

## **CHAPTER 38-11**

### **LEASE OF MINERALS ON PUBLIC LANDS**

**38-11-01. Definitions.** In this chapter, unless the context or subject matter otherwise requires:

1. "Agency" means and includes any department, agency, instrumentality, or political subdivision of the state of North Dakota.
2. "Mineral" means and includes any valuable inert or lifeless substance formed or deposited in its present position through natural agencies, and which is found within the earth or beneath the soil, except that it does not mean oil or gas, topsoil, or surface rocks.
3. "State" means and includes the state of North Dakota, its departments, agencies, instrumentalities, and political subdivisions.

**38-11-02. Leases of certain mineral rights in state lands.** The state may issue prospecting permits or issue leases for the purpose of prospecting for and mining minerals contained in any portion of lands owned by this state or that may be contained in state lands sold with a reservation of mineral deposits.

**38-11-02.1. Board of university and school lands to oversee all mineral leasing.** The board of university and school lands shall supervise the issuance of all prospecting permits and leases for the exploration and mining of state-owned minerals. Any agency of the state that desires to issue mineral prospecting permits or mineral leases shall do so in accordance with the standards, terms, conditions, policies, rules, and regulations promulgated by the board of university and school lands. The board of university and school lands does not have the authority to mandate or to prohibit mineral leasing or mineral prospecting on lands not under its immediate control, but it has authority to establish standards, policies, terms, conditions, rules, and regulations for such activity.

**38-11-02.2. Authority of the board.** The authority given the board of university and school lands by section 38-11-02.1 includes, but is not limited to:

1. The approval of all forms used by agencies for mineral prospecting and mineral leasing.
2. The setting of minimum bonuses, minimum delay rentals, and minimum royalties.
3. The setting of terms and conditions relating to prospecting, mining, surface damages, and reclamation.
4. The method and manner of negotiations or sales for leasing or prospecting.

**38-11-02.3. Authority of other agencies.** Any agency has the following authority over lands under its immediate control:

1. To designate lands as open or closed to mineral leasing or mineral prospecting.
2. To finally approve or disapprove a mineral leasing or mineral prospecting offer.
3. To attach special conditions to mineral prospecting permits or mineral leases in addition to those of the board of university and school lands.
4. To conduct its own mineral prospecting and mineral leasing negotiations or sales in accordance with the standards, policies, terms, conditions, rules, and regulations of the board of university and school lands.

**38-11-02.4. Agencies may contract with board.** An agency may contract with the board of university and school lands for the purpose of conducting the mineral prospecting or mineral leasing negotiations or sale on behalf of the agency. The board may collect such costs as the agency and the board might agree as consideration for conducting the negotiations or sale.

**38-11-03. Terms of lease - Ratification - Restoration of land.** Repealed by S.L. 1977, ch. 322, § 9.

**38-11-04. Offering of mineral leases to be public.** Prior to the execution of a mineral lease by any agency of the state of North Dakota, that agency owning or controlling the mineral interest shall first give notice in accordance with the rules of the board of university and school lands. The notice must contain the information required by the rules of the board of university and school lands and such other information as may be deemed by the leasing agency to be applicable. The leasing must be by public auction held at the time and place specified in the notice.

**38-11-05. Bidding or offers.** Repealed by S.L. 1977, ch. 322, § 9.

**38-11-06. Leasing of islands and beds of navigable rivers and lakes.** Repealed by S.L. 1977, ch. 322, § 9.

**38-11-07. Royalty scale.** Repealed by S.L. 1977, ch. 322, § 9.

**38-11-08. Other royalty provisions.** Repealed by S.L. 1977, ch. 322, § 9.

**38-11-09. Rejection of bids.** Repealed by S.L. 1977, ch. 322, § 9.

**38-11-10. Rules and regulations.** The board of university and school lands is authorized to promulgate such rules and regulations as may be necessary to carry out the provisions of this chapter and to provide such terms and conditions in leases upon state minerals as may be in the best interests of the state.