Drilling Incentive

Drilling Incentive grants (DIG) are designed to stimulate exploration for new minerals and/or new deposits of minerals. The data and information acquired during the drilling and analyses phases will eventually become housed at the state’s Drill Core Library for future analysis.

Contact: Linda Johnson, 218-274-7007, Linda.L.Johnson@state.mn.us

Eligible Applicants: Must meet Minnesota requirements for exploratory boring procedures (Minnesota Statute 103I.601). Must be authorized to do business in Minnesota and hold a Minnesota exploration lease. Multi-organization collaboration is encouraged.

Funding
- Funded at $100,000 for FY2023.
- The agency will match up to 40% of direct drilling costs not to exceed $20,000 per drill hole.
- Funding can only be used for exploratory drilling.
- Project must begin within 12 months of a grant award.

Diversity, Equity & Inclusion
- The Department of Iron Range Resources & Rehabilitation works to improve economic opportunities in support of diversity, equity and inclusion in our service area.
- Diverse populations served by this program include economically distressed communities, tribal nations, Black, indigenous and people of color (BIPOC), veterans, low to moderate income neighborhoods and disabled individuals.
- Additional points are awarded to projects that serve a diverse population as listed above or utilize state certified Targeted Group (TG), Economically Disadvantaged (ED) area or Veteran-Owned (VO) vendors.

Evaluation Criteria (100 points)
Grants are awarded to the highest scored applications using the following criteria. All evaluation criteria must be addressed in the project narrative.

1. Logic behind selection of site and potential development. (30 points)
2. Job creation and retention. (20 points)
   - Describe how the project supports job creation or retention, if any that will result from this project. (Minnesota Statute 298.22 subd. 13)
3. Applicant’s qualifications and experience. (20 points)
4. Project planning and timeline. (20 points)
5. Diversity, equity and inclusion. (10 points)
   - Project incorporates a state certified targeted group, economically disadvantaged area or veteran owned vendor.
   - Project serves an underserved community/population.
   - Diverse populations that include:
     o BIPOC.
• Tribal nations.
• LGBTQI.
• Disability status.
• Veterans.
• Geographic.

Application Checklist

• Project narrative.
  o Narrative must address evaluation criteria.

• Description of business.
  o Business information.
  o Legal name of business on file with the state of incorporation.
  o Business address, phone, fax and e-mail address.
  o Business contact person’s name, address and other contact information.
  o Name of principal(s) or officers.

• Legal structure.
  o Type of business (sole proprietorship, partnership – limited or general, corporation – include nation/province/state of incorporation, other form of organization).
  o Date established.
  o Tax information.
  o Federal Employer Identification Number; and, if applicable, State Tax Identification Number.

• Financial statements.
  o Provide a current annual balance sheet and income statement in standard accounting format.

• Affiliates.
  o List and describe any affiliates or subsidiaries. Provide a current annual balance sheet and income statement for each affiliate or subsidiary listed.

• Explanation of applicant’s interest in Minnesota.
  o Explain company’s operations and experience in Minnesota, the type of minerals in which it is interested, and the location and legal description of land that the applicant is interested in leasing. Keep this exhibit simple and restrict it to one or two pages.

• Applicant qualifications.
  o Provide proof of completing provisions of the Minnesota Exploratory Boring Law, which will enable applicant to obtain an Exploratory Boring registration from the Department of Natural Resources and that it will comply with all local and state regulations.
  o Results of analyses used to select a hole site such as: exploratory geophysics, geologic mapping or exploratory geochemistry.

• Project budget.
  o Present proposed budget and clearly identify drilling expenses for each hole and the applicable project expenses for each hole.

• Other documentation to support the application.
Application and Award Process

- **Application process.**
  - Applications must be submitted through the FLUXX grants portal.
  - A short pre-application is required to determine eligibility of project.
  - A full application will be available in FLUXX once eligibility is determined.

- **Application deadline.**
  - Applications are accepted August 1, 2022 through May 31, 2023 on a rolling basis subject to the availability of program funds.
  - Notify grant program administrator of any changes to application after final submission.

- **Application review.**
  - Initial review is completed by the grant program administrator for eligibility and application requirements.
  - Eligible applications are subject to a competitive review process. They are evaluated and scored based on the evaluation criteria by a minimum of three reviewers.
  - Grant program administrators do not score applications for their respective program.
  - Applications must meet the minimum required score in order to be recommended for funding.
  - Grant program administrator finalizes recommendations based on the completed evaluations, past performance of grantee and availability of program funds.

- **Application award.**
  - Grants are awarded to the most competitive applications.
  - Applicants will be notified by email within 30 days following application review.
  - Grant award is subject to the Commissioner’s final approval and must meet objectives, priorities and policies established by the Commissioner.

Grant Outcome Expectations

- The agency reserves the right to require signage/logo acknowledging financial assistance from the Department of Iron Range Resources & Rehabilitation. Details are outlined in the grant agreement.
- Awarded projects must meet the Minnesota Prevailing Wage Statutes and the agency’s board policy as stated in the grant agreement.

Reporting Requirements

- A progress report is required if grant period is to exceed 12 months and annually thereafter.
- A monitoring report will be conducted by the program administrator if the grant is over $50,000.
- A site visit may be conducted by the program administrator.
- A final report is required before final payment. The applicant will also include a report containing the detailed analyses of drilling.
- A close out acknowledgement form may be required if there is a grant balance remaining.

Public Information

- All information contained in the application will be considered to be non-public data to the maximum extent permitted by the Minnesota Government Practices Act, Minnesota Sections 13.03 and 13.37, which allows the agency to keep applicant’s trade secrets confidential. The terms and conditions of any grant agreement between the applicant and the Department Iron Range Resources & Rehabilitation are specifically by law, classified as public data.
**Exploration Drilling Requirements**
There is a Minnesota license requirement for the drilling company and a qualification requirement for any geologist who supervises exploration drilling. Contact the Minnesota Department of Health.

Kara Dennis  
Well Management Unit – Environmental Health Division  
Minnesota Department of Health  
(651) 201-4589  
Kara.Dennis@state.mn.us  

Contact the Minnesota Department of Natural Resources for complete information regarding the rules for exploration.

Glenn Melchert  
Exploration Compliance Administrator  
Minnesota Department of Natural Resources  
(218) 231-8464  
Glenn.melchert@state.mn.us