

65A-6-8 Mineral leases -- Cancellation -- Use of surface land -- Liability for damage.

- (1) Upon violation by the lessee of any lawful provision in a mineral lease, the division may cancel the lease after 30 days' notice by registered or certified return receipt mail, unless the lessee:
 - (a) remedies the violation;
 - (b) rectifies the condition; or
 - (c) requests a hearing within:
 - (i) the 30 days; or
 - (ii) any extension of time the division grants.
- (2)
 - (a) A mineral lessee, subject to conditions required by the division, shall have:
 - (i) the right at all times to enter upon the leasehold for prospecting, exploring, developing, and producing minerals; and
 - (ii) reasonable use of the surface.
 - (b) The lessee shall not injure, damage, or destroy the improvements of the surface owner or lessee.
 - (c) The lessee is liable to the surface owner or lessee for all damage to the surface of the land and improvements, except for reasonable use.
- (3) Any mineral lessee may occupy as much of the surface of the leased land as may be required for all purposes reasonably incident to the exercise of lessee's rights under the lease by:
 - (a) securing the written consent or waiver of the surface owner or lessee;
 - (b) payment for the damage to the surface of the land and improvements to the surface owner or lessee where there is agreement as to the amount of the damage; or
 - (c) upon the execution of a good and sufficient bond to the state for the use and benefit of the surface owner or lessee of the land to secure the payment of damages as may be determined and fixed by agreement or in action brought upon the bond or undertaking in a court of competent jurisdiction against the principal and sureties of the bond.
- (4) The bond required by Subsection (3)(c) shall be:
 - (a) in a form and amount as prescribed by the division; and
 - (b) filed with the division.

Amended by Chapter 136, 2007 General Session