Minnesota pollution control agency, the director of United Steelworkers of America, district 11, or the director's designee, the commissioner of the iron range resources and rehabilitation board, the director of the Minnesota geological survey, the dean of the University of Minnesota institute of technology, the director of the natural resources research institute, and three individuals appointed by the governor for a four-year term, one each representing the iron ore and taconite, the nonferrous metallic minerals, and the industrial minerals industries within the state. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place. The commissioner of natural resources shall provide staff and administrative services necessary for the committee's activities.

The mineral coordinating committee is encouraged to solicit and receive advice from representatives of the United States Geological Survey and the United States Environmental Protection Agency.

Subd. 2. **Mineral diversification plan.** The mineral coordinating committee shall prepare and adopt a ten-year plan for mineral diversification. The plan must include a strategy to:

- (1) increase the knowledge of the state's mineral potential;
- (2) stimulate the development of mineral resources in the state; and
- (3) promote basic minerals research.

The plan must also include a two-year plan that establishes funding priorities for the minerals programs under subdivision 3. The funding priorities must be updated every two years.

Subd. 3. **Minerals programs.** The mineral diversification programs must address at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals database, drill core examination and assay, industrial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, environmental research and protection, reclamation studies, economic evaluation of mineral resources, improved geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals research, evaluation of mineral resource occurrence, evaluation of value added processes, ore deposit modeling, and basic mineral research.

Subd. 4. **Submission of plan and funding priorities.** (a) The minerals coordinating committee shall submit the minerals diversification plan to the legislature by December 31, 1987.

(b) By January 15 of each odd-numbered year, the minerals coordinating committee shall submit the two-year funding priority plan required under subdivision 2 to the chairs of the house appropriations and environment and natural resources committees and the chairs of the senate finance and environment and natural resources committees.

History: 1987 c 386 art 7 s 2; 1993 c 113 art 2 s 2,3; 1998 c 401 s 32

NOTE See section 15 059, subdivision 5a, for expiration of committee

93.003 IRON MINING; CONDITIONS.

Legal authority to mine and process iron ore, a basic irreplaceable natural resource of the people of the state of Minnesota, is subject to the conditions of this section. When the owner or operator of an iron mine or related production or beneficiation facilities determines to discontinue the operation of the mine or facilities for any reason it shall maintain the mine or facilities in salable operating condition for at least one year after it discontinues operation in order to allow the state of Minnesota and other interested public and private bodies to seek a new owner and operator. The requirement imposed by this section is a preliminary and permanent requirement on the right of an owner to commence or continue the operation of an

iron mine or related facilities. This requirement is enforceable on all owners and operators and successors of owners and operators and shall be enforced by the state in any action in bankruptcy or other litigation that may affect it.

History: 1993 c 107 s 1

RESERVATIONS, PERMITS, LEASES

93.01 RESERVATION OF MINERALS AND WATER POWERS.

The state hereby reserves for its own use all the iron, coal, copper, gold, and other valuable minerals, and all water powers in or upon all lands which now or hereafter may belong to it by virtue of any act of Congress. This reservation shall not apply to lands granted or contracted to be conveyed by the United States or by this state to aid in the construction of any railroad.

History: (6395) RL s 2483; 1909 c 109 s 1

93.02 CERTIFICATE OF SALE, PATENTS; RESERVATION.

When any such land is sold, granted, conveyed, or transferred in any way the certificate of sale, patent, or other instrument of transfer shall state that the sale, grant, conveyance, or transfer does not include any right, title, or interest in or to any iron, coal, copper, gold, or other valuable minerals which may be in or upon the land and that all these minerals are reserved by the state for its own use; but no instrument shall be effective to transfer any right, title, or interest in or to any such minerals, notwithstanding the failure of the proper officer to insert such statement.

History: (6396) RL s 2484

93.03 PATENT UNDER LAND GRANT TO RAILROAD; RESERVATION.

In all cases where the state of Minnesota shall execute any patent or conveyance of lands under any land grant heretofore made to any railroad company to aid in the construction of any railroad there shall be expressly reserved to and retained in the state of Minnesota all the iron, coal, copper, gold, and other valuable minerals in or upon all such lands and the commissioner of finance is hereby prohibited from executing or delivering any patent or instrument of conveyance which shall not contain the reservations aforesaid.

History: (6397) 1913 c 6 s 1; 1973 c 492 s 14

93.04 DISPOSITION OF MINERALS RESERVED.

All minerals in or upon lands which have been or may be sold, granted, conveyed, or in any way transferred by the state shall remain subject to sale, lease, or contract by the state upon the same terms and conditions as are minerals upon lands belonging to the state; and the state and all persons claiming under it shall have the right to enter upon these lands and to prospect for, mine, and remove such minerals and, for this purpose, to construct all necessary roads, buildings, and improvements thereon, including machinery for mining or removing such minerals. All such minerals shall be disposed of by the commissioner in the same manner and on the same terms as minerals on lands belonging to the state.

History: (6398) RL s 2485

93.05 HOLDER OF PERMIT OR LEASE.

Subdivision 1. **Right of entry.** In all cases where state lands have been heretofore or may hereafter be sold pursuant to the provisions of law upon which minerals have been reserved, the holder of any mineral permit or lease subsequently issued thereon may nevertheless enter upon the same and prospect thereon thereunder.

Subd. 2. **Security for damages; condemnation.** Before entering upon the same the permit or lease holder shall pay or secure to the owner of the lands all damages which may arise therefrom and the same may be determined either by mutual agreement or, if the interested parties cannot agree, then the holder of the mineral permit or lease may, in the name of

the state of Minnesota, institute proceedings to condemn the same in accordance with the general provisions of chapter 117; provided, that the state shall bear no part of the cost of these proceedings, nor pay any part of the damages awarded therein.

Subd. 3. **Attorney general to institute condemnation.** Upon written request of the holder of any mineral prospecting permit or mineral lease from the state, not in default, with the approval of the commissioner of natural resources, the attorney general shall institute, in the name of the state, proceedings to acquire by condemnation any lands, rights-of-way, drainage or flowage rights, easements or other interests necessary in connection with prospecting for or mining the ore covered by such permit or lease. All costs and expenses of such proceedings and all damages awarded therein shall be paid by the holder of the permit or lease. In any eminent domain proceedings hereunder, any value which the land taken may have by reason of its location or availability for the depositing of stripping, tailings or other wastes from general mining operations in its vicinity, or for the erection of buildings or structures thereon in connection with such operations, shall be considered in determining the damages to be awarded the owner thereof.

History: (6399, 6400) 1907 c 411 s 1,2; 1949 c 593 s 1; 1969 c 1129 art 10 s 2; 1986 c 444

93.055 ACTION TO QUIET TITLE TO LANDS COVERED BY MINERAL PERMIT OR LEASE.

Upon written request of the holder of any mineral prospecting permit or mineral lease from the state, not in default, with the approval of the commissioner of natural resources, the attorney general may institute proceedings to quiet the title and determine adverse claims or to register the title of the state to the lands or interests covered by the permit or lease. All costs and expenses of such proceedings including compensation of attorneys for the state shall be paid by the holder of the permit or lease. Upon receipt of such request from the holder of a prospecting permit, if approved by the commissioner of natural resources, and if such action is authorized by the attorney general, the running of the time within which the permit holder must begin prospecting thereunder and the time within which the permit holder must apply for a lease or do any other act required by the permit shall be suspended until the entry of final judgment in the action, and the term of the permit and the time required for any action by the holder thereunder shall be extended by a period equivalent to the time from the receipt of the request to the entry of the judgment.

History: 1949 c 594 s-1; 1969 c 1129 art 10 s 2; 1986 c 444

93.06 RESERVATION OF MINERALS UNDER NAVIGABLE LAKES.

All iron ores and other minerals on, in or under lands within this state which lie beneath the waters of navigable lakes and rivers belong to the state, together with the right to enter upon such lands and explore for and mine and remove such iron ore and other minerals and that the state now has and since its organization has had the right to sell, lease, or otherwise use or dispose of such mineral lands and such iron ores and other minerals in the same manner as any other mineral lands, ores, or minerals belonging to the state, and that the title of the state to such iron ore or other minerals, together with the right to explore for, mine, or remove the same, shall not be affected by the subsequent drying up of such lakes or rivers.

History: (6401) 1909 c 49 s 1; 1947 c 521 s 1

93.07 DISPOSAL OF FUNDS.

The principal of all funds derived from the sale or other disposition of such minerals and lands so situate shall forever be preserved inviolate and undiminished, but the same may be invested as the permanent school fund of the state is now invested, and the proceeds arising therefrom shall be paid into the school endowment fund.

History: (6402-1) 1909 c 49 s 3; 1965 c 313 s 1

93.08 PROSPECTING FOR MINERALS UNDER WATERS OF MEANDERED LAKES AND STREAMS.

Subdivision 1. **Rules for issuance of permits.** The department, with the approval of the executive council, shall adopt rules for the issuance of permits to prospect for gold, silver,

copper, cobalt, coal, graphite, petroleum, sand, gravel, stone, natural gas, and all minerals, excepting iron ore, under the waters of any public lake or stream in the state, including that portion of boundary lakes and streams within the boundaries of the state, and for the issuance of leases for the mining and removal of such minerals upon such terms and conditions as such rules may prescribe.

Subd. 2. **Scope of rules.** It shall be provided in such rules, among other things:

- (1) No permit to prospect shall be issued for a period to exceed two years;
- (2) Each permit shall authorize prospecting only within the area designated therein, which area shall not exceed the limitations upon size prescribed by the rules;
- (3) At any time prior to the expiration of any such prospective permit, the holder thereof shall have the right to a lease giving the exclusive right to mine and remove the minerals specified in such permit within the area specified in the permit; provided, if the rules adopted hereunder shall permit or prescribe larger areas for permits than for leases, the permit holder shall designate the specific part of the area covered by the permit (not exceeding the limitations upon size of lease areas) upon which a lease is desired;
- (4) Minimum rents and royalties, and the other terms, conditions, and covenants of all such leases shall be prescribed by such rules prior to the issuance of any permits hereunder; provided no rents or royalties shall be paid for muck and silt, or sand, or gravel removed under a lease or permit issued to any department of the state, any political subdivisions, the federal government, watershed district, drainage and conservancy district, drainage and flood control district, sanitary district of the state, or any port authority, if such materials are used for public purposes only, and are not resold to any private party, and provided further that no rents or royalties shall be charged for muck and silt, or sand, or gravel furnished to or taken by any department of the state or any political subdivision of the state, or any port authority, subsequent to July 1, 1958, and prior to the effective date of Laws 1961, chapter 336, if such materials were used for public purposes;
- (5) No such lease shall be for a longer term than 50 years;
- (6) All rents and royalties paid under such leases shall be paid to the state treasurer on the order of the commissioner of finance and shall be credited to the permanent school funds of the state;
- (7) No minerals shall be removed under such permits until lease has been issued as provided by such rules, except that, with the approval of the commissioner, sufficient minerals or ore material may be removed for exploratory or assaying purposes;
- (8) The grantee of such permit or lease, the assigns, representatives, and successors in interest of the grantee, may be required to secure riparian owners against damage from the use of such lease or permit.

Subd. 3. **Issuance of permits.** The commissioner shall issue permits and leases in accordance with such rules.

Subd. 4. **Recording of permits and leases.** All permits and leases, with the names and post office addresses of all parties having an interest, issued by the commissioner under authority of sections 93.08 to 93.12 and the rules adopted thereunder, before delivery, shall be duly recorded at length by the commissioner of finance in office record books to be provided and kept for that purpose, and a certificate of such record showing the date of record and the book and page thereof shall be endorsed on each such permit or lease.

History: (6402-2, 6402-3, 6402-4, 6402-5) *Ex*1935 c 42 s 1-4; 1947 c 473 s 1,2; 1953 c 537 s.1; 1961 c 336 s 1; 1963 c 647 s 1; 1973 c 492 s 14; 1985 c 248 s 70; 1986 c 444

93.09 ASSIGNMENTS AND CONTRACTS.

Subdivision 1. **Written; registered.** All assignments and agreements or contracts affecting any such permit or lease shall be made in writing and signed by both parties thereto, witnessed by two witnesses, and properly acknowledged, and contain the post office addresses of all parties having an interest; and when so executed shall be presented to the commissioner of finance for recording. The commissioner of finance shall then record such assignment, agreement, or contract at length in office record books kept and provided for that

purpose, and a certificate of such record showing the date thereof and the book and page shall be endorsed on the assignment, agreement, or contract which then shall be returned to the party entitled thereto.

Subd. 2. **Approval; recording; fee.** All instruments by virtue of which the title to any permit or lease provided for in sections 93.08 to 93.12 is in any way affected shall receive, as to form and execution, the approval of the commissioner, which approval shall be endorsed thereon, and such instrument when so approved shall be duly recorded. For recording any assignment or other instrument affecting the title to any permit or lease or for furnishing certified copies of the records, the commissioner of finance shall charge a fee of ten cents per folio. All such fees shall be turned into the state treasury.

History: (6402-6, 6402-7) *Ex1935 c 42 s 5,6; 1973 c 492 s 14; 1986 c 444*

93.10 RIGHT OF LESSEE TO PROSPECT FOR MINERALS.

The holder of any such lease shall have the right to prospect for, mine, and remove any such minerals under the public waters within the area described by such lease.

History: (6402-8) *Ex1935 c 42 s 7*

93.11 MINERALS MATTER OF PUBLIC INTEREST.

The discovery and mining or removing of the minerals described in section 93.08 under the public waters in the state is a matter of public interest to the state.

History: (6402-9) *Ex1935 c 42 s 8*

93.12 FORFEITURE OF PERMITS AND LEASES.

In the event the holder of such permit or lease shall fail to comply with all the provisions contained in sections 93.08 to 93.12 to be performed or observed by the holder and such default shall continue for a period of 30 days the commissioner of natural resources upon 30 days' notice to the holder of such permit or lease by certified mail to the address of such holder as shown by the records of the commissioner of natural resources may declare such permit or lease and all rights acquired thereunder forfeited. Upon the filing of the order of forfeiture with the commissioner of natural resources all rights under such lease or permit shall cease.

History: (6402-10) *Ex1935 c 42 s 9; 1973 c 492 s 14; 1976 c 231 s 22; 1978 c 674 s 60; 1986 c 444*

93.13 DRAINING OF LAKES AND LEASING OF ORE LANDS IN BEDS THEREOF.

When a meandered or public lake does not exceed 80 acres in area, within the original meander line, and is surrounded in part by state land upon which a state mineral lease has been issued and is in force and effect, then such lake, with the approval of the executive council, may be drained and the iron ore removed from the bed thereof by the lessee or its assigns under such state mineral lease for the purpose of mining iron ore owned by the state underneath the bed of such lake adjoining the lands covered by such state mineral lease under the terms and conditions of such state mineral lease.

The royalty payments by the lessee to the state for the ore that shall be removed from such lake bed shall be fixed by the executive council and shall be not less than the minimum royalties provided for in section 93.20. In case the addition of the lake bed to the area subject to such state mineral lease shall increase the area covered by such lease to an area exceeding 80 acres then the annual ground rental for such enlarged area shall be increased by \$1,000.

The lessee or its assigns shall have the power to institute condemnation proceedings, to pay for the interests of private persons or corporations who or which may be injured or whose rights may be destroyed by the carrying on of such operations.

History: (6402-11) *1937 c 118 s 1; 1945 c 340 s 1*

93.14 ISSUANCE OF PERMITS TO PROSPECT FOR ORES; LEASES.

The commissioner may execute permits to prospect for iron ore and other ores upon lands belonging to the state or in which the state has an interest and leases for the mining of such ores, subject to the conditions provided in sections 93.15 to 93.28.

History: (6403) *1921 c 412 s 1; 1925 c 395 s 1; 1927 c 389 s 1*

93.15 MINING UNITS; DESIGNATION; AREA.

Subdivision 1. The commissioner of natural resources may designate any lands belonging to the state or in which the state has an interest as mining units and may rearrange or modify such mining units from time to time, subject to the limitations herein prescribed. No mining unit shall contain lands belonging to more than one permanent trust fund. Lands which have been sold by the state and are in use as part of the site of a plant for the production of taconite concentrates shall not be designated as mining units. Each mining unit shall consist of a contiguous tract not exceeding 80 acres in area except as follows:

(1) An area not exceeding 90 acres consisting of or including one or more government lots or fractional or oversized subdivisions according to the government survey may be included in one mining unit.

(2) An area of any size which has been covered by a state mining lease or contract heretofore issued and heretofore or hereafter terminated may be included in one mining unit.

(3) An area of any size within the bed of any public waters belonging to the state may be included in one mining unit.

Subd. 2. The commissioner shall prepare and keep on file in the office of the division of lands and minerals of the department of natural resources and at such other places as the commissioner may direct a list of the mining units designated hereunder, giving the descriptions thereof and such other information as the commissioner deems necessary. In case the commissioner shall prescribe special conditions to be included in a prospecting permit or lease for any mining unit as authorized by law, a statement of such conditions shall be included with the designation of such unit in the list.

Subd. 3. Except as otherwise expressly provided by law, each prospecting permit or mining lease shall cover only one entire mining unit designated as herein provided, and the designation of a mining unit in force at the time an application for a prospecting permit therefor is received by the commissioner according to law shall govern and shall remain unchanged for the purposes of such permit or any lease issued pursuant thereto.

History: (6404) 1921 c 412 s 2; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 1; 1943 c 233 s 1; 1951 c 547 s 1; 1953 c 558 s 1; 1969 c 1129 art 10 s 2, 1986 c 444

93.16 PERMITS; SALE, NOTICE.

Except as otherwise expressly provided by law, prospecting permits for iron ore or other minerals belonging to the state shall be issued only upon public sale as herein provided. The sale of permits may be held at such times and places as designated by the commissioner. The commissioner shall give public notice of each sale by publication for three successive weeks in a daily newspaper printed and published in each of the cities of St. Paul, Minneapolis, Duluth, Hibbing, and Virginia. The last publication shall be not less than seven days nor more than 30 days before the date of sale. Like notice may be published in not to exceed two additional newspapers and two trade magazines, as the commissioner may direct.

Each notice shall contain the following information:

(1) Time and place of holding the sale;

(2) The general requirements of law affecting bidders and purchasers of permits;

(3) The place or places where the list of mining units, to be offered for sale will be available for inspection and where forms for bids and applications for prospecting permits may be obtained;

(4) Such other information as the commissioner may direct.

History: (6405) 1921 c 412 s 3; 1925 c 395 s 1; 1927 c 389 s 1; Ex1933 c 14 s 1; 1941 c 546 s 2; 1951 c 547 s 2; 1991 c 194 s 1

93.17 APPLICATION FOR PERMITS; BIDS; AWARDS.

Subdivision 1. Applications for permits to prospect for iron ore shall be presented to the commissioner in writing in such form as the commissioner may prescribe at any time before 4:30 p.m., St. Paul, Minnesota time, on the last business day before the day specified for the opening of bids, and no bids submitted after that time shall be considered. The application

shall be accompanied by a certified check payable to the state treasurer in the sum of \$50 for each mining unit as set out above. Each application shall be accompanied also by a sealed bid setting forth the amount of royalty per gross ton of crude ore based upon the iron content of the ore when dried at 212 degrees Fahrenheit, in its natural condition or when concentrated, as set out in detail hereafter, that the applicant proposes to pay to the state of Minnesota in case the permit shall be awarded.

Subd. 2. Whenever a bid on any mining unit exceeds the minimums prescribed in section 93.20, the bidder shall offer a uniform amount above the minimums on all schedules unless the mining unit is expressly excepted from this requirement by the commissioner of natural resources by so specifying in the list of lands and mining units. A separate sealed bid shall be required for each mining unit as established by the commissioner covered by the application, and shall be accompanied by a certified check made payable to the state treasurer in the sum of \$200 as a guarantee that the applicant will carry out and perform in good faith all the covenants set out in the permit. The envelope containing each bid shall be plainly marked on the outside showing the date of application, date received by the commissioner, and the name of the applicant. The commissioner shall endorse upon each application and sealed bid the exact time of presentation and preserve the same unopened in the commissioner's office.

Subd. 3. At the time and place fixed for the sale, the commissioner shall publicly announce the number of applications and bids received. The commissioner, together with at least one member of the executive council as designated by the council, shall then publicly open the bids and announce the amount of each bid separately. Thereafter, the commissioner, together with the executive council, shall award the permits to the highest bidders for the respective mining units, but no bids shall be accepted that shall not equal or exceed the minimum amounts provided for in section 93.20, nor shall any bid be accepted that shall not comply with the law and be accompanied by a certified check for the faithful performance of the terms of each permit as hereinbefore set out. The right is reserved to the state to reject any and all bids. All applications for permits and bids not accepted at such sale shall become void at the close of the sale and the checks accompanying the applications and bids shall be returned to the applicants entitled to them. Upon the award of a permit, the certified check submitted with the application as provided by subdivision 1, shall be deposited with the state treasurer as a fee for the permit, to be credited to the same fund as the rental or royalty from the mining unit affected, and the certified check submitted with the bid as provided by subdivision 2, shall be deposited with the state treasurer and held for further disposition as provided by law.

History: (6406) 1921 c 412 s 4; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 3; 1949 c 434 s 1; 1951 c 547 s 3; 1969 c 1129 art 10 s 2; 1986 c 444; 1991 c 194 s 2,3

93.18 PERMIT HOLDERS; RIGHTS, DUTIES.

Subdivision 1. **Prospect for iron ore.** The holder of any permit to prospect for iron ore issued upon public sale under section 93.17 shall have the right to prospect for such ore on the land described in the permit for one year from the date thereof and no longer; but no ore shall be removed therefrom until a lease has been executed. No permit for the same land shall be issued to the same person for two years in succession. The work of prospecting under a permit shall begin in a substantial manner within 90 days from the date thereof and shall be continued until the permit expires or is surrendered, or a lease is requested by the holder of the permit. The holder of a permit shall report in writing to the commissioner the time of beginning such prospecting, and thereafter on the first business day of each April, July, October, and January shall report the progress of the work of prospecting, and shall accompany these reports with maps showing the character and extent of the work done, the nature of materials encountered in the work, and the analysis for iron, silica, phosphorus, alumina, and manganese of all iron-bearing formation encountered; provided, that if any hard rock or any taconite as defined in section 93.20 is encountered, the commissioner may require only such analytical information as the commissioner deems essential. The permit holder shall split all samples taken and furnish the commissioner or representative, from time to time as the commissioner or representative shall direct, with a portion of the samples properly marked for identification. Subject to the approval of the commissioner and under such conditions the commissioner may prescribe, a geophysical survey of the area may be accepted in lieu of drilling. If the permittee elects to make a geophysical survey, upon completion thereof, the

permittee shall make such further exploration of the property as the commissioner may direct, and shall continue such exploration until the permit expires or is surrendered, or an application is made for a lease. The work done by the permit holder shall be subject to inspection at all reasonable times by the commissioner or representatives thereof.

Subd. 2. **Cancellation of permit.** Every permit to prospect for ore is granted upon the express condition that if the permit holder shall fail to perform any of the terms, covenants, or conditions specified in the permit to be performed by the holder, then it shall be the duty of the commissioner to cancel the permit, first having mailed to the permit holder at least 20 days' notice in writing thereof.

History: (6407) *RL s 2489; 1921 c 412 s 5; 1925 c 395 s 1; 1927 c 389 s 1; 1951 c 546 s 1; 1986 c 444*

93.19 PERMIT HOLDERS; LEASES, ROYALTIES.

Subdivision 1. **Conditions requisite prior to lease.** At any time prior to the expiration of an iron ore prospecting permit issued upon public sale under section 93.17, if the commissioner shall determine that all the terms and conditions of the permit and applicable provisions of law have been complied with, the holder of the permit shall have the right to receive from the commissioner of natural resources a mining lease as prescribed in section 93.20, which shall bind the state and the lessee 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 verified report of all work of exploration done under the permit, in accordance with the terms and conditions thereof and applicable provisions of law, or, in case no work was done, an affidavit so stating, and shall pay to the state treasurer as rental to the end of the first quarter under the lease an amount commensurate with the unexpired portion of that quarter at the rate specified in section 93.20.

Subd. 2. **Rental.** If the holder of any such permit shall indicate in an application for a lease that the holder considers the lands covered by the permit to be principally valuable for the taconite thereon and that the holder desires a taconite mining lease thereon, the commissioner of natural resources, on the basis of all available information, including information acquired as the result of exploratory work under the permit, if any, shall determine whether the lands covered by the permit are principally valuable for the taconite thereon and have no substantial value because of merchantable deposits of iron ores of other kinds defined in section 93.20. If the commissioner shall so determine, the applicant shall be entitled to a lease for mining taconite ore as prescribed in section 93.20, upon compliance with the provisions of subdivision 1, so far as applicable, and upon payment to the state treasurer of rental to the end of the first quarter at the rate specified in said section for such leases. In such cases the commissioner shall designate the lease as taconite iron ore mining lease and shall insert the reduced rental rates for such leases as specified in section 93.20.

Subd. 3. **Surrender or cancellation of permit.** Upon the surrender or expiration of a prospecting permit or upon the issuance of a mining lease pursuant thereto, if the commissioner shall determine that the terms and conditions of the permit and applicable provisions of law have been fully complied with, the certified check deposited as security for performance of the covenants of the permit, as provided by section 93.17, subdivision 2, shall be returned to the holder of the permit or assigns of the holder. Otherwise, upon the surrender, cancellation, or expiration of such a permit, such check shall be deemed forfeited to the state for failure of performance of the covenants of the permit, and the proceeds shall be credited to the same fund as the rental or royalty from the mining unit affected.

History: (6408) *1921 c 412 s 6; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 4; 1943 c 233 s 2; 1951 c 546 s 2; 1969 c 1129 art 10 s 2; 1986 c 444*

93.191 IRON ORE MINING LEASE, MODIFICATION.

Subdivision 1. **Conversion to taconite schedule; approval.** The holder of any iron ore mining lease from the state not containing a schedule of royalties covering taconite ore as defined in section 93.20 may apply to the commissioner of natural resources for the modification thereof to provide such a schedule. Upon such application the commissioner, with the approval of the executive council, may enter into a modification of the lease by the insertion

of such a schedule of royalties, which modification shall prescribe rental at not less than the highest rate specified in said section for taconite mining leases, and shall prescribe royalties for taconite ore not less than the minimum royalty specified for such ore in said section, and by the insertion of provisions in the form prescribed by said section with respect to the beneficiation, measuring, sampling, analysis and stockpiling of said taconite ore and concentrates and the deposit of tailings or waste therefrom.

Subd. 2. Modification. The holder of any iron ore mining lease issued pursuant to section 93.20, or of any mining lease which has been modified pursuant to subdivision 1, may apply to the commissioner to designate such lease as a taconite iron ore mining lease subject to the annual rentals for such taconite leases prescribed in section 93.20. The holder shall submit such information with respect to exploration or mining operations upon the lands covered by said leases as the commissioner may require. The commissioner shall investigate such application, and if the commissioner determines that the lands covered by such lease are principally valuable for the taconite thereon, and have no substantial value because of merchantable deposits of iron ores of other kinds defined in section 93.20, and if such determination be approved by the executive council, the commissioner shall modify the lease by designating it as a taconite iron ore mining lease and by adjusting the annual rental required thereunder to conform with the annual rental prescribed for taconite iron ore mining leases in said section, provided that the highest rental rate specified in said section for taconite mining leases shall apply in the case of any mining lease which has been modified under subdivision 1.

Subd. 3. Increase of rental. If following the issuance of a taconite iron ore mining lease pursuant to section 93.20, or the designation of a lease as a taconite iron ore mining lease under subdivision 2, additional information acquired by the commissioner of natural resources shall disclose that the lands covered by the lease have merchantable deposits of iron ore of the classes defined in section 93.20, schedules 1 to 6, which deposits, without reference to the taconite upon such lands, would give substantial value thereto, the commissioner shall report the facts to the executive council. If the executive council, after hearing upon reasonable notice to the holder of the lease, shall determine that the lands covered thereby contain such merchantable deposits, it may order the rental stipulated in the lease to be increased to the same rates as prescribed by section 93.20 for a lease for mining iron ores other than taconite, payable from and after the date of the order until the commissioner shall determine that the merchantable deposits of such ores other than taconite ores so found on such lands have been exhausted, after which the lower rates of rental provided by the taconite iron ore mining lease shall be reinstated.

History: 1947 c 111 s 1,2; 1951 c 546 s 3; 1969 c 1129 art 10 s 2; 1986 c 444

93.192 STATE LEASE TO ADJACENT PERMITTEE.

In any case where the state owns unmined iron ore, not under lease, whether on land or in the bed of a lake or stream, which state ore is adjacent to iron ore owned or leased for mining purposes by another owner or lessee, and where the commissioner of natural resources shall find that it is impracticable to mine such state ore except in conjunction with the mining of the adjacent ore, the commissioner, with the approval of the executive council, upon application of the owner or lessee for mining purposes of such adjacent ore, may enter into a mining lease with such owner or lessee under the following terms and conditions:

(a) All applications shall be in such form and contain such information as the commissioner may prescribe.

(b) Where any of the ore to be mined under such lease lies within the bed of a public lake or stream, such lease shall be conditioned upon the lessee applying for and procuring an appropriate license and permit from the commissioner, pursuant to Laws 1937, chapter 468, as amended.

(c) The mining lease shall be in the form set forth in Minnesota Statutes 1945, section 93.20, with such additional terms and conditions not inconsistent therewith as may be agreed upon. The minimum royalties and rentals agreed upon shall be not less than those prescribed in Minnesota Statutes 1945, section 93.20.

History: 1947 c 409 s 1; 1969 c 1129 art 10 s 2

93.193 TACONITE IRON ORE MINING PERMITS AND LEASES.

Subdivision 1. Upon written application by the holder of any mining lease heretofore issued, or hereafter issued upon a prospecting permit heretofore issued, which has been or may be designated as a taconite iron ore mining lease pursuant to section 93.19 or 93.191, the commissioner of natural resources, with the approval of the executive council, may extend the term thereof for an additional period of 25 years beyond the term specified therein, upon the terms and conditions hereinafter prescribed. The additional period of 25 years for which such a lease is extended, shall be the extended period as such term is used herein.

Subd. 2. As a condition of receiving such extended period the applicant therefor shall agree that during the extended period the royalty rates specified in the lease for ores other than taconite or taconite concentrates shall not be applicable, and no such other ores or concentrates shall be removed except after the royalties and rentals to be paid therefor shall have been negotiated with and agreed to by the commissioner of natural resources, with the approval of the executive council. Until such royalty is agreed upon the lessee may mine and stockpile such other ores upon the leased premises, or other lands, pursuant to section 93.20, subdivision 28, if such mining is necessary or desirable in connection with the mining and removal of taconite.

Subd. 3. All applications for the extension of the term of such taconite iron mining leases shall be made within 18 months from April 27, 1957, and shall be in such form and contain such information as the commissioner may prescribe. Upon such application the commissioner and the applicant shall negotiate, and, with the approval of the executive council, shall determine the rentals and royalties to be paid for taconite or taconite concentrates or both during the extended period. Upon such determination the commissioner shall enter into an agreement providing for such rentals and royalties, and containing the other provisions required by this section, which agreement, upon due execution by the commissioner and the holder of such lease, shall be effective to extend the lease for the period hereinbefore specified.

History: 1957 c 722 s 1-3; 1969 c 1129 art 10 s 2

93.20 RENTALS, ROYALTIES, FORM OF LEASE.

Subdivision 1. Except as otherwise provided by law, the body of every lease for mining iron ore belonging to the state shall consist of the provisions set forth in subdivisions 4 to 36, omitting subdivision headings, with such insertions, changes, or additions as may be necessary to incorporate the royalty rates and other particulars applicable to each case or as may be authorized under subdivision 2.

Subd. 2. The commissioner of natural resources, with the approval of the executive council, may, so far as the commissioner deems advisable in furtherance of the public interests, fix the term of any lease at any period not exceeding that hereinafter prescribed, or may include in a lease any other conditions not inconsistent herewith relating to performance by the lessee or other pertinent matters, provided, that in case of a lease made pursuant to a permit issued upon public sale, a statement of such conditions shall be included in the designation of the mining unit affected before publication of the notice of sale.

Subd. 3. The royalty rates hereinafter specified shall be deemed minimums. In any case where a higher rate has been bid or agreed upon as provided by law, such higher rate shall be inserted in the lease in place of the rate hereinafter specified and with like effect for all purposes so far as applicable, except as otherwise expressly provided by law.

Subd. 4. This indenture, made this day of, by and between the state of Minnesota, party of the first part, and part.. . of the second part.

Witnesseth: That the party of the first part, for and in consideration of the sum of Dollars to it in hand paid by the part..... of the second part, being the payment of rental for the unexpired portion of the first quarter, hereinafter provided for, the receipt whereof is hereby acknowledged, and in further consideration of the covenants and conditions hereof, to be kept and performed by the part..... of the second part, does hereby lease and demise unto the part..... of the second part for the term of 50 years from and after the day of, the following described land, situated in the County of, in the state of Minnesota, to-wit:

.....

Subd. 5. The above described premises are leased to the part..... of the second part for the purpose of exploring for, mining, taking out and removing the iron ore found on or in said land, together with the right to construct or make such buildings, excavations, openings, ditches, drains, railroads, roads and other improvements upon said premises as may be necessary or suitable for such purposes. The part..... of the second part may contract with others for doing any work authorized or required hereunder, or for the use of said land or any part thereof for the purposes hereof, but no such contract shall relieve the part..... of the second part from any duty, obligation, or liability hereunder. Three executed duplicates of every such contract shall be filed with the commissioner of natural resources before it shall become effective for any purpose.

Subd. 6. The party of the first part reserves the right to sell and dispose of, under the provisions of law now or hereinafter governing the sale of timber on state lands, all the timber upon the land hereby leased, and reserves to the purchaser of such timber, or agents and servants of the purchaser, the right at all times to enter thereon, and to cut and remove any and all such timber therefrom, according to the terms of the purchaser's contract with the state, and without let or hindrance from the part..... of the second part; but such purchaser shall not unnecessarily or materially interfere with the mining operations carried on thereon. The party of the first part further reserves the right to grant to any person or corporation the right-of-way necessary for the construction and operation of one or more railroads over or across the land thereby leased, without let or hindrance from the part..... of the second part; but such railroads shall not unnecessarily or materially interfere with the mining operations carried on thereon. The party of the first part further reserves the right to grant leases, permits or licenses to any portion of the surface of the demised premises to any person or corporation under authority of section 92.50, or other applicable laws, without let or hindrance from the part..... of the second part, but such leases, permits or licenses shall not unnecessarily or materially interfere with the mining operations carried on thereon.

Subd. 7. The part..... of the second part covenants and agrees to pay to the treasurer of said state rental for said premises at the rate of \$1,250 for the first year after the date of this lease and \$5,000 per year for the remainder of the term hereof; provided, that in case and so long as this lease is designated as a taconite iron ore mining lease the rate for the first five years after the date hereof shall be \$400 per year and the rate for the remainder of the term hereof shall be \$1,600 per year. Such rental shall be payable quarterly on or before the 20th day of April, July, October, and January each year during the term hereof. Each quarterly payment shall cover the rental at the rates hereinbefore specified for the calendar quarter or fraction thereof ending on the last day of the calendar month next preceding the due date for such payment. The rental for any fraction of a quarter shall be computed proportionately at the applicable rate. Any amount paid for rental accrued during any calendar year shall be credited on any royalty that may become due for iron ore removed hereunder during the same calendar year but no further, and any amount paid for such royalty in excess of such credit during such year shall be credited on rental, if any, subsequently accruing during such year but no further.

Subd. 8. The term "dried iron" as used herein shall mean iron ore dried at 212 degrees Fahrenheit; and the word "ton" shall mean a gross ton of 2240 pounds.

Subd. 9. [Repealed, 1991 c 194 s 5]

Subd. 9a. (1) The royalties to be paid by the part.... of the second part to the party of the first part on ore removed in each calendar quarter that the lease remains in force as hereinbefore specified shall be subject to increase by fifty percent (50%) of the sum of the amounts determined in accordance with subparagraphs (a) and (b) below:

(a) Reference shall be made to the Producer Price Index for Iron Ores (December 1984=100) (Industry Code No. 1011), as originally published (unrevised) by the Bureau of Labor Statistics of the United States Department of Labor, or any succeeding federal agency publishing such index, for the first month in the calendar quarter for which royalty payment is to be made. If the Producer Price Index for Iron Ores exceeds, which was the level of such index for the month in which this lease was issued (hereafter called the "PPI - IO Base Index"), the excess shall be computed and this excess shall become the numerator of a fraction, the denominator of which shall be the PPI - IO Base Index, and the resulting fraction

shall be multiplied by the royalty rate per ton payable on the ore mined and removed during any such quarter.

For example, if the PPI – IO Base Index under this lease was 119.2, and if the Producer Price Index for Iron Ores for January, was 125.3, the additional amount for the calendar quarter of January, February, and March would be computed as follows:

$$[(125.3-119.2)/119.2] \times \text{base royalty rate} = \text{additional amount}$$

(b) Reference shall be made to the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group (1982=100) (Commodity Code No. 101), as originally published (unrevised) by the Bureau of Labor Statistics of the United States Department of Labor, or any succeeding federal agency publishing such index, for the first month in the calendar quarter for which royalty payment is to be made. If the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group exceeds, which was the level of such index for the month in which this lease was issued (hereafter called the "PPI – I&S Base Index"), the excess shall be computed and this excess shall become the numerator of a fraction, the denominator of which shall be the PPI – I&S Base Index, and the resulting fraction shall be multiplied by the royalty rate per ton payable on the ore mined and removed during any such quarter.

For example, if the PPI – I&S Base Index under this lease was 129.5, and if the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group for January, was 139.5, the additional amount for the calendar quarter of January, February, and March would be computed as follows:

$$[(139.5-129.5)/129.5] \times \text{base royalty rate} = \text{additional amount}$$

(2) In the event some other period than December 1984 is used as a base of 100 in determining the Producer Price Index for Iron Ores or some other period than 1982 is used as a base of 100 in determining the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group, for the purposes of this lease these indexes shall be adjusted so as to be in correct relationship to the appropriate base. In the event either such index is not published by any federal agency, the index to be used as aforesaid shall be that index independently published, which, after necessary adjustments, if any, provides the most reasonable substitute for the appropriate index during any period subsequent to the month in which this lease is issued; it being intended to substitute for the Producer Price Index for Iron Ores and index that most accurately reflects fluctuations in the prices of Great Lakes iron ores in the manner presently reported by the Producer Price Index for Iron Ores (December 1984=100), as originally published (unrevised) by the Bureau of Labor Statistics of the United States Department of Labor, and it being intended to substitute for the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group an index that most accurately reflects fluctuations in the prices of iron and steel in the manner presently reported by the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group (1982=100), as originally published (unrevised) by the Bureau of Labor Statistics of the United States Department of Labor.

If the parties to this lease cannot agree upon substitute indexes which accomplish these purposes, each shall choose an arbitrator and the two thus selected shall choose a third. The decision of the arbitrators or any two of them shall be final and binding on the parties in interest. The agreement or the decision of the arbitrators shall be attached as a supplement to the lease. Each party to the arbitration shall bear their representative share of the costs for the arbitration.

Subd. 10. In computing royalty rates hereunder, any fraction of a cent less than 5/1000 shall be disregarded and any fraction amounting to 5/1000 or more shall be counted as 1/100 of a cent.

The method of computing increased rates upon analysis illustrated by the following example shall apply in all cases hereunder, with such changes as may be necessary for adaptation to a particular schedule. Assuming that the royalty rate for the lowest grade of ore, with analysis 25.49 percent or less, is 18 cents per ton, the rate will be 18.9 cents per ton for all dried iron analyses higher than 25.49 percent but less than 26.50 percent; 19.85 cents per ton for all dried iron analyses higher than 26.49 percent but less than 27.50 percent; and so on,

adding to the amount of royalty for a given grade five percent thereof for an increase in dried iron content of one percent or fraction thereof.

Subd. 11. Subject to the foregoing provisions, the royalties to be paid by the part..... of the second part to the party of the first part shall be as hereinafter specified.

Subd. 12. Schedule 1. Direct shipping open pit ore shall be understood to mean all ore lying beneath the final stripped area of the particular mine in which it shall be situated and lying within reasonably safe mining slopes therein, that is shipped in its natural state without beneficiation of any kind other than crushing or dry screening.

On a ton of direct shipping open pit ore averaging in dried iron 25.49 percent or less, the royalty shall be 18 cents. The royalty rate shall be increased five percent for each increase of one percent, or fraction thereof, in dried iron analysis

Subd. 13. Schedule 2. Open pit wash ore concentrates shall be understood to mean all concentrates produced from open pit ore which, in accordance with good engineering and metallurgical practice, requires treatment by straight washing to make it suitable for blast furnace use.

On a ton of open pit wash ore concentrates averaging in dried iron 25.49 percent or less, the royalty shall be 18 cents. The royalty rate shall be increased 4-1/2 percent for each increase of one percent, or fraction thereof in dried iron analysis.

Subd. 14. Schedule 3. Open pit special concentrates shall be understood to mean all concentrates produced from open pit ore which, in accordance with good engineering and metallurgical practice, requires treatment by roasting, sintering, agglomerating, or drying through the use of fuel, or by jigging, or by heavy medium separation to make them suitable for blast furnace practice.

On a ton of such open pit special concentrates averaging in dried iron 25.49 percent or less, the royalty shall be 18 cents. The royalty rate shall be increased four percent for each increase of one percent, or fraction thereof, in dried iron analysis.

Subd. 15. Schedule 4. Underground direct shipping ore shall be understood to mean all ore in any particular mine, other than open pit ore, that is shipped in its natural state without beneficiation of any kind other than crushing or dry screening.

On a ton of underground direct shipping ore averaging in dried iron 25.49 percent or less, the royalty shall be 15 cents. The royalty rate shall be increased 3-1/2 percent for each increase of one percent, or fraction thereof, in dried iron analysis.

Subd. 16. Schedule 5. Underground wash ore concentrates shall be understood to mean all concentrates produced from underground ore which, in accordance with good engineering and metallurgical practice, requires treatment by straight washing to make it suitable for blast furnace use.

On a ton of underground wash ore concentrates averaging in dried iron 25.49 percent or less, the royalty shall be 15 cents. The royalty rate shall be increased three percent for each increase of one percent, or fraction thereof, in dried iron analysis.

Subd. 17. Schedule 6. Underground special concentrates shall be understood to mean all concentrates produced from underground ore which, in accordance with good engineering and metallurgical practice, require treatment by roasting, sintering, agglomerating, or drying through the use of fuel, or by jigging, or by heavy medium separation to make them suitable for blast furnace practice.

Ponded fine tailings special concentrates shall be understood to mean all concentrates produced from fine tailings stored in tailings ponds which, in accordance with good engineering and metallurgical practice, require additional treatment by one or more of the types described in schedules 2 and 3 to make them suitable for blast furnace practice.

On a ton of such underground special concentrates or ponded fine tailings special concentrates, averaging in dried iron 25.49 percent or less, the royalty shall be 15 cents. The royalty rate shall be increased two percent for each increase of one percent, or fraction thereof, in dried iron analysis.

Subd. 18. Schedule 7. Taconite ore shall be understood to mean a ferruginous chert or ferruginous slate in the form of compact siliceous rock, in which the iron oxide is so finely disseminated that substantially all of the iron bearing particles of merchantable grade are smaller than 20 mesh.

Taconite concentrates shall be understood to mean the merchantable product, suitable for blast furnace use, which, in accordance with good engineering and metallurgical practice, has been produced from taconite ore which requires 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.

On a ton of taconite concentrates averaging in dried iron 40.49 percent or less, the royalty shall be 11 cents. The royalty rate shall be increased one percent for each increase of one percent, or fraction thereof, in dried iron analysis.

In lieu of payment of such royalty on the taconite concentrates, royalty payments may be made on the taconite ore as set forth in section 93.201.

Subd. 19. The part..... of the second part covenant and agree to pay to the treasurer of said state, on or before the twentieth day of April, July, October, and January in each year during the period this lease continues in force royalty at the rates hereinbefore specified for all the iron ore mined and removed from said land during the three months preceding the first day of the month in which such payment is due as hereinbefore provided.

Subd. 20. The part... of the second part at the time of such payment shall transmit to the commissioner of natural resources an exact and truthful statement of the amount of iron ore removed under each schedule during the three months for which such payment is made and the royalty due thereon, determined as hereinafter provided. The part..... of the second part shall provide for all the operations required for such determination except as otherwise specified.

Subd. 21. Except as otherwise hereinafter provided, all iron ore removed from said land hereunder shall be shipped by rail. Each shipment shall be sampled in accordance with standard practice so as to show the true grade of the ore contained therein under each schedule, taking specimens from five carloads to make up a sample for analysis; provided, that with the approval of the commissioner of natural resources a sample may consist of specimens from any other number of carloads. The ore in each sample shall be thoroughly mingled and then split into two portions, both of which shall be properly marked for identification. One portion shall be delivered to the commissioner of natural resources or authorized agent, and the other retained by the part..... of the second part. Each sample, dried at 212 degrees Fahrenheit, shall be analyzed for iron and manganese, and also, if directed by the commissioner or agent, for silica, phosphorus, and alumina, at the expense of the part..... of the second part, by a competent chemist approved in writing by the commissioner.

Subd. 22. The iron ore so taken and shipped shall be weighed by the railroad carrier. Weight bills or certificates, signed by the weigher, shall be transmitted to the commissioner at the close of each day when ore is shipped. Except as otherwise permitted by the commissioner of natural resources, the part... of the second part shall transmit to the commissioner on or before the tenth of each month a statement in such form as the commissioner shall prescribe, covering all ore removed from said land during the preceding calendar month, showing the weight and analysis of the ore under each schedule, the royalty computed to be due thereon, and such other information pertaining thereto as the commissioner may require. The amount of royalty due upon the ore under each schedule shall be determined according to the percentage of iron shown by the analysis at the rates hereinbefore prescribed. If the manganese content is four percent or more, the royalty due thereon shall be determined and paid as provided by law. With the approval of the commissioner, for the purpose of computing and accounting for royalty, ore may be considered as removed from said land in the month in which it was weighed as shown by the weight bills or certificates, but the party of the second part shall nevertheless be liable for the royalty on all ore from and after the actual time of removal from said land. With the approval of the commissioner the royalty on all the ore under a given schedule removed during a given calendar month may be computed on the average dried iron analysis thereof. The grades and weights of ore as set forth in said monthly statements shall be prima facie binding as between the parties, but the party of the first part shall have the right at any time, and in such manner as it may see fit, to sample the ore, check the analyses, and inspect, review, and test the correctness of the methods, books, records, and accounts of the part..... of the second part in sampling, analyzing, recording, and reporting such grades and weights, and to inspect, review, and test the correctness of the scales and

other equipment used in weighing the ore and of the weights reported as aforesaid, it being understood that any errors in these respects, when ascertained, shall be corrected. Should the party of the second part desire to remove crude ore for experimental purposes from the demised premises, the commissioner of natural resources may prescribe the method of such removal and the method of sampling and weighing such crude ore for the purpose of determining the amount of royalty due.

Subd. 23. The part..... of the second part shall have the right to beneficiate and treat, for the purpose of improving the character or quality thereof, any iron ore which without such treatment or beneficiation will not meet general market requirements at the time. Subject to the approval of the commissioner of natural resources, such ore may be so beneficiated or treated either upon the demised premises or elsewhere. The part..... of the second part agree ... that any treatment or beneficiation of ore conducted hereunder shall be done with suitable and proper machinery and appliances, and in a careful, good and workmanlike manner, according to good engineering practice, and so as not to cause any greater waste of the ore mined than is necessary in order to produce an ore concentrate of proper composition and character for satisfactory furnace use. No ore shall be treated or beneficiated which, without treatment or beneficiation, will meet general market requirements at the time. As to any ore so beneficiated or treated during any quarter year, royalty at the rates per ton hereinbefore provided for such ore shall be paid upon the merchantable product of such beneficiation or treatment and not upon the ore as mined. The residue of such treatment or beneficiation may be deposited upon the demised premises, in such place or places as shall not unnecessarily hinder or embarrass the future operation of the mine or mines therein, or on other state-owned lands conveniently located for the purpose, or may be otherwise disposed of in such manner as the commissioner of natural resources may approve. The merchantable product of such beneficiation shall be sampled, analyzed and weighed and the royalty thereon determined in like manner as hereinbefore provided for direct shipping ore. The part..... of the second part shall nevertheless be liable for royalty on all ore removed from the demised premises for beneficiation or treatment from and after the actual time of removal. If any such ore shall not be beneficiated or treated or if the royalty due thereon shall not be determined and accounted for as herein otherwise provided by the next quarterly payment date after the end of the quarter in which such ore is removed from the demised premises, the commissioner may determine such royalty by such method as the commissioner deems appropriate and give the part..... of the second part written notice thereof, whereupon such royalty shall be due and payable within 20 days after the mailing or delivery of such notice, unless the time therefor shall be extended by the commissioner

Subd. 24. It is understood and agreed that should the part..... of the second part desire to stockpile concentrates off the demised premises or on land not owned by the state, the parties shall agree upon a method of sampling and weighing such concentrated ore for the purpose of determining the amount of royalty due, and in case they are unable to agree, each shall choose a referee and the two referees so chosen shall choose a third. The decision of such board of referees shall be binding on the parties in interest as to the methods to be employed in such sampling and weighing only. Should the party of the second part desire to stockpile crude ore off the demised premises for a temporary period not to exceed one year, the commissioner of natural resources may prescribe the method of removal and the method of sampling and weighing such crude ore for the purpose of determining the amount of royalty due.

Subd. 25. The party of the first part shall have the right to enter upon and into said premises at any time, and to inspect and survey the same, and to measure the quantity of ore which shall have been mined or removed therefrom, not unreasonably hindering or interrupting the operations of the part..... of the second part.

The part..... of the second part shall provide, upon written request from the commissioner of natural resources, a suitable room in the dry or wash house or in some other suitable place on said premises, with water, light and heat free, for the use of the commissioner or agents thereof in the work of inspection on said premises, such room to be at least equal in size and equipment to that customarily furnished for the use of the mining captain or superintendent at mines comparable to the mine or mines on said premises. The commissioner or agents thereof shall have the right to enter and inspect at any time any plant where ore from said land is treated or beneficiated, and to take such samples and make such tests as may be

necessary to determine the effects of such treatment or beneficiation. In case ore from more than one state mining unit or other property is treated or beneficiated at the same plant, the commissioner may appoint such special inspectors for such plant as the commissioner deems necessary to insure proper accounting and protect the interests of the state; and the part..... of the second part shall reimburse the state monthly for the cost of all such inspection service, upon notification thereof by the commissioner.

Subd. 26. In addition to other reports or statements required hereunder, the part..... of the second part shall furnish the commissioner of natural resources with the following:

(1) Copies of all exploration reports, concentrating plant reports, mine maps, analysis maps, cross sections and plans of development made and used in the operations on said leased premises;

(2) At least a quarter portion of all exploration samples, and, when requested by the commissioner in writing, a quarter portion of mine or mill samples;

(3) A monthly report showing the estimated weight and analysis of all ore material stockpiled according to each classification, whether merchantable, concentratable, or non-merchantable;

(4) A monthly report showing the estimated weight and analysis of concentrated ore when stockpiled on state-owned land;

(5) A monthly report of all ore beneficiated, showing the tonnage and analysis of crude ore treated, the tonnage and analysis of concentrates recovered, and a record of any analysis made of tailings and rejects;

(6) Not later than February 1st of each year during said term, a summary statement of the tonnage of all iron ore and other iron-bearing material mined on said land during the previous calendar year under each schedule or classification, showing the average analysis of iron, silica, phosphorus, alumina, and manganese on all merchantable ore, such analysis as the commissioner may require on other iron-bearing material, and such other information as to the grade, character and disposition of such ore and other material as the commissioner may direct.

Subd. 27. The part..... of the second part further covenant..... and agree to pay all taxes, general and specific, which may be assessed against said land and the improvements thereon made, used or controlled by said part..... of the second part, and the iron ore product thereof, and any personal property thereat owned, used, or controlled by the part..... of the second part, in all respects as if said land was owned in fee by the part..... of the second part.

Subd. 28. It is further understood and agreed as follows:

(1) The part..... of the second part will open, use and work the mine or mines on said land in such manner only as is usual and customary in skillful and proper mining operations of similar character when conducted by the proprietors on their own land and in accordance with the requirements, methods, and practices of good mining engineering, and in such manner as not to cause any unnecessary or unusual permanent injury to such mine or mines or inconvenience or hindrance in the subsequent operation of the same or in the development, mining, or disposal of any iron ore or other valuable mineral left on or in said land.

(2) Subject to the approval of the commissioner of natural resources, all iron ore and other material produced or accumulated in connection with any operations hereunder and not otherwise lawfully disposed of shall be deposited or disposed of by the part..... of the second part at such places and in such manner as will not hinder or embarrass such subsequent operations or activities; provided, that any such material containing iron or other minerals in such quantity or form as to have present or potential value shall be deposited only on the land covered by this lease, or on other land belonging to the state and available for the purpose, unless the commissioner of natural resources shall approve in writing its disposal in some other manner.

(3) Land conveyed to the state upon condition that it shall be used for the storage of iron ore or other materials having present or potential value belonging to the state, subject to termination or reversion of title when no longer needed or used for that purpose, shall be deemed suitable and available therefor. The commissioner may accept such a conveyance in behalf of the state if the commissioner determines that the conditions thereof conform with the foregoing provisions and will fully protect the interests of the state in the materials to be

so stored, but no consideration shall be paid for such conveyance unless authorized by law. The existence of mineral reservations with rights to use or destroy the surface in connection therewith, shall not prevent lands being deemed suitable and available if the commissioner finds that the lands are located off the generally recognized limits of the iron formation, and the commissioner finds that no minerals of any present or foreseeable commercial value are known to exist thereon. The provisions of section 500.20, shall not apply to any conveyance of land to the state pursuant to this subdivision and shall not limit the duration of any covenant, condition, restriction, or limitation created by any such conveyance.

Subd. 29. It is understood and agreed that in case any interest in the land covered by this lease or in any minerals therein is owned by anyone other than the state, this lease shall not be construed as authorizing any invasion of or trespass upon such other interest, that in case it shall be necessary to make use of any such other interest in connection with any operations hereunder, the part..... of the second part shall obtain all necessary legal rights therefor before proceeding therewith, that the part..... of the second part shall be liable for all damages to any such other interest caused by any operations hereunder, and that the state shall not incur or be subject to any liability therefor.

Subd. 30. In case it shall become impossible or impracticable at any time during the term of this lease to comply with the provisions hereof relating to sampling, analysis, shipping, or weighing of ore, or in case methods for any of said operations shall be developed which appear to be superior to those herein prescribed and which will not result in any loss or disadvantage to the state hereunder, the commissioner of natural resources, with the approval of the executive council, may make a supplemental agreement with the part..... of the second part, modifying this lease so as to authorize the adoption of such other methods for any of said operations so far as deemed expedient.

Subd. 31. All remittances by the part..... of the second part hereunder shall be made payable to the state treasurer and shall be transmitted to the commissioner of natural resources, who shall audit the same, take such action as may be necessary on account of any error or discrepancy discovered, and deposit all remittances found due with the state treasurer.

Subd. 32. The party of the first part reserves and shall at all times have a lien upon all ore mined and upon all improvements made by the part..... of the second part upon the land covered by this lease for any unpaid sums due hereunder.

Subd. 33. The part..... of the second part shall have the right at any time to terminate this lease in so far as it requires the part..... of the second part to mine ore on said land, or to pay royalty therefor, by delivering written notice of such intention to terminate to the commissioner of natural resources, who shall in writing acknowledge receipt of such notice, and this lease shall terminate 60 days after such delivery unless such notice is revoked by the part..... of the second part by further written notice delivered to the commissioner before the expiration of said 60 days, and all arrearages and sums which shall be due under this lease up to the time of such termination shall be paid upon settlement and adjustment thereof by the part..... of the second part.

Subd. 34. This lease is granted upon the express condition that if any sum owing hereunder by the part..... of the second part for rental, royalty, taxes, or otherwise shall remain unpaid after the expiration of 60 days from the time when the same became payable as herein provided, or in case the part..... of the second part or any agent or servant thereof shall knowingly or willfully make any false statement in any statement, report, or account submitted to the state or to the commissioner of natural resources or any agents of the commissioner pertaining to any matter hereunder, or in case the part..... of the second part shall fail to perform any of the covenants or conditions herein expressed to be performed by said part..... of the second part, then it shall be the duty of the commissioner of natural resources to cancel this lease, first having mailed or delivered to the part..... of the second part at least 20 days' notice in writing thereof, whereupon this lease shall terminate at the expiration of said 20 days, and the party of the first part shall reenter and again possess said premises as fully as if no lease had been given to the part..... of the second part, and the part..... of the second part and all persons claiming under such part..... shall be wholly excluded therefrom except as hereinafter provided, but such termination and reentry shall not relieve the part..... of the second part from any payment or other liability thereupon or theretofore incurred hereunder.

Subd. 35. It is mutually agreed that upon the termination of this lease, whether by expiration of the term thereof or by act of either party, the part.... of the second part shall have 90 days thereafter in which to remove all equipment, materials, railroad tracks, structures, and other property placed or erected by the part.... of the second part upon said land, and any such property not removed within said time shall become the property of the party of the first part; but the part.... of the second part shall not remove or impair any supports placed in any mine or mines on said land, or any tumber or frame work necessary to the use or maintenance of shafts or other approaches to such mine or mines or tramways within the same. Subject thereto, it is understood and agreed that upon the termination of this lease by expiration of the term thereof or otherwise, the part.... of the second part will quietly and peaceably surrender possession of the land covered thereby to the party of the first part.

Subd. 36. The covenants, terms and conditions of this lease shall run with the land and shall extend to and bind all assignees and other successors in interest of the part.... of the second part.

Subd. 37. The provisions of this section relating to the contents of mining leases shall be deemed to be enabling provisions, and the respective officers and agencies of the state concerned therewith shall have all the authority, powers, and duties required for the execution and administration thereof.

Subd. 38. Any state iron ore mining lease heretofore or hereafter issued and in force may be modified by the commissioner of natural resources, with the approval of the executive council, upon application of the holder of the lease, by written agreement with the holder, so as to conform with the provisions of the laws in force at the time of such application with respect to the methods of shipping, weighing, and analyzing ore and computing royalty thereon, the time of payment of rental and royalty, the beneficiation or treatment of iron ore and the disposal of concentrates and residues therefrom, the stockpiling, depositing, or disposal of iron ore or other material, and the making of statements and reports pertaining to said matters.

Subd. 39. Any iron ore or other material which is subject to stockpiling under a state iron ore mining lease heretofore issued and in force on April 20, 1951, may, with the approval of the commissioner of natural resources, be stockpiled on land conveyed to the state for the purpose, subject to the provisions of subdivision 28

History: (6409) 1921 c 412 s 7; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 5; 1951 c 616 s 1-3; 1953 c 421 s 1; 1953 c 552 s 1-3; 1955 c 575 s 1; 1957 c 688 s 1; 1959 c 536 s 1,2; 1969 c 1129 art 10 s 2; 1973 c 492 s 14; 1983 c 216 art 1 s 17; 1986 c 444; 1991 c 194 s 4; 1998 c 254 art 1 s 107

93.201 ROYALTIES FOR TACONITE CONCENTRATES.

Subdivision 1. All ores or concentrates shipped from the lands covered by any lease under section 93.20 shall be classified and paid for under and in accordance with the particular schedule of said law properly applicable thereto. The royalty provided for taconite concentrates in section 93.20, schedule 7, 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.

Subd. 2. In lieu of payment of such royalty on the taconite concentrates, royalty payments may be made on the taconite ore as defined herein. The method of computing the weight and the royalty rate per ton on such taconite ore shall be determined by agreement between the holder of the lease and the commissioner of natural resources. In case they are unable to agree, each shall choose an arbitrator, and the two thus selected shall choose a third. The decision of the arbitrators or any two of them shall be final and binding on the parties in interest. The agreement or the decision of the arbitrators shall be attached as a supplement to the lease. The holder of the lease shall reimburse the state for all costs and expenses incurred in connection with the determination of weight of taconite ore.

Taconite ore shall be understood to mean a ferruginous chert or ferruginous slate in the form of compact siliceous rock, in which the iron oxide is so finely disseminated that substantially all of the iron-bearing particles of merchantable grade are smaller than 20 mesh.

Subd. 3. The provisions of subdivisions 1 and 2 for payment of royalty on taconite ore shall apply to existing leases as well as subsequent leases, subject to vested rights, if any, of the holders of existing leases.

History: 1943 c 233 s 3; 1949 c 616 s 1,2; 1957 c 158 s 1; 1969 c 1129 art 10 s 2

93.202 TACONITE LEASES.

In any case where, pursuant to a permit holder's application for a lease in which it is indicated in the application that the holder considers the lands covered by the permit to be principally valuable for the taconite thereon or that the holder desires a taconite lease thereon, the commissioner of natural resources heretofore shall have issued a lease in which was 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 the commissioner's 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, 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 93.19, and subject to the provisions of sections 93.15 and 93.201. Any lessee desiring the protection of this section shall file with the commissioner of natural resources, within 90 days from the approval of Laws 1943, chapter 233, written consent to the application of all provisions of Laws 1943, chapter 233, to said lease.

History: 1943 c 233 s 4; 1969 c 1129 art 10 s 2; 1986 c 444

93.21 EXECUTION OF LEASE.

The lease provided for in section 93.20 shall be signed by the commissioner for and in behalf of the state, with the official seal of the commissioner attached, and shall be signed by the party of the second part in the presence of two witnesses, and such signatures and execution of the same by the party of the second part shall be duly acknowledged.

History: (6410) 1921 c 412 s 8; 1925 c 395; 1927 c 389 s 1; 1986 c 444

93.22 DISPOSAL OF MONEYS RECEIVED.

All payments under sections 93.14 to 93.28 shall be made to the state treasurer on the order of the commissioner of finance, or the commissioner, as the case may be, and shall be credited to the permanent fund of the class of land to which the demised premises belong and in case the land shall not belong to any class of land having a permanent fund then all payments shall be credited to such fund as the legislature shall by law direct.

History: (6411) 1921 c 412 s 9; 1925 c 395; 1927 c 389 s 1; 1973 c 492 s 14

93.221 [Repealed, 1989 c 335 art 4 s 109]

93.222 TACONITE IRON ORE SPECIAL ADVANCE ROYALTY ACCOUNT.

The taconite iron ore special advance royalty account is created as an account in the state treasury for disposal of certain mineral lease money received under the terms of extension agreements adopted under section 93.193, relating to state iron ore or taconite iron ore mining leases. The principal of the account is distributed under the terms of the extension agreements to the account or entity entitled by applicable law and lease terms to receive the income from the class of land being leased. Interest accruing from investment of the account remains with the account until distributed as provided in this section. The interest accrued through June 30 under each extension agreement is distributed annually, as soon as possible after June 30, to the account or entity entitled by applicable law and lease terms to receive the income from the class of land being leased in the same proportion that the total acres included in a particular class of land bears to the total acreage of the leased land covered by each extension agreement. Money in the taconite iron ore special advance royalty account is appropriated for distribution as provided in this section.

History: 1989 c 335 art 1 s 80

93.23 POSSESSION OF PREMISES, WHEN.

The commissioner is hereby authorized and empowered, in case the permit holder or lessee under any permit or lease fails or neglects fully to comply with all the conditions and covenants of such permit or lease, to enter at once upon the premises described in such permit or lease and take possession of the same.

History: (6412) 1921 c 412 s 10; 1925 c 395 s 1; 1927 c 389 s 1

93.24 MINING OF OTHER THAN IRON ORES.

Subdivision 1. **Permit, agreement.** Should gold, copper, silver, cobalt, coal, graphite, manganese (four percent or over, dried), iron sulphides or other sulphur ores, titaniferous magnetites, or any other valuable mineral be believed to exist on lands included within a prospecting permit or lease not covering such mineral, upon written application of the permit holder or lessee the terms and conditions on which such mineral may be mined or products recovered therefrom shall be agreed upon by the commissioner and the permit holder or lessee and embodied in a supplement to the permit or lease. In case they are unable to agree each shall choose a referee. The two persons thus selected shall choose a third. The decision of this board shall be final and binding on the parties in interest. Any iron or iron ore extracted from iron sulphides, sulphur ores or titaniferous magnetites mined under such a supplemental agreement shall be paid for in accordance with the minimum schedule for taconite concentrates provided in section 93.20, schedule 7, and any iron or iron ore extracted from any other kind of ore hereinbefore specified mined under such a supplemental agreement shall be paid for at rates fixed by agreement or arbitration as hereinbefore provided.

Subd 2. **Rental, payments.** If, upon the application of the permit holder or lessee the commissioner shall determine that the lands covered by any mining permit or lease are principally valuable for the iron sulphides or other sulphur ores or titaniferous magnetites contained therein, and have no substantial value because of ores of the kind defined in section 93.20, schedules 1 to 6, the rental required in any lease issued pursuant to such permit, or any lease modified as above provided, shall be payable at the same rates, and in the same manner provided in section 93.20 in cases of leases for the mining of taconite ore. Thereupon such lease shall be designated as an iron sulphide or sulphur ore mining lease or a titaniferous magnetite lease, as the case may be.

Subd. 3. **Increase of rental.** If, following the issuance or designation of a lease as an iron sulphide or sulphur ore or titaniferous magnetite mining lease, additional information acquired by the commissioner of natural resources shall disclose that the lands covered by the lease have merchantable deposits of iron ore of the classes defined in section 93.20, schedules 1 to 6, which deposits, without reference to the iron sulphide or sulphur ore or titaniferous magnetites in such lands, would give substantial value thereto, the commissioner shall report the facts to the executive council, and thereupon further action shall be taken as provided by section 93.191, subdivision 3, in the case of taconite iron ore mining leases.

History: (6413) 1921 c 412 s 11; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 329 s 1; 1947 c 96 s 1; 1951 c 546 s 4; 1969 c 1129 art 10 s 2

93.25 ORES OTHER THAN IRON; LEASES.

Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine, and remove minerals other than iron ore upon any lands owned by the state, including trust fund lands, lands forfeited for nonpayment of taxes whether held in trust or otherwise, and lands otherwise acquired, and the beds of any waters belonging to the state.

Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals or petroleum must be approved by the executive council, and any other mineral lease issued pursuant to this section that covers 160 or more acres must be approved by the executive council. The rents, royalties, terms, conditions, and covenants of all such leases shall be fixed by the commissioner pursuant to such rules as may be prescribed by the commissioner, but no lease shall be for a longer term than 50 years, and all such rents, royalties, terms, conditions, and covenants shall be fully set forth in each lease thus issued and the rents and royalties therein provided for shall be credited to the funds as provided in section 93.22 or 93.335, subdivision 4, as amended.

Subd. 3. **Effect.** The provisions of this section shall not be deemed to repeal or supersede any other applicable provision of law, but shall be supplementary thereto.

History: (6414) 1921 c 412 s 12; 1925 c 395 s 1; 1927 c 389 s 1; 1949 c 565 s 1; 1953 c 538 s 1; 1985 c 248 s 70; 1986 c 444; 1993 c 113 art 1 s 2

93.251 [Inoperative]

93.252 [Repealed, 1953 c 540 s 1]

93.253 [Repealed, 1953 c 540 s 1]

93.254 [Repealed, 1953 c 540 s 1]

93.255 [Repealed, 1953 c 540 s 1]

93.256 [Repealed, 1953 c 540 s 1]

93.257 [Repealed, 1953 c 540 s 1]

93.26 PERMITS AND LEASES TO BE RECORDED.

All permits and leases, with the names and post office addresses of all parties in interest, issued by the commissioner under authority of sections 93.14 to 93.28, before delivery shall be duly recorded at length in the record books to be provided and kept in the commissioner's office for that purpose and a certificate of such record showing the date of record, the book and page thereof, shall be endorsed on each such permit or lease.

History: (6415) 1921 c 412 s 13; 1925 c 395 s 1; 1927 c 389 s 1; 1986 c 444

93.27 ASSIGNMENTS, AGREEMENTS, OR CONTRACTS AFFECTING PERMITS OR LEASES; RECORDS.

All assignments, agreements, or contracts, underlying, overriding, or operating agreements affecting any such permit or lease shall be made in writing and signed by both parties thereto, witnessed by two witnesses, and properly acknowledged and contain the post office addresses of all parties having an interest; and when so executed presented in triplicate to the commissioner for record. The commissioner shall then record such assignments, agreements, or contracts, underlying, overriding, or operating agreements at length in record books kept and provided for that purpose in the commissioner's office and a certificate of such record showing the date thereof and the book and page shall be endorsed on the the assignments, agreements, contracts, underlying, overriding, or operating agreements, a copy of which then shall be returned to the party entitled thereto.

History: (6416) 1921 c 412 s 14; 1925 c 395; 1927 c 389 s 1; 1941 c 546 s 6; 1986 c 444

93.28 APPROVAL OF INSTRUMENTS; FEES.

All instruments by virtue of which the title to any permit or lease herein provided for is in any way affected shall receive, as to form and execution, the approval of the commissioner, which approval shall be endorsed thereon, and the instrument when so approved shall be duly recorded as provided in section 93.27. For recording any assignment or other instrument affecting the title to any permit or lease or for furnishing certified copies of the records, the commissioner may charge a fee of ten cents per folio. All such fees shall be turned into the state treasury.

History: (6417) 1921 c 412 s 15; 1925 c 395; 1927 c 389 s 1; 1941 c 546, s 7

93.283 IRON ORE; PROSPECTING, ENCOURAGEMENT.

Subdivision 1. **Purposes.** The purpose of this section is to encourage prospecting for iron ores in sections of the state classified as not known to contain merchantable deposits of such ores, in an attempt to assure continued production from Minnesota of a raw material essential to the economic security of the country in time of peace and its defense in time of war. It shall be liberally construed to carry out that purpose.

Subd. 2. Prospecting permits, mining leases, for certain lands. All parts of the state of Minnesota except St. Louis, Lake, Itasca, Crow Wing, and Fillmore counties are hereby classified as areas in which no merchantable deposits of iron ore are known to exist and with respect to which prospecting permits and mining leases may be issued hereunder covering lands belonging to the state or lands in the minerals of which the state has an interest. At any time prior to the receipt of an application for a permit thereon in accordance with the provisions of this section, the commissioner of natural resources may withdraw for such time as deemed fit from the operation of this section any designated townships or portions thereof by publishing notice of such withdrawal in a legal newspaper published in the county in which the lands so withdrawn are situated. The commissioner of natural resources, with the approval of the executive council, may classify as being subject to this section particular areas in St. Louis, Itasca, Crow Wing, Lake, or Fillmore counties situated more than one mile from any known occurrence of iron ore or iron-bearing formation, and thereupon lands in such areas shall be subject hereto.

Subd. 3. Commissioner of natural resources to issue permits. The commissioner of natural resources may execute permits to prospect for iron ore under lands belonging to the state or lands in the minerals of which the state has any interest, in trust or otherwise, within the areas classified by or in accordance with subdivision 2 as not known to contain merchantable deposits of iron ore, including lands in conservation areas, game refuges, forest areas, or state or national forests, but excluding lands within any state park, and upon compliance with the provisions of such permits may issue leases for the mining of such ore subject to the conditions hereinafter provided. The powers and duties vested in or imposed upon such commissioner by this section are hereby declared to be cumulative and in addition to the powers and duties vested in or imposed upon the commissioner by any other law of this state, and such powers and duties so invested or imposed by this section shall not be limited by any other such law. The commissioner may refuse to issue permits on any lands being used at the time of the application for permit for tree plantation, nursery, administrative purposes or similar uses essential for the operation and maintenance of any state forest area or game refuge, or may impose such conditions upon the issuance of any permit covering lands used for such purposes as the commissioner deems necessary.

Subd. 4. Rights under permit. Permits hereunder shall confer the same rights to prospect for iron ore on the lands described therein and shall be subject to the same conditions with respect to prospecting and reporting thereon as are provided under section 93.18, with respect to holders of permits granted in accordance therewith, but shall otherwise be in form appropriate to the provisions of this section. The term of such permit shall be for a period of two years and the work of prospecting thereunder shall begin within six months from the date thereof. It shall contain provisions requiring the payment of any damages sustained by the state to timber, structures or other improvements belonging to the state. The requirements for prospecting work thereunder may be satisfied by work performed upon either the lands covered by the permit or on lands included in other permits issued to the same permit holder hereunder in the same general mineral formation or area as those covered by the permit and in the same section according to the United States Government survey or in an adjoining section; provided work done under one permit cannot be credited upon more than three additional permits hereunder located in the same section or one adjoining section. In case the prospecting work is not performed on the lands covered by the permit the holder's reports on the progress of the work shall show work performed on other lands within the limitations above set forth sufficient to constitute compliance with the foregoing provisions.

Subd. 5. Applications, fees. Applications for permit to prospect for iron ore hereunder shall be presented to the commissioner of natural resources either by the applicant or agent thereof in person or by mail. The application shall describe the lands to be embraced in the permit, which shall consist of contiguous descriptions and shall not exceed 160 acres unless some of the descriptions are fractional subdivisions, in which case the acreage may exceed that number by not more than the amount by which any one or more of such fractional subdivisions shall exceed 40 acres each. The lands covered by any such permit are herein referred to as a "mining unit," and no such mining unit shall contain lands belonging to more than one permanent trust fund, or shall intermingle tax-forfeited lands not held in trust for taxing districts with tax-forfeited lands held in trust for taxing districts, or intermingle either with per-

manent trust fund lands. Each application shall be accompanied by a certified check or a cashier's check on a national or state bank in Minnesota, payable to the state treasurer, in the sum of \$50 as fee for the permit, and a like check in the sum of \$200 as a guarantee that the applicant will carry out and perform in good faith all the covenants set out in the permit. The commissioner of natural resources shall endorse upon each application the exact time of presentation and shall preserve the same in the office of the commissioner. The first applicant for permit on any land whose application hereunder, with accompanying fees, is filed with the commissioner of natural resources in accordance herewith shall be entitled to receive a permit hereunder.

Subd. 6. Permit holders, receipt of mining leases. At any time prior to the expiration of any such permit, if the commissioner shall determine that all the terms and conditions of the permit and applicable provisions of law have been complied with, the original holder or any assignee thereof shall have the right to receive from the commissioner of natural resources 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, and the mining lease shall be in the form set forth in section 93.20, and require the payment of the royalties set forth in Laws 1941, chapter 546, section 5, as originally enacted, except that the royalties shall be modified so as to comply with and be subject to the provisions of section 93.20, subdivision 9, as amended by Laws 1951, chapter 616, or any subsequent amendment thereof in force at the time of submission of the application for the permit, and also except that the rental shall be modified so as to provide that the annual rental for that part of the first calendar year remaining after the effective date of the lease and for the four succeeding calendar years shall be at the rate of \$500 per calendar year, and the annual rate of rental thereafter shall be \$5,000 per calendar year. 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 the permit, or an affidavit in case no work was done, stating such facts, and pay to the state treasurer a sum of money based on the quarterly royalty payment of \$125 for the first quarter, as set out in the lease, in the ratio that the unexpired portion of the quarter bears to the full quarter.

Subd. 7. Leases on tax-forfeited lands. In the event that any lands covered by any lease hereunder shall be tax-forfeited lands held by the state in trust for the taxing districts, the rentals and royalties paid under any such permit or lease shall be distributed annually by the commissioner of finance on the first day of September as follows: 20 percent to the general fund of the state, and 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths, town or city, two-ninths; and school district, four-ninths. In the event that with respect to any lands leased hereunder the state owns or has an interest in the minerals only, without ownership of the surface of such lands, such lessee shall make proper compensation to the owner of the surface rights for any damage caused thereto. In the event that the state shall own only a fractional undivided interest in the minerals in any land leased hereunder, the royalty and annual rental to be paid the state under such lease shall be such fractional part of the royalty or annual rental payable in the event the state had the entire interest in said minerals that the interest owned by the state bears to the entire interest therein. Except as herein otherwise provided, royalty and rental payable hereunder shall be paid into the same fund as if the particular lands had been leased or sold under existing laws.

There is hereby appropriated to such persons or political subdivisions as are entitled herein to such payments, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment

History: 1943 c 277; 1951 c 171 s 1-4; 1953 c 551 s 1,2; 1959 c 158 s 10; 1969 c 399 s 1; 1969 c 1129 art 10 s 2; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1986 c 444

93.285 STOCKPILED IRON ORE.

Subdivision 1. Definition. "Stockpiled iron ore" as used in this section means any artificial pile or other accumulation of any type of iron-bearing material, whether in its natural state or the product or residue of treatment of beneficiation, belonging to the state or in which the state has an interest.

Subd. 2. **Inclusion in mining unit.** In case any stockpiled iron ore is situated on land designated or suitable for designation as a mining unit under section 93.15, such ore may, in the discretion of the commissioner of natural resources, be included in such unit by inserting a description of such ore in the designation of the unit. Otherwise such ore shall not be considered as included in such unit. Upon the inclusion of such ore in such unit, it shall be subject to all provisions of law relating to the sale, issuance, terms, and conditions of a prospecting permit and lease covering such unit and other matters pertaining thereto, so far as applicable, except as hereinafter provided.

Subd. 3. **Stockpile mining unit.** Any stockpiled iron ore, wherever situated, may, in the discretion of the commissioner of natural resources, be designated as a stockpile mining unit for disposal separately from ore in the ground, such designation to be made in accordance with the provisions of section 93.15, so far as applicable. Thereupon such stockpile mining unit shall be subject to all provisions of law relating to the sale, issuance, terms, and conditions of prospecting permits and leases covering mining units designated under such section 93.15 and other matters pertaining thereto, except as hereinafter provided. Upon application of the holder of a prospecting permit for such a stockpile mining unit, the commissioner of natural resources may, for good cause shown, extend the time for beginning the work of prospecting under the permit to not exceeding six months from the date of the permit.

Subd. 4. **Additional provisions in permit or lease.** The commissioner of natural resources, with the approval of the executive council, may include in any prospecting permit or lease covering any stockpiled iron ore as hereinafter provided such additional provisions, not inconsistent with law, as the commissioner deems advisable for the proper disposal of such ore in furtherance of the public interest; provided, that in case a mining unit consisting of or including such ore is offered at public sale, a statement of such additional provisions shall be included in the designation of the unit before publication of the notice of sale.

Subd. 5. **Commingling.** In case any stockpiled iron ore consisting of tailings from a treatment or beneficiation plant or other material shall be commingled with other such material owned or held under lease by another, the commissioner of natural resources, with the approval of the executive council, upon application of such owner or lessee, without public sale and without prior issuance of a prospecting permit, may enter into a mining lease with such owner or lessee for the removal and disposal of the state's portion of such commingled material under the following terms and conditions.

(1) The application shall be in such form and shall contain such information as the commissioner shall prescribe;

(2) The mining lease shall be in the form prescribed by section 93.20 and subject to all the provisions of said section, so far as applicable, except that it may provide for the payment of rental and royalty at such rates as may be agreed upon between the parties, not less than the applicable minimum rates prescribed by section 93.20, and may contain such additional provisions, not inconsistent with law, as may be appropriate for the proper disposal of the material covered thereby in furtherance of the mutual interests of the parties, and as may be agreed upon between them.

History: 1945 c 342 s 1; 1951 c 520 s 1; 1969 c 1129 art 10 s 2; 1986 c 444

93.29 [Repealed, 1965 c 79 s 2]

93.30 PAYMENT OF LEASE MONEY BY COOWNER IN CASE OF DEFAULT.

Upon the failure of any one of several coowners of any lease of mineral land from the state of Minnesota which it may heretofore have made or may hereafter make to pay the appropriate share representing the proportionate interest in the lease, of any annual payment or royalty payment of taxes assessed against the land covered by the lease or the improvements thereon or the iron ore products thereof or any personal property at any mine on the land, according to, as required by, and when due under the terms of the lease or the laws of this state, any coowner of the lease who may have heretofore paid or who may hereafter pay the same or any part thereof, who was not under contract obligation, at the time of making the payment, to make it, may after the expiration of the time fixed by the lease or the law for making the payment, give the delinquent coowner and the other coowners, if any, personal notice in writing or by publication for at least six successive weeks once a week in the news-

paper published nearest the land entitled under the laws of this state to publish legal notices that the payment has been made, describing the lease and the land covered thereby on account of which it was made, the amount due, when due, and for what due, on account of which the payment was made, and the date of making the same, and demand that the delinquent coowner contribute the proportionate share of the payment due from that coowner by paying the same, together with six percent interest thereon from the time of the payment until the time of repayment, together with the cost of the publication, to the coowner or coowners making payment within 90 days after the personal service of the notice or within 90 days after the completion of the publication, and that in the event of failure so to do the delinquent coowner's interest in the lease will become the property of and be forfeited to the coowner or coowners paying the same.

History: (6420) 1915 c 303 s 1; 1986 c 444

93.31 COOWNERS TO SHARE IN BENEFIT OF ORIGINAL OWNER.

If the delinquent coowner, before the expiration of the time, shall refuse or fail to contribute and pay the proportionate share due, together with the interest and cost of publication, as and when herein and in the notice provided, the delinquent's coowners interest in the lease shall thereafter become the property of and belong to the coowner making the payment and the other coowners thereof, if any, who shall within ten days after the expiration of the 90 days pay their share of the amount due under the notice, represented by their respective interests in the lease, with the same force and effect, as to the delinquent's interest in the lease, as if the lease, as to the delinquent's interest, had been forfeited and canceled by the state of Minnesota and a new lease on the same terms and conditions as the old lease had been issued by the state of and for the delinquent's share therein to the coowner or coowners making the payment. The coowners so contributing and paying within ten days shall share in the interest of the coowner so forfeited in proportion to their then respective interests in the lease.

History: (6421) 1915 c 303 s 2; 1986 c 444

93.32 SUFFICIENCY OF NOTICE.

The affidavit of the party making such personal service and the affidavit of the publisher of the newspaper, accompanied by a duplicate original of the notice, together with the affidavit of the coowner making the payment that the delinquent has not paid the amount due under the notice within the time herein and in the notice specified, with the names of the other coowners, if any, who during the ten days contributed their proportionate share thereof, may be filed in the office of the commissioner and shall constitute conclusive evidence in all courts and proceedings of the matters therein stated, except as to such as may be proven to be untrue. The commissioner shall receive, file without charge, and safely keep the foregoing and all thereof, which shall be open to the inspection of any one interested therein.

History: (6422) 1915 c 303 s 3; 1986 c 444

93.33 SURFACE OF LAND MAY BE LEASED.

Subdivision 1. **Purposes of lease.** The commissioner may, at public or private vendue and at such prices and upon such terms and conditions as prescribed, lease the surface of any unsold state lands for the purpose of stockpiling, storing, handling, or depositing thereon any ore, ore material, stripping, or waste taken from other state lands which may be under state mineral lease, and remove therefrom any such ore, or material, stripping, or waste taken from such other state land and stocked, stored, handled, or deposited thereon; provided, that the rights of the state and of the lessee under the lease herein authorized as to the ownership, lien, and right of removal and all other rights in and to the materials placed thereon from the lands under such state mineral lease shall be and remain in all respects the same as though such materials had been stockpiled, stored, handled, or deposited on the land covered by such state mineral lease; that any such lease shall be made for a term no longer than the then remaining unexpired term of such state mineral lease and shall in any and all events terminate with the termination of such state mineral lease for any cause, and any material remaining on the land at the termination of such state mineral lease, or at the earlier termination of the lease herein authorized, shall belong to the state of Minnesota; and that all such leases shall be made subject to leasing the land for mineral purposes under legal provisions.

Subd. 2. **Receipts placed to credit of certain funds.** All money received from leases granted under this section shall be credited to the fund to which the leased land belongs and all royalties and proceeds which shall be received by the state for any material stockpiled or stored thereon and later removed shall be credited on the state mineral lease covering the lands from which such ore was originally taken.

History: (6423, 6424) 1919 c 213 s 1,2; 1986 c 444

93.335 STATE LANDS, MINERALS, MINERAL RIGHTS ACQUIRED UNDER TAX LAWS.

Subdivision 1. **Land grouped into mining units; leases.** Lands or minerals and mineral rights, including fractional undivided interests therein, becoming the absolute property of the state under the tax laws, may be grouped into mining units, permits to prospect for iron ore thereon shall be awarded, and mining leases thereon issued as provided by sections 93.14 to 93.33, and, except as otherwise specifically provided herein, all the terms, conditions, and provisions of such sections shall be applicable thereto, regardless of whether or not such lands or minerals and mineral rights are held in trust for taxing districts. Leases issued hereunder shall be in the form provided by law, with only such changes as the commissioner of natural resources shall find necessary to indicate the specific interest covered by the lease and the proportion of the stipulated royalty or rental payable under subdivision 2 or otherwise to conform with the provisions hereof. In case the state owns such a fractional undivided interest and the remaining undivided interest in the property is owned or held under lease for mining purposes by another, the commissioner of natural resources, with the approval of the executive council, upon application of such owner or lessee, without public sale and without prior issuance of a prospecting permit, may enter into a mining lease with such owner or lessee covering the state's interest under the following terms and conditions:

(1) The application shall be in such form and shall contain such information as the commissioner shall prescribe;

(2) Where any of the ore to be mined under such lease lies within the bed of a public lake or stream, the lessee shall obtain an appropriate permit from the commissioner, pursuant to applicable laws;

(3) The lease shall be in the form herein prescribed, except that it may provide for the payment of rental and royalty at such rates as may be agreed upon between the parties and may contain such additional appropriate provisions, not inconsistent with law, as may be agreed upon in furtherance of the mutual interests of the parties; provided, that the rental and royalty rates for iron ore shall not be less than the applicable minimum rates prescribed in section 93.20.

Subd. 2. **Undivided interests; amendment of leases.** If the interest in lands or minerals and mineral rights acquired by the state under the tax laws is an undivided part of the whole interest therein, the quarterly and annual rentals and minimum royalty to be bid and paid to the state upon the leasing thereof shall be such proportion of the amounts stipulated in the laws under which such leases are executed as the undivided part owned by the state bears to the whole interest in such lands, or minerals and mineral rights. The specification in any such lease issued in the form provided by such sections that the interest covered thereby is a fractional undivided interest shall be a sufficient statement that the quarterly rentals, annual rentals, and minimum royalties to be paid thereunder shall be such proportion of the amount stated in the lease as the undivided interest covered thereby bears to the whole interest in such lands or minerals and mineral rights.

If it shall be determined by final judgment or decree that the interest owned by the state in any tract of land covered by any iron ore or taconite iron ore mining lease issued pursuant to this section is less than that described in said lease, such lease, upon application by the lessee to the commissioner of natural resources, shall be amended in such form as the attorney general shall approve to delete the interest not owned by the state as determined by said judgment or decree. The lessee shall be entitled to a credit against royalties which shall thereafter become due pursuant to said lease for all moneys previously paid to the state for such deleted interest.

Subd. 3. **Lease to be for mineral rights only in certain cases.** If, because of having sold the surface of such lands, reserving the minerals and mineral rights, or from any other

cause, the state owns only the minerals and mineral rights in any lands leased hereunder, the commissioner of natural resources shall confine such lease to such minerals and mineral rights. The amount of the quarterly rentals, annual rentals, and minimum royalties to be bid and paid to the state upon such leases shall not be reduced by reason of that fact, and the lessee shall acquire all such rights to use the surface of such lands as were reserved or are owned by the state under its reservation of minerals and mineral rights. Any specification of rights to the surface in such lease shall be construed as limited by this subdivision.

Subd. 4. Rental and royalties, annual distribution; appropriation. If the lands or minerals and mineral rights covered by any such permit or lease are held by the state in trust for the taxing districts, the rentals and royalties paid under any such permit or lease shall be distributed annually by the commissioner of finance on the first day of September as follows: 20 percent to the general fund and 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town, or city, two-ninths; and school district, four-ninths.

There is hereby appropriated from such moneys in the state treasury not otherwise appropriated to such persons or political subdivisions as are entitled to payment herein, an amount sufficient to make the payment.

Subd. 5. Disposition of funds. Except as provided by subdivision 4, and except where the disposition of proceeds of the lands involved may be otherwise directed by existing law, all rentals and royalties payable hereunder shall be paid into the general fund of the state

History: 1943 c 287; 1949 c 587 s 1; 1951 c 451 s 1; 1959 c 158 s 11; 1963 c 685 s 1; 1967 c 152 s 1; 1969 c 399 s 1; 1969 c 1129 art 10 s 2; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1987 c 404 s 116; 1989 c 335 art 4 s 30; 1990 c 391 art 8 s 19

93.34 UNLAWFUL TO MINE UNDER PUBLIC WATERS.

Subdivision 1. Authority required. It shall be unlawful for any individual, copartnership, or corporation to mine any mineral below the low water mark of any public lake or river without first having obtained authority from the state.

Subd. 2. Draining of meandered public lake for mineral purposes forbidden. It shall be unlawful for any individual, copartnership, or corporation to drain any meandered public lake for the purpose of mining of minerals without first having received the consent of the executive council.

Subd. 3. Violation; penalty. Any individual, copartnership, or corporation violating the provisions of this section shall upon conviction thereof be punished by a fine of not exceeding \$10,000 or by imprisonment in the Minnesota correctional facility—Stillwater for not to exceed five years or by both such fine and imprisonment, at the discretion of the court.

History: (6425, 6426, 6427) 1915 c 78 s 1-3; 1979 c.102 s 13.

93.351 PROSPECTING FOR IRON ORE IN BED OF STATE WATERS.

The commissioner of natural resources may semiannually give public notice of sale permits to prospect for iron ore situate in the bed of any public lake or river within the state in the same manner and at the same time as provided for sale of permits to prospect for iron ore under the provisions of section 93.16.

History: 1943 c 208 s 1; 1969 c 1129 art 10 s 2; 1986 c 444

93.352 APPLICATION FOR PERMITS TO PROSPECT.

Applications for permits to prospect for iron ore shall conform in all respects to the requirements set forth in section 93 17, and the permits issued thereunder shall be issued in the same manner and upon the same conditions as therein provided.

History: 1943 c 208 s 2

93.353 RIGHTS OF PERMIT HOLDERS.

The holder of any such permit shall have the right to prospect for iron ore on the land described therein for one year from the date thereof, and no longer; but no ore shall be re-

moved therefrom until a lease has been executed. The work of prospecting under such permit shall begin in a substantial manner as soon after the date thereof as conditions will permit and shall be continued until the permit expires, is surrendered or a lease asked for. The holder of such permit shall report in writing to the commissioner of natural resources on the first business day of each April, July, October, and January, the progress of the work of prospecting and accompany such reports with maps showing the character and extent of the work done, the nature of materials encountered in such work and the analysis for iron, silica, phosphorus, alumina, and manganese of all iron bearing formation encountered. The permit holder shall split all samples taken and furnish the commissioner or representative of the commissioner from time to time as the commissioner or representative shall direct, with a portion of such samples, properly marked for identification. The work done by the permit holder shall be subject to inspection at all reasonable times by the commissioner or representatives. The permit to prospect for ore is granted upon the express condition that if the permit holder shall fail to perform any of the terms, covenants or conditions in such permit to be performed by the permit holder, then it shall be the duty of the commissioner to cancel such permit, first having given said permit holder at least 20 days' notice in writing thereof.

History: 1943 c 208 s 3; 1969 c 1129 art 10 s 2; 1986 c 444

93.354 PERMIT HOLDERS MAY RECEIVE LEASES; ROYALTIES.

At any time prior to the expiration of any such prospecting permit, the original holder or any assignee thereof shall have a right to receive from the commissioner of natural resources a mining lease which shall bind the state and the person to whom it is issued to the mutual observance of the obligations and conditions thereof. The minimum royalty provided in any such lease to be paid to the state of Minnesota as a consideration for its issuance shall be not less than the minimum royalty upon a gross ton which would be required by the existing law to be paid for such ore if located in state lands not under any such waters and the royalty on manganese (four percent or over dried) shall be arrived at by the methods prescribed for determining such royalty on manganese as provided in Laws 1941, chapter 329. Such leases for the mining, removing and disposing of such iron ore may contain provisions permitting the beneficiation by the lessee or purchaser of any ore not merchantable in its natural conditions, and for the payment of royalties at not less than such minimum rates per ton, upon the merchantable product of such beneficiation instead of upon the ore as mined. Such leases may further provide for the drainage of such lake or river, or the diversion of the waters thereof to a new bed or channel. Before any mining or drainage operations are commenced under the provisions of any such lease, the lessee shall furnish such security as the commissioner of natural resources, with the approval of the executive council, may require to assure the payment of any injury or damage which may be occasioned to any riparian owners affected by such operations. The commissioner of natural resources with the approval of the executive council, upon the written request of the lessee or successor in interest and at the sole expense of the lessee, shall have power to institute condemnation proceedings to pay for the interests of private persons or corporations who may be injured or whose rights may be destroyed by the carrying on of such operations, and such contract, lease or agreement for mining, removing or disposing of such iron ore may contain a covenant on the part of the second party to return the waters of such lake or river to their former beds as nearly as possible after the ore shall have been removed. Any such contract, lease or agreement shall expressly provide that all persons engaged in exploring, mining, or removing any ores or minerals thereunder, shall comply with all laws, lawful orders or rules relating to or affecting the safety of those engaged in such operations.

History: 1943 c 208 s 4; 1969 c 1129 art 10 s 2; 1985 c 248 s 70; 1986 c 444

93.355 PAYMENTS ON LEASES.

Such contracts, lease, or agreements shall provide for an annual minimum rental payable quarterly in such sum as shall be determined by the commissioner of natural resources with the approval of the executive council, and shall contain a provision requiring the lessee to assume and agree to pay all damages sustained by riparian owners occasioned by operations under such lease.

History: 1943 c 208 s 5; 1969 c 1129 art 10 s 2

93.356 REVENUES PAID INTO PERMANENT SCHOOL FUND.

All revenues derived from any permits, contracts, leases, or agreements issued hereunder shall be paid into the permanent school fund of the state.

History: 1943 c 208 s 6

93.357 APPROVAL OF INSTRUMENTS.

All instruments affecting the title or ownership of any interest granted by the state hereunder shall be invalid and ineffectual for any purpose, unless approved by the commissioner of natural resources and filed with the commissioner within 30 days of the execution thereof.

History: 1943 c 208 s 7; 1969 c 1129 art 10 s 2; 1986 c 444

93.37 AGREEMENTS FOR WEIGHING ORE.

When it shall appear that any iron ore or iron-bearing material found on state lands leased for mining purposes shall be capable of being made merchantable by beneficiation the commissioner is hereby authorized and empowered to enter into agreements with the lessees, assignees, or sublessees under the mineral contracts or leases for weighing this iron ore or iron-bearing material before the same shall be beneficiated; provided, that the state shall be reimbursed by the lessee, assignee, or sublessee for all costs and expenses connected with such weighing.

History: (6431) 1921 c 148 s 1

93.38 EXPENSE PAID BY LESSEE.

The lessee, assignee, or sublessee shall, at the sole cost and expense of the lessee, assignee, or sublessee, install and maintain all necessary scales, tracks, buildings, records, and supplies necessary or expedient in conducting such weighing; and the scales so installed shall conform to the types approved by the department of public service through the division of weights and measures.

History: (6432) 1921 c 148 s 2; 1971 c 25 s 67; 1973 c 35 s 23; 1986 c 444

93.39 EXISTING CONTRACTS NOT MODIFIED.

Nothing in sections 93.37 and 93.38 shall be construed as a modification of the provisions of such mineral contract or lease. The rights and privileges as to weighing therein provided for are to be deemed as supplemental to the provisions and terms found in such mineral leases or contracts.

History: (6433) 1921 c 148 s 3

93.41 STATE-OWNED IRON-BEARING MATERIALS.

Subdivision 1. Use for road construction and other purposes. In case the commissioner of natural resources shall determine that any iron ore, taconite, or other iron-bearing material belonging to the state is needed and suitable for use in the construction or maintenance of any road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that such use would be in the best interests of the public, the commissioner may authorize the disposal of such material therefor as hereinafter provided.

Subd. 2. Materials subject to state iron ore mining lease. If such material is subject to an existing state iron ore mining lease or located on property subject to an existing state iron ore mining lease, the commissioner, by written agreement with the holder of the lease, may authorize the use of the material for any purpose specified in subdivision 1 that will facilitate the mining and disposal of the iron ore therein on such terms as the commissioner may prescribe consistent with the interests of the state, or may authorize the holder of the lease to dispose of the material otherwise for any purpose specified in subdivision 1 upon payment of an amount therefor equivalent to the royalty that would be payable under the terms of the lease if the material were shipped or otherwise disposed of as iron ore, but not less than the applicable minimum rate prescribed by section 93.20.

Subd. 3. Issuance of leases, royalties. If such material, whether in the ground or in stockpile, is not subject to an existing lease, the commissioner may issue leases for the taking

and removal thereof for the purposes specified in subdivision 1 in like manner as provided by section 92.50 for leases for the taking and removal of sand, gravel, and other materials specified in said section, and subject to all the provisions thereof, so far as applicable.

Subd. 4. **Sale of stockpiled iron-bearing material in place.** If such material is in stockpile and is not subject to an existing lease, the commissioner may sell stockpiled iron-bearing material in place. The sale must be to a person holding an interest in the surface of the property upon which the stockpile is located or to a person holding an interest in publicly or privately owned stockpiled iron-bearing material located in the same stockpile.

History: 1951 c 452 s 1; 1953 c 550 s 1,2; 1969 c 1129 art 10 s 2; 1986 c 444; 1989 c 116 s 1; 1997 c 231 art 8 s 1

93.42 EXTENSION OF CERTAIN CONTRACTS.

Subdivision 1. The commissioner of natural resources, with the approval of the executive council, may extend state iron ore mining contracts and leases issued pursuant to Laws of 1889, chapter 22, and acts amendatory thereof, which contracts and leases are in effect on April 24, 1959, upon the following terms and conditions:

(a) Such contracts and leases may be extended for not more than 25 years beyond the termination of the present term thereof;

(b) The minimum royalties and rentals agreed upon for the extended period shall be not less than those provided by section 93.20,

(c) Section 93.20, shall apply to and govern such contracts and leases during the extended period, together with such additional terms and conditions not inconsistent therewith as may be agreed upon.

Subd. 2. All applications for the extension of such contracts and leases shall be submitted in writing to the commissioner of natural resources within six months from April 25, 1959, and shall be in such form and contain such information as the commissioner shall prescribe.

History: 1959 c 455 s 1,2; 1969 c 1129 art 10 s 2

93.43 PERMITS, LICENSES, AND LEASES TO COPPER, COPPER-NICKEL OR NICKEL PRODUCERS.

The business of mining, producing or benefiting copper, copper-nickel or nickel is declared to be in the public interest and necessary to the public welfare, and the use of property therefor is declared to be a public use and purpose. The commissioner of natural resources is authorized to grant permits or licenses on and across lands owned by the state to any corporation or association engaged in the business of or preparing to engage in the business of mining, producing or benefiting copper, copper-nickel or nickel for pipe lines, pole lines, conduits, sluiceways, roads, railroads, tramways or flowage, and to lease any lands owned by the state to any such corporation or association for the depositing of stripping, lean ores, tailings, or waste products of such business. The commissioner of natural resources is also authorized to license the flooding of state lands in connection with any permit or authorization for the use of public waters issued by the legislature or by the commissioner pursuant to law. Such permits, licenses, and leases shall be upon such conditions and for such consideration and for such period of time as the commissioner may determine. The county auditor, with the approval of the county board, is authorized to grant permits, licenses, or leases for all such purposes of or across tax forfeited lands held by the state in trust for any and all taxing districts, upon such conditions and for such considerations and for such period of time as the county board may determine. Any proceeds from the granting of such permits, licenses, or leases by the county auditor shall be apportioned and distributed as other proceeds from the sale or rental of tax forfeited lands.

History: 1967 c 557 s 1; 1969 c 1129 art 10 s 2

RECLAMATION OF LANDS

93.44 DECLARATION OF POLICY.

In recognition of the effects of mining upon the environment, it is hereby declared to be the policy of this state to provide for the reclamation of certain lands hereafter subjected to

the mining of metallic minerals or peat where such reclamation is necessary, both in the interest of the general welfare and as an exercise of the police power of the state, to control possible adverse environmental effects of mining, to preserve the natural resources, and to encourage the planning of future land utilization, while at the same time promoting the orderly development of mining, the encouragement of good mining practices, and the recognition and identification of the beneficial aspects of mining

History: 1969 c 774 s 1; 1983 c 270 s 1

93.45 IRON RANGE TRAIL; ESTABLISHMENT, COMMISSIONER'S DUTIES.

Subdivision 1. In recognition of the unique combination of cultural, geological, industrial, historical, recreational, and scenic characteristics of Minnesota's iron ranges, an "Iron Range Trail" is hereby established on the Vermillion, Mesabi, and Cuyuna iron ranges and at related points on Lake Superior. The commissioner of natural resources shall establish, develop, and maintain the trail, and related places of interest under the commissioner's jurisdiction and control, for the purposes specified in this subdivision. The trail need not be continuous between or within ranges and related points, but shall be developed as a coordinated unit and for multiple use. The commissioner, in cooperation with other state agencies, local governments, and private organizations and individuals shall mark and, where necessary, interpret places of cultural, geological, industrial, historical, recreational, and scenic interest. In cooperation with state and local road authorities, local governments, and private organizations and individuals, the commissioner also shall mark access, where available, to these places of interest from public roads and highways.

Subd. 2. The commissioner may acquire by gift or purchase necessary trail easements and related interest in and across lands not under the commissioner's jurisdiction and control. The commissioner also may enter into contracts, leases, or other agreements with the operator or the owner of active or inactive mine areas and with the person having the right of possession thereof for the use and development of these areas for iron range trail purposes. The commissioner may develop, maintain, and operate such areas or may enter into contracts with third parties for the development, maintenance, or operation of the areas. If the commissioner enters into such a contract with a third party, the contract shall provide that the operator, owner and any person entitled to possession or control of the area shall be held harmless and indemnified by the third party from and against any and all claims for injuries or damage to person or property, from such use or development. Nothing in this section prohibits a person from asserting any claim for alleged damages brought pursuant to section 3.732 or 3.736.

History: 1969 c 774 s 2; 1969 c 1129 art 10 s 2; 1975 c 271 s 6; 1980 c 509 s 23; 1Sp1981 c 4 art 2 s 9; 1986 c 444

93.46 DEFINITIONS.

Subdivision 1. For the purposes of sections 93.46 to 93.51, the terms defined in this section have the meanings given to them.

Subd. 2. "Mining area" or "Area subjected to mining" means any area of land from which material is hereafter removed in connection with the production or extraction of metallic minerals or peat, the lands upon which material from such mining is hereafter deposited, the lands upon which beneficiating plants and auxiliary facilities are hereafter located, the lands upon which the water reservoirs used in the mining process are hereafter located, and auxiliary lands which are hereafter used or intended to be used in a particular mining operation.

Subd. 3. "Mine waste" means any material, including but not limited to surface overburden, rock, lean ore, or tailings which in the process of mining and beneficiation has been removed from the earth and stored elsewhere on the surface.

Subd. 4. [Repealed, 1973 c 526 s 8]

Subd. 5. "Department" means the department of natural resources.

Subd. 6. "Operator" means any owner or lessee of mineral rights or peat rights engaged in or preparing to engage in mining operations with respect thereto.

Subd. 7. "Person" includes firms, partnerships, corporations, and other groups.

Subd. 8. "Commissioner" means the commissioner of natural resources.

Subd. 9. "Lean ore stockpile removal" means the mining and processing of low-grade mineralized material from stockpiles for the purpose of extracting iron.

History: 1969 c 774 s 3; 1969 c 1129 art 10 s 2; 1973 c 526 s 1; 1983 c 270 s 2,3; 1993 c 113 art 4 s 1

93.461 PEAT INCLUDED IN MINELAND RECLAMATION.

Sections 93.46 to 93.51 apply to peat in the same manner as to metallic minerals, to the greatest extent practicable, with the following exceptions:

(a) For the purposes of sections 93.46 to 93.51, "peat mining" means the removal of peat for commercial purposes, including activities associated with the removal. "Peat mining" does not include removal of peat which is incidental to the harvesting of an agricultural or horticultural crop, or to mining of a metallic mineral that is subject to a mineland reclamation rule and a permit to mine.

(b) No permit to mine peat is required under section 93.481 until 180 days after the effective date of rules promulgated to regulate peat mining and reclamation. The rules shall be adopted by July 1, 1985.

(c) No permit is required for a peat mining operation of 40 acres or less, unless the commissioner determines that there is potential for significant environmental effects which may result from the peat mining operation. A person intending to engage in or carry on a peat mining operation of 40 acres or less, if the intended operation involves removal of more than 1,000 tons of air-dried peat per year, shall notify the commissioner in writing before beginning any mining, specifying the legal description of the tract to be mined and the mining methods to be used. Within 20 days after receipt of written notice of intent to mine such a tract, or after receiving additional information requested, the commissioner shall notify the person of the decision to require, or not to require, a permit.

History: 1983 c 270 s 4; 1986 c 444

93.47 DUTIES AND AUTHORITY OF COMMISSIONER.

Subdivision 1. The commissioner shall conduct a comprehensive study and survey in order to determine, consistent with the declared policy of sections 93.44 to 93.51, the extent to which regulation of mining areas is necessary in the interest of the general welfare

Subd. 2. In determining the extent and type of regulation required, the commissioner shall give due consideration to the effects of mining upon the following: (a) environment; (b) the future utilization of the land upon completion of mining; and (c) the wise utilization and protection of the natural resources including but not limited to the control of erosion, the prevention of land or rock slides, and air and water pollution. The commissioner also shall give due consideration to (a) the future and economic effect of such regulations upon the mine operators and landowners, the surrounding communities, and the state of Minnesota; (b) the effect upon employment in the state; (c) the effect upon the future mining and development of metallic minerals owned by the state of Minnesota and others, and the revenues received therefrom; and (d) the practical problems of the mine operators and mineral owners including, but not limited to, slope gradients as achieved by good mining or soil stabilization practices.

Subd. 3. Upon completion of the study and survey and consistent with the declared policy of sections 93.44 to 93.51, the commissioner, pursuant to chapter 14, may adopt rules pertaining to that portion of mining operations conducted subsequent to the effective date of such rules and subject to the provisions of any rights existing pursuant to any permit, license, lease or other valid existing authorization issued by the commissioner, the Pollution Control Agency or any other governmental entity, or their predecessors in office, and subject to any applicable mine safety laws or rules now existing or hereafter adopted, in regard to the following: (a) Mine waste disposal, (b) mining areas, including but not limited to plant facilities and equipment, and (c) permits to mine, as required by section 93.481. To the greatest extent possible, within the authority possessed by the commissioner, the rules so promulgated shall substantially comply with or exceed any minimum mineland reclamation requirements

which may be established pursuant to a federal Mineland Reclamation Act. The rules so promulgated also shall conform with any state and local land use planning program; provided further the commissioner shall develop procedures that will identify areas or types of areas which, if mined, cannot be reclaimed with existing techniques to satisfy the rules promulgated under this subdivision, and the commissioner will not issue permits to mine such areas until the commissioner determines technology is available to satisfy the rules so promulgated.

Subd. 4. The commissioner shall administer and enforce sections 93.44 to 93.51 and the rules adopted pursuant hereto. In so doing the commissioner may (a) conduct such investigations and inspections as the commissioner deems necessary for the proper administration of sections 93.44 to 93.51; (b) enter upon any parts of the mining areas in connection with any such investigation and inspection without liability to the operator or landowner provided that reasonable prior notice of intention to do so shall have been given the operator or landowner; (c) conduct such research or enter into contracts related to mining areas and the reclamation thereof as may be necessary to carry out the provisions of sections 93.46 to 93.50.

Subd. 5. For the purpose of information and to assist the commissioner in the proper enforcement of the rules promulgated under sections 93.44 to 93.51 each operator shall within 120 days of May 28, 1969, file with the commissioner a plan map in such form as shall be determined by the commissioner showing all existing mining areas or areas subjected to mining by said operator. Annually thereafter, on or before the 15th day of March, and until the operator's reclamation or restoration plan is approved pursuant to section 93.481, the operator shall file a plan map in similar form showing any changes made during the preceding calendar year and the mining area which it is anticipated will be subjected to mining during the current calendar year. After approval of a permit to mine, the commissioner may periodically at such times as the commissioner deems necessary require additional reclamation or restoration information or plans from the operator.

History: 1969 c 774 s 4; 1973 c 526 s 2-4; 1982 c 424 s 130; 1985 c 248 s 70; 1986 c 444

93.48 VARIANCE.

The commissioner may, upon application by the landowner or mine operator, modify or permit variance from the established rules adopted hereunder if it is determined that such modification or variance is consistent with the general welfare.

History: 1969 c 774 s 5; 1985 c 248 s 70; 1986 c 444

93.481 PERMIT TO MINE.

Subdivision 1. **Prohibition against mining without a permit; application for a permit.** Except as provided in this subdivision, after June 30, 1975, no person shall engage in or carry out a mining operation for metallic minerals within the state unless the person has first obtained a permit to mine from the commissioner. Any person engaging in or carrying out a mining operation as of the effective date of the rules promulgated under section 93.47 shall apply for a permit to mine within 180 days after the effective date of such rules. Any such existing mining operation may continue during the pendency of the application for the permit to mine. The person applying for a permit shall apply on forms prescribed by the commissioner and shall submit such information as the commissioner may require, including but not limited to the following:

(a) A proposed plan for the reclamation or restoration, or both, of any mining area affected by mining operations to be conducted on and after the date on which permits are required for mining under this section;

(b) A certificate issued by an insurance company authorized to do business in the United States that the applicant has a public liability insurance policy in force for the mining operation for which the permit is sought, or evidence that the applicant has satisfied other state or federal self-insurance requirements, to provide personal injury and property damage protection in an amount adequate to compensate any persons who might be damaged as a result of the mining operation or any reclamation or restoration operations connected with the mining operation;

(c) A bond which may be required pursuant to section 93.49; and

(d) A copy of the applicant's advertisement of the ownership, location, and boundaries of the proposed mining area and reclamation or restoration operations, which advertisement shall be published in a legal newspaper in the locality of the proposed site at least once a week for four successive weeks before the application is filed, except that if the application is for a permit to conduct lean ore stockpile removal the advertisement need be published only once.

Subd. 2. Commissioner's review; hearing; burden of proof. Within 120 days after receiving the application, or after receiving additional information requested, or after holding a hearing as provided in this section, the commissioner shall grant the permit applied for, with or without modifications or conditions, or deny the application. If written objections to the proposed application are filed with the commissioner within 30 days after the last publication required pursuant to this section or within seven days after publication in the case of an application to conduct lean ore stockpile removal, by any person owning property which will be affected by the proposed operation or by any federal, state, or local governmental agency having responsibilities affected by the proposed operations, a public hearing shall be held by the commissioner in the locality of the proposed operations within 30 days of receipt of such written objections and after appropriate notice and publication of the date, time, and location of the hearing. The commissioner shall determine that the reclamation or restoration planned for the operation complies with lawful requirements and can be accomplished under available technology and that a proposed reclamation or restoration technique is practical and workable under available technology.

Subd. 3. Term of permit; amendment. A permit issued by the commissioner pursuant to this section shall be granted for the term determined necessary by the commissioner for the completion of the proposed mining operation, including reclamation or restoration. A permit may be amended upon written application to the commissioner. If the commissioner determines that the proposed amendment constitutes a substantial change to the permit, the person applying for the amendment shall publish notice in the same manner as for a new permit, and a hearing shall be held if written objections are received in the same manner as for a new permit. An amendment may be granted by the commissioner if the commissioner determines that lawful requirements have been met.

Subd. 4. Revocation, modification, suspension. A permit is irrevocable during its term except as follows:

(a) The permittee has not commenced substantial construction of plant facilities or actual mining and reclamation or restoration operations covered by the permit within three years of issuance of the permit;

(b) A permit may be canceled at the request or with the consent of the permittee upon such conditions as the commissioner determines necessary for the protection of the public interests;

(c) Subject to the rights of the permittee to contest the commissioner's action under sections 14.57 to 14.59 and related sections, a permit may be modified or revoked by the commissioner in case of any breach of the terms or conditions thereof or in case of violation of law pertaining thereto by the permittee, or agents, or servants of the permittee, or in case the commissioner finds such modification or cancellation necessary to protect the public health or safety, or to protect the public interests in lands or waters against injury resulting in any manner or to any extent not expressly authorized by the permit, or to prevent injury to persons or property resulting in any manner or to any extent not so authorized, upon at least 30 days' written notice to the permittee, stating the grounds of the proposed modification or revocation or providing a reasonable time of not less than 15 days in which to take corrective action and giving the permittee an opportunity to be heard thereon;

(d) By written order to the permittee the commissioner may forthwith suspend operations under a permit if the commissioner finds it necessary in an emergency to protect the public health or safety or to protect public interests in lands or waters against imminent danger of substantial injury in any manner or to any extent not expressly authorized by the permit, or to protect persons or property against such danger, and may require the permittee to take any measures necessary to prevent or remedy such injury. No suspension order under

this clause shall be in effect more than 30 days from the date thereof without giving the permittee at least ten days' written notice of the order and an opportunity to be heard thereon.

Subd. 5. **Assignment.** A permit may not be assigned or otherwise transferred without the written approval of the commissioner.

Subd. 6. **Reclamation rules required before issuance of a permit to mine.** Except for taconite and iron ore mining permits, no permit to mine metallic minerals may be issued by the commissioner until rules relating to reclamation of metallic mineral minelands have been amended, or new rules adopted, under sections 93.44 to 93.51 and in the manner provided in chapter 14, for the reclamation of minelands of the class for which the permit application is submitted. This section does not apply to metallic minerals which are mined incidentally to the mining of a mineral included in any mineland reclamation rule and covered by the permit to mine which has been issued for the mining project.

History: 1973 c 526 s 5; 1982 c 424 s 130; 1983 c 270 s 5; 1986 c 444; 1993 c 113 art 4 s 2,3

93.49 FINANCIAL ASSURANCE OF OPERATOR.

The commissioner shall require a bond or other security or other financial assurance satisfactory to the commissioner from an operator. The commissioner shall review annually the extent of each operator's financial assurance under this section.

History: 1969 c 774 s 6; 1973 c 526 s 6; 1985 c 248 s 70; 1990 c 427 s 2

93.50 APPEAL.

Any person aggrieved by any order, ruling, or decision of the commissioner may appeal such order, ruling, or decision in the manner provided in chapter 14.

History: 1969 c 774 s 7; 1982 c 424 s 130

93.51 PENALTIES FOR VIOLATION.

Subdivision 1. If any person fails to comply with any provision of sections 93.44 to 93.51, or any rules promulgated pursuant to these sections, or any permit condition required by these sections or the rules, for a period of 15 days after notice of such failure, or the expiration of time for corrective action as provided for in section 93.481, subdivision 4, such person shall be liable for a civil penalty of not more than \$1,000 for each and every day of the continuance of such failure. The commissioner may assess and collect any such penalty.

Subd. 2. Any person who knowingly and willfully violates or refuses to comply with any rule, decision, order or ruling of the commissioner shall upon conviction be guilty of a gross misdemeanor. At the request of the commissioner, the attorney general may institute a civil action in a district court of the state for a restraining order or injunction or other appropriate remedy to prevent or preclude a violation of the terms and conditions of any rules promulgated hereunder. The district court of the state of Minnesota in which district the mining operation affected is conducted shall have jurisdiction to issue such order or injunction or to provide other appropriate remedies.

History: 1969 c 774 s 8; 1973 c 526 s 7; 1985 c 248 s 70

OIL AND GAS WELLS

93.515 OIL AND GAS WELLS; RULES RELATING TO SPACING, POOLING, AND UNITIZATION.

The commissioner of natural resources may adopt rules under chapter 14 relating to:

- (1) spacing of oil and gas wells to regulate the density of drilling to prevent unnecessary draining of the reservoir and to prevent economic waste of products from wells;
- (2) pooling, which is the combining of tracts and mineral interests to form a drilling or spacing unit; and
- (3) unitization, which is the acquisition of the legal right to operate a whole reservoir as though all tracts overlying the reservoir were under a single lease.

History: 1993 c 113 art 4 s 4

SEVERED MINERAL INTERESTS

93.52 CLARIFICATION OF OWNERSHIP OF SEVERED MINERAL INTERESTS; VERIFIED STATEMENT AS TO INTERESTS.

Subdivision 1: The purpose of sections 93.52 to 93.58 is to identify and clarify the obscure and divided ownership condition of severed mineral interests in this state. Because the ownership condition of many severed mineral interests is becoming more obscure and further fractionalized with the passage of time, the development of mineral interests in this state is often impaired. Therefore, it is in the public interest and serves a public purpose to identify and clarify these interests.

Subd. 2. Except as provided in subdivision 3, from and after January 1, 1970, every owner of a fee simple interest in minerals, hereafter referred to as a mineral interest, in lands in this state, which interest is owned separately from the fee title to the surface of the property upon or beneath which the mineral interest exists, shall file for record in the county recorder office or, if registered property, in the registrar of titles office in the county where the mineral interest is located a verified statement citing sections 93.52 to 93.58 and setting forth the owner's address, interest in the minerals, and both (1) the legal description of the property upon or beneath which the interest exists, and (2) the book and page number or the document number, in the records of the county recorder or registrar of titles, of the instrument by which the mineral interest is created or acquired. No statement may be filed for record which contains mineral interests from more than one government section unless the instrument by which the mineral interest is created or acquired includes mineral interests from more than one government section. The county recorder and registrar of titles shall file with the county auditor a copy of each document so recorded within 60 days after recording in the office of county recorder or registrar of titles.

Subd. 3. Sections 93.52 to 93.58 do not apply to the following owners of mineral interests: The United States of America, the state of Minnesota, and any American Indian tribe or band owning reservation lands in this state.

History: 1969 c 829 s 1; 1973 c 650 art 20 s 5; 1976 c 181 s 2; 1986 c 444

93.53 [Repealed, 1973 c 650 art 20 s 9]

93.54 [Repealed, 1973 c 650 art 20 s 9]

93.55 FAILURE TO FILE OR REFILE; FORFEITURE AFTER NOTICE AND HEARING; LEASING; RECOVERY OF FAIR MARKET VALUE OF FORFEITED INTEREST.

Subdivision 1. If the owner of a mineral interest fails to file the verified statement required by section 93.52, before January 1, 1975, as to any interests owned on or before December 31, 1973, or within one year after acquiring such interests as to interests acquired after December 31, 1973, and not previously filed under section 93.52, the mineral interest shall forfeit to the state after notice and opportunity for hearing as provided in this section. However, before completing the procedures set forth in subdivision 2, the commissioner of natural resources may lease the severed mineral interest as provided in subdivisions 1a and 3.

Subd. 1a. If the owner of a severed mineral interest fails to file the verified statement required by section 93.52 before the dates specified in subdivision 1, the commissioner of natural resources may lease the mineral interest as provided in this subdivision and subdivision 3 before completing the procedures set forth in subdivision 2. In any lease issued under this subdivision, the commissioner shall cite, as authority for issuing the lease, this subdivision, subdivision 3, and the United States Supreme Court decision in *Texaco, Inc., et al. v. Short, et al.*, 454 U.S. 516 (1982), where the Supreme Court determined, under Amendment XIV to the Constitution of the United States, that enactment of a state law requiring an owner of severed mineral interests to timely file a statement of claim to the mineral interests was constitutional, without individual advance notice of operation of the law, before the owner loses the mineral interests for failing to timely file the statement of claim. A lessee holding a lease issued under this subdivision may not mine under the lease until the commissioner

completes the procedures set forth in subdivision 2 and a court has adjudged the forfeiture of the mineral interest to be absolute. "Mine" for the purposes of this subdivision is defined to exclude exploration activities, exploratory boring, trenching, test pitting, test shafts and drifts, and related activities.

Subd. 2. The commissioner shall notify the last owner of record on file in either the county recorder's or registrar of titles' office of a hearing on an order to show cause why the mineral interest should not forfeit to the state absolutely. The notice shall be served in the same manner as provided for the service of summons in a civil action to determine adverse claims under chapter 559 and shall contain the following: (1) the legal description of the property upon or beneath which the interest exists; (2) a recitation that the statement of severed mineral interest either did not comply with the requirements specified by section 93.52 for such a statement or was not filed within the time specified in this section, or both; and (3) that the court will be requested to enter an order adjudging the forfeiture of the mineral interest to be absolute in the absence of a showing that there was substantial compliance with laws requiring the registration and taxation of severed mineral interests. For the purposes of this section, substantial compliance with laws requiring the registration and taxation of severed mineral interests means: (1) that the records in the office of the county recorder or registrar of titles specified the true ownership of the severed mineral interest during the time period within which the statement of severed mineral interest should have been registered with the county recorder or the registrar of titles, or that probate, divorce, bankruptcy, mortgage foreclosure, or other proceedings affecting the title had been timely initiated and diligently pursued by the true owner during the time period within which the severed mineral interest statement should have been registered, and (2) that all taxes relating to severed mineral interests had been timely paid, including any taxes which would have been due and owing under section 273.165, subdivision 1, had the interest been properly filed for record as required by section 93.52 within the time specified in this section. For the purposes of this section, "timely paid" means paid within the time period during which tax forfeiture would not have been possible had a real property tax been assessed against the property.

Subd. 3. The commissioner may lease severed mineral interests described in subdivision 1 in the same manner as provided in section 93.335, for the lease of minerals and mineral rights becoming the absolute property of the state under the tax laws, except that no permit or lease issued pursuant to this section shall afford the permittee or lessee any of the rights of condemnation provided in section 93.05, as to overlying surface interests.

Subd. 4. After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either: (1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision, or (2) in a separate action brought as follows. An action may be commenced within six years after entry of judgment under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions. Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of finance a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of finance shall refund to the claimant the fair market value at the time of forfeiture, which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52, or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been valued and assessed for tax purposes at the time of forfeiture under this section. There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

Subd. 5. The forfeiture provisions of this section do not apply to mineral interests valued and taxed under other laws relating to the taxation of minerals, gas, coal, oil, or other similar interests, so long as a tax is imposed and no forfeiture under the tax laws is complete. However, if the mineral interest is valued under other tax laws, but no tax is imposed, the mineral interest forfeits under this section if not filed as required by this section.

History: 1969 c 829 s 4; 1969 c 1129 art 10 s 2; 1973 c 492 s 14; 1973 c 650 art 20 s 6; 1979 c 303 art 10 s 1; 1Sp1985 c 14 art 4 s 9; 1988 c 508 s 1-3; 1989 c 277 art 2 s 2

93.551 VALIDATION OF CERTAIN STATEMENTS; CORRECTION OF CERTAIN ERRORS.

A statement of severed mineral interests which was filed within the time limits specified by section 93.55 is validly and timely filed even if the interest claimed by the owner does not correctly set forth the whole or fractional interest actually owned; the statement erroneously contained interests from more than one government section; the statement was not properly verified; or the interest, if registered property, was erroneously filed with the county recorder, or, if the interest was not registered property, was filed with the registrar of titles. The owner may file an amendment or supplement to the original statement for the purpose of correcting any or all of the errors described in this section.

History: 1979 c 303 art 10 s 2

93.56 [Repealed, 1973 c 650 art 20.s 9]

93.57 [Repealed, 1973 c 650 art 20 s 9]

93.58 PUBLICATION OF ACT.

Sections 93.52 to 93.58, as amended or repealed by Laws 1973, chapter 650, article 20, together with the other sections of Laws 1973, chapter 650, article 20, shall be published once during the first week of each month in a legal newspaper in each county in the months of October, November, and December of the year 1973 by the commissioner of natural resources at county expense. Sections 93.52 to 93.58 also shall be published by the commissioner of natural resources at least once in 1973 in two publications related to mining activities which have nationwide circulation. Failure to publish as herein provided shall not affect the validity of sections 93.52 to 93.58 or the other sections of Laws 1973, chapter 650, article 20.

History: 1969 c 829 s 7; 1969 c 1129 art 10 s 2; 1973 c 650 art 20 s 7