

**CHAPTER 253, Laws of 1977**

AN ACT to renumber 706.05 (3) to (8) and 706.08 (1); and to create 107.001, 107.20, 107.25, 706.01 (8), (9) and (10), 706.05 (3), 706.055 and 706.08 (1) (b) of the statutes, relating to exploration mining leases and conveyances of mineral interests.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 107.001 of the statutes is created to read:

**107.001 Definitions.** As used in this chapter:

(1) "Exploration mining lease" means any lease, option to lease, option to purchase or similar conveyance entered into for the purpose of determining the presence, location, quality or quantity of metalliferous minerals or for the purpose of mining, developing or extracting metalliferous minerals, or both. Any lease, option to lease, option to purchase or similar conveyance entered into by a mining company is rebuttably presumed to be an exploration mining lease.

(2) "Metalliferous minerals" means naturally occurring minerals which contain metal.

(3) "Mining company" means any person or agent of a person who has a prospecting or mining permit under s. 144.84 or 144.85.

**SECTION 2.** 107.20 and 107.25 of the statutes are created to read:

**107.20 Maximum term for exploration mining leases.** (1) Any provision of an exploration mining lease entered into after the effective date of this act (1977) granting an option or right to determine the presence, location, quality or quantity of metalliferous minerals shall be limited to a term not exceeding 10 years from the date on which the exploration mining lease is recorded in the office of the register of deeds of the county where the property is located.

(2) Any provision of an exploration mining lease entered into after the effective date of this act (1977) granting an option or right to develop or extract metalliferous minerals shall be limited to a term not exceeding 50 years from the date on which the exploration mining lease is recorded in the office of the register of deeds of the county where the property is located.

**107.25 Right to cancel exploration mining leases; recording.** (1) **RIGHT TO CANCEL.** An exploration mining lease entered into after the effective date of this act (1977) may be canceled by the lessor as follows:

(a) If the lessor is not a public body, the lessor may cancel an exploration mining lease by notifying the lessee within 10 calendar days after the lease is recorded.

(b) If the lessor is a public body as defined in s. 66.43 (3) (m), the lessor may cancel an exploration mining lease by notifying the lessee within 90 calendar days after the lease is recorded.

(c) The lessor may cancel an exploration mining lease if 10 years have elapsed from the date on which the lease was recorded in the office of the register of deeds of the county where the property is located and the lessee has not formally applied for a permit to prospect under s. 144.84. In the event that the lessee formally applies for a prospecting permit under s. 144.84 within the 10-year period, but does not receive a mining permit

under s. 144.85 within the 10-year period following the date of application for the prospecting permit, the lessor's right to cancel is revived.

(d) The lessor's right to cancel an exploration mining lease provided in this subsection cannot be waived and any provision to the contrary in such a lease is void.

(e) Paragraphs (a) and (b) do not apply to exploration mining leases of any lands which were the site of a metalliferous mineral mine which was in operation during all or part of the 5 year period prior to the effective date of this act (1977).

(2) NOTIFICATION OF CANCELLATION. A lessor shall notify the lessee of cancellation by registered mail addressed to the lessee. Notice is considered to be given at the time the letter is mailed. The lessor shall also provide written notice of the cancellation to the register of deeds which shall be recorded. The recorded notice shall be in legible form, as determined by the register of deeds and must clearly identify the exploration mining lease document being canceled, the lessor and lessee, the property subject to the lease and the date the lease was originally recorded.

(3) STATEMENT OF RIGHT TO CANCEL. An exploration mining lease shall contain a printed statement in capital and lowercase letters of not less than 12-point boldface type of the lessor's right to cancel as provided in this section and the address to which the notice of cancellation should be mailed.

(4) RECORDING. An exploration mining lease which is not recorded in the office of the register of deeds of the county in which the land is located, within 30 days after it is signed by the lessor, is void.

SECTION 3. 706.01 (8), (9) and (10) of the statutes are created to read:

706.01 (8) "Conveyance of mineral interests" means any transaction under sub. (1) entered into for the purpose of determining the presence, location, quality or quantity of metalliferous minerals or for the purpose of mining, developing or extracting metalliferous minerals, or both. Any transaction under sub. (1) entered into by a mining company is rebuttably presumed to be a conveyance of mineral interests.

(9) "Metalliferous minerals" means naturally occurring minerals containing metal.

(10) "Mining company" means any person or agent of a person who has a prospecting or mining permit under s. 144.84 or 144.85.

SECTION 4. 706.05 (3) to (8) of the statutes are renumbered 706.05 (4) to (9).

SECTION 5. 706.05 (3) of the statutes is created to read:

706.05 (3) In addition to the requirements under sub. (2), every conveyance of mineral interests offered for record shall:

(a) Fully disclose the terms and conditions of the agreement including both the financial arrangements and the exploration rights. Financial arrangements include the consideration exchanged for the interest in land, terms for payment, optional payments, royalty agreements and similar arrangements. Exploration rights include the conditions and extent of any surface and subsurface rights to the land, options to purchase further interest in the land, options to conduct mining operations and similar arrangements.

(b) Fully disclose the parties including any principal, parent corporation, partner or business associate with an interest in the conveyance. This paragraph shall be interpreted to provide maximum disclosure of any person with an economic interest in the transaction.

SECTION 6. 706.055 of the statutes is created to read:

**706.055 Register of mineral rights.** The register of deeds shall record all conveyances of mineral interests in a register of mineral rights.

SECTION 7. 706.08 (1) of the statutes is renumbered 706.08 (1) (a).

SECTION 8. 706.08 (1) (b) of the statutes is created to read:

706.08 (1) (b) A conveyance of mineral interests which is not recorded in the office of the register of deeds of the county in which the land is located, within 30 days after it is signed by the lessor, is void.

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