

Opinion No. 373**State Board of Land Commissioners—
Statutes—Oil and Gas Leases
—Termination—State Lands.**

HELD: When the state board of land commissioners extends from year to year the time for the commencement or completion of drilling on land held under an oil and gas lease from the state, such extension may be terminated at the end of any year by the state.

September 27, 1933

You inquire as to the interpretation of section 2, Chapter 171 of the 1933 Session Laws, and submit your interpretation of the same together with the interpretation by counsel who differs with you. The particular sentence to be construed reads as follows: "The Board may, in its discretion, upon satisfactory showing by the lessee, extend the time for the commencement or completion of such drilling obligation from year to year, not exceeding ten (10) years from and after the date of the lease, upon such terms and considerations as the Board may determine, and upon the payment to the Commissioner of State Lands and Investments of such penalty, if any, as the Board in its discretion may determine, for each year beginning with the third year, payable each year in advance."

The law authorizes the waiver of drilling obligations on satisfactory showing from year to year, not exceeding ten years. The construction of this statute depends upon what is meant by the term 'year to year'. This term is principally used in connection with the relation of landlord and tenant. Standing alone the term may be somewhat ambiguous. A tenancy from year to year is an enlargement of a tenancy at will and originated to enable a tenant to harvest a crop planted by him.

The more recent constructions of this term and tenancy are commingled with interpretations of statutes. The term is only given an exact interpretation in the older common law decisions. In these the term has a certain definite meaning and certain definite characteristics. "Tenancy from Year to Year.

The right of either party to determine such a tenancy at the end of any year by due notice is an inseparable incident to the tenancy." Gear, Landlord and Tenant, 29. To the same effect, Taylor, Landlord and Tenant, 55, Note 1; Wood, Landlord and Tenant, 33; 5 Bacon Abridgement 612; Woodfall, Landlord and Tenant, 219; 3 Preston on Conveyancing, 76 and 77.

From these authorities it appears that the term "From year to year" means that at the close of any year either the landlord or the tenant might terminate the tenancy on notice. I would conclude that the term is used in a similar sense in this statute and that therefore the extension on stipulated conditions may be terminated at the end of any year by the state.