

**53C-2-401 Coal and mineral deposits reserved -- Exceptions.**

- (1)
  - (a) Except as otherwise expressly provided by law, coal and mineral deposits in trust lands are reserved to the respective trust.
  - (b) Each certificate of sale and patent issued shall contain such a reservation.
  - (c) The purchaser of any lands belonging to the trust:
    - (i) acquires no right, title, or interest in coal or mineral deposits; and
    - (ii) is subject to the conditions and limitations prescribed by law providing for the state and any person authorized by it to:
      - (A) prospect or mine;
      - (B) remove the deposits; and
      - (C) occupy and use as much of the surface of the lands as may be required for any purpose reasonably incident to the mining and removal of the deposits.
  - (d)
    - (i) Coal and mineral deposits in trust lands may be leased on a rental and royalty basis.
    - (ii) The administration may also, with board approval, enter into joint ventures, farmout agreements, exploration agreements, operating agreements, and other business arrangements for the disposition of coal and mineral deposits in trust lands.
    - (iii) The mineral estate in trust lands may not be sold except as authorized in Subsection (2).
    - (iv) Agreements made under Subsection (1)(d)(ii) are not subject to Subsections 53C-2-405(3) and (4).
- (2) Except as otherwise prohibited by the Jones Act of January 25, 1927, 43 U.S.C. Sections 870-871, mineral interests in trust lands may be exchanged for mineral interests of comparable value or otherwise disposed of, if their retention would create a liability exceeding their value.
- (3)
  - (a) Common varieties of sand, gravel, and cinders are not considered to be minerals under this section but may be reserved by specific action of the director.
  - (b) Common varieties do not include deposits which are valuable because the deposit contains characteristics which give it distinct and special value.

Amended by Chapter 192, 2003 General Session