

Filing fees in  
civil cases.

time of such commencement or transfer, pay to such court a filing fee of four dollars. Fees for the support of county law libraries shall be paid and collected according to the provisions of RCW 27.24.070. No party shall be compelled to pay to the court any other fees or charges up to and including the rendition of judgment in the action: *Provided*, That if process in replevin, attachment, or garnishment shall issue therein, the party procuring such process shall pay to such court an additional sum of one dollar for each such process as the fees and charges of the court incident to the proceedings.

Passed the House March 4, 1965.

Passed the Senate March 9, 1965.

Approved by the Governor March 20, 1965.

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## CHAPTER 56.

[ House Bill No. 92. ]

### STATE LANDS—MINERAL LEASES AND CONTRACTS.

AN ACT relating to state lands and providing for mineral leases and public use thereof; adding new sections to chapter 255, Laws of 1927 and to chapter 79.01 RCW; amending section 155, chapter 255, Laws of 1927 and RCW 79.01.616; amending section 156, chapter 255, Laws of 1927 and RCW 79.01.620; amending section 157, chapter 255, Laws of 1927 and RCW 79.01.624; amending section 158, chapter 255, Laws of 1927 as amended by section 1, chapter 103, Laws of 1945 and RCW 79.01.628; amending section 159, chapter 255, Laws of 1927 and RCW 79.01.632; amending section 160, chapter 255, Laws of 1927 and RCW 79.01.636; amending section 161, chapter 255, Laws of 1927 and RCW 79.01-.640; amending section 162, chapter 255, Laws of 1927 as last amended by section 38, chapter 257, Laws of 1959 and RCW 79.01.644; and amending section 3, chapter 103, Laws of 1945 and RCW 79.01.648; and providing penalties.

*Be it enacted by the Legislature of the State of Washington:*

New section.

SECTION 1. There is added to chapter 255, Laws of 1927 and to chapter 79.01 RCW a new section to read as follows:

(1) "Department" shall mean the "department of natural resources" of the state of Washington.

Public lands—  
Prospecting  
leases, mining  
contracts, on.  
"Department",  
"Person",  
defined.

(2) "Person" as used in sections relating to mineral leases and contracts shall include any citizen of the United States or person who has, in good faith, declared his intention of becoming a citizen of the United States, or any corporation organized and existing under and by virtue of the laws of any state or territory of the United States and authorized to do business in this state, or citizens of such of the provinces of the Dominion of Canada as do not expressly or by implication prohibit leasing of provincial lands by citizens of this state, or partnership, association, receiver, trustee, executor, administrator, guardian or fiduciary.

SEC. 2. Section 155, chapter 255, Laws of 1927 and RCW 79.01.616 are each amended to read as follows:

RCW 79.01.616  
amended.

The department of natural resources shall have the power to execute leases, for prospecting, and contracts for the mining of valuable minerals and specified materials, except hydrocarbons, upon and from any public lands belonging to or held in trust by the state, or which have been sold and the minerals thereon reserved by the state, to any person, in tracts of not to exceed the equivalent of one section and not less than the equivalent of one-sixteenth of a section in legal subdivisions according to the United States government surveys.

Leases and  
contracts au-  
thorized—  
Tract size.

SEC. 3. There is added to chapter 255, Laws of 1927 and to chapter 79.01 RCW a new section to read as follows:

New section.

The department of natural resources shall have the authority to promulgate all reasonable rules and regulations necessary for carrying out the mineral leasing provisions of this amendatory act of 1965. Such rules and regulations shall be enacted under the provisions of chapter 34.04 RCW. The department may amend or rescind any rules or regulations pro-

—Rules and  
regulations.

mulgated under the provisions of this section. The department shall publish these rules and regulations in pamphlet form for the information of the public.

RCW 79.01.620 amended.

SEC. 4. Section 156, chapter 255, Laws of 1927 and RCW 79.01.620 are each amended to read as follows:

Public lands—  
Prospecting leases, mining contracts, on. Application for lease—Ad-  
vance fee—  
Investigation and report—  
Rental.

Any person desiring to obtain a lease or leases for mineral prospecting purposes upon any lands owned or administered by the department of natural resources, shall file in the proper office of the department of natural resources an application or applications therefor, upon the prescribed form, and shall pay to the department a rental of twenty-five cents per acre for the first year of such lease or leases, payable in advance to the department at the time of making application therefor, together with an application fee: *Provided*, That the department may reject the application and declare the first year's rental and the application fee forfeited should the applicant fail to complete and execute the lease. The department may upon receipt of an application for a prospecting lease cause an investigation and report to be made, such report to indicate improvements upon and to the land, the estimated amount of damage which might accrue to the land through prospecting or mining, and the mineral character of the land.

RCW 79.01.624 amended.

SEC. 5. Section 157, chapter 255, Laws of 1927 and RCW 79.01.624 are each amended to read as follows:

—Application for lease when lands leased prior thereto for other purposes --Procedure.

In case the lands described in the application for a mineral prospecting lease or mining contract, shall have been leased for any other purpose than mineral prospecting or mining, and the minerals therein reserved by the state, the department of natural resources upon the filing of the application, shall at its option cause a full investigation and report to be made as to the nature and location of the lands applied for, and the estimated amount of damages

that will accrue to such lands by reason of prospecting and/or mining therefrom.

The applicant shall provide compensation for all damages to the lessee's interest and to the state. In case the applicant has not provided for satisfactory compensation to the lessee's interest and to the state, the department may at its discretion require the filing of a cash or surety bond with the department in an amount sufficient in the opinion of the department to cover such compensation until the amount and payment of compensation has been provided for, in accordance with the rules and regulations adopted by the department.

SEC. 6. Section 158, chapter 255, Laws of 1927 as amended by section 1, chapter 103, Laws of 1945, and RCW 79.01.628 are each amended to read as follows:

RCW 79.01.628  
amended.

Leases for prospecting purposes shall be for the term of two years from the date of the lease. The rental on the lease shall be twenty-five cents per acre per year payable in advance to the department of natural resources during the term of the lease. The lessee, or his assigns, shall have the right to extract and remove from the leased premises any minerals or specified materials found on the premises upon making application for conversion to a mining contract. Upon the commencement of actual mining, recovery, and saving of minerals and specified materials, a minimum royalty of two dollars and fifty cents per acre per year in lieu of an annual rental shall become effective.

—Terms and  
conditions of  
lease—Con-  
version to min-  
ing contract,  
effect.

The lessee will pay royalties to the state as provided in the mining contract and in the rules and regulations promulgated by the department. The minimum royalty shall be allowed as a credit against royalties due during the calendar year said minimum royalty is paid. The lessee, or his assigns, shall have the right to cut and use such timber found on the

leased premises belonging to the state for mining and fuel as provided for in rules and regulations promulgated by the department.

RCW 79.01.632 amended.

SEC. 7. Section 159, chapter 255, Laws of 1927 and RCW 79.01.632 are each amended to read as follows:

Public lands—  
Prospecting  
leases, mining  
contracts, on.  
Preference  
right to min-  
ing contract.

The holder of any prospecting lease, or his assigns, shall if he apply therefor to the department of natural resources within sixty days prior to the expiration of the prospecting lease, have a preference right to a mining contract to the premises described in said lease, or any part thereof, upon the same terms and royalties as provided in the prospecting lease. Any contract issued upon conversion from a two year prospecting lease shall have deducted the time already expended on said prospecting lease.

At such time as application is made for a mining contract, the lessee shall submit evidence and proof of development work as provided for in rules and regulations promulgated by the department, together with the rental or minimum royalty and the application fee to the department.

Any lessee not converting a two year prospecting lease to a mining contract or being refused a contract by the department shall not be entitled to a new prospecting lease or mining contract on the premises leased for one year from the expiration date of the prior lease. Such lands included in said prospecting lease or contract conversion shall be open to application by any person other than the prior lessee, his agents or associates during the year period described above.

New section.

SEC. 8. There is added to chapter 255, Laws of 1927 and to chapter 79.01 RCW a new section to read as follows:

—Transfer  
of state's  
right of

Where the surface rights have been sold and the minerals retained by the state, the state's right of

entry to lands is hereby transferred and assigned to the lessee during the life of the contract and said lessee herewith shall be responsible for providing compensation to the owner of the surface rights for damages incurred through prospecting and mining. No lessee shall commence any operation upon lands covered by his lease or contract until such lessee has provided for compensation to the owners of private rights thereon according to law.

entry, responsibilities to lease.

SEC. 9. There is added to chapter 255, Laws of 1927 and to chapter 79.01 RCW a new section to read as follows:

New section.

The department of natural resources shall automatically terminate and cancel a prospecting lease or mining contract upon failure of the lessee to make payment of the annual rental or royalties or comply with the terms and conditions of said lease or contract upon the date such payments and compliances are due. The lessee shall be notified of such termination and cancellation, said notice to be mailed to the last known address of the lessee. Termination and cancellation shall become effective thirty days from the date of mailing said notice: *Provided*, That the department may, upon written request from the lessee, grant an extension of time in which to make such payment or comply with said terms and conditions.

—Termination of lease or mining contract, when.

SEC. 10. Section 160, chapter 255, Laws of 1927 and RCW 79.01.636 are each amended to read as follows:

RCW 79.01.636 amended.

Any person desiring to obtain a contract or contracts for the mining of valuable minerals and specified materials, except hydrocarbons, shall file in the proper office of the department of natural resources an application or applications therefor upon the prescribed form together with the application fee required by law and the first year's rental in the amount of twenty-five cents per acre.

—Mining contracts—  
Procedure for issuance—  
Terms—Rents and royalties—  
Termination.

Public lands—  
Prospecting  
leases, mining  
contracts, on.  
Mining con-  
tracts—Pro-  
cedure for  
issuance—  
Terms—Rents  
and royalties—  
Termination.

The department, upon the receipt of any such application for a mining contract, may cause a full investigation and report to be made as to the nature and location of the lands applied for, the location and extent of improvements upon and to the land, and the estimated amount of damages that will accrue to such lands by reason of prospecting or exploring thereon or extracting minerals or specified materials therefrom. The first four years of the contract shall be referred to as the prospecting or exploration period and shall require a rental of twenty-five cents per acre per year during the first and second years of the contract, the third and fourth years inclusive shall require an annual rental of fifty cents per acre, the fifth through the twentieth year shall be referred to as the mining period of the contract and shall require a minimum royalty of two dollars and fifty cents per acre per year in lieu of an annual rental. To retain the contract past the fourth year, the lessee shall pay in advance, the minimum annual royalty and submit proof and evidence of development work.

In case the lessee does not submit the required proof and evidence of development work and minimum annual royalty, the contract shall automatically terminate upon the expiration of the fourth year of such contract. The lessee, his agents or associates, shall not be eligible for a new contract or prospecting lease for one year from the expiration date of said contract. Lands covered by such terminated contract shall be open to application by any person other than the prior lessee, his agents or associates.

Upon the commencement of actual mining, recovery, and saving of any minerals or materials on the premises covered by the contract, during the prospecting or exploration period of the contract, the annual rental shall be changed to a minimum royalty of two dollars and fifty cents per acre per year, such

minimum royalty to become effective upon the next succeeding anniversary date of said contract.

Beginning with the fifth year of the contract and for each year thereafter, the lessee shall perform development work or make improvements on the leased premises to an amount of not less than two dollars and fifty cents per acre per year or pay to the state the sum of two dollars and fifty cents per acre per year in lieu of the performance of said development work or improvements together with the minimum royalty of two dollars and fifty cents per acre. Development work and improvements reported must contribute to the mineral and specified material development of the premises contained in the contract.

The lessee shall have the right at any time to terminate the contract or surrender to the state any one or more legal subdivisions contained in the contract insofar as it requires the lessee to pay rentals, royalties, perform work, or to mine minerals or specified materials on said land: *Provided*, That the remaining lands covered by the contract shall not be less than the equivalent of one-sixteenth of a section. Said termination by the lessee shall be made by giving written notice to the department of natural resources which, shall officially, in writing, acknowledge the receipt of such notice, and the contract shall terminate sixty days thereafter and all arrears and the sums which may be due under the contract up to the time of its termination shall be paid.

The lessee shall have sixty days from the termination date of the contract in which to remove all improvements from the premises without material damage to the land or subsurface covered by said contract, all such improvements remaining on the premises after sixty days shall become the property of the state of Washington: *Provided*, That the lessee may upon written request to the department

be granted an extension where forces beyond the control of the lessee prevent removal of said improvements within sixty days.

RCW 79.01.640 amended.

SEC. 11. Section 161, chapter 255, Laws of 1927 and RCW 79.01.640 are each amended to read as follows:

Public lands—  
Prospecting leases, mining contracts, on. Form of leases or contracts—  
Subcontracting.

Prospecting leases or mining contracts referred to in chapter 79.01 RCW shall be as prescribed by, and in accordance with rules and regulations promulgated by the department of natural resources.

The department is authorized to insert in any mineral prospecting lease or mining contract to be issued under the provisions of this chapter such terms and conditions as are customary and proper for the protection of the rights of the state and of the lessee not in conflict with the provisions of this chapter, or rules and regulations promulgated by the commissioner.

Any lessee shall have the right to contract with others to work or operate the leased premises or any part thereof or to subcontract the same and the use of said land or any part thereof for the purpose of mining for valuable minerals or specified materials, with the same rights and privileges granted to the lessee. Notice of such contracting or subcontracting with others to work or operate the property shall be made in writing to the department.

RCW 79.01.644 amended.

SEC. 12. Section 162, chapter 255, Laws of 1927 as last amended by section 38, chapter 257, Laws of 1959, and RCW 79.01.644 are each amended to read as follows:

—Royalties  
—Renewal of contract.

Mining contracts entered into as provided in chapter 79.01 RCW shall, in addition to the provisions contained in the form specified, provide for the payment to the state of royalties, payable at specified periods and rates to be agreed upon by the department of natural resources and the applicant, but which periods and rates shall be in accordance

with the rules and regulations promulgated by the department. The lessee, or his assigns, may apply for the renewal of the contract to the department within ninety days prior to the expiration of said contract. Upon receipt of such application, the department shall make the necessary investigation to determine whether the terms of the contract have been complied with, and if he finds they have been complied with in good faith, he shall then be required to issue a new contract of the premises described in the present contract, or any part thereof, upon the same terms and percentages as are provided for in the present contract: *Provided*, That the prospecting or exploration period of the present contract shall be waived and the new contract shall specify an annual minimum royalty of not less than two dollars and fifty cents per acre.

SEC. 13. Section 3, chapter 103, Laws of 1945 and RCW 79.01.648 are each amended to read as follows:

RCW 79.01.648 amended.

The holders of two or more mining contracts may consolidate said contracts under a common management to permit proper operation of large scale developments. Notification of such consolidation shall be made to the department of natural resources, together with a statement of plans of operation and proposed consolidation. The department may thereafter make examinations and investigations and if it finds that such consolidation is not in the best interest of the state, it shall disapprove such consolidated operation.

—Consolidation of contracts—Approval.

SEC. 14. There is added to chapter 255, Laws of 1927 and to chapter 79.01 RCW a new section to read as follows:

New section.

Any person designated by the department of natural resources shall have the right at any time to enter upon the lands and inspect and examine the

Right of entry.

Public lands—  
Prospecting  
leases, mining  
contracts, on.  
Right of entry.

structures, works, and mines situated thereon, and shall also have the right to examine such books, records, and accounts of the lessee as are directly connected with the determination of royalties on the property under lease from the state but it shall be unlawful for any person so appointed to disclose any information thus obtained to any person other than the departmental officials and employees, except the attorney general and prosecuting attorneys of the state.

New section.

SEC. 15. There is added to chapter 255, Laws of 1927 and to chapter 79.01 RCW a new section to read as follows:

Reservation of  
right to re-  
move timber,  
sand or gravel.

The state shall have the right to sell or otherwise dispose of any timber, sand, or gravel, except minerals or materials specifically covered by a mineral prospecting lease or mining contract, found upon the land during the period covered by said lease or contract. The state shall also have the right to enter upon such land and remove same, and shall not be obliged to withhold from any sale any timber for prospecting or mining purposes: *Provided*, That the lessee shall be permitted to use timber as provided in this chapter and in rules and regulations promulgated by the department of natural resources.

Park lands as  
rent free.

SEC. 16. State lands used by the state parks commission as public parks shall be rent free.

Passed the House March 10, 1965.

Passed the Senate March 9, 1965.

Approved by the Governor March 20, 1965.