

## CHAPTER 103.

[ S. H. B. 187. ]

## MINERAL LEASES.

AN ACT relating to minerals in state land, providing for issuance of mineral leases and contracts, providing for work requirements, permitting the consolidation of mining contracts under one operation, providing for renewal of mining contracts, and amending sections 158 and 162, chapter 255, Laws of 1927 (sections 7797-158 and 7797-162, Remington's Revised Statutes, also Pierce's Perpetual Code 940-285—293), and amending chapter 255, Laws of 1927 (sections 7797-1 to 7797-201 inclusive, Remington's Revised Statutes) by adding thereto one new section.

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

SECTION 1. Section 158, chapter 255, Session Laws of 1927 (section 7797-158, Remington's Revised Statutes, also Pierce's Perpetual Code 940-285), is amended to read as follows: Amendment.

Section 158. Leases for mineral prospecting purposes shall be for the term of two years from the date of the lease, and the lessee will also be required to perform work or make improvements upon the leased premises to an amount of not less than fifty dollars (\$50) for each forty (40) acres included in said lease and will file with the Commissioner of Public Lands an affidavit of the performance of such work when application is made for a renewal of any mineral prospecting lease as provided by law and 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 fuel and for the construction of buildings, drains, tramways and supports, as is necessary for prospecting the leased premises and for no other purposes, and shall have the right to extract, and remove from the leased premises, not to exceed five tons of ore for assaying and testing purposes during the term of the prospecting lease unless he shall surrender said prospect- Mineral leases period.

Work performed.

Cutting timber permitted.

Assaying and testing.

ing lease and enter into a contract with the state for the extraction of ore as hereinafter provided.

Amend-  
ments.

SEC. 2. Section 162, chapter 255, Laws of 1927 (section 7797-162, Remington's Revised Statutes, also Pierce's Perpetual Code 940-293), is amended to read as follows:

Royalty.

Section 162. Mining contracts entered into as provided in the preceding sections shall, in addition to the provisions contained in the form specified, provide for the payment to the state of a royalty, payable semi-annually, at a rate to be determined by the Commissioner of Public Lands, but which rate shall not be less than one per cent (1%), nor more than four per cent (4%) of all moneys received from the sale of minerals from the lands covered by the contract, after deducting therefrom the cost to the contract holder of transporting the ore or minerals from the mine to market, or to any smelter, concentrating plant or other place of sale, and the cost to the contract holder of all treatment costs such as milling, smelting and refining incurred after mining and prior to sale, but there shall not be deducted the costs normal to mining, and shall provide that the contract holder or his assigns, shall pay to the state in addition to such royalties, an annual rental of ten dollars for each forty acres, or fraction thereof, included in said contract, and such contracts shall contain such other and further terms and conditions for the occupation of, and conduct of mining operations upon, the lands described in the contract as shall be agreed upon by the Commissioner of Public Lands and the applicant for the contract. The holder of any mining contract, or his assigns, may apply for the renewal thereof to the Commissioner of Public Lands within ninety days prior to the expiration of said contract. Upon receipt of such application, the Commissioner of Public Lands shall make the necessary investigation to determine whether the terms of the original con-

How  
computed.

Renewal of  
contract.

tract 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 original contract, or any part thereof, upon the same terms as are provided for in the original contract.

SEC. 3. Chapter 255, Laws of 1927 (sections 7797-1 to 7797-201 inclusive, Remington's Revised Statutes, also Pierce's Perpetual Code 940-294), is amended by adding thereto a new section immediately following section 162 to be known as section 162-1, to read as follows:

Amend-  
ments.

Section 162-1. The holders of two or more mining contracts may consolidate said contracts under a common management to permit proper operation of large scale developments. Application shall first be made to the Commissioner of Public Lands, together with a complete statement of plans of operation and proposed consolidation. The Commissioner of Public Lands shall thereafter make the necessary examinations and investigations to determine the feasibility of such consolidation and if he finds that such consolidation is desirable, he shall approve such plans and permit such consolidated operation under such rules and regulations as he may prescribe.

Consolida-  
tion of  
contracts.

Passed the House February 20, 1945.

Passed the Senate March 7, 1945.

Approved by the Governor March 15, 1945.