

# MINING AND GAS AND OIL PRODUCTION

## CHAPTER 234

H. B. No. 862  
(Delayed Bills Committee)

### MINING CLAIMS—LOCATION; DISCOVERY SHAFT

#### AN ACT

To amend and reenact section 38-0205 of the North Dakota Revised Code of 1943 providing for alternative methods of locating mining claims in lieu of sinking discovery shafts, and declaring an emergency.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. **Amendment.)** Section 38-0205 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**38-0205. Tunnel, Open-Cuts, Crosscuts, Adits, Or Drilling Equivalent To Discovery Shaft.)** Any open-cut, crosscut, or tunnel at a depth sufficient to disclose the mineral vein or lode, an adit of at least ten feet in along the lode from the point where the lode may be discovered, or the drilling of a hole or holes in the manner, and under the conditions and requirements hereinafter set forth, shall be equivalent to a discovery shaft. The hole or holes shall be not less than one and one-half inches in diameter, shall be sufficiently deep to reach and cut or expose the mineral vein or lode, and shall be protected at the surface opening against injury to livestock. The discoverer shall designate one of the holes thus drilled as the discovery hole, in the event that more than one such hole shall have been drilled.

§ 2. **Emergency.)** This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 10, 1955.

## CHAPTER 235

H. B. No. 625  
(Erickson of Burke-Divide)

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## CONVEYANCE OF MINERAL RIGHTS—LIMITATION

## AN ACT

Limiting the meaning of mineral rights or royalties when used in instruments of conveyance or lease.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

**§ 1. Uranium, Gravel, Clay and Coal Rights; Specific Transferral.)** No lease or conveyance of mineral rights or royalties separate from the surface rights in real property in this state shall be construed to grant or convey to the grantee thereof any interest in and to any gravel, coal, clay or uranium unless the intent to convey such interest is specifically and separately set forth in the instrument of lease or conveyance.

Approved March 1, 1955.

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## CHAPTER 236

S. B. No. 53  
(Duffy)

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## BROKERS—OIL, GAS, URANIUM

## AN ACT

To amend and reenact sections 43-2201, 43-2202, 43-2205, 43-2206 and 43-2208 of the 1953 Supplement to the North Dakota Revised Code of 1943, relating to registration of oil, gas or mineral brokers, and certification of their employees and agents, and declaring an emergency.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

**§ 1. Amendment.)** Section 43-2201 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**43-2201. Definition.)** In this chapter, unless the context or subject matter otherwise requires:

1. Oil, gas or mineral broker shall mean any person, copartnership, association or corporation engaged in the business of buying for resale leases, mineral rights, royalties, or other interests in oil or gas properties or in properties containing or presumed to contain uranium or other fissionable materials from the surface holder or land owner, whether for himself or as agent of others.
2. Commissioner shall mean the state securities commissioner.

§ 2. **Amendment.)** Section 43-2202 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**43-2202. Broker Shall Register.)** No person shall engage in business as an oil, gas or mineral broker without first having registered with the commissioner on a form provided by the commissioner which shall include only the following information:

1. The full name of said broker and his full business address in the state of North Dakota;
2. The position or capacity of the broker if he is a member of a partnership or the employee of a corporation and the business address of such copartnership or corporation; and
3. The place of legal residence of the registering broker.

The registration shall be kept permanently on file by the commissioner and shall be public records open for inspection. Such registration shall be automatically ineffective and invalid without notice June 30 after the date of initial registration, unless the registrant renews the registration for another yearly period and pays the prescribed renewal fee. The commissioner may revoke and cancel the registration of a broker prior to expiration of its term whenever the bond of the broker becomes ineffective or is canceled, by sending notice of revocation through registered mail to the business post office address shown in the registration.

§ 3. **Amendment.)** Section 43-2205 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**43-2205. Bond Covers Agent.)** The bond or deposit furnished by an oil, gas or mineral broker shall cover the acts of his duly authorized employees or agents. Any such employee or agent need not furnish a separate bond but the burden of proof shall rest upon any person not himself bonded to establish that he was duly authorized by a bonded broker.

An oil, gas or mineral broker registered under this chapter shall certify to the commissioner the names, business addresses and residence addresses of any regular employees or agents employed in the business of buying for resale oil and gas leases, mineral rights, royalties, or other interests in oil and gas properties from the surface holder or land owner, at the time of registration or renewal thereof and shall certify the names, business and residence addresses of any such employees or agents within ninety days of their employment by such oil, gas or mineral broker.

**§ 4. Amendment.)** Section 43-2206 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**43-2206. Unlawful To Retain Lease Or Mineral Or Royalty Transfer If Not Paid For.)** It shall be unlawful to retain any lease or transfer of any right or royalty in any oil or gas property or in any property containing, or presumed to contain uranium or other fissionable material after the presentation and nonpayment of any draft or check given in payment therefor which by its terms is due and payable and in the event of nonpayment such lease or transfer must be returned to the lessor or grantor and such return may be made by mailing the same to the address given in such instrument by the lessor or grantor and if such instrument has been recorded, its return must be accompanied by a proper release of such record.

**§ 5. Amendment.)** Section 43-2208 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**43-2208. Registration Fees.)** The commissioner shall receive and the broker shall pay the following fees:

1. For initial registration as provided in this Act the sum of fifty dollars;
2. For withdrawal of cash or securities deposited in lieu of bond the sum of fifteen dollars; and
3. For annual renewal of registration, the sum of ten dollars.

**§ 6. Emergency.)** This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 9, 1955.