

WAC 332-22-220 Geothermal resources lease—Minimum annual royalty. At the beginning of lease year eleven, or at the beginning of the year in which production starts, whichever occurs first, a minimum annual royalty of not less than ten dollars per acre per year, or \$2,000, whichever is greater, shall be paid to the department, and shall replace the annual rental. Minimum annual royalty payments shall be credited against production royalties for that year. Minimum royalties paid during the term of the lease are nonrefundable and nontransferable.

The department reserves the right to reassess the minimum annual royalty rate at year twenty of the lease and every ten years thereafter, and adjust the rate to the then fair market value, however in no case shall the adjusted minimum annual royalty be less than the ten dollars per acre, or \$2,000 specified in this section.

[Statutory Authority: Chapter 79.12 RCW, as amended by ESB [EHB] 1277 and RCW 79.01.242. WSR 92-06-003, § 332-22-220, filed 2/20/92, effective 3/22/92.]