36.25.317 OPERATIONS ON STATE LEASES

(1) A coal lease on state lands is subject to the conditions that the coal must be mined, handled, and marketed in a manner that will prevent as far as possible all waste of coal and that the mining operations shall be carried on in a systematic and orderly manner that will not make subsequent mining operations more difficult or expensive. A violation of any of these conditions is grounds for the cancellation of the lease.

(2) Every coal lease is conditioned upon compliance with the Montana Strip and Underground Mine and Reclamation Act and the Strip Mining Siting Act, Title 82, chapter 4, parts 2 and 1, respectively, MCA, and any other applicable laws and regulations of the state of Montana.

(3) The lessee shall allow the department to make as many inspections of the leased premises as it deems necessary and shall carry out at the lessee's expense all reasonable orders and requirements of the department relative to the prevention of waste and preservation of property. On the failure of the lessee to comply with this paragraph, the department shall have the right, together with other recourse herein provided, to enter on the property, repair damages, and prevent waste at the lessee's expense. These remedies are not exclusive and do not limit the state's other remedies of law.

(4) Upon the termination for any cause of any lease, the lessee must within 6 months after the date of the termination remove all machinery, fixtures, improvements, buildings and equipment belonging to him from the premises. Any machinery, fixtures, improvements, buildings and equipment belonging to any lessee and not removed within 6 months after the date of termination of the lease shall, upon the expiration of the 6 month period, become the property of the state. In special circumstances the department may allow a reasonable extension of time for removal. However, the claimant of such property of the state for salvage or otherwise, and the removal of such property from the lands, or any of such actions shall not relieve the lessee of his obligations to properly reclaim the land and restore the premises to their condition prior to mining operations as far as reasonably possible, as prescribed by Title 82, chapter 4, parts 1 and 2 MCA. If the land is leased to a new lessee prior to the expiration of the above 6 month period the former lessee may sell the improvements to the new lessee. If the new lessee and former lessee cannot agree upon the proper compensation for the improvements arbitration procedures as provided by these rules must be started prior to the end of the 6 month period.

Authorizing statute(s): 77-3-303, MCA

Implementing statute(s): 77-3-303, MCA

History: NEW, 1979 MAR p. 734, Eff. 7/12/79; TRANS, 1996 MAR p. 2384.