

thereof, or as in any manner impairing the validity of bonds heretofore issued, or as repealing the method of bond issue provided in said act and amendatory acts, but this act is intended and shall be considered as providing alternative plans for the issuance of irrigation district bonds.

Passed the Senate February 21, 1919.

Passed the House March 12, 1919.

Approved by the Governor March 18, 1919.

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## CHAPTER 155.

[S. S. B. 148.]

### LEASING PETROLEUM AND GAS LANDS OF STATE.

AN ACT relating to the leasing and re-leasing of state lands for the mining and extraction of petroleum and natural gas, amending sections 6794 and 6797 of Remington and Balingier's Annotated Codes and Statutes of Washington, adding a new section to be known as section 6798a, and making the provisions of this act applicable to all such leases heretofore executed and not in default.

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

SECTION 1. That section 6794 of Rem. & Bal. Code be amended to read as follows:

Section 6794. No lease shall be made by the state for any sum less than twenty-five dollars (\$25.00) 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 "gross value" shall be interpreted to mean the value of the oil or gas at the well when pro-

Rental and  
royalty.

"Gross  
value"  
defined.

duced, without deduction for expense of production. The term of said lease to be any term not to exceed five years.

SEC. 2. That section 6797 of Rem. & Bal. Code be amended to read as follows:

Section 6797. All leases under the terms of this chapter 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 such period as may be designated by the commissioner of public lands, not exceeding two years from and after the date of the execution of such lease: *Provided*, That such work shall proceed continuously and at no time cease for a greater period than ninety (90) days: *And provided further*, 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.

Necessary  
work under  
lease.

SEC. 3. That a new section be added to Rem. & Bal. Code, to be known as section 6798a, and to read as follows:

Section 6798a. If, at the expiration of any such lease for the mining and extraction of petroleum or natural gas, or any renewal thereof, the lessee desires to re-lease the lands covered thereby, he may make application to the commissioner of public lands for a re-lease. Such application shall be made within thirty days after the expiration of the lease, and shall be in writing and under oath, setting forth the character and value of all improvements existing on the land, the name and postoffice address of the owner thereof, the purpose for which he de-

Application  
of lessee  
for renewal  
of lease.

sires to re-lease the land, the amount considered by such lessee as the reasonable annual rental value thereof, and such other information as the commissioner of public lands may require, and shall be accompanied with a deposit of ten dollars (\$10.00), which deposit, if the land be not leased, through the failure or refusal of the applicant to accept a lease at the rate fixed by the commissioner of public lands, shall be forfeited to the state and by the commissioner paid to the state treasurer and credited to the general fund of the state. The commissioner of public lands may, upon the filing of such application, cause the lands to be inspected by a state land inspector; and if he deems it for the best interests of the state to re-lease said lands, he shall fix the rental value thereof and, upon receipt of the first year's rental, together with the fees required by law, the commissioner of public lands shall issue to the applicant a renewal lease for any period not exceeding five years. The commissioner of public lands shall notify the applicant by mail, of the rental value fixed, and if, within thirty days after the date of such notice, the applicant fails or refuses to pay to the commissioner of public lands the first year's rental, together with the statutory fee for issuing a lease, the application shall be rejected and the applicant thereunder permitted to remove such improvements from the land as may be removed without injury thereto, within ninety days from such rejection; the commissioner of public lands may cause the improvements existing upon the land to be appraised, in the same manner as in the case of the sale of land, offer the land for lease at public auction to the highest bidder, as provided for original leases, and if the successful bidder be not the owner of the improvements, he shall deposit with the officer making the sale the appraised value of the improvements. The amount so deposited

Procedure  
by commis-  
sioner of  
public lands.

as the appraised value of improvements, together with the first year's rental and the fees required by law, shall be transmitted to the commissioner of public lands, and upon confirmation of the lease by the commissioner of public lands, the amount so deposited in payment for the improvements shall be disposed of by the commissioner of public lands in the same manner as in the case of the sale of the land: *Provided*, That no bid shall be received for less than the minimum price fixed by the commissioner of public lands.

SEC. 4. The provisions of this act shall be and are hereby made applicable to all leases heretofore executed by the State of Washington and which are not in default.

Application  
of act.

Passed the Senate March 3, 1919.

Passed the House March 11, 1919.

Approved by the Governor March 18, 1919.

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## CHAPTER 156.

[S. B. 155.]

### COMPENSATION OF CLERKS OF SECOND AND THIRD CLASS SCHOOL DISTRICTS.

AN ACT authorizing the compensation of clerks of second and third class school districts, and amending section 4542 of Remington and Ballinger's Annotated Codes and Statutes of Washington.

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

SECTION 1. That section 4542 of Remington & Ballinger's Annotated Codes and Statutes of Washington be amended to read as follows:

Section 4542. The district clerk of districts of the second class shall receive three dollars per day for the time actually and necessarily spent in taking

Second class  
districts.