

Repeal.

SEC. 4. All laws or parts of laws of the State of Washington in conflict with this act, are hereby repealed.

Emergency.

SEC. 5. An emergency exists and this act shall take effect immediately.

Passed the Senate February 18, 1901.

Passed the House March 13, 1901.

Approved by the Governor, March 16, 1901.

CHAPTER CVI.

[S. B. No. 147.]

REGULATING THE LEASING OF PETROLEUM AND NATURAL GAS LANDS.

AN ACT to regulate the leasing of petroleum and natural gas lands belonging to the State of Washington, and declaring an emergency.

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

Commissioner of Public Lands may lease.

SECTION 1. The Commissioner of Public Lands of the State of Washington is hereby authorized to execute leases and contracts for the mining and extraction of petroleum and natural gas from any land belonging to the state or from any lands in which the state may hereafter acquire title, subject to the conditions hereinafter provided.

Applications for lease.

SEC. 2. Any citizen of the United States finding petroleum or natural gas upon any lands belonging to the State of Washington may apply to the Commissioner of Public Lands for a lease of any amount of such land not to exceed one section.

Manner of applying.

SEC. 3. Application shall be made in like manner as the application is made for the leasing of agricultural lands.

SEC. 4. No lease shall be made by the state for any sum less than twenty-five (\$25.00) dollars per quarter section of land for each year during the term of said

lease, and in addition thereto the said lease shall provide that the state shall be entitled to receive a sum not less than ten per cent. of the gross value of all petroleum and natural gas extracted therefrom during the term of the said lease, payable semi-annually during said term. The term of said lease to be any term not to exceed ten years.

No lease for less than \$25 per quarter section.

Not to exceed ten years.

SEC. 5. Persons leasing lands under the provisions of this act shall mine, take out, keep, maintain, ship and sell all petroleum and natural gas mined upon or taken from the lands so leased, separate and distinct from all like products taken from other lands, and shall submit to the Commissioner of Public Lands, at stated periods to be fixed by said commissioner, a statement showing the total product taken from said leased lands, the total shipments of such products, and an account showing the sales of all such products. The commissioner shall make all necessary rules and regulations necessary to carry out the provisions of this act, and to protect the interests of the state. The books and accounts of every person leasing lands under the provisions of this act shall be open to inspection by the state land commissioner, or such persons as he may designate at all times, and the property leased, together with all buildings, machinery, storage tanks and appliances of every kind and nature whatsoever, shall be subject to inspection and examination by the land commissioner. The reports required under this act shall be made under oath, upon forms prescribed by the commissioner. Failure on the part of any lessee hereunder to comply with the terms and conditions of this act, or of his lease, shall forthwith work a forfeiture of the lease. No such forfeiture may be waived. The Commissioner of Public Lands shall incorporate in every such lease such other provisions and conditions not inconsistent with the provisions and conditions contained in this act as may in his judgment be advantageous to the state.

Duties of persons leasing.

Commissioner of Public Lands to make rules, etc.

Books and accounts

Reports under oath.

Failure and forfeiture.

Provisions.

SEC. 6. Any person now holding leases for agricultural purposes shall have a first right to lease the lands held by them as lessees of the State of Washington, and

Holder of existing lease to have first right to lease for oil purposes.

upon notice to them by the Commissioner of Public Lands they shall within thirty days thereafter exercise their right to lease said lands under the provisions of this act, and upon their failure so to do their right to lease such land for mining for petroleum and natural gas shall be at an end, and the said land shall be deemed to be open and unoccupied public lands for the purposes of this act only, and the same shall be subject to lease for mining for petroleum and natural gas as if the same were fully owned and in the possession of the state. Any person so holding the lands of the state for agricultural purposes who shall within sixty days from the adoption of this act fail to apply to the State Land Commissioner for such lands shall forfeit all preference to them granted under the terms of this act.

Must exercise right within thirty days.

Failure to act and forfeiture.

Leases void unless work begun within one year.

SEC. 7. All leases under the terms of this act shall be deemed to be void and of no effect unless the lessee or his assigns shall commence the work of drilling or boring for petroleum oil and gas within the period of one year from and after the date of the execution of such lease: *And provided further*, That such work shall proceed continuously and at no time cease for a greater period than ninety (90) days: *Provided*, That whenever oil and natural gas be discovered by such work in paying quantities then no further work need be done under the terms of such lease than to mine, secure and store the same, but failure to operate after discovery of oil or natural gas in paying quantities for any period of ninety consecutive days shall work a forfeiture of the lease.

Proviso.

Failure to operate for ninety days to work a forfeiture.

Lessee to pay holder of an existing lease.

SEC. 8. If land is leased by the state upon which an existing lease for agricultural purposes is held by some person other than the lessee under the terms of this act, that the lessee hereunder shall pay to such person so holding said land under lease for agricultural purposes reasonable compensation for any and all damage sustained by him to growing crops or for the use of said premises during the development of the said petroleum and natural gas lands by mining and boring and holding possession thereof.

SEC. 9. An emergency exists and this act shall take Emergency. effect immediately.

Passed the Senate March 1, 1901.

Passed the House March 13, 1901.

Approved by the Governor March 16, 1901.

CHAPTER CVII.

[S. B. No. 233.]

FOR THE RELIEF OF FRANK BARTHOLET.

AN ACT making an appropriation for the relief of Frank Bartholet.

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

SECTION 1. That the sum of \$442.41 is appropriated for the relief of Frank Bartholet, to be paid out of any Appropriation. moneys in the general fund of the state treasury not otherwise appropriated, said payment to be made upon the presentation and execution of the proper vouchers to the State Treasurer by Frank Bartholet.

Passed the Senate March 5, 1901.

Passed the House March 14, 1901.

Approved by the Governor March 16, 1901.

CHAPTER CVIII.

[S. B. No. 48.]

AUTHORIZING THE STATE AUDITOR TO CREDIT SPOKANE COUNTY FOR YEARS 1897 AND 1898 ON TAX ROLLS.

AN ACT authorizing the State Auditor to give Spokane county, Washington, credit on tax roll accounts for the years 1897 and 1898.

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

SECTION 1. The State Auditor is hereby authorized and directed to credit Spokane county, Washington,