

CHAPTER 93

MINERAL LANDS

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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.

[R. L. s. 2483; 1909 c. 109 s. 1] (6895)

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.

[R. L. s. 2484] (6396)

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 state auditor is hereby prohibited from executing or delivering any patent or instrument of conveyance which shall not contain the reservations aforesaid.

[1913 c. 6 s. 1] (6397)

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.

[R. L. s. 2485] (6398)

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 he 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 conservation, 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.

[1907 c 411 s 1, 2; 1949 c 593 s 1] (6399, 6400)

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 conservation, 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 conservation, 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 he 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.

[1949 c 594 s 1]

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.

[1909 c 49 s 1; 1947 c 521 s 1] (6401)

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 swamp land fund of the state is now invested, and the proceeds arising therefrom shall be paid into the state road and bridge fund.

[1909 c. 49 s. 3] (6402-1)

93.08 PROSPECTING FOR MINERALS UNDER WATERS OF MEANDERED LAKES AND STREAMS. Subdivision 1. **Rules and regulations for issuance of permits.** The department, with the approval of the executive council, shall adopt rules and regulations 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 regulations may prescribe.

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

(1) No permit to prospect shall be issued for a period to exceed one year;
 (2) Each permit shall authorize prospecting only within the area designated therein, which area shall not exceed the limitations upon size prescribed by the regulations;

(3) At any time prior to the expiration of any such prospecting permit, the holder thereof shall have the right to a lease giving him the exclusive right to mine and remove the minerals specified in such permit within the area specified in the permit; provided, if the regulations 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 his permit (not exceeding the limitations upon size of lease areas) upon which he desires a lease;

(4) Minimum rents and royalties, and the other terms, conditions, and covenants of all such leases shall be prescribed by such regulations prior to the issuance of any permits hereunder;

(5) No such lease shall be for a longer term than 25 years;

(6) All rents and royalties paid under such leases shall be paid to the state treasurer on the order of the state auditor 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 regulations, 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, his or their assigns, representatives, and successors in interest, 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 and regulations.

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 regulations adopted thereunder, before delivery, shall be duly recorded at length by the state auditor in his office in the 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.

[Ex 1936 c 42 s 1, 2, 3, 4; 1947 c 473 s 1, 2] (6402-2, 6402-3, 6402-4, 6402-5)

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 state auditor for recording. The state auditor shall then record such assignment, agreement, or contract at length in his office in 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 state auditor shall charge a fee of ten cents per folio. All such fees shall be turned into the state treasury.

[*Ex. 1936 c. 42 ss. 5, 6*] (6402-6, 6402-7)

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.

[*Ex. 1936 c. 42 s. 7*] (6402-8)

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.

[*Ex. 1936 c. 42 s. 8*] (6402-9)

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 by him performed or observed and such default shall continue for a period of 30 days the commissioner upon 30 days' notice to the holder of such permit or lease by registered mail to the address of such holder as shown by the records of the state auditor may declare such permit or lease and all rights acquired thereunder forfeited. Upon the filing of the order of forfeiture with the state auditor all rights under such lease or permit shall cease.

[*Ex. 1936 c. 42 s. 9*] (6402-10)

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.

[*1937 c. 118 s. 1; 1945 c. 340 s. 1*] (6402-11)

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.

[*1921 c. 412 s. 1; 1925 c. 395; 1927 c. 389 s. 1*] (6403)

93.15 DIVISION OF LAND INTO MINING UNITS. The commissioner of conservation shall divide all lands belonging to the state, or in which the state has an interest, excepting lands situate under the waters of any public lake or river, into mining units of not to exceed in the aggregate two contiguous 40-acre tracts of land, unless some of the descriptions are fractional subdivisions according to the government survey thereof, in which case the acreage may exceed 80 acres, but shall not exceed a total of 90 acres; provided that in case of lands containing

taconite or low grade magnetite ore deposits, the total area included in a mining unit may be larger but shall not exceed three contiguous units as otherwise hereinbefore limited. The land so included by the commissioner in a single unit at the time an application for a permit to prospect for iron ore thereon is received shall constitute one mining unit within the meaning hereof. No mining unit herein provided for shall contain lands belonging to more than one permanent trust fund.

[1921 c. 412 s. 2; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 546 s. 1; 1943 c. 233 s. 1] (6404)

93.16 SEMIANNUAL SALE OF PERMITS; NOTICES PUBLISHED. The sale of permits may be held semiannually, at the discretion of the commissioner, but for all such sales he shall give public notice of sale of permits by four weekly publications in a daily newspaper printed and published in each of the cities of St. Paul, Minneapolis, Duluth, Hibbing, and Virginia. The same notice of sales may be published in not to exceed two additional newspapers and two trade magazines, as the commissioner may, from time to time, direct. The last publication above provided for shall be not less than seven days before June 1 and December 1 of each year.

This published notice shall contain the following information:

- (1) Time and place of holding such sales;
- (2) The general requirements provided by law as to the purchasers of permits; and
- (3) The place where the list of lands, arranged in mining units, upon which applications for permits to prospect for iron ore may be obtained.

[1921 c. 412 s. 3; 1925 c. 395; 1927 c. 389 s. 1; Ex. 1933 c. 14 s. 1; 1941 c. 546 s. 2] (6405)

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 he may prescribe at any time prior to the time of opening the bids as hereinafter provided. 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 to him.

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 conservation 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 his office.

Subd. 3. On the second Monday of June and the second Monday of December each year at 11 o'clock in the forenoon in the office of the governor in the state capitol in St. Paul the commissioner shall publicly announce the number of applications and bids received. The commissioner, together with the executive council, shall then publicly open these bids and announce the amount of each bid separately and award the permits to the highest bidder, but no bids shall be accepted that shall not equal or exceed the 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 herein 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.

[1921 c. 412 s. 4; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 546 s. 3; 1949 c. 434 s. 1] (6406)

93.18 RIGHTS AND DUTIES 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 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 continued until the permit expires, is surrendered, or a lease asked for. The holder of a permit shall report in writing to the commissioner on the first business day of each April, July, October, and January the progress of the work of prospecting and accompanying these reports with blue-prints 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. The permit holder shall split all samples taken and furnish the commissioner, or his representative, from time to time as the commissioner, or his representative, shall direct, with a portion of the 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 his 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 the permit to be performed by him then it shall be the duty of the commissioner to cancel the permit, first having given the permit holder at least 20 days' notice in writing thereof. For the purpose of encouraging the search for iron ore in localities five miles or more from known tonnages of iron ore or ore-bearing materials not being operated on a commercial scale the permit above provided for shall be for a period of two years and the holder thereof shall be required to begin the work of prospecting in a substantial manner within six months from date thereof.

[R. L. s. 2489; 1921 c. 412 s. 5; 1925 c. 395; 1927 c. 389 s. 1] (6407)

93.19 LEASES TO PERMIT HOLDERS; ROYALTIES. At any time prior to the expiration of any prospecting permit the original holder, or any assignee thereof, shall have the right to receive from the commissioner of conservation a mining lease, which shall bind the state and the person to whom it shall be issued to the mutual observance of the obligations and conditions thereof. As a condition precedent to the issuing of such mining lease, the holder of the permit shall file a full report properly verified of all work of exploration done under such permit, in accordance with the provisions of section 93.18, or an affidavit in case no work was done stating such facts, and shall pay to the state treasurer a sum of money based on the quarterly royalty payment of \$312.50 for the first year, as set out in the lease, in the ratio that the unexpired portion of the quarter bears to the full quarter. If the holder of any such permit shall indicate in an application for a lease that he considers the lands covered by his permit to be principally valuable for the taconite thereon, or that he desires a taconite lease thereon, then the commissioner of conservation, on the basis of all available information in his possession, including information acquired as the result of exploratory work under such permit, if any, shall determine whether the lands covered by such permit are principally valuable for the taconite thereon and have no substantial value because of merchantable deposits of ores of the kinds defined in Laws 1941, Chapter 546, Section 5, schedules 1 to 6, inclusive, and, if he shall so determine, such applicant shall be entitled to a lease in the form set out in section 93.20, except that the rental for the first ten years shall be \$400 per mining unit per year, payable quarterly in advance, and at the close of such period of ten years the annual rental shall be \$1,600 per mining unit as provided in said section in case of leases for the mining of taconite ore. In such cases the commissioner shall designate said lease as a "Taconite Iron Ore Mining Lease" and shall insert in the blank provided for the amount of the first quarterly payment in the form of lease set forth in section 93.20, the figure representing the reduced quarterly rental for taconite leases as herein specified. If, following the issuance of a lease so designated as a taconite iron ore mining lease, additional information acquired by the commissioner of conservation shall disclose that such lands have merchantable deposits of ore of the classes defined in schedules 1 to 6, inclusive, of said section, which deposits, without reference to the taconite upon such lands, would give substantial value to such unit, the commissioner shall report the facts to the executive council. If the executive council, after hearing upon reasonable notice to the holder of such lease, shall

determine that the lands covered by such lease contain merchantable deposits of iron ores which, without reference to taconite ores upon said lands, would give substantial value to the unit covered by such lease, then it may order the rental stipulated in such lease to be increased to the rate of \$5,000 per year, and such increased rental shall be payable for the period from and after the date of such order so made and until the merchantable deposits of such ores, other than taconite ores, so found to exist on such lands have been exhausted; after which time said lower rates of annual rental shall be reinstated and again effective. If the permit holder shall fully comply with all terms and conditions therein contained the commissioner of conservation shall return to him or his assigns the amount of the certified check which accompanied his bid.

[1921 c. 412 s. 6; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 546 s. 4; 1943 c. 233 s. 2] (6408)

93.191 MODIFICATION OF IRON ORE MINING LEASE. Subdivision 1. **Conversion to taconite schedule; approval of executive council.** The holder of any iron ore mining lease from the state, other than one issued pursuant to Minnesota Statutes 1945, Section 93.20, may apply to the commissioner of conservation for the modification thereof to provide a schedule of royalties covering taconite ore as defined in section 93.20. Upon such application the commissioner, with the approval of the executive council, may enter into a modification thereof by the insertion of a schedule of royalties covering the production of taconite ore, which modification shall prescribe royalties not less than the minimum royalty specified for taconite 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 of leases issued pursuant to section 93.20; duties of commissioner.** The holder of any iron ore mining lease issued pursuant to Minnesota Statutes 1945, Section 93.20, or of any mining lease which has had inserted therein a schedule of royalties for taconite ore 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 Minnesota Statutes 1945, Section 93.19. He 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 he shall determine that the lands covered by such lease are principally valuable for the taconite thereon, and have no substantial value because of merchantable deposits of ores of the kinds defined in Section 93.20, Schedules 1 to 6 inclusive, and if such determination be approved by the executive council, he shall modify the annual rental required to be paid under said lease to conform to the annual rental prescribed for taconite iron ore mining leases in such section, provided that the lower rental specified in said section for the first ten years of such lease shall not be applicable to leases under subdivision 1.

[1947 c 111 s 1, 2]

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 conservation 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.

[1947 c 409 s 1]

93.20 FORM OF LEASE; RENTAL AND ROYALTIES. The lease provided for in section 93.19 shall be as follows:

"This indenture, made this.....day of....., 19....., 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 first quarterly payment 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....., 19....., the following described land, situated in the County of....., in the State of Minnesota, to-wit:..... which 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, wagon roads and other improvements upon said premises as may be necessary or suitable for such purposes. 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, his agents and servants, 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 Laws of 1919, Chapter 405, or as such law may be further amended or enlarged without let or hinderance 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. The party of the first part agrees that the part..... of the second part shall have the right to contract with others for the working of such mines, or any part thereof, or for the use of such land or any part thereof, for the purpose of mining iron ore with the same rights and privileges as are hereby granted to the part..... of the second part, provided that three duplicate originals of all such contracts shall be filed with the commissioner of conservation before they shall become effective for any purpose.

The part..... of the second part covenants and agrees with the party of the first part that the part..... of the second part will on or before the 20th day of April, July, October, and January during the first year of this lease, pay to the treasurer of said state a rental of \$312.50 for the quarter preceding the first day of the month in which such payment is made, and a quarterly rental thereafter during the entire term this lease remains in force of \$1,250; provided, that the total amount of royalty due on iron ore removed and accounted for during said first year as provided for hereafter does not equal or exceed the sum of \$1,250 during the first year as above provided, and the sum of \$5,000 per annum thereafter, it being the purpose of this covenant to secure a regular annual income from the demised premises of not less than \$1,250 during the first year and \$5,000 thereafter in rentals or royalty on iron ore, or both except only in case of leases for the mining of taconite ore, as defined in Schedule 7 herein, the annual payments for the first ten years shall be \$400.00 per annum per mining unit, payable quarterly in advance, and a quarterly rental thereafter during the entire term this lease remains in force of \$400.00, provided, that the total amount of royalty due on taconite ore removed and accounted for during the first ten years as provided for hereafter does not equal or exceed the sum of \$400.00 per annum

per mining unit and the sum of \$1,600 per annum per mining unit thereafter, it being the purpose of this covenant to secure a regular annual income from the demised premises of not less than \$400.00 per mining unit during the first ten years and \$1,600 per mining unit thereafter in rentals or royalty or both on taconite ore.

It is further understood and agreed that the schedules of minimum royalties to be paid by the part..... of the second part to the party of the first part shall be as follows:

Schedule 1. On a gross ton of direct shipping open pit crude ore in its natural state, before beneficiation of any kind, other than crushing or dry screening, averaging in iron, when dried at 212 degrees Fahrenheit, 25 per cent or less, 12 cents. For a ton of ore averaging 26 per cent in iron dried at 212 degrees Fahrenheit, 12 cents, with a five per cent increase over 12 cents, or a royalty of 12.6 cents per ton. For a ton of ore averaging 27 per cent iron dried at 212 degrees Fahrenheit, 12.6 cents plus five per cent increase or a royalty of 13.23 cents; and so on, adding five per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

Direct shipping open pit crude 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.

Schedule 2. On a gross ton of open pit wash ore concentrates averaging in iron, when dried at 212 degrees Fahrenheit, 25 per cent or less, 12 cents. For a ton of ore averaging 26 per cent iron dried at 212 degrees Fahrenheit, 12 cents with a four and one-half per cent increase over 12 cents or a royalty of 12.54 cents. For a ton of ore averaging 27 per cent iron dried at 212 degrees Fahrenheit, 13.10 cents; and so on, adding four and one-half per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

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.

Schedule 3. On a gross ton of open pit concentrates, (except concentrates defined under Schedule 2), averaging in iron, when dried at 212 degrees Fahrenheit, 25 per cent or less, 12 cents. For a ton of ore averaging 26 per cent iron dried at 212 degrees Fahrenheit, 12 cents with a four per cent increase over 12 cents or a royalty of 12.48 cents. For a ton of ore averaging 27 per cent iron dried at 212 degrees Fahrenheit, 12.98 cents; and so on, adding four per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

Open pit concentrates covered by Schedule 3 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, agglomeration, or drying through the use of fuel, or by jigging, or by heavy medium separation to make them suitable for blast furnace practice.

Schedule 4. On a gross ton of underground direct shipping crude ore in its natural state, before beneficiation of any kind, other than crushing or dry screening, averaging in iron, when dried at 212 degrees Fahrenheit, 25 per cent or less, 11 cents. For a ton of ore averaging 26 per cent iron dried at 212 degrees Fahrenheit, 11 cents with a three and one-half per cent increase over 11 cents, or a royalty of 11.39 cents per ton. For a ton of ore averaging 27 per cent iron dried at 212 degrees Fahrenheit, 11.78 cents; and so on, adding three and one-half per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

Underground direct shipping crude 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.

Schedule 5. On a gross ton of underground wash ore concentrates averaging in iron, when dried at 212 degrees Fahrenheit, 25 per cent or less, 11 cents. For a ton of ore averaging 26 per cent iron dried at 212 degrees Fahrenheit, 11 cents with a three per cent increase over 11 cents, or a royalty of 11.33 cents. For a ton of ore averaging 27 per cent iron dried at 212 degrees Fahrenheit, 11.67 cents; and so on, adding three per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

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.

Schedule 6. On a gross ton of underground concentrates, (except concentrates defined under Schedule 5), averaging in iron, when dried at 212 degrees Fahrenheit, 25 per cent or less, 11 cents. For a ton of ore averaging 26 per cent iron dried at 212 degrees Fahrenheit, 11 cents with a two per cent increase over 11 cents, or a royalty of 11.22 cents. For a ton of ore averaging 27 per cent iron dried at 212 degrees Fahrenheit, 11.44 cents; and so on, adding two per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

Underground concentrates covered by Schedule 6 shall be understood to mean all concentrates produced from underground 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.

Schedule 7. On a gross ton of taconite concentrates averaging in iron, when dried at 212 degrees Fahrenheit, 40 per cent or less, 11 cents. For a ton of ore averaging 41 per cent iron dried at 212 degrees Fahrenheit, 11 cents with a one per cent increase over 11 cents, or a royalty of 11.11 cents. For a ton of ore averaging 42 per cent iron dried at 212 degrees Fahrenheit, 11.22 cents; and so on, adding one per cent to the amount of royalty for a given grade for the next higher per cent, disregarding all thousandths of one cent that do not equal five and counting those that are five thousandths or above as one hundredths of a cent.

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, and shall not include any of the ores defined in Schedules 1 to 6, inclusive.

The part..... of the second part hereby covenant.... and agree.... with the party of the first part that the part..... of the second part will, on or before the twentieth day of April, July, October and January in each year, during said term or during the period this lease continues in force, pay to the treasurer of said state, 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 to be made, a royalty as hereinbefore provided.

Each ton shall be reckoned at 2240 pounds. The part..... of the second part at the time of such payment shall transmit to the commissioner of conservation an exact, truthful and verified statement of the amount of iron ore removed during the three months for which such payment is made. Such statement shall show the tonnage of the several grades of ore in accordance with the following plan:

Each railroad car loaded with such ore shall be sampled in such a manner as to show the true grade of the ore contained. Ten cars when thus sampled shall constitute a "sample" or shipment, except where a smaller number becomes imperative. The samples of ore taken from such "sample" or shipment shall be mingled and split into two portions, both of which shall be properly marked for identification. One portion shall be delivered to the commissioner of conservation or his authorized agent and the other reserved by the part..... of the second part. Each sample shall be analyzed for iron, silica, phosphorus, alumina and manganese at the sole cost

and expense of the part..... of the second part, by a competent chemist approved in writing by the commissioner of conservation, and the results certified to the commissioner of conservation in the statement above referred to together with the weight of each carload and "sample."

The iron ore so taken and shipped by the part..... of the second part from said land shall be weighed by the railroad company transporting the same from said land, and the part..... of the second part shall transmit monthly statements showing the aforesaid grades and weights. Such grades and weights shall prima facie determine the quantity 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 and books 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 railroad company's scales and of the aforesaid weights, it being understood that any errors in these respects, when ascertained, shall be corrected.

For the purpose of determining the grade of ore and royalty on same, all open pit and underground direct shipping ore taken from the demised premises shall be sampled in their crude state before being treated or beneficiated in any way, other than crushing or dry screening. All open pit and underground concentrates shall be sampled in its concentrated form. Such samples, when dried at 212 degrees Fahrenheit, shall be analyzed for iron, silica, phosphorus, alumina and manganese. The percentages of iron shall determine the amount of royalty to be paid, provided that when the manganese content shall equal or exceed four per cent, it shall be paid for separately under agreement as hereinafter provided for by law.

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 during the year in question. Subject to the approval of the commissioner of conservation, such ore may be so beneficiated or treated either upon the demised premises or upon adjacent or nearby lands. 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 in the year in question. As to any ore so beneficiated or treated during any quarter year, royalty at the rates per ton hereinbefore provided 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 said 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 conservation may approve. The merchantable product of such beneficiation shall be sampled and weighed as hereinbefore provided for direct shipping ore.

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.

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, and the part..... of the second part covenant.... and agree.... to furnish the commissioner of conservation with 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.

The part..... of the second part further covenant.... and agree.... to furnish the commissioner of conservation with the following: At least a quarter portion of all exploration samples; when requested to do so in writing, a quarter portion of mine and mill samples; monthly report showing the estimated weight and analysis of all ore material stockpiled according to each classification—that is, merchantable, concentratable or non-merchantable; monthly report showing the estimated weight and analysis of concentrated ore when stockpiled on state-owned land; 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.

The part..... of the second part further covenant.... and agree.... to provide upon written requests from the commissioner of conservation a suitable room in the dry or wash house, or in some other suitable place, with water, light and heat free, to the agents of the commissioner of conservation for their use in the work of inspection on said premises, such room to be equal in size and equipment to that furnished for the use of the mining captain or superintendent at such mines. And the part..... of the second part further covenant.... and agree.... as follows: That during said term the part.... of the second part will 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 at said mines, in all respects as if said lands were owned in fee by the part..... of the second part; and that the part..... of the second part will open, use and work said mines 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 of good mining engineering, and in such manner as not to cause any unnecessary or unusual permanent injury to the same, or inconvenience or hindrance in the subsequent operation of the same, and, subject to the approval of the commissioner of conservation, will deposit all lean ore, paint rock, taconite, tailings, earth, rock, or useless materials and rubbish at such places and in such manner as will not embarrass such subsequent operations, and that upon the termination of this lease the part..... of the second part will quietly and peaceably surrender the possession of said land to the party of the first part.

Provided, that 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 conservation who shall in writing acknowledge receipt of such notice, and this lease shall terminate 60 days thereafter, 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.

Provided, and this lease is granted upon the express condition, that if any quarterly payment, or any payment for royalties or any part of such payments or any tax or portion thereof, shall remain unpaid after the expiration of 60 days from the time when the same was payable as herein provided, 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 conservation to cancel this lease, first having given to the part..... of the second part at least 20 days notice in writing thereof, whereupon 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, but such reentry shall not work a forfeiture of the rents, royalties or taxes or other sums to be paid at the time of such reentry.

It is mutually agreed that upon the termination of this lease, whether by act of either party or by limitation, the part..... of the second part shall have 90 days in which to remove all engines, tools, machinery, railroad tracks and structures placed or erected by the part..... of the second part upon said land, but the part..... of the second part shall not remove or impair any supports placed in said mines, or any timber or frame work necessary to the use or maintenance of shafts or other approaches to the mines, or tramways within the mines. 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 premises, for any unpaid balances due under this lease.

The covenants, terms and conditions of this lease shall run with the land and be in all respects binding upon all sublessees and grantees under the part..... of the second part.

[1921 c. 412 s. 7; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 546 s. 5] (6409)

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 schedule 7 of section 93.20 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 weighing the taconite ore 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 conservation. 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 such weighing 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.

[1943 c 233 s 3; 1949 c 616 s 1, 2]

93.202 TACONITE LEASES. In any case where, pursuant to a permit holder's application for a lease in which he has indicated that he considers the lands covered by his permit to be principally valuable for the taconite thereon or that he desires a taconite lease thereon, the commissioner of conservation heretofore shall have issued a lease in which he inserted in the blank provided for the amount of the first quarterly payment the figure representing the reduced quarterly rental for taconite leases, as herein provided, and shall have designated such lease a "Taconite Lease" or a "Taconite Iron Ore Mining Lease" upon the lease or upon his records, such act shall be construed as a determination that such lands were principally valuable for the taconite thereon and had no substantial value because of merchantable deposits of ores of the kinds defined in Laws 1941, Chapter 546, Section 5, schedules 1 to 6, 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 conservation, 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.

[1943 c. 233 s. 4]

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 his official seal 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.

[1921 c. 412 s. 8; 1925 c. 395; 1927 c. 389 s. 1] (6410)

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 state auditor, 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.

[1921 c. 412 s. 9; 1925 c. 395; 1927 c. 389 s. 1] (6411)

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.

[1921 c. 412 s. 10; 1925 c. 395; 1927 c. 389 s. 1] (6412)

93.24 MINING OF ORES OTHER THAN IRON; IRON SULPHIDES. Should gold, copper, silver, cobalt, coal, graphite, or manganese (four per cent or over, dried), or any other valuable mineral believed to exist on lands included within a prospecting permit or lease, as heretofore authorized, the terms and conditions on which the same may be mined shall be agreed upon by the commissioner and the permit holder or lessee, and 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. Should iron sulphides or other sulphur ores be believed to exist on lands included within a prospecting permit or within a mining lease issued pursuant to Minnesota Statutes 1945, Section 93.20, or Section 93.283, the terms and conditions under which sulphur or sulphur products may be mined or produced therefrom shall be agreed upon by the commissioner and the permit holder or lessee, and in case they are unable to agree shall be determined by a board as above provided. Any iron or iron ore extracted from such sulphides or sulphur ores shall be paid for in accordance with the minimum schedule for taconite concentrates provided in schedule 7 of section 93.20. 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 contained therein, and have no substantial value because of ores of the kind defined in section 93.20, schedules 1 to 6, the annual rental required in any lease issued pursuant to such permit, or any lease modified as above provided, shall be \$400 per mining unit per year for the first ten years of said lease, and at the close of such period of ten years from the date of the lease the annual rental shall be \$1,600 per mining unit, payable at the times and in the manner provided in section 93.20 in cases of leases for the mining of taconite ore. Provided that, if, following the issuance of a lease so designated as an iron sulphide mining lease, additional information acquired by the commissioner of conservation shall disclose that such lands have merchantable deposits of iron ore of the classes defined in schedules 1 to 6, of section 93.20, which deposits, without reference to the iron sulphide in such lands, would give substantial value to such unit, the commissioner shall report the facts to the executive council. If the executive council, after hearing upon reasonable notice to the holder of such lease, shall determine that the lands covered by such lease contain merchantable deposits of iron ore which, without reference to iron sulphide ores in said lands, would give substantial value to the unit covered by such lease, then it may order the rental stipulated in such lease to be increased to the rate of \$5,000 per year, and such increased rental shall be payable for the period from and after the date of such order so made and until the merchantable deposit or deposits of such ores, other than iron sulphide ores, so found to exist in such lands have been exhausted; after which time said lower rates of annual rental shall be reinstated and again effective.

[1921 c. 412 s. 11; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 329; 1947 c. 96 s. 1] (6413)

93.25 PERMITS TO PROSPECT FOR ORES OTHER THAN IRON; LEASES; RENTS; ROYALTIES. The commissioner may with the approval of the executive council issue permits to prospect for gold, silver, copper, cobalt, graphite, coal, and petroleum and other minerals than iron ore upon any lands owned by the state, including trust fund lands, lands forfeited for non-payment of taxes whether held in trust or otherwise, and lands otherwise acquired. Such permits shall be issued for a period not to exceed one year and under such regulations as he may prescribe. At any time prior to the expiration of any such prospecting permit the holder thereof shall have the right to lease the land covered by the permit for the purpose of mining and removing therefrom any minerals which may be discovered therein other than iron ore. The rents, royalties, terms, conditions, and covenants of all such leases shall be fixed by the commissioner pursuant to such regulations as he

may prescribe, but no lease shall be for a longer term than 25 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 section 93.335, subdivision 4, as amended.

[1921 c 412 s 12; 1925 c 395; 1927 c 389 s 1; 1949 c 565 s 1] (6414)

93.251 DEFINITIONS. Subdivision 1. For the purposes of sections 93.251 to 93.257, unless a different meaning is indicated by the context, the terms defined in this section shall have the meanings given them.

Subd. 2. "Field" means any underground, continuous pool or stream of crude petroleum with no wells closer than two miles.

Subd. 3. "Operator" means any person, firm, partnership or corporation.

Subd. 4. "Structure or well" means a hole drilled into the earth to bring crude petroleum to the surface.

[1949 c 657 s 1]

93.252 PERMIT TO DRILL FOR CRUDE PETROLEUM; PERMIT FEE. Subdivision 1. The commissioner of conservation is hereby authorized to issue permits to any individual, firm, partnership or corporation he deems competent to drill for crude petroleum in Minnesota. Such permit shall be similar to those issued to firms drilling for iron ore in this state.

Subd. 2. The fee for the issuance of a permit described in subdivision 1 is \$5.00 which shall be paid by the applicant therefor.

[1949 c 657 s 2]

93.253 BONUS OF TEN CENTS PER BARREL. Upon discovery of any crude petroleum in commercial volume in each field in this state by any operator there shall be paid by the commissioner of conservation to such operator from any funds in the state treasury allocated to the Minnesota Iron Range Resources and Rehabilitation Account, not otherwise encumbered, a bonus of ten cents per barrel for the first 250,000 barrels in each field; but no bonus shall be paid until the first carload or equivalent number of gallons of crude petroleum is marketed.

[1949 c 657 s 3]

93.254 GOVERNED BY MINERAL EXPLORATION LAWS. Any individual, firm, partnership or corporation authorized to explore for crude petroleum, as provided by sections 93.251 to 93.257, shall be governed by the laws pertaining to mineral explorations with regular delivery of sample of core to the Mines Experiment Station of the University of Minnesota; and the findings of the Mines Experiment Station shall be the determining factor as to whether an oil structure of commercial value has been discovered.

[1949 c 657 s 4]

93.255 TAXATION. Subdivision 1. The first 250,000 barrels of crude petroleum obtained from each field, on which a bonus is paid as provided by section 93.253, shall be tax free, but any and all subsequent crude petroleum shall be taxed five cents per barrel or such rate as the legislature may by proper legislation provide.

Subd. 2. The commissioner of taxation shall administer and enforce the assessment and collection of the taxes imposed by sections 93.251 to 93.257. He may, from time to time, make and publish any and all rules and regulations necessary to enforce the provisions, of sections 93.251 to 93.257.

Subd. 3. All taxes imposed and collected under the provisions of sections 93.251 to 93.257 shall be paid into the state treasury and credited to the Minnesota Iron Range Resources and Rehabilitation Fund.

[1949 c 657 s 5, 6]

93.256 ADMINISTRATION. Subdivision 1. All expenses of the administration of sections 93.251 to 93.257 shall be paid out of the receipts therefrom as other moneys of the state are expended by the departments incurring the same, and there is hereby appropriated out of such receipts so much thereof as may be necessary for the payment of such expenses.

Subd. 2. The commissioner of conservation shall make all necessary rules and regulations for the proper administration of sections 93.251 to 93.257.

Subd. 3. In the event natural gas is discovered in drilling for crude petroleum, separately or combined with crude petroleum, the commissioner of conservation is authorized to make all rules and regulations necessary to conserve the natural gas resources of the state.

[1949 c 657 s 7, 8, 9]

93.257 SECURITIES, HOW ISSUED. All certificates of stocks, shares, or securities in connection with any petroleum or natural gas fields shall be issued and sold as provided by Minnesota Statutes, Sections 80.30 to 80.36.

[1949 c 657 s 10]

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 by him in his office in the record books to be provided and kept 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.

[1921 c. 412 s. 13; 1925 c. 395; 1927 c. 389 s. 1] (6415)

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 his office in 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 assignments, agreements, contracts, underlying, overriding, or operating agreements, a copy of which then shall be returned to the party entitled thereto.

[1921 c. 412 s. 14; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 546 s. 6] (6416)

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.

[1921 c. 412 s. 15; 1925 c. 395; 1927 c. 389 s. 1; 1941 c. 546 s. 7] (6417)

93.283 ENCOURAGE PROSPECTING FOR IRON ORE. 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 and mining leases issued 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 or 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 by him of an application for a permit thereon in accordance with the provisions of this section, the commissioner of conservation may withdraw for such time as he sees 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 conservation, 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 five miles 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 conservation to issue permits.** The commissioner of conservation 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 him 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 he 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 other permits hereunder located in more than 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 conservation either by the applicant or his agent 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 permanent 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 \$25. The commissioner of conservation shall endorse upon each application the exact time of presentation and shall preserve the same in his office. The first applicant for permit on any land whose application hereunder, with accompanying fee, is filed with the commissioner of conservation in accordance herewith shall be entitled to receive a permit hereunder.

Subd. 6. Permit holders may receive mining leases. At any time prior to the expiration of any such permit, the original holder or any assignee thereof shall have the right to receive from the commissioner of conservation a mining lease, which shall bind the state and the person to whom it shall be issued to the mutual observance of the obligations and conditions thereof, and the mining lease shall be in the form set forth in section 93.20, and require the payment of the rentals and royalties set forth in said form, except that said form shall be modified so as to provide that the annual rate of rental for the first five years shall be \$500 per year, and thereafter shall be \$5,000 per 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 year, 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 under trust for the taxing districts, the rentals and royalties paid under any such permit or lease shall be held by the state treasurer in a special fund subject to disposition thereof as may be provided by any law hereafter enacted. 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.

[1943 c. 277]

93.285 STOCKPILED IRON ORE. Subdivision 1. **Division of stockpiled iron ore.** The commissioner of conservation shall divide all stockpiled iron ore belonging to the state or in which the state has an interest into mining units, no one of which shall contain iron ore belonging to more than one permanent trust fund.

Subd. 2. Permits to prospect. Permits to prospect such stockpiled iron ore mining units shall be sold in accordance with the provisions of Minnesota Statutes 1941, Sections 93.16 and 93.17.

Subd. 3. Manner of prospecting. The holder of any such permit shall have the right to prospect such stockpiled iron ore mining units 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 unit shall be issued to the same person for two six-month periods in succession. The work of prospecting under a permit shall begin within six months from the date thereof and continued until the permit expires, is surrendered, or a lease asked for. The permittee shall report, in writing, to the commissioner the time of beginning such prospecting and shall report on the first business day of each April, July, October, and January the progress of the work of prospecting, and accompanying 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. The permit holder shall split all samples taken and furnish the commissioner, or his representative, from time to time as the commissioner, or his representative, shall direct, with a portion of the 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 his 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 the permit to be performed by him, then it shall be the duty of the commissioner to cancel the permit, first having given the permit holder at least 20 days' notice in writing thereof.

Subd. 4. Entitled to lease, when. Such permittees shall be entitled to leases upon compliance with the same conditions imposed by Minnesota Statutes 1941, Section 93.19.

Subd. 5. Execution of lease. Leases shall be issued and executed in accordance with all the applicable provisions of Minnesota Statutes 1941, Sections 93.21 to 93.24, and sections 93.26, 93.27 and 93.28, provided that the form of said leases shall be similar to that provided by Minnesota Statutes 1941, Section 93.20, with only such changes as the commissioner of conservation shall find necessary, and the minimum royalty schedules prescribed in that section as schedules 1, 2, 3 and 7 shall be applicable.

[1945 c. 342]

93.29 LIABILITY UNDER CERTAIN MINERAL LEASES CANCELED. In all cases where mineral leases have been issued under the provisions of section 93.20 and have been canceled by the commissioner for non-payment of any annual or quarterly payment provided for in the lease, this cancellation shall terminate all liability thereunder if no damage has been sustained to the land covered by the lease or development work performed thereunder.

[1919 c. 501 s. 1] (6419)

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 his proportion, represented by his 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 newspaper published nearest the land entitled under the laws of this state to publish legal notices that he has made the payment, 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 his proportionate share of the payment by paying the same, together with six per cent interest thereon from the time of the payment until the time of repayment, together with the cost of the publication, to him within 90 days after the personal service of the notice upon him or within 90 days after the completion of the publication, and that if he fails so to do his interest in the lease will become the property of and be forfeited to his coowner or coowners paying the same.

[1915 c. 303 s. 1] (6420)

93.31 COOWNER 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 his proportionate share, together with the interest and cost of publication, as and when herein and in the notice provided, his 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 to him their share of the amount due him 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 his 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.

[1915 c. 303 s. 2] (6421)

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 to him 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.

[1915 c. 303 s. 3] (6422)

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 he may prescribe, 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, ore 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.

[1919 c. 213 ss. 1, 2] (6423, 6424)

93.335 STATE LANDS, MINERALS, AND MINERAL RIGHTS ACQUIRED UNDER THE TAX LAWS. Subdivision 1. **Grouping land 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 conservation 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.

Subd. 2. Undivided interests. 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.

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 conservation 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. Rentals and royalties, annual distribution. 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 state auditor on the first day of September as follows: 20 per cent to the general revenue fund of the state, and 80 per cent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town, village, or city, two-ninths; and school district, four-ninths.

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 revenue fund of the state.

[1943 c 287; 1949 c 587 s 1]

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 state prison for not to exceed five years or by both such fine and imprisonment, at the discretion of the court.

[1915 c. 78 ss. 1, 2, 3] (6425, 6426, 6427)

93.35, 93.36 [Repealed, 1943 c 208 s 8]

93.351 PROSPECTING FOR IRON ORE IN BED OF STATE WATERS. The commissioner of conservation may, in his discretion, 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.

[1943 c. 208 s. 1]

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.

[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 removed 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 conservation 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 his representative from time to time as the commissioner or his 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 his 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 him, 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.

[1943 c. 208 s. 3]

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 conservation 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 per cent 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 conservation, 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 conservation with the approval of the executive council, upon the written request of the lessee or his successor in interest and at his sole expense, 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 regulations relating to or affecting the safety of those engaged in such operations.

[1943 c. 208 s. 4]

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 conservation 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.

[1943 c. 208 s. 5]

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.

[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 conservation and filed with him within 30 days of the execution thereof.

[1943 c. 208 s. 7]

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 sub-lessees 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 sub-lessee for all costs and expenses connected with such weighing.

[1921 c. 148 s. 1] (6431)

93.38 EXPENSE PAID BY LESSEE. The lessee, assignee, or sub-lessee shall, at his sole cost and expense, 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 railroad and warehouse commission through the bureau of weights and measures.

[1921 c. 148 s. 2] (6432)

93.39 NOT TO MODIFY EXISTING CONTRACTS. 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.

[1921 c. 148 s. 3] (6433)