

Reprinted 4/3/81

FEB 27 1981

HOUSE FILE 632

NATURAL RESOURCES *As Pass 2/23/81* BY DE GROOT

Passed House, Date 4-1-81 (p. 980) Passed Senate, Date 4/24/81 (P. 1414)
Vote: Ayes 97 Nays 1 Vote: Ayes 42 Nays 0
Approved June 2, 1981

A BILL FOR

1 An Act to require a permit for drilling operations for
2 metallic minerals exploration.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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632

HOUSE FILE 632

H-3415

1 Amend House File 632 as follows:
2 1. Page 4, by inserting after line 24 the follow-
3 ing:
4 "Sec. _____. This Act, being deemed of immediate
5 importance, shall take effect from and after its
6 publication in The Lyon County Reporter, a newspaper
7 published in Rock Rapids, Iowa, and in the Doon
8 Press, a newspaper published in Doon, Iowa."

H-3415 FILED MARCH 31, 1981
Adopted 4/1/81 (p. 979)

BY DE GROOT of Lyon

1 Section 1. Section 84.1, Code 1981, is amended to read
2 as follows:

3 84.1 DECLARATION OF POLICY. It is hereby declared to
4 be in the public interest to foster, to encourage, and to
5 promote the development, production, and utilization of natural
6 resources of oil and gas and metallic minerals in the state
7 in such a manner as will prevent waste; to authorize and to
8 provide for the operation and development of oil and gas and
9 metallic minerals properties in such a manner that a greater
10 ultimate recovery of oil and gas and metallic minerals be
11 had and that the correlative rights of all owners be fully
12 protected; and to encourage and to authorize such measures
13 as will result in the greatest possible economic recovery
14 of oil and gas and metallic minerals within the state to the
15 end that the landowners, the royalty owners, the producers,
16 and the general public realize and enjoy the greatest possible
17 good from these vital natural resources. It is hereby further
18 declared that the general welfare of the people requires that
19 the underground and surface water of the state be protected
20 from pollution and conserved in the best interests of the
21 people of the state.

22 Sec. 2. Section 84.2, Code 1981, is amended by adding
23 the following new subsections:

24 NEW SUBSECTION. "Well" means any hole drilled to deter-
25 mine stratigraphic sequence, mineralization, or for the dis-
26 covery of oil or gas.

27 NEW SUBSECTION. "Metallic mineral resources" means the
28 valuable minerals of an area containing metals such as, but
29 not restricted to, lead, copper, zinc, and iron that are
30 presently recoverable or may be recoverable in the future.

31 NEW SUBSECTION. "Exploration" means an on-site geologic
32 examination from the surface of an area by core, rotary, per-
33 cussion, or other drilling for the purpose of obtaining
34 stratigraphic or metallic mineral resource information or
35 establishing the nature of a known metallic mineral deposit.

1 Sec. 3. Section 84.3, Code 1981, is amended to read as
2 follows:

3 84.3 WASTE PROHIBITED. Waste of oil and gas and metallic
4 minerals is prohibited.

5 Sec. 4. Section 84.4, unnumbered paragraph 1 and subsection
6 6, Code 1981, are amended to read as follows:

7 The council has the duty of administering ~~the provisions~~
8 ~~of~~ this chapter. The state geologist shall act as
9 administrator with the duty ~~and responsibility~~ of enforcing
10 the regulations and orders of the council applicable to the
11 crude petroleum oil and natural gas and metallic mineral
12 resources of this state and the provisions of this chapter.
13 The council has the duty ~~and authority~~ to make such
14 investigations as it deems proper to determine whether waste
15 exists or is imminent or whether other facts exist which
16 justify action. The council acting through the office of
17 the state geologist has the authority:

18 6. To make rules or orders for the classification of wells
19 as oil wells or dry natural gas wells; or wells drilled, or
20 to be drilled, for geological information, or as wells for
21 secondary recovery projects, or wells for the disposal of
22 highly mineralized water, brine, or other oil field wastes,
23 or wells for the storage of dry natural gas, or casinghead
24 gas, or wells for the development of reservoirs for the storage
25 of liquid petroleum gas and for the exploration for metallic
26 mineral resources.

27 Sec. 5. Section 84.5, Code 1981, is amended to read as
28 follows:

29 84.5 DRILLING PERMIT REQUIRED. It ~~shall be~~ is unlawful
30 to commence operations for the drilling of a well for oil
31 or gas or, for metallic minerals information, or for
32 stratigraphic information relating to metallic minerals or
33 to commence operations to deepen any well to a different
34 geological formation without first giving the state geologist
35 notice of intention to drill, ~~or~~ and without first obtaining

1 a permit from the state geologist, under such rules as may
2 be prescribed by the council and paying to the council a fee
3 of fifty dollars for such the well. Such The fee shall be
4 used by the council for administering this chapter, including
5 the payment of expenses incurred in publishing legal notice.

6 Sec. 6. Section 84.21, unnumbered paragraph 1, Code 1981,
7 is amended to read as follows:

8 The state, counties and cities and other political subdi-
9 visions ~~are hereby authorized to~~ may lease publicly owned
10 lands under their respective jurisdictions for the purpose
11 of oil or gas or metallic minerals exploration and production.
12 Any such leases shall be entered into on behalf of the state
13 by the executive council, on behalf of ~~counties~~ a county by
14 the board of supervisors, on behalf of ~~cities~~ a city by the
15 council ~~thereof~~ and on behalf of ~~other~~ another political
16 ~~subdivisions~~ subdivision by the governing body ~~thereof~~. Such
17 The leases shall be upon such terms and conditions as may
18 be agreed upon.

19 Sec. 7. Section 84.22, unnumbered paragraphs 1, 2, and
20 3, Code 1981, are amended to read as follows:

21 When any oil, ~~or~~ gas, or metallic mineral lease ~~heretofore,~~
22 ~~or hereafter,~~ given on land situated in Iowa and recorded,
23 ~~shall become~~ becomes forfeited by failure of the lessee to
24 comply with its provisions or ~~of~~ the Iowa law, ~~it shall be~~
25 ~~the duty of lessee~~ the lessee shall, within sixty days after
26 date of forfeiture of ~~any such~~ the lease, ~~to have such the~~
27 lease surrendered in writing, duly acknowledged and placed
28 on record in the county where the leased land is situated,
29 or the lease may be released by a marginal release on margin
30 of the record ~~thereof,~~ without cost to the owner of land
31 described ~~therein~~ in the lease. If ~~said~~ the lessee ~~shall~~
32 ~~fail~~ fails to execute and record a release of such the recorded
33 lease within the time provided for, ~~then~~ the owner of the
34 land may execute and file with the recorder of the ~~county~~
35 ~~or~~ counties in which such the forfeited lease has been recorded

1 an affidavit of noncompliance in substantially the following
2 form:

3 AFFIDAVIT OF NONCOMPLIANCE

4 State of Iowa)
5) ss.
6 County of)

7 , being first duly sworn, upon his oath deposes
8 and says that he or she is as referred
9 to in an (oil and gas) (metallic mineral) mining lease dated the
10 day of , 19..... , and which lease
11 is recorded in Volume , Page , of the
12 County Records of County, , and
13 which ~~said~~ lease covers the following described lands:

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15 Sec. 8. Section 84.22, unnumbered paragraph 8, Code 1981,
16 is amended to read as follows:

17 I, , (Cashier) (President) of the
18 Bank of , being first duly sworn, upon my
19 oath ~~hereby~~ declare that there has not been deposited to the
20 credit of in the Bank of
21 , by or any other party, any
22 sum of money whatsoever, in payment of rental under the terms
23 of ~~said~~ the (oil and gas) (metallic mineral) mining lease ~~herein~~
24 referred to in this affidavit.

25 EXPLANATION

26 This bill brings the exploration for metallic minerals
27 under the statute governing the exploration for oil and gas.
28 It requires a permit from the Iowa natural resources council
29 for the exploration for metallic minerals, prohibits waste
30 of metallic minerals, allows the council to make rules for
31 the exploration of metallic minerals, allows the leasing of
32 public land for metallic mineral exploration, and allows for
33 the forfeiture of a metallic mineral lease. The bill takes
34 effect July 1 following enactment.

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4/6/81

Natural Resources
Schwengels, Chairperson
Tieden
Hutchins

HOUSE FILE

632

BY DE GROOT

(As Amended and Passed by the House)

Passed House, Date 5-8-81 (p. 1744) Passed Senate, Date 4-24-81 (p. 1414)

Vote: Ayes 95 Nays 0 Vote: Ayes 42 Nays 0

Approved June 2, 1981

A BILL FOR

1 An Act to require a permit for drilling operations for
2 metallic minerals exploration.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HOUSE FILE 632

H-4027

1 Amend the Senate amendment H-3854 to House File
2 632 as amended, passed and reprinted by the House,
3 as follows:
4 1. Page 1, by striking lines 7 through 9 and
5 inserting in lieu thereof the following:
6 "3. Page 2, line 31, by inserting after the words
7 "gas or" the words "the production of metallic minerals
8 or"."

BY SMALLEY of Polk
DE GROOT of Lyon
VAN MAANEN of Mahaska

H-4027 FILED
MAY 6, 1981

W/B 5/6/81 (p. 1744)

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HOUSE FILE 632

S-3481

1 Amend House File 632 as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 2, by striking lines 1 through 4.
4 2. Page 2, line 25, by striking the words "for
5 metallic" and inserting in lieu thereof the words
6 "and production of metallic".
7 3. Page 2, by striking lines 31 and 32 and
8 inserting in lieu thereof the words "or gas or the
9 production of metallic minerals or".

S-3481 FILED
APRIL 13, 1981

Adopted 4/24/81 (p. 1414)

BY COMMITTEE ON NATURAL RESOURCES
FORREST V. SCHWENGELS, CHAIR

1 Section 1. Section 84.1, Code 1981, is amended to read
2 as follows:

3 84.1 DECLARATION OF POLICY. It is hereby declared to
4 be in the public interest to foster, to encourage, and to
5 promote the development, production, and utilization of natural
6 resources of oil and gas and metallic minerals in the state
7 in such a manner as will prevent waste; to authorize and to
8 provide for the operation and development of oil and gas and
9 metallic minerals properties in such a manner that a greater
10 ultimate recovery of oil and gas and metallic minerals be
11 had and that the correlative rights of all owners be fully
12 protected; and to encourage and to authorize such measures
13 as will result in the greatest possible economic recovery
14 of oil and gas and metallic minerals within the state to the
15 end that the landowners, the royalty owners, the producers,
16 and the general public realize and enjoy the greatest possible
17 good from these vital natural resources. It is hereby further
18 declared that the general welfare of the people requires that
19 the underground and surface water of the state be protected
20 from pollution and conserved in the best interests of the
21 people of the state.

22 Sec. 2. Section 84.2, Code 1981, is amended by adding
23 the following new subsections:

24 NEW SUBSECTION. "Well" means any hole drilled to deter-
25 mine stratigraphic sequence, mineralization, or for the dis-
26 covery of oil or gas.

27 NEW SUBSECTION. "Metallic mineral resources" means the
28 valuable minerals of an area containing metals such as, but
29 not restricted to, lead, copper, zinc, and iron that are
30 presently recoverable or may be recoverable in the future.

31 NEW SUBSECTION. "Exploration" means an on-site geologic
32 examination from the surface of an area by core, rotary, per-
33 cussion, or other drilling for the purpose of obtaining
34 stratigraphic or metallic mineral resource information or
35 establishing the nature of a known metallic mineral deposit.

1 Sec. 3. Section 84.3, Code 1981, is amended to read as
2 follows:

3 84.3 WASTE PROHIBITED. Waste of oil and gas and metallic
4 minerals is prohibited.

5 Sec. 4. Section 84.4, unnumbered paragraph 1 and subsection
6 6, Code 1981, are amended to read as follows:

7 The council has the duty of administering ~~the provisions~~
8 ~~of~~ this chapter. The state geologist shall act as
9 administrator with the duty ~~and responsibility~~ of enforcing
10 the regulations and orders of the council applicable to the
11 crude petroleum oil and natural gas and metallic mineral
12 resources of this state and the provisions of this chapter.
13 The council has the duty ~~and authority~~ to make such
14 investigations as it deems proper to determine whether waste
15 exists or is imminent or whether other facts exist which
16 justify action. The council acting through the office of
17 the state geologist has the authority:

18 6. To make rules or orders for the classification of wells
19 as oil wells or dry natural gas wells; or wells drilled, or
20 to be drilled, for geological information, or as wells for
21 secondary recovery projects, or wells for the disposal of
22 highly mineralized water, brine, or other oil field wastes,
23 or wells for the storage of dry natural gas, or casinghead
24 gas, or wells for the development of reservoirs for the storage
25 of liquid petroleum gas and for the exploration for metallic
26 mineral resources.

27 Sec. 5. Section 84.5, Code 1981, is amended to read as
28 follows:

29 84.5 DRILLING PERMIT REQUIRED. It ~~shall be~~ is unlawful
30 to commence operations for the drilling of a well for oil
31 or gas or, for metallic minerals information, or for
32 stratigraphic information relating to metallic minerals or
33 to commence operations to deepen any well to a different
34 geological formation without first giving the state geologist
35 notice of intention to drill, ~~or~~ and without first obtaining

1 a permit from the state geologist, under such rules as may
2 be prescribed by the council and paying to the council a fee
3 of fifty dollars for such the well. ~~Such~~ The fee shall be
4 used by the council for administering this chapter, including
5 the payment of expenses incurred in publishing legal notice.

6 Sec. 6. Section 84.21, unnumbered paragraph 1, Code 1981,
7 is amended to read as follows:

8 The state, counties and cities and other political subdi-
9 visions ~~are hereby authorized to~~ may lease publicly owned
10 lands under their respective jurisdictions for the purpose
11 of oil or gas or metallic minerals exploration and production.
12 Any such leases shall be entered into on behalf of the state
13 by the executive council, on behalf of ~~counties~~ a county by
14 the board of supervisors, on behalf of ~~cities~~ a city by the
15 council thereof and on behalf of ~~other~~ another political
16 ~~subdivisions~~ subdivision by the governing body thereof. Such
17 The leases shall be upon such terms and conditions as may
18 be agreed upon.

19 Sec. 7. Section 84.22, unnumbered paragraphs 1, 2, and
20 3, Code 1981, are amended to read as follows:

21 When any oil, or gas, or metallic mineral lease, ~~heretofore,~~
22 ~~or hereafter,~~ given on land situated in Iowa and recorded,
23 ~~shall become~~ becomes forfeited by failure of the lessee to
24 comply with its provisions or of the Iowa law, ~~it shall be~~
25 ~~the duty of lessee~~ the lessee shall, within sixty days after
26 date of forfeiture of any such the lease, ~~to have such the~~
27 lease surrendered in writing, duly acknowledged and placed
28 on record in the county where the leased land is situated,
29 or the lease may be released by a marginal release on margin
30 of the record thereof, without cost to the owner of land
31 described therein in the lease. If ~~said the~~ the lessee shall
32 ~~fail~~ fails to execute and record a release of such the recorded
33 lease within the time provided for, ~~then~~ the owner of the
34 land may execute and file with the recorder of the county
35 or counties in which such the forfeited lease has been recorded

1 an affidavit of noncompliance in substantially the following
2 form:

3 AFFIDAVIT OF NONCOMPLIANCE

4 State of Iowa)
5) ss.
6 County of)

7, being first duly sworn, upon his oath deposes
8 and says that he or she is as referred
9 to in an (oil and gas) (metallic mineral) mining lease dated the
10 day of, 19....., and which lease
11 is recorded in Volume, Page, of the
12 County Records of County,, and
13 which said lease covers the following described lands:

14
15 Sec. 8. Section 84.22, unnumbered paragraph 8, Code 1981,
16 is amended to read as follows:

17 I,, (Cashier) (President) of the
18 Bank of, being first duly sworn, upon my
19 oath hereby declare that there has not been deposited to the
20 credit of in the Bank of
21, by or any other party, any
22 sum of money whatsoever, in payment of rental under the terms
23 of said the (oil and gas) (metallic mineral) mining lease herein
24 referred to in this affidavit.

25 Sec. 9. This Act, being deemed of immediate importance, shall take
26 effect from and after its publication in The Lyon County Reporter,
27 a newspaper published in Rock Rapids, Iowa, and in the Doon Press,
28 a newspaper published in Doon, Iowa.

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SENATE AMENDMENT TO
HOUSE FILE 632

H-3854

- 1 Amend House File 632 as amended, passed and
- 2 reprinted by the House, as follows:
- 3 1. Page 2, by striking lines 1 through 4.
- 4 2. Page 2, line 25, by striking the words "for
- 5 metallic" and inserting in lieu thereof the words
- 6 "and production of metallic".
- 7 3. Page 2, by striking lines 31 and 32 and
- 8 inserting in lieu thereof the words "or gas or the
- 9 production of metallic minerals or".

H-3854 FILED APRIL 28, 1981 RECEIVED FROM THE SENATE

House concurred 5/8/81 (p. 1744)

HOUSE FILE 632

AN ACT

TO REQUIRE A PERMIT FOR DRILLING OPERATIONS FOR METALLIC
MINERALS EXPLORATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 84.1, Code 1981, is amended to read as follows:

84.1 DECLARATION OF POLICY. It is hereby declared to be in the public interest to foster, to encourage, and to promote the development, production, and utilization of natural resources of oil and gas and metallic minerals in the state in such a manner as will prevent waste; to authorize and to provide for the operation and development of oil and gas and metallic minerals properties in such a manner that a greater ultimate recovery of oil and gas and metallic minerals be had and that the correlative rights of all owners be fully protected; and to encourage and to authorize such measures as will result in the greatest possible economic recovery of oil and gas and metallic minerals within the state to the end that the landowners, the royalty owners, the producers, and the general public realize and enjoy the greatest possible good from these vital natural resources. It is hereby further declared that the general welfare of the people requires that the underground and surface water of the state be protected from pollution and conserved in the best interests of the people of the state.

Sec. 2. Section 84.2, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. "Well" means any hole drilled to determine stratigraphic sequence, mineralization, or for the discovery of oil or gas.

NEW SUBSECTION. "Metallic mineral resources" means the valuable minerals of an area containing metals such as, but not restricted to, lead, copper, zinc, and iron that are presently recoverable or may be recoverable in the future.

NEW SUBSECTION. "Exploration" means an on-site geologic examination from the surface of an area by core, rotary, percussion, or other drilling for the purpose of obtaining stratigraphic or metallic mineral resource information or establishing the nature of a known metallic mineral deposit.

Sec. 3. Section 84.4, unnumbered paragraph 1 and subsection 6, Code 1981, are amended to read as follows:

The council has the duty of administering ~~the provisions~~ of this chapter. The state geologist shall act as administrator with the duty ~~and responsibility~~ of enforcing the regulations and orders of the council applicable to the crude petroleum oil and natural gas and metallic mineral resources of this state and the provisions of this chapter. The council has the duty ~~and authority~~ to make such investigations as it deems proper to determine whether waste exists or is imminent or whether other facts exist which justify action. The council acting through the office of the state geologist has the authority:

6. To make rules or orders for the classification of wells as oil wells or dry natural gas wells; or wells drilled, or to be drilled, for geological information, or as wells for secondary recovery projects, or wells for the disposal of highly mineralized water, brine, or other oil field wastes, or wells for the storage of dry natural gas, or casinghead gas, or wells for the development of reservoirs for the storage

of liquid petroleum gas and for the exploration and production of metallic mineral resources.

Sec. 4. Section 84.5, Code 1981, is amended to read as follows:

84.5 DRILLING PERMIT REQUIRED. It ~~shall be~~ is unlawful to commence operations for the drilling of a well for oil or gas or the production of metallic minerals or to commence operations to deepen any well to a different geological formation without first giving the state geologist notice of intention to drill, or and without first obtaining a permit from the state geologist, under such rules as may be prescribed by the council and paying to the council a fee of fifty dollars for such the well. Such The fee shall be used by the council for administering this chapter, including the payment of expenses incurred in publishing legal notice.

Sec. 5. Section 84.21, unnumbered paragraph 1, Code 1981, is amended to read as follows:

The state, counties and cities and other political subdivisions ~~are hereby authorized to~~ may lease publicly owned lands under their respective jurisdictions for the purpose of oil or gas or metallic minerals exploration and production. Any such leases shall be entered into on behalf of the state by the executive council, on behalf of ~~counties~~ a county by the board of supervisors, on behalf of ~~cities~~ a city by the council thereof and on behalf of ~~other~~ another political subdivisions subdivision by the governing body thereof. Such The leases shall be upon such terms and conditions as may be agreed upon.

Sec. 6. Section 84.22, unnumbered paragraphs 1, 2, and 3, Code 1981, are amended to read as follows:

When any oil, ~~or gas,~~ or metallic mineral lease, heretofore, or hereafter, given on land situated in Iowa and recorded, ~~shall become~~ becomes forfeited by failure of the lessee to comply with its provisions or of the Iowa law, ~~it shall be~~

~~the duty of lessee~~ the lessee shall, within sixty days after date of forfeiture of ~~any such~~ the lease, to have ~~such the~~ lease surrendered in writing, duly acknowledged and placed on record in the county where the leased land is situated, or the lease may be released by a marginal release on margin of the record thereof, without cost to the owner of land described ~~therein~~ in the lease. If ~~said the~~ the lessee ~~shall~~ fails ~~fails~~ to execute and record a release of ~~such the~~ recorded lease within the time provided for, ~~then~~ the owner of the land may execute and file with the recorder of the ~~county~~ or counties in which ~~such the~~ the forfeited lease has been recorded an affidavit of noncompliance in substantially the following form:

AFFIDAVIT OF NONCOMPLIANCE

State of Iowa)
) ss.
County of)

....., being first duly sworn, upon his oath deposes and says that he or she is as referred to in an (oil and gas) (metallic mineral) mining lease dated the day of, 19....., and which lease is recorded in Volume, Page, of the County Records of County,, and which ~~said~~ lease covers the following described lands:

Sec. 7. Section 84.22, unnumbered paragraph 8, Code 1981, is amended to read as follows:

I,, (Cashier) (President) of the Bank of, being first duly sworn, upon my oath hereby declare that there has not been deposited to the credit of in the Bank of, by or any other party, any sum of money whatsoever, in payment of rental under the terms of said the (oil and gas) (metallic mineral) mining lease herein

referred to in this affidavit.

Sec. 8. This Act, being deemed of immediate importance, shall take effect from and after its publication in The Lyon County Reporter, a newspaper published in Rock Rapids, Iowa, and in the Doon Press, a newspaper published in Doon, Iowa.

DELWYN STROMER
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 632, Sixty-ninth General Assembly.

PAT H. HARPER
Chief Clerk of the House

Approved June 2, 1981

ROBERT D. RAY
Governor