

6125.0500 PUBLIC SALE OF LEASES.

Subpart 1. **Time, place, and notice.** Except as otherwise expressly provided by law, or as otherwise provided in parts 6125.0600 and 6125.0610, leases to explore for, mine, and remove metallic minerals owned by the state shall be issued only upon public sale authorized by the commissioner.

The public sale of leases shall be held at such times and places as may be designated by the commissioner. The commissioner shall give public notice of intent to hold a public sale by publication in the State Register and the EQB Monitor and such other publications as the commissioner may direct at least 90 days prior to the proposed date of sale. The commissioner shall give public notice of each sale by publication for three successive weeks in a qualified newspaper that has its known office of issue in the county seat of the county in which the mining units to be leased are located. If no qualified newspaper has its known office of issue in the county seat of a particular county, then notice must be published in the qualified newspaper designated as the publisher of the official proceedings of the county board of that county. The first publication shall be at least 30 days before the date of sale. Like notice shall be published in the State Register and the EQB Monitor and may be published in additional newspapers and trade magazines as the commissioner may direct. Each notice shall contain the following information:

- A. time and place of holding the sale;
- B. the place or places where the list of mining units to be offered for sale will be available for purchase or inspection, and where bid forms may be obtained; and
- C. such other information as the commissioner may direct.

Subp. 2. **Mining unit books.** Those interested in obtaining a copy of the mining unit book may obtain one by submitting a request to the commissioner. The request must be accompanied by a check or money order, payable to the Department of Natural Resources, in the amount specified by the commissioner, based on copying and mailing costs, as a fee for a mining unit book. Unit books will be available for inspection at the Hibbing and Saint Paul offices of the Division of Minerals, Department of Natural Resources.

Subp. 3. **Bids.** Bids shall be submitted on a form obtained from the commissioner. The bid form must require identification of which mining units, as designated in the mining unit book, are being bid upon. The bid form will also require identification of the additional bid royalty rate offered for each mining unit being bid upon. Each bid form must be accompanied by a certified check, cashier's check, or bank money order, payable to the Department of Natural Resources, in the sum of the following amounts:

- A. an application fee of \$100 for each mining unit being bid upon; and
- B. rental for one full calendar year for each mining unit being bid upon. For the purposes of the bid, the rental is calculated at \$1.50 per acre times the gross acreage of the

lands offered for lease. The remaining rentals, due at the time the lease is issued, shall be due upon the effective date of the lease.

The bid form, together with the certified check, cashier's check, or bank money order, shall be submitted in a sealed envelope marked CONFIDENTIAL - BIDS FOR STATE MINERAL LEASES. Each sealed bid envelope shall be delivered in person or by mail to the commissioner at Saint Paul, Minnesota. Bids may be submitted at any time before 4:30 p.m., Saint Paul, Minnesota time, on the last business day before the day specified for the opening of the bids, and no bids submitted after that time shall be considered. Upon receipt, the commissioner shall endorse upon each sealed bid envelope the exact time of presentation and preserve the same, unopened in the commissioner's office.

At the time specified, the commissioner shall then publicly open the bids and announce the amount of each bid separately. The commissioner shall request each high bidder to provide evidence the bidder is qualified to hold state mineral leases pursuant to part 6125.0410. The evidence must be provided within 45 days of the request from the commissioner or the bids from that high bidder will be rejected.

Subp. 4. **Issuance of leases.** Leases shall be awarded by the commissioner, with the approval of the state Executive Council, to the highest bidder for the respective mining units, but no bids shall be accepted that do not equal or exceed the base royalty rates in part 6125.0700. The right is reserved to the state, through the Executive Council, to reject any or all bids. Tie bids will be resolved by the commissioner, with the approval of the state Executive Council, by the random drawing of the name of one tied bidder from a pool comprised of the names of all the tied bidders. Upon the award of a lease, the application fee submitted with the bid shall be deposited with the commissioner of management and budget as a fee for the lease. All bids not accepted shall become void, and the application fee and rental payment accompanying the bids shall be returned to the respective bidders; provided, however, the application fee and rental payment accompanying a bid shall not be returned if the bidder was the high bidder and subsequently withdrew the bid prior to the awarding of a lease.

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

History: *12 SR 2512; 19 SR 2434; L 2003 c 112 art 2 s 50; L 2009 c 101 art 2 s 109*

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