

WAC 332-16-035 Prospecting leases and mining contracts—Rental rates, advance minimum royalty, prospecting work requirement, development work requirement and production royalty. The annual rental for years one through three of a mineral prospecting lease shall be \$2.00 per acre, or \$100.00, whichever is greater. The annual rental for years four through seven of the lease shall be \$3.00 per acre, or \$120.00, whichever is greater. The department may require that more than one year's annual rental be paid in advance prior to issuing the lease.

The annual prospecting work requirement for a mineral prospecting lease shall be \$3.00 per acre.

The annual advance minimum royalty for years one through five of a mining contract shall be \$5.00 per acre, or \$250.00, whichever is greater. The annual advance minimum royalty for years six through ten of a mining contract shall be \$10.00 per acre, or \$500.00, whichever is greater. The annual advance minimum royalty for years eleven through twenty of a mining contract shall be \$20.00 per acre, or \$1,000.00, whichever is greater.

The production royalty rate for mining contracts shall be 5% of the gross receipts. The rate to be incorporated into a mining contract issued upon conversion from a prospecting lease shall be the rate in effect on the date the prospecting lease was issued.

The annual development work requirement for a mining contract shall be \$5.00 per acre.

All annual rental payments and annual advance minimum royalty payments must be made in advance, and lack of notice of payment due does not relieve the lessee of the obligation to make payments when due.

[Statutory Authority: RCW 79.01.618, 79.01.088 and 79.01.720. WSR 87-21-005 (Order 523, Resolution No. 571), § 332-16-035, filed 10/9/87.]