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*