CHAPTER 93

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NATURAL RESOURCES

93.001 POLICY FOR MINERAL DEVELOPMENT.

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

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

93.0015 MINERAL COORDINATING COMMITTEE.

Subdivision 1. **Establishment; membership.** The Mineral Coordinating Committee is established to plan for diversified mineral development. The Mineral Coordinating Committee consists of:

(1) the commissioner of natural resources;

(2) the commissioner of the Minnesota Pollution Control Agency;

(3) the commissioner of Iron Range resources and rehabilitation;

(4) the director of the Minnesota Geological Survey;

(5) the dean of the University of Minnesota Institute of Technology;

(6) the director of the Natural Resources Research Institute; and

(7) four individuals appointed by the governor for a four-year term, one each representing the iron ore and taconite, nonferrous metallic minerals, and industrial minerals industries within the state and one representing labor.

Subd. 2. **Staffing.** The commissioner of natural resources shall serve as chair of the committee. A member of the committee may designate another person of the member's organization to act in the member's place. The commissioner shall provide staff and administrative services necessary for the committee's activities.

Subd. 3. **Expiration.** The committee expires June 30, 2033.

Subd. 4. **Advice.** The Mineral Coordinating Committee is encouraged to solicit and receive advice from representatives of the United States Geological Survey, United States Environmental Protection Agency, and United States Department of Energy.

History: *1Sp2003 c 13 s 5; 2007 c 57 art 1 s 77; 2011 c 107 s 47,48; 2014 c 286 art 8 s 10; 2016 c 189 art 3 s 31; 2024 c 116 art 3 s 19*

93.002 MS 2000 [Repealed, 2001 c 161 s 58]

93.003 IRON MINING; CONDITIONS.

Subdivision 1. **Duty to maintain mine.** Legal authority to mine and process iron ore, a basic irreplaceable natural resource of the people of the state of Minnesota, is subject to the conditions of this section. When the owner or operator of an iron mine or related production or beneficiation facilities determines to discontinue the operation of the mine or facilities for any reason it shall maintain the mine or facilities in salable operating condition for at least two years after it discontinues operation in order to allow the state of Minnesota and other interested public and private bodies to seek a new owner and operator. The requirement imposed by this section is a preliminary and permanent requirement on the right of an owner to commence or continue the operation of an iron mine or related facilities. This requirement is enforceable on all owners and operators and successors of owners and operators and shall be enforced by the state in any action in bankruptcy or other litigation that may affect it.

Subd. 2. **Temporary maintenance plan.** At least 60 days before the owner or operator of an iron mine or related production or beneficiation facilities determines to discontinue the operation of the mine or facilities, it shall submit a temporary maintenance plan to the state for approval. The plan must provide for:

(1) the orderly shutdown of the mine and facilities, including:

(i) movement of all mobile equipment to an area above the high-water mark;

(ii) drainage of water from all bins, mills, thickeners, storage tanks, water lines, and slurry lines; and

(iii) the emptying and cleaning of all tailings handling equipment, including thickeners, pipes, belts, and bins;

(2) health, safety, and security, including:

(i) security of any blasting materials and hazardous materials;

(ii) provisions for fire prevention; and

(iii) staffing for security;

(3) maintenance of mine, plant facilities, and tailing basins, including:

(i) supplying heat or cooling where needed;

(ii) maintenance of utility lines needed to support the property;

(iii) maintenance of mills, grates, kilns, coolers, and other machinery in running condition;

(iv) taking dust prevention measures; and

(v) maintenance of tailings dikes, water level controls, water runoff control structures, and erosion controls;

(4) compliance with all permit requirements; and

(5) a schedule for reporting periodically to the state on all maintenance activities and any plans to liquidate assets.

History: *1993 c 107 s 1; 2001 c 30 s 1; 2003 c 113 s 1*

RESERVATIONS AND LEASES

93.01 RESERVATION OF MINERALS AND WATER POWERS.

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

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

93.02 INSTRUMENTS TRANSFERRING INTEREST; RESERVATION.

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

be effective to transfer any right, title, or interest in or to any such minerals, notwithstanding the failure of the proper officer to insert such statement.

History: *(6396) RL s 2484*

93.03 PATENT UNDER LAND GRANT TO RAILROAD; RESERVATION.

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

History: *(6397) 1913 c 6 s 1; 1973 c 492 s 14; 2009 c 101 art 2 s 109*

93.04 DISPOSITION OF MINERALS RESERVED.

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

History: *(6398) RL s 2485*

93.05 HOLDER OF 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 lease subsequently issued thereon may nevertheless enter upon the lands and prospect on the lands under the lease.

Subd. 2. **Security for damages; condemnation.** Before entering upon lands described in subdivision 1, the lease holder shall pay or secure to the owner of the lands all damages which may arise therefrom and the same may be determined either by mutual agreement or, if the interested parties cannot agree, then the holder of the mineral lease may, in the name of the state of Minnesota, institute proceedings to condemn the same according to chapter 117; provided, that the state shall bear no part of the cost of these proceedings, nor pay any part of the damages awarded in the proceedings.

Subd. 3. **Attorney general to institute condemnation.** (a) Upon written request of the holder of any mineral lease from the state, not in default, with the approval of the commissioner of natural resources, the attorney general shall institute, in the name of the state, proceedings to acquire by condemnation any lands, rights-of-way, drainage or flowage rights, easements or other interests necessary in connection with prospecting for or mining the ore covered by the lease. All costs and expenses of the proceedings and all damages awarded therein shall be paid by the holder of the lease.

(b) In any eminent domain proceedings under this section, 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 of the land.

History: *(6399, 6400) 1907 c 411 s 1,2; 1949 c 593 s 1; 1969 c 1129 art 10 s 2; 1986 c 444; 2000 c 495 s 9*

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

Upon written request of the holder of any mineral lease from the state, not in default, with the approval of the commissioner of natural resources, the attorney general may institute proceedings to quiet the title and determine adverse claims or to register the title of the state to the lands or interests covered by the lease. All costs and expenses of the proceedings including compensation of attorneys for the state shall be paid by the holder of the lease.

History: *1949 c 594 s 1; 1969 c 1129 art 10 s 2; 1986 c 444; 2000 c 495 s 10*

93.06 RESERVATION OF MINERALS UNDER NAVIGABLE LAKES.

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

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

93.07 MS 1998 [Repealed, 2000 c 495 s 53]

93.08 MS 1998 [Repealed, 2000 c 495 s 53]

93.09 MS 1998 [Repealed, 2000 c 495 s 53]

93.10 MS 1998 [Repealed, 2000 c 495 s 53]

93.11 MS 1998 [Repealed, 2000 c 495 s 53]

93.12 MS 1998 [Repealed, 2000 c 495 s 53]

93.13 MS 1998 [Repealed, 2000 c 495 s 53]

93.14 LEASES TO PROSPECT FOR ORES.

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

History: *(6403) 1921 c 412 s 1; 1925 c 395 s 1; 1927 c 389 s 1; 2000 c 495 s 11*

93.15 MINING UNITS; DESIGNATION.

Subdivision 1. **Designating mining units.** (a) The commissioner of natural resources may designate any lands belonging to the state and the beds of any waters belonging to the state or any lands in which the

state has an interest as mining units and may rearrange or modify the mining units from time to time, subject to the limitations of this section.

(b) No mining unit shall contain lands belonging to more than one permanent trust fund, except mining units leased under section 93.25.

(c) Lands which have been sold by the state and are in use as part of the site of a plant for the production of taconite concentrates shall not be designated as mining units.

Subd. 2. **List of mining units.** The commissioner shall prepare and keep on file in the Office of the Division of Lands and Minerals of the Department of Natural Resources and at such other places as the commissioner may direct a list of the mining units designated under this section, giving the descriptions of the mining units and such other information as the commissioner deems necessary. In case the commissioner shall prescribe special conditions to be included in a lease for any mining unit as authorized by law, a statement of the conditions shall be included with the designation of the unit in the list.

Subd. 3. **One mining unit per lease.** Except as otherwise expressly provided by law, each mining lease shall cover only one entire mining unit designated under this section.

History: *(6404) 1921 c 412 s 2; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 1; 1943 c 233 s 1; 1951 c 547 s 1; 1953 c 558 s 1; 1969 c 1129 art 10 s 2; 1986 c 444; 2000 c 495 s 12*

93.16 LEASES; SALE AND NOTICE.

(a) Except as otherwise expressly provided by law, leases for iron ore or other minerals belonging to the state shall be issued only upon public sale as provided under this section.

(b) The sale of leases shall be held at such times and places as designated by the commissioner.

(c) The commissioner shall give public notice of intent to hold a public sale by publication in the State Register, the EQB Monitor, and such other publications as the commissioner may direct at least 90 days prior to the proposed date of sale.

(d) The commissioner shall give public notice of each sale by publication for three successive weeks in a newspaper that has its known office of issue in the county seat of the county in which the mining units to be leased are located and in a daily newspaper printed and published in Hibbing and Virginia. If no newspaper has its known office of issue in the county seat of a particular county, the commissioner shall publish notice in the newspaper designated as the publisher of the official proceedings of the county board of that county. The first publication shall be at least 30 days before the date of sale. The public notice of sale shall also be published in the State Register and the EQB Monitor at least 30 days before the date of sale and may be published in additional newspapers and trade magazines, as the commissioner may direct.

(e) Each notice shall contain the following information:

(1) time and place of holding the sale;

(2) the place or places where the list of mining units to be offered for sale will be available for inspection and where forms for bids and applications for leases may be obtained; and

(3) such other information as the commissioner may direct.

History: *(6405) 1921 c 412 s 3; 1925 c 395 s 1; 1927 c 389 s 1; Ex1933 c 14 s 1; 1941 c 546 s 2; 1951 c 547 s 2; 1991 c 194 s 1; 2000 c 495 s 13*

93.17 APPLICATION FOR LEASES; BIDS; AWARDS.

Subdivision 1. **Lease application.** (a) Applications for leases to prospect for iron ore shall be presented to the commissioner in writing in such form as the commissioner may prescribe at any time before 4:30 p.m., St. Paul, Minnesota time, on the last business day before the day specified for the opening of bids, and no bids submitted after that time shall be considered. The application shall be accompanied by a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of $100 for each mining unit.

(b) Each application shall be accompanied 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 section 93.20, subdivisions 12 to 18, that the applicant proposes to pay to the state of Minnesota in case the lease shall be awarded.

Subd. 2. **Bid requirements.** (a) Whenever a bid on any mining unit exceeds the minimums prescribed in section 93.20, the bidder shall offer a uniform amount above the minimums on all schedules unless the mining unit is expressly excepted from this requirement by the commissioner of natural resources by so specifying in the list of lands and mining units.

(b) The envelope containing each bid shall be plainly marked on the outside showing the date of application, date received by the commissioner, and the name of the applicant. The commissioner shall endorse upon each application and sealed bid the exact time of presentation and preserve the same unopened in the commissioner's office.

Subd. 3. **Bid acceptance.** (a) At the time and place fixed for the sale, the commissioner shall publicly announce the number of applications and bids received. The commissioner shall then publicly open the bids and announce the amount of each bid separately. Thereafter, the commissioner, together with the Executive Council, shall award the leases to the highest bidders for the respective mining units, but no bids shall be accepted that do not equal or exceed the minimum amounts provided for in section 93.20, nor shall any bid be accepted that does not comply with the law. The right is reserved to the state to reject any and all bids.

(b) All applications for leases and bids not accepted at the sale shall become void at the close of the sale and the payment accompanying the applications and bids shall be returned to the applicants entitled to them.

(c) Upon the award of a lease, the payment submitted with the application as provided by subdivision 1 shall be deposited with the commissioner of management and budget as a fee for the lease.

History: *(6406) 1921 c 412 s 4; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 3; 1949 c 434 s 1; 1951 c 547 s 3; 1969 c 1129 art 10 s 2; 1986 c 444; 1991 c 194 s 2,3; 2000 c 495 s 14; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

93.171 ELIGIBILITY AND PERFORMANCE.

Subdivision 1. **Eligibility.** Applicants for leases and lease holders under this chapter must meet the definition of responsible vendor as provided in rules adopted under chapter 16C.

Subd. 2. **Performance.** A current lease holder is subject to suspension and debarment under chapter 16C and rules adopted under chapter 16C.

History: *1Sp2019 c 4 art 3 s 43*

93.18 MS 1998 [Repealed, 2000 c 495 s 53]

93.19 MS 1998 [Repealed, 2000 c 495 s 53]

93.191 MS 1998 [Repealed, 2000 c 495 s 53]

93.192 MS 1998 [Repealed, 2000 c 495 s 53]

93.1925 NEGOTIATED LEASES.

Subdivision 1. **Conditions required.** When the commissioner finds that the best interests of the state will be served and the circumstances in clause (1), (2), or (3) exist, the commissioner, with the approval of the Executive Council, may issue an iron ore or taconite iron ore mining lease through negotiations to an applicant. A lease may be issued through negotiations under any of the following circumstances:

(1) the state taconite iron ore is adjacent to taconite iron ore owned or leased for mining purposes by the applicant and the commissioner finds that it is impracticable to mine the state taconite iron ore except in conjunction with the mining of the adjacent ore;

(2) the lands to be leased are primarily valuable for their natural iron ore content; or

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

Subd. 2. **Application.** (a) An application for a negotiated lease shall be submitted to the commissioner of natural resources. The commissioner shall prescribe the information to be included in the application. The applicant shall submit with the application a certified check, cashier's check, or bank money order, payable to the Department of Natural Resources in the sum of $100, as a fee for filing the application. The application fee shall not be refunded under any circumstances.

(b) The right is reserved to the state to reject any or all applications for a negotiated lease.

Subd. 3. **Terms.** A lease issued under this section shall be in the form set forth in section 93.20, with such additional terms and conditions consistent with the lease as may be agreed upon. The rental and royalty rates agreed upon shall be not less than those prescribed in section 93.20.

History: *2000 c 495 s 15*

93.193 TACONITE IRON ORE MINING LEASE; EXTENSION.

Subdivision 1. **Application for extension.** Upon written application by the holder of any mining lease heretofore issued, or hereafter issued upon a prospecting permit heretofore issued, which has been designated as a taconite iron ore mining lease pursuant to Minnesota Statutes 1998, section 93.19 or 93.191, the commissioner of natural resources, with the approval of the Executive Council, may extend the term of the lease for an additional period of 25 years beyond the term specified in the lease, upon the terms and conditions prescribed under this section. The additional period of 25 years for which the lease is extended shall be the extended period as the term is used in this section.

Subd. 2. **Royalty rates; other ores.** As a condition of receiving such extended period the applicant therefor shall agree that during the extended period the royalty rates specified in the lease for ores other than taconite or taconite concentrates shall not be applicable, and no such other ores or concentrates shall be removed except after the royalties and rentals to be paid therefor shall have been negotiated with and agreed to by the commissioner of natural resources, with the approval of the Executive Council. Until such royalty is agreed upon the lessee may mine and stockpile such other ores upon the leased premises, or other lands,

pursuant to section 93.20, subdivision 28, if such mining is necessary or desirable in connection with the mining and removal of taconite.

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

History: *1957 c 722 s 1-3; 1969 c 1129 art 10 s 2; 2000 c 495 s 16*

93.20 FORM OF LEASE; REQUIRED CONTENT; MODIFICATION.

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

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

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

Subd. 4. **Parties; consideration; land description.** This indenture, made this ..... day of ....., ..., by and between the state of Minnesota, party of the first part, and ..... part..... of the second part.

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

Subd. 5. **Purpose; rights.** The above described premises are leased to the part..... of the second part for the purpose of exploring for, mining, taking out and removing the iron ore found on or in said land, together with the right to construct or make such buildings, excavations, openings, ditches, drains, railroads, roads and other improvements upon said premises as may be necessary or suitable for such purposes. The part..... of the second part may contract with others for doing any work authorized or required hereunder, or for the use of said land or any part thereof for the purposes hereof, but no such contract shall relieve the

part..... of the second part from any duty, obligation, or liability hereunder. Three executed duplicates of every such contract shall be filed with the commissioner of natural resources before it shall become effective for any purpose.

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

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

Subd. 8. **Dried iron.** The term "dried iron" as used herein shall mean iron ore dried at 212 degrees Fahrenheit; and the word "ton" shall mean a gross ton of 2,240 pounds.

Subd. 9. MS 1990 [Repealed, 1991 c 194 s 5]

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

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

fraction, the denominator of which shall be the PPI - IO Base Index, and the resulting fraction shall be multiplied by the royalty rate per ton payable on the ore mined and removed during any such quarter.

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

[(125.3-119.2)/119.2] x base royalty rate = additional amount

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

For example, if the PPI - I&S Base Index under this lease was 129.5, and if the Producer Price Index for the iron and steel subgroup of the metals and metal products group for January, ... was 139.5, the additional amount for the calendar quarter of January, February, and March ..... would be computed as follows:

[(139.5-129.5)/129.5] x base royalty rate = additional amount

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Taconite concentrates shall be understood to mean the merchantable product, suitable for blast furnace use, which, in accordance with good engineering and metallurgical practice, has been produced from taconite ore which requires treatment by fine grinding, magnetic separation, flotation, or some other method or methods other than or in addition to one or more of the methods specified in schedules 1 to 6, inclusive.

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

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

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

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

Subd. 21. **Shipment; sampling.** Except as otherwise hereinafter provided, all iron ore removed from said land hereunder shall be shipped by rail. Each shipment shall be sampled in accordance with standard practice so as to show the true grade of the ore contained therein under each schedule, taking specimens from five carloads to make up a sample for analysis; provided, that with the approval of the commissioner of natural resources a sample may consist of specimens from any other number of carloads. The ore in each sample shall be thoroughly mingled and then split into two portions, both of which shall be properly marked

for identification. One portion shall be delivered to the commissioner of natural resources or authorized agent, and the other retained by the part..... of the second part. Each sample, dried at 212 degrees Fahrenheit, shall be analyzed for iron and manganese, and also, if directed by the commissioner or agent, for silica, phosphorus, and alumina, at the expense of the part..... of the second part, by a competent chemist approved in writing by the commissioner.

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

Subd. 23. **Beneficiation or treatment.** The part..... of the second part shall have the right to beneficiate and treat, for the purpose of improving the character or quality thereof, any iron ore which without such treatment or beneficiation will not meet general market requirements at the time. Subject to the approval of the commissioner of natural resources, such ore may be so beneficiated or treated either upon the demised premises or elsewhere. The part..... of the second part agree ..... that any treatment or beneficiation of ore conducted hereunder shall be done with suitable and proper machinery and appliances, and in a careful, good and workmanlike manner, according to good engineering practice, and so as not to cause any greater waste of the ore mined than is necessary in order to produce an ore concentrate of proper composition and character for satisfactory furnace use. No ore shall be treated or beneficiated which, without treatment or beneficiation, will meet general market requirements at the time. As to any ore so beneficiated or treated during any quarter year, royalty at the rates per ton hereinbefore provided for such ore shall be paid upon the merchantable product of such beneficiation or treatment and not upon the ore as mined. The residue of such treatment or beneficiation may be deposited upon the demised premises, in such place or places as shall not unnecessarily hinder or embarrass the future operation of the mine or mines therein, or on other state-owned lands conveniently located for the purpose, or may be otherwise disposed of in such manner as the commissioner of natural resources may approve. The merchantable product of such beneficiation shall be sampled, analyzed and weighed and the royalty thereon determined in like manner as hereinbefore

provided for direct shipping ore. The part..... of the second part shall nevertheless be liable for royalty on all ore removed from the demised premises for beneficiation or treatment from and after the actual time of removal. If any such ore shall not be beneficiated or treated or if the royalty due thereon shall not be determined and accounted for as herein otherwise provided by the next quarterly payment date after the end of the quarter in which such ore is removed from the demised premises, the commissioner may determine such royalty by such method as the commissioner deems appropriate and give the part..... of the second part written notice thereof, whereupon such royalty shall be due and payable within 20 days after the mailing or delivery of such notice, unless the time therefor shall be extended by the commissioner.

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

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

The part..... of the second part shall provide, upon written request from the commissioner of natural resources, a suitable room in the dry or wash house or in some other suitable place on said premises, with water, light and heat free, for the use of the commissioner or agents thereof in the work of inspection on said premises, such room to be at least equal in size and equipment to that customarily furnished for the use of the mining captain or superintendent at mines comparable to the mine or mines on said premises. The commissioner or agents thereof shall have the right to enter and inspect at any time any plant where ore from said land is treated or beneficiated, and to take such samples and make such tests as may be necessary to determine the effects of such treatment or beneficiation. In case ore from more than one state mining unit or other property is treated or beneficiated at the same plant, the commissioner may appoint such special inspectors for such plant as the commissioner deems necessary to insure proper accounting and protect the interests of the state, and the part..... of the second part shall reimburse the state monthly for the cost of all such inspection service, upon notification thereof by the commissioner.

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

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

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

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

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

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

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

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

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

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

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

(3) Land conveyed to the state upon condition that it shall be used for the storage of iron ore or other materials having present or potential value belonging to the state, subject to termination or reversion of title when no longer needed or used for that purpose, shall be deemed suitable and available therefor. The commissioner may accept such a conveyance in behalf of the state if the commissioner determines that the conditions thereof conform with the foregoing provisions and will fully protect the interests of the state in the materials to be so stored, but no consideration shall be paid for such conveyance unless authorized by law. The existence of mineral reservations with rights to use or destroy the surface in connection therewith, shall not prevent lands being deemed suitable and available if the commissioner finds that the lands are located off the generally recognized limits of the iron formation, and the commissioner finds that no minerals of any present or foreseeable commercial value are known to exist thereon. The provisions of section 500.20, shall not apply to any conveyance of land to the state pursuant to this subdivision and shall not limit the duration of any covenant, condition, restriction, or limitation created by any such conveyance.

Subd. 29. **Construction; liability to third parties.** It is understood and agreed that in case any interest in the land covered by this lease or in any minerals therein is owned by anyone other than the state, this

lease shall not be construed as authorizing any invasion of or trespass upon such other interest, that in case it shall be necessary to make use of any such other interest in connection with any operations hereunder, the part..... of the second part shall obtain all necessary legal rights therefor before proceeding therewith, that the part..... of the second part shall be liable for all damages to any such other interest caused by any operations hereunder, and that the state shall not incur or be subject to any liability therefor.

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

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

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

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

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

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

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

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

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

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

History: *(6409) 1921 c 412 s 7; 1925 c 395 s 1; 1927 c 389 s 1; 1941 c 546 s 5; 1951 c 616 s 1-3; 1953 c 421 s 1; 1953 c 552 s 1-3; 1955 c 575 s 1; 1957 c 688 s 1; 1959 c 536 s 1,2; 1969 c 1129 art 10 s 2; 1973 c 492 s 14; 1983 c 216 art 1 s 17; 1986 c 444; 1991 c 194 s 4; 1998 c 254 art 1 s 107; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

93.201 ROYALTIES FOR TACONITE CONCENTRATES.

Subdivision 1. **Royalty on certain concentrates produced from taconite ore.** All ores or concentrates shipped from the lands covered by any lease under section 93.20 shall be classified and paid for under and in accordance with the particular schedule of said law properly applicable thereto. The royalty provided for taconite concentrates in section 93.20, schedule 7, shall be applicable to concentrates produced from taconite ores which, in accordance with good engineering and metallurgical practice, require treatment by fine grinding, magnetic separation, flotation, or some other method or methods other than or in addition to one or more of the methods specified in schedules 1 to 6, inclusive, of said section to make them suitable for blast furnace use.

Subd. 2. **Alternate royalty determination.** (a) In lieu of payment of such royalty on the taconite concentrates, royalty payments may be made on the taconite ore as defined herein. The method of computing

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

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

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

93.202 MS 1998 [Repealed, 2000 c 495 s 53]

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 and shall be signed by the party of the second part in the presence of two witnesses, and the signatures and execution of the same by the party of the second part shall be duly acknowledged.

History: *(6410) 1921 c 412 s 8; 1925 c 395; 1927 c 389 s 1; 1986 c 444; 2000 c 495 s 17*

93.22 DISPOSITION OF PAYMENTS.

Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall be made to the Department of Natural Resources and shall be credited according to this section.

(b) Twenty percent of all payments under sections 93.14 to 93.285 shall be credited to the minerals management account in the natural resources fund as costs for the administration and management of state mineral resources by the commissioner of natural resources.

(c) The remainder of the payments shall be credited as follows:

(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

(2) if a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state;

(3) if the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths;

(4) if the lands or mineral rights covered by a lease became the absolute property of the state under the provisions of chapter 84A, payments made under the lease shall be distributed as follows: county containing the land from which the income was derived, five-eighths; and general fund of the state, three-eighths; and

(5) except as provided under this section and except where the disposition of payments may be otherwise directed by law, payments made under a lease shall be paid into the general fund of the state.

Subd. 2. MS 2002 [Repealed, 1Sp2003 c 9 art 5 s 37]

History: *(6411) 1921 c 412 s 9; 1925 c 395; 1927 c 389 s 1; 1973 c 492 s 14; 2000 c 495 s 18; 1Sp2001 c 6 art 1 s 1; 2007 c 57 art 1 s 78*

93.221 MS 1988 [Repealed, 1989 c 335 art 4 s 109]

93.222 TACONITE IRON ORE SPECIAL ADVANCE ROYALTY ACCOUNT.

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

History: *1989 c 335 art 1 s 80; 2024 c 116 art 3 s 20*

93.223 Subdivision 1. MS 2002 [Repealed, 1Sp2003 c 9 art 5 s 37]

Subd. 2. MS 2014 [Repealed, 2016 c 158 art 1 s 215]

93.2235 TACONITE MINING GRANTS; APPROPRIATIONS.

Subdivision 1. **Commissioner.** (a) The commissioner shall establish a program to award grants to taconite mining companies for:

(1) taconite pellet product improvements;

(2) value-added production of taconite iron ore; or

(3) cost-savings production improvements at Minnesota taconite plants.

(b) An amount equal to the sum of money transferred to the general fund under section 93.223, subdivision 1, reduced by $100,000, is annually appropriated from the general fund to the commissioner for the purposes of this section.

Subd. 2. **Coleraine laboratory.** (a) The director of the Coleraine laboratory shall establish a program to award grants for the purpose of transferring technology from the Coleraine laboratory to taconite mining companies for:

(1) taconite pellet product improvements;

(2) value-added production of taconite iron ore; or

(3) cost-savings production improvements at Minnesota taconite plants.

(b) An amount equal to the sum of money transferred to the general fund under section 93.223, subdivision 2, is annually appropriated from the general fund to the Board of Regents of the University of Minnesota for the purposes of this section.

History: *1Sp2001 c 6 art 1 s 3; 2002 c 220 art 8 s 11; 2014 c 275 art 1 s 14*

93.2236 MINERALS MANAGEMENT ACCOUNT.

(a) The minerals management account is created as an account in the natural resources fund. Interest earned on money in the account accrues to the account. Money in the account may be spent or distributed only as provided in paragraphs (b) and (c).

(b) If the balance in the minerals management account exceeds $3,000,000 on March 31, June 30, September 30, or December 31, the amount exceeding $3,000,000 must be distributed to the permanent school fund, the permanent university fund, and taxing districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed to each fund must be in the same proportion as the total mineral lease revenue received in the previous biennium from school trust lands, university lands, and lands held by the state in trust for taxing districts.

(c) Subject to appropriation by the legislature, money in the minerals management account may be spent by the commissioner of natural resources for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

History: *1Sp2005 c 1 art 2 s 77; 2012 c 272 s 23; 2016 c 189 art 3 s 32*

93.23 MS 1998 [Repealed, 2000 c 495 s 53]

93.24 MS 1998 [Repealed, 2000 c 495 s 53]

93.245 MINING MINERALS OTHER THAN IRON ORE.

(a) If a mineral other than iron ore or taconite ore is found on or in a mining unit covered by a state iron ore or taconite iron ore mining lease, the state lessee may apply to the commissioner of natural resources for a negotiated lease to explore for, mine, and remove the mineral. The terms and conditions under which the mineral may be mined or products recovered shall be as agreed upon by the commissioner and the state lessee. A mineral lease for ores other than iron ore or taconite iron ore must comply with section 93.25 and rules adopted thereunder.

(b) The right is reserved to the state to reject any or all applications for a negotiated lease under paragraph (a). The state may lease, under section 93.25 and rules adopted thereunder, any minerals other than iron ore or taconite iron ore on or in a mining unit covered by a state iron ore or taconite iron ore mining lease.

History: *2000 c 495 s 19*

93.25 GAS, OIL, AND ORES OTHER THAN IRON; LEASES.

Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine, and remove or extract gas, oil, and minerals other than iron ore from any lands owned by the state, including trust fund lands, lands forfeited for nonpayment of taxes whether held in trust or otherwise, and lands otherwise acquired, and the beds of any waters belonging to the state. For purposes of this section, iron ore means iron-bearing material where the primary product is iron metal. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.

Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals, gas, or oil must be approved by the Executive Council, and any other mineral lease issued pursuant to this section that covers 160 or more acres must be approved by the Executive Council. The rents, royalties, terms, conditions, and covenants of all such leases must be fixed by the commissioner according to rules adopted by the commissioner, but no lease shall be for a longer term than 50 years, and all rents, royalties, terms, conditions, and covenants must be fully set forth in each lease issued. No nonferrous metallic mineral lease shall be canceled by the state for failure to meet production requirements prior to the 36th year of the lease. The rents and royalties must be credited to the funds as provided in section 93.22. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases.

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

History: *(6414) 1921 c 412 s 12; 1925 c 395 s 1; 1927 c 389 s 1; 1949 c 565 s 1; 1953 c 538 s 1; 1985 c 248 s 70; 1986 c 444; 1993 c 113 art 1 s 2; 2000 c 495 s 20,21; 2017 c 93 art 2 s 55; 2024 c 116 art 3 s 21,22*

93.251 [Inoperative]

93.252 MS 1949 [Repealed, 1953 c 540 s 1]

93.253 MS 1949 [Repealed, 1953 c 540 s 1]

93.254 MS 1949 [Repealed, 1953 c 540 s 1]

93.255 MS 1949 [Repealed, 1953 c 540 s 1]

93.256 MS 1949 [Repealed, 1953 c 540 s 1]

93.257 MS 1949 [Repealed, 1953 c 540 s 1]

93.26 LEASES TO BE FILED.

All leases, with the names and post office addresses of all parties in interest, issued by the commissioner under authority of sections 93.14 to 93.285, before delivery shall be duly filed for record in the commissioner's office. A certificate of filing showing the date of filing shall be endorsed on each lease.

History: *(6415) 1921 c 412 s 13; 1925 c 395 s 1; 1927 c 389 s 1; 1986 c 444; 2000 c 495 s 22*

93.27 ASSIGNMENTS, AGREEMENTS, OR CONTRACTS AFFECTING LEASES; FILING.

All assignments, agreements, or contracts, underlying, overriding, or operating agreements affecting a 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 filing of record. A certificate of filing showing the date of filing 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.

History: *(6416) 1921 c 412 s 14; 1925 c 395; 1927 c 389 s 1; 1941 c 546 s 6; 1986 c 444; 2000 c 495 s 23*

93.28 APPROVAL OF INSTRUMENTS.

All instruments by virtue of which the title to a lease herein provided for is in any way affected shall receive the approval of the commissioner, which approval shall be endorsed thereon, and the instrument when so approved shall be duly filed as provided in section 93.27.

History: *(6417) 1921 c 412 s 15; 1925 c 395; 1927 c 389 s 1; 1941 c 546 s 7; 2000 c 495 s 24*

93.283 MS 1998 [Repealed, 2000 c 495 s 53]

93.285 STOCKPILED IRON ORE.

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

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

Subd. 3. **Stockpile mining unit.** (a) Any stockpiled iron ore, wherever situated, may, in the discretion of the commissioner of natural resources, be designated as a stockpile mining unit for disposal separately from ore in the ground, such designation to be made according to section 93.15, so far as applicable.

(b) The commissioner may lease the mining unit at public or private sale for an amount and under terms and conditions prescribed by the commissioner. The lease term may not exceed 25 years. The amount payable for stockpiled iron ore material shall be at least equivalent to the minimum royalty that would be payable under section 93.20.

Subd. 4. MS 1998 [Repealed, 2000 c 495 s 53]

Subd. 5. MS 1998 [Repealed, 2000 c 495 s 53]

History: *1945 c 342 s 1; 1951 c 520 s 1; 1969 c 1129 art 10 s 2; 1986 c 444; 2000 c 495 s 25,26*

93.29 MS 1961 [Repealed, 1965 c 79 s 2]

93.30 MS 1998 [Repealed, 2000 c 495 s 53]

93.31 MS 1998 [Repealed, 2000 c 495 s 53]

93.32 MS 1998 [Repealed, 2000 c 495 s 53]

93.33 LEASING SURFACE OF LAND.

Subdivision 1. **Purposes of lease.** The commissioner may, at public or private vendue and at such prices and upon such terms and conditions as prescribed, lease the surface of any unsold state lands for the purpose of stockpiling, storing, handling, or depositing thereon any ore, ore material, stripping, or waste taken from other state lands which may be under state mineral lease, and remove therefrom any such ore, or material, stripping, or waste taken from such other state land and stocked, stored, handled, or deposited thereon; provided, that the rights of the state and of the lessee under the lease herein authorized as to the ownership,

lien, and right of removal and all other rights in and to the materials placed thereon from the lands under such state mineral lease shall be and remain in all respects the same as though such materials had been stockpiled, stored, handled, or deposited on the land covered by such state mineral lease; that any such lease shall be made for a term no longer than the then remaining unexpired term of such state mineral lease and shall in any and all events terminate with the termination of such state mineral lease for any cause, and any material remaining on the land at the termination of such state mineral lease, or at the earlier termination of the lease herein authorized, shall belong to the state of Minnesota; and that all such leases shall be made subject to leasing the land for mineral purposes under legal provisions.

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

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

93.335 LANDS HELD IN TRUST; MINERAL RIGHTS ONLY; MINERAL RIGHTS ACQUIRED UNDER TAX LAWS.

Subdivision 1. **Lands held in trust for taxing districts; lease terms and conditions.** Mining leases issued as provided by sections 93.14 to 93.33, except as otherwise specifically provided under this section, shall be subject to all the terms, conditions, and provisions of sections 93.14 to 93.33, regardless of whether or not the lands or minerals and mineral rights are held in trust for taxing districts.

Subd. 2. **Undivided interests; amending leases.** (a) 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.

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

Subd. 3. **Lease to be for mineral rights only in certain cases.** If, because of having sold the surface of such lands, reserving the minerals and mineral rights, or from any other cause, the state owns only the minerals and mineral rights in any lands leased hereunder, the commissioner of natural resources shall confine such lease to such minerals and mineral rights. The amount of the quarterly rentals, annual rentals, and minimum royalties to be bid and paid to the state upon such leases shall not be reduced by reason of that fact, and the lessee shall acquire all such rights to use the surface of such lands as were reserved or are owned by the state under its reservation of minerals and mineral rights. Any specification of rights to the surface in such lease shall be construed as limited by this subdivision.

Subd. 4. MS 1998 [Repealed, 2000 c 495 s 53]

Subd. 5. MS 1998 [Repealed, 2000 c 495 s 53]

History: *1943 c 287; 1949 c 587 s 1; 1951 c 451 s 1; 1959 c 158 s 11; 1963 c 685 s 1; 1967 c 152 s 1; 1969 c 399 s 1; 1969 c 1129 art 10 s 2; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1987 c 404 s 116; 1989 c 335 art 4 s 30; 1990 c 391 art 8 s 19; 2000 c 495 s 27*

93.34 DRAINING PUBLIC WATERS.

Subdivision 1. MS 1998 [Repealed, 2000 c 495 s 53]

Subd. 2. **Draining 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. MS 1998 [Repealed, 2000 c 495 s 53]

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

93.351 MS 1998 [Repealed, 2000 c 495 s 53]

93.352 MS 1998 [Repealed, 2000 c 495 s 53]

93.353 MS 1998 [Repealed, 2000 c 495 s 53]

93.354 MS 1998 [Repealed, 2000 c 495 s 53]

93.355 MS 1998 [Repealed, 2000 c 495 s 53]

93.356 MS 1998 [Repealed, 2000 c 495 s 53]

93.357 MS 1998 [Repealed, 2000 c 495 s 53]

93.37 MS 1998 [Repealed, 2000 c 495 s 53]

93.38 MS 1998 [Repealed, 2000 c 495 s 53]

93.39 MS 1998 [Repealed, 2000 c 495 s 53]

93.41 STATE-OWNED IRON-BEARING MATERIALS.

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

Subd. 2. **Materials subject to state iron ore mining lease.** If such material is subject to an existing state iron ore mining lease or located on property subject to an existing state iron ore mining lease, the commissioner, by written agreement with the holder of the lease, may authorize the use of the material for any purpose specified in subdivision 1 that will facilitate the mining and disposal of the iron ore therein on such terms as the commissioner may prescribe consistent with the interests of the state, or may authorize the holder of the lease to dispose of the material otherwise for any purpose specified in subdivision 1 upon

payment of an amount therefor equivalent to the royalty that would be payable under the terms of the lease if the material were shipped or otherwise disposed of as iron ore, but not less than the applicable minimum rate prescribed by section 93.20.

Subd. 3. **Issuing leases.** If such material, whether in the ground or in stockpile, is not subject to an existing lease, the commissioner may issue leases for the taking and removal thereof for the purposes specified in subdivision 1 in like manner as provided by section 92.50 for leases for the taking and removal of sand, gravel, and other materials specified in said section, and subject to all the provisions thereof, so far as applicable.

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

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

93.42 MS 1998 [Repealed, 2000 c 495 s 53]

93.43 LEASES TO NONFERROUS METALLIC MINERALS PRODUCERS.

(a) The business of mining, producing, or beneficiating nonferrous metallic minerals is declared to be in the public interest and necessary to the public welfare, and the use of property therefor is declared to be a public use and purpose.

(b) The commissioner of natural resources is authorized to grant permits, licenses, or leases on and across lands owned by the state to any corporation or association engaged in the business of or preparing to engage in the business of mining, producing, or beneficiating nonferrous metallic minerals for pipe lines, pole lines, conduits, sluiceways, roads, railroads, tramways, or flowage, and to lease any lands owned by the state to any such corporation or association for the depositing of stripping, lean ores, tailings, or waste products of such business.

(c) The commissioner of natural resources is also authorized to license the flooding of state lands in connection with any permit or authorization for the use of public waters issued by the legislature or by the commissioner pursuant to law. The permits, licenses, and leases shall be upon the conditions, for the consideration, and for the period of time as the commissioner may determine.

(d) The county auditor, with the approval of the county board, is authorized to grant permits, licenses, or leases for all such purposes of or across tax-forfeited lands held by the state in trust for any and all taxing districts, upon the conditions, for the considerations, and for the period of time as the county board may determine. Any proceeds from granting the permits, licenses, or leases by the county auditor shall be apportioned and distributed as other proceeds from the sale or rental of tax-forfeited lands.

History: *1967 c 557 s 1; 1969 c 1129 art 10 s 2; 2000 c 495 s 28*

LAND RECLAMATION

93.44 DECLARATION OF POLICY.

In recognition of the effects of mining upon the environment, it is hereby declared to be the policy of this state to provide for the reclamation of certain lands hereafter subjected to the mining of metallic minerals or peat where such reclamation is necessary, both in the interest of the general welfare and as an exercise of the police power of the state, to control possible adverse environmental effects of mining, to preserve the natural resources, and to encourage the planning of future land utilization, while at the same time promoting the orderly development of mining, the encouragement of good mining practices, and the recognition and identification of the beneficial aspects of mining.

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

93.45 IRON RANGE TRAIL.

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

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

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

93.46 DEFINITIONS.

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

Subd. 2. **Mining area.** "Mining area" or "area subjected to mining" means any area of land from which material is hereafter removed in connection with the production or extraction of metallic minerals or peat, the lands upon which material from such mining is hereafter deposited, the lands upon which beneficiating

plants and auxiliary facilities are hereafter located, the lands upon which the water reservoirs used in the mining process are hereafter located, and auxiliary lands which are hereafter used or intended to be used in a particular mining operation.

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

Subd. 4. MS 1971 [Repealed, 1973 c 526 s 8]

Subd. 5. **Department.** "Department" means the Department of Natural Resources.

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

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

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

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

Subd. 10. **Scram mining.** "Scram mining" means a mining operation that produces natural iron ore, natural iron ore concentrates, or taconite ore as described in section 93.20, subdivisions 12 to 18, from previously developed stockpiles, tailing basins, underground mine workings, or open pits and that involves no more than 80 acres of land not previously affected by mining, or more than 80 acres of land not previously affected by mining if the operator can demonstrate that impacts would be substantially the same as other scram operations. "Land not previously affected by mining" means land upon which mine wastes have not been deposited and land from which materials have not been removed in connection with the production or extraction of metallic minerals.

History: *1969 c 774 s 3; 1969 c 1129 art 10 s 2; 1973 c 526 s 1; 1983 c 270 s 2,3; 1993 c 113 art 4 s 1; 2013 c 114 art 4 s 62*

93.461 PEAT INCLUDED IN MINE LAND RECLAMATION.

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

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

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

(3) No permit is required for a peat mining operation of 40 acres or less, unless the commissioner determines that there is potential for significant environmental effects which may result from the peat mining operation. A person intending to engage in or carry on a peat mining operation of 40 acres or less, if the intended operation involves removal of more than 1,000 tons of air-dried peat per year, shall notify the commissioner in writing before beginning any mining, specifying the legal description of the tract to be mined and the mining methods to be used. Within 20 days after receipt of written notice of intent to mine

such a tract, or after receiving additional information requested, the commissioner shall notify the person of the decision to require, or not to require, a permit.

History: *1983 c 270 s 4; 1986 c 444*

93.47 DUTIES AND AUTHORITY OF COMMISSIONER.

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

Subd. 2. **Considerations.** (a) In determining the extent and type of regulation required, the commissioner shall give due consideration to the effects of mining upon the following:

(1) environment;

(2) the future utilization of the land upon completion of mining; and

(3) the wise utilization and protection of the natural resources including but not limited to the control of erosion, the prevention of land or rock slides, and air and water pollution.

(b) The commissioner also shall give due consideration to:

(1) the future and economic effect of such regulations upon the mine operators and landowners, the surrounding communities, and the state of Minnesota;

(2) the effect upon employment in the state;

(3) the effect upon the future mining and development of metallic minerals owned by the state of Minnesota and others, and the revenues received therefrom; and

(4) the practical problems of the mine operators and mineral owners including, but not limited to, slope gradients as achieved by good mining or soil stabilization practices.

Subd. 3. **Adopting rules.** (a) Upon completion of the study and survey and consistent with the declared policy of sections 93.44 to 93.51, the commissioner, pursuant to chapter 14, may adopt rules pertaining to that portion of mining operations conducted subsequent to the effective date of such rules and subject to the provisions of any rights existing pursuant to any permit, license, lease or other valid existing authorization issued by the commissioner, the Pollution Control Agency or any other governmental entity, or their predecessors in office, and subject to any applicable mine safety laws or rules now existing or hereafter adopted, in regard to the following:

(1) mine-waste disposal;

(2) mining areas, including but not limited to plant facilities and equipment; and

(3) permits to mine, as required by section 93.481.

(b) To the greatest extent possible, within the authority possessed by the commissioner, the rules so promulgated shall substantially comply with or exceed any minimum mine land reclamation requirements which may be established pursuant to a federal mine land reclamation act. The rules so promulgated also shall conform with any state and local land use planning program; provided further the commissioner shall develop procedures that will identify areas or types of areas which, if mined, cannot be reclaimed with existing techniques to satisfy the rules promulgated under this subdivision, and the commissioner will not

issue permits to mine such areas until the commissioner determines technology is available to satisfy the rules so promulgated.

Subd. 4. **Administration and enforcement.** The commissioner shall administer and enforce sections 93.44 to 93.51 and the rules adopted pursuant hereto. In so doing the commissioner may:

(1) conduct such investigations and inspections as the commissioner deems necessary for the proper administration of sections 93.44 to 93.51;

(2) enter upon any parts of the mining areas in connection with any such investigation and inspection without liability to the operator or landowner provided that reasonable prior notice of intention to do so shall have been given the operator or landowner;

(3) conduct such research or enter into contracts related to mining areas and the reclamation thereof as may be necessary to carry out the provisions of sections 93.46 to 93.50; and

(4) allocate surplus wetland credits that are approved by the commissioner under a permit to mine on or after July 1, 1991, and that are not otherwise deposited in a state wetland bank.

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

History: *1969 c 774 s 4; 1973 c 526 s 2-4; 1982 c 424 s 130; 1985 c 248 s 70; 1986 c 444; 2017 c 93 art 2 s 56; 2025 c 20 s 42*

93.48 VARIANCE.

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

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

93.481 PERMIT TO MINE.

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

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

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

(3) an application fee of:

(i) $25,000 for a permit to mine for a taconite mining operation;

(ii) $50,000 for a permit to mine for a nonferrous metallic minerals operation;

(iii) $10,000 for a permit to mine for a scram mining operation; or

(iv) $5,000 for a permit to mine for a peat operation;

(4) a bond which may be required pursuant to section 93.49; and

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

Subd. 2. **Commissioner's review; hearing.** Within 120 days after receiving an application the commissioner has deemed complete and filed, the commissioner shall grant the permit applied for, with or without modifications or conditions, or deny the application unless a contested case hearing is requested or ordered under section 93.483. The commissioner's decision to grant the permit, with or without modifications, or deny the application constitutes a final order for purposes of section 93.50. The commissioner in granting a permit with or without modifications shall determine that the reclamation or restoration planned for the operation complies with lawful requirements and can be accomplished under available technology and that a proposed reclamation or restoration technique is practical and workable under available technology. The commissioner may hold public meetings on the application.

Subd. 3. **Term of permit; amendment.** (a) A permit issued by the commissioner pursuant to this section shall be granted for the term determined necessary by the commissioner for the completion of the proposed mining operation, including reclamation or restoration. The term of a scram mining permit for iron ore or taconite shall be determined in the same manner as a permit to mine for an iron ore or taconite mining operation.

(b) A permit may be amended upon written application to the commissioner. A permit amendment application fee must be submitted with the written application. The permit amendment application fee is ten percent of the amount provided for in subdivision 1, clause (3), for an application for the applicable permit to mine. If the commissioner determines that the proposed amendment constitutes a substantial change to the permit, the person applying for the amendment shall publish notice in the same manner as for a new permit, and a hearing shall be held if written objections are received in the same manner as for a new permit. An amendment may be granted by the commissioner if the commissioner determines that lawful requirements have been met.

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

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

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

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

(4) By written order to the permittee the commissioner may forthwith suspend operations under a permit if the commissioner finds it necessary in an emergency to protect the public health or safety or to protect public interests in lands or waters against imminent danger of substantial injury in any manner or to any extent not expressly authorized by the permit, or to protect persons or property against such danger, and may require the permittee to take any measures necessary to prevent or remedy such injury. No suspension order under this clause shall be in effect more than 30 days from the date thereof without giving the permittee at least ten days' written notice of the order and an opportunity to be heard thereon.

Subd. 5. **Assignment.** A permit may not be assigned or otherwise transferred without the written approval of the commissioner. A permit assignment application fee must be submitted with the written application. The permit assignment application fee is ten percent of the amount provided for in subdivision 1, clause (3), for an application for the applicable permit to mine.

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

Subd. 7. **Mining administration account.** The mining administration account is established as an account in the natural resources fund. Fees charged to owners, operators, or managers of mines under this section and section 93.482 shall be credited to the account and are appropriated to the commissioner to cover the costs of providing and monitoring permits to mine. Earnings accruing from investment of the account remain with the account until appropriated.

History: *1973 c 526 s 5; 1982 c 424 s 130; 1983 c 270 s 5; 1986 c 444; 1993 c 113 art 4 s 2,3; 2008 c 363 art 5 s 11; 2009 c 37 art 1 s 27-30; 1Sp2011 c 2 art 4 s 8; 2013 c 114 art 4 s 63; 2017 c 93 art 2 s 57*

93.482 RECLAMATION FEES.

Subdivision 1. **Annual permit to mine fee.** (a) The commissioner shall charge every person holding a permit to mine an annual permit fee. The fee is payable to the commissioner by June 30 of each year, beginning in 2009.

(b) The annual permit to mine fee for a taconite mining operation is $60,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $30,000 if there was no production within the immediately preceding calendar year.

(c) The annual permit to mine fee for a nonferrous metallic minerals mining operation is $75,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $37,500 if there was no production within the immediately preceding calendar year.

(d) The annual permit to mine fee for a scram mining operation is $5,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $2,500 if there was no production within the immediately preceding calendar year.

(e) The annual permit to mine fee for a peat mining operation is $1,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $500 if there was no production within the immediately preceding calendar year.

Subd. 2. **Supplemental application fee for taconite and nonferrous metallic minerals mining operation.** (a) In addition to the application fee specified in section 93.481, the commissioner shall assess a person submitting an application for a permit to mine for a taconite or a nonferrous metallic minerals mining operation the reasonable costs for reviewing the application and preparing the permit to mine. For nonferrous metallic minerals mining, the commissioner shall assess reasonable costs for monitoring construction of the mining facilities.

(b) The commissioner must give the applicant an estimate of the supplemental application fee under this subdivision. The estimate must include a brief description of the tasks to be performed and the estimated cost of each task. The application fee under section 93.481 must be subtracted from the estimate of costs to determine the supplemental application fee.

(c) The applicant and the commissioner shall enter into a written agreement to cover the estimated costs to be incurred by the commissioner.

(d) The commissioner shall not issue the permit to mine until the applicant has paid all fees in full. Upon completion of construction of a nonferrous metallic minerals facility, the commissioner shall refund the unobligated balance of the monitoring fee revenue.

Subd. 3. [Never effective, 2009 c 88 art 12 s 23]

History: *2009 c 37 art 1 s 31*

93.483 CONTESTED CASE.

Subdivision 1. **Petition for contested case hearing.** Any person owning property that will be affected by the proposed operation or any federal, state, or local government having responsibilities affected by the proposed operation identified in the application for a permit to mine under section 93.481 may file a petition with the commissioner to hold a contested case hearing on the completed application. To be considered by the commissioner, a petition must be submitted in writing, must contain the information specified in subdivision 2, and must be submitted to the commissioner within 30 days after the application is deemed

complete and filed. In addition, the commissioner may, on the commissioner's own motion, order a contested case hearing on the completed application.

Subd. 2. **Petition contents.** (a) A petition for a contested case hearing must include the following information:

(1) a statement of reasons or proposed findings supporting the commissioner's decision to hold a contested case hearing pursuant to the criteria in subdivision 3; and

(2) a statement of the issues proposed to be addressed by a contested case hearing and the specific relief requested or resolution of the matter.

(b) To the extent known by the petitioner, a petition for a contested case hearing may also include:

(1) a proposed list of prospective witnesses to be called, including experts, with a brief description of the proposed testimony or a summary of evidence to be presented at a contested case hearing;

(2) a proposed list of publications, references, or studies to be introduced and relied upon at a contested case hearing; and

(3) an estimate of time required for the petitioner to present the matter at a contested case hearing.

(c) A petitioner is not bound or limited to the witnesses, materials, or estimated time identified in the petition if the requested contested case is granted by the commissioner.

(d) Any person may serve timely responses to a petition for a contested case hearing. The commissioner shall establish deadlines for responses to be submitted.

Subd. 3. **Commissioner's decision to hold hearing.** (a) The commissioner must grant the petition to hold a contested case hearing or order upon the commissioner's own motion that a contested case hearing be held if the commissioner finds that:

(1) there is a material issue of fact in dispute concerning the completed application before the commissioner;

(2) the commissioner has jurisdiction to make a determination on the disputed material issue of fact; and

(3) there is a reasonable basis underlying a disputed material issue of fact so that a contested case hearing would allow the introduction of information that would aid the commissioner in resolving the disputed facts in order to make a final decision on the completed application.

(b) The commissioner must make the determination of whether to grant a petition or otherwise order a contested case hearing within 120 days after the commissioner deems the application complete and filed.

Subd. 4. **Hearing upon request of applicant.** The applicant may, within 30 days after the application is deemed complete and filed, submit a request for a contested case. Within 30 days of the applicant's request, the commissioner shall grant the petition and initiate the contested case hearing process.

Subd. 5. **Scope of hearing.** If the commissioner decides to hold a contested case hearing, the commissioner shall identify the issues to be resolved and limit the scope and conduct of the hearing in accordance with applicable law, due process, and fundamental fairness. The commissioner may, before granting or ordering a contested case hearing, develop a proposed permit or permit conditions to inform the contested case. The contested case hearing must be conducted in accordance with sections 14.57 to 14.62.

The final decision by the commissioner to grant, with or without modifications or conditions, or deny the application after a contested case shall constitute a final order for purposes of section 93.50.

History: *2017 c 93 art 2 s 58*

93.49 FINANCIAL ASSURANCE OF OPERATOR.

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

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

93.50 APPEAL.

Any person aggrieved by any final order, ruling, or decision of the commissioner may obtain judicial review of such order, ruling, or decision under sections 14.63 to 14.69.

History: *1969 c 774 s 7; 1982 c 424 s 130; 2017 c 93 art 2 s 59*

93.51 PENALTIES FOR VIOLATION.

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

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

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

93.513 PROHIBITION ON PRODUCTION OF GAS OR OIL WITHOUT PERMIT.

Subdivision 1. **Permit required.** Except as provided in section 103I.681, a person must not engage in or carry out production of gas or oil from consolidated or unconsolidated formations in the state unless the person has first obtained a permit for the production of gas or oil from the commissioner of natural resources. Any permit under this section must be protective of natural resources and require a demonstration of control of the extraction area through ownership, lease, or agreement. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. For purposes of this section, "production" includes extraction and beneficiation of gas or oil.

Subd. 2. **Moratorium.** Until rules are adopted under section 93.514, the commissioner may not grant a permit for the production of gas or oil unless the legislature approves a temporary permit framework that allows issuance of temporary permits.

History: *2024 c 116 art 3 s 23*

93.514 GAS AND OIL PRODUCTION RULEMAKING.

(a) The following agencies may adopt rules governing gas and oil exploration or production, as applicable:

(1) the commissioner of the Pollution Control Agency may adopt or amend rules regulating air emissions; water discharges, including stormwater management; and storage tanks as they pertain to gas and oil production;

(2) the Environmental Quality Board may adopt or amend rules to establish mandatory categories for environmental review as they pertain to gas and oil production;

(3) the commissioner of natural resources must adopt or amend rules pertaining to pooling, spacing, unitization, siting, financial assurance, and reclamation for the production of gas and oil; and

(4) the commissioner of labor and industry may adopt or amend rules to protect workers from exposure and other potential hazards from gas and oil production.

(b) An agency adopting rules under this section must use the expedited procedure in section 14.389. Rules adopted or amended under this authority are exempt from the 18-month time limit under section 14.125. The agency must publish notice of intent to adopt expedited rules within 24 months of May 22, 2024.

(c) For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

(d) Any grant of rulemaking authority in this section is in addition to existing rulemaking authority and does not replace, impair, or interfere with any existing rulemaking authority.

(e) An entity adopting rules under this section is subject to the Tribal consultation requirements under section 10.65.

History: *2024 c 116 art 3 s 24; 2026 c 127 art 2 s 1*

OIL AND GAS WELLS

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

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

(1) spacing of oil and gas wells to regulate the density of drilling to prevent unnecessary draining of the reservoir and to prevent economic waste of products from wells;

(2) pooling, which is the combining of tracts and mineral interests to form a drilling or spacing unit; and

(3) unitization, which is the acquisition of the legal right to operate a whole reservoir as though all tracts overlying the reservoir were under a single lease.

History: *1993 c 113 art 4 s 4*

93.516 GAS AND OIL LEASING.

Subdivision 1. **Authority to lease.** (a) With the approval of the Executive Council, the commissioner of natural resources may enter into leases for gas or oil exploration and production from lands belonging to the state or in which the state has an interest.

(b) For purposes of this section, "gas or oil exploration and production" includes the exploration and production of both hydrocarbon and nonhydrocarbon gases, including noble gases. "Noble gases" means a group of gases that includes helium, neon, argon, krypton, xenon, radon, and oganesson. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

Subd. 2. **Application.** An application for a lease under this section must be submitted to the commissioner of natural resources. The commissioner must prescribe the information to be included in the application. The applicant must submit with the application a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of $100 as a fee for filing the application. The application fee must not be refunded under any circumstances. The right is reserved to the state to reject any or all applications for an oil or gas lease.

Subd. 3. **Lease terms.** The commissioner must negotiate the terms of each lease entered into under this section on a case-by-case basis, taking into account the unique geological and environmental aspects of each proposal, control of adjacent lands, and the best interests of the state. A lease entered into under this section must be consistent with the following:

(1) the primary term of the lease may not exceed five years plus the unexpired portion of the calendar year in which the lease is issued. The commissioner and applicant may negotiate the conditions by which the lease may be extended beyond the primary term, in whole or in part;

(2) a bonus consideration of not less than $15 per acre must be paid by the applicant to the Department of Natural Resources before the lease is executed;

(3) the commissioner of natural resources may require an applicant to provide financial assurance to ensure payment of any damages resulting from the production of gas or oil;

(4) the rental rates must not be less than $5 per acre per year for the unexpired portion of the calendar year in which the lease is issued and in years thereafter; and

(5) on gas and oil produced and sold by the lessee from the lease area, the lessee must pay a production royalty to the Department of Natural Resources of not less than 18.75 percent of the gross sales price of the product sold free on board at the delivery point, and the royalty must be credited as provided in section 93.22. For purposes of this section, "gross sales price" means the total consideration paid by the first purchaser that is not an affiliate of the lessee for gas or oil produced from the leased premises.

History: *2024 c 116 art 3 s 25*

SEVERED MINERAL INTERESTS

93.52 OWNERSHIP OF SEVERED MINERAL INTERESTS.

Subdivision 1. **Purpose.** The purpose of sections 93.52 to 93.551 is to identify and clarify the obscure and divided ownership condition of severed mineral interests in this state. Because the ownership condition of many severed mineral interests is becoming more obscure and further fractionalized with the passage of time, the development of mineral interests in this state is often impaired. Therefore, it is in the public interest and serves a public purpose to identify and clarify these interests.

Subd. 2. **Verified statement filing requirement.** Except as provided in subdivision 3, from and after January 1, 1970, every owner of a fee simple interest in minerals, hereafter referred to as a mineral interest, in lands in this state, which interest is owned separately from the fee title to the surface of the property upon or beneath which the mineral interest exists, shall record in the office of the county recorder or, if registered property, in the office of the registrar of titles in the county where the mineral interest is located a verified statement, in triplicate, citing sections 93.52 to 93.551 and setting forth the owner's address, interest in the minerals, and both (1) the legal description of the property upon or beneath which the interest exists, and (2) the book and page number or the document number, in the records of the county recorder or registrar of titles, of the instrument by which the mineral interest is created or acquired. No statement may be recorded which contains mineral interests from more than one government section unless the instrument by which the mineral interest is created or acquired includes mineral interests from more than one government section. The county recorder and registrar of titles shall file with the county auditor a copy of each document so recorded within 60 days after recording in the office of county recorder or registrar of titles.

Subd. 3. **Exemptions.** Sections 93.52 to 93.551 do not apply to the following owners of mineral interests: the United States of America, the state of Minnesota, and any American Indian Tribe or Band owning reservation lands in this state.

History: *1969 c 829 s 1; 1973 c 650 art 20 s 5; 1976 c 181 s 2; 1986 c 444; 2005 c 4 s 20; 2023 c 25 s 20*

93.53 MS 1971 [Repealed, 1973 c 650 art 20 s 9]

93.54 MS 1971 [Repealed, 1973 c 650 art 20 s 9]

93.55 FORFEITURE OF SEVERED MINERAL INTEREST.

Subdivision 1. **Forfeiture; failure to record.** If the owner of a mineral interest fails to record the verified statement required by section 93.52, before January 1, 1975, as to any interests owned on or before December 31, 1973, or within one year after acquiring the interests as to interests acquired after December 31, 1973, the mineral interest shall forfeit to the state after notice and opportunity for hearing as provided in this section. However, before completing the procedures set forth in subdivision 2, the commissioner of natural resources may lease the severed mineral interest as provided in subdivisions 1a and 3.

Subd. 1a. **Lease of forfeited interest.** If the owner of a severed mineral interest fails to record the verified statement required by section 93.52 before the dates specified in subdivision 1, the commissioner of natural resources may lease the mineral interest as provided in this subdivision and subdivision 3 before completing the procedures set forth in subdivision 2. In any lease issued under this subdivision, the commissioner shall cite, as authority for issuing the lease, this subdivision, subdivision 3, and the United States Supreme Court decision in *Texaco, Inc., et al. v. Short, et al.*, 454 U.S. 516 (1982), where the Supreme Court determined, under Amendment XIV to the Constitution of the United States, that enactment of a state

law requiring an owner of severed mineral interests to timely record a statement of claim to the mineral interests was constitutional, without individual advance notice of operation of the law, before the owner loses the mineral interests for failing to timely record the statement of claim. A lessee holding a lease issued under this subdivision may not mine under the lease until the commissioner completes the procedures set forth in subdivision 2 and a court has adjudged the forfeiture of the mineral interest to be absolute. "Mine" for the purposes of this subdivision is defined to exclude exploration activities, exploratory boring, trenching, test pitting, test shafts and drifts, and related activities.

Subd. 1b. **Exemption for forfeiture.** Notwithstanding subdivision 1, a severed mineral interest for which a statement was recorded as required under section 93.52, but for which no new statement was recorded when the interest was subsequently conveyed on or after December 31, 1969, but before July 1, 2007, is not subject to forfeiture if:

(1) substantial compliance can be shown as provided in subdivision 2; and

(2) a new statement is recorded within one year of any conveyance of ownership on or after July 1, 2007.

Subd. 2. **Notice and hearing.** (a) The commissioner shall notify the last owner of record in either the county recorder's or registrar of titles' office of a hearing on an order to show cause why the mineral interest should not forfeit to the state absolutely. The notice shall be served in the same manner as provided for the service of summons in a civil action to determine adverse claims under chapter 559 and shall contain the following:

(1) the legal description of the property upon or beneath which the interest exists;

(2) a recitation that the statement of severed mineral interest either did not comply with the requirements specified by section 93.52 for such a statement or was not recorded within the time specified in this section, or both; and

(3) that the court will be requested to enter an order adjudging the forfeiture of the mineral interest to be absolute in the absence of a showing that there was substantial compliance with laws requiring the registration and taxation of severed mineral interests.

(b) For the purposes of this section, substantial compliance with laws requiring the registration and taxation of severed mineral interests means:

(1) that the records in the office of the county recorder or registrar of titles specified the true ownership of the severed mineral interest during the time period within which the statement of severed mineral interest should have been recorded with the county recorder or the registrar of titles, or that probate, divorce, bankruptcy, mortgage foreclosure, or other proceedings affecting the title had been timely initiated and diligently pursued by the true owner during the time period within which the severed mineral interest statement should have been recorded; and

(2) that all taxes relating to severed mineral interests had been timely paid, including any taxes which would have been due and owing under section 273.165, subdivision 1, had the interest been properly recorded as required by section 93.52 within the time specified in this section.

(c) For the purposes of this section, "timely paid" means paid within the time period during which tax forfeiture would not have been possible had a real property tax been assessed against the property.

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

Subd. 4. **Recovery of fair market value.** (a) After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either:

(1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision; or

(2) in a separate action brought as follows.

(b) An action may be commenced within six years after entry of judgment under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions.

(c) Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of management and budget a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of management and budget shall refund to the claimant the fair market value at the time of forfeiture, which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52, or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been valued and assessed for tax purposes at the time of forfeiture under this section. There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

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

History: *1969 c 829 s 4; 1969 c 1129 art 10 s 2; 1973 c 492 s 14; 1973 c 650 art 20 s 6; 1979 c 303 art 10 s 1; 1Sp1985 c 14 art 4 s 9; 1988 c 508 s 1-3; 1989 c 277 art 2 s 2; 2005 c 4 s 21-24; 2007 c 131 art 2 s 3,4; 2009 c 101 art 2 s 109*

93.551 VALIDATION OF CERTAIN STATEMENTS; CORRECTION OF CERTAIN ERRORS.

A statement of severed mineral interests which was recorded within the time limits specified by section 93.55 is validly and timely recorded even if the interest claimed by the owner does not correctly set forth the whole or fractional interest actually owned; the statement erroneously contained interests from more than one government section; the statement was not properly verified; or the interest, if registered property,

was erroneously recorded with the county recorder, or, if the interest was not registered property, was recorded with the registrar of titles. The owner may record an amendment or supplement to the original statement for the purpose of correcting any or all of the errors described in this section.

History: *1979 c 303 art 10 s 2; 2005 c 4 s 25*

93.56 MS 1971 [Repealed, 1973 c 650 art 20 s 9]

93.57 MS 1971 [Repealed, 1973 c 650 art 20 s 9]

93.58 MS 2020 [Repealed, 2022 c 55 art 1 s 187]

93.61 DRILL CORE LIBRARY ACCESS.

Consistent with section 13.03, subdivision 3, a person shall not be required to pay a fee to access exploration data, exploration drill core data, mineral evaluation data, and mining data stored in the drill core library located in Hibbing, Minnesota, and managed by the commissioner of natural resources. The library shall be open during regular business hours.

History: *2013 c 114 art 4 s 64*