

A G E N D A

NATURAL RESOURCES ITEMS FOR

TRANSPORTATION AND NATURAL RESOURCES COMMITTEE - STATE ADMINISTRATIVE BOARD

Transportation and Natural Resources - August 27, 2008 - 9:00 A.M.
State Administrative Board Meeting - September 2, 2008- 11:00 A.M.

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This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

MINERAL LEASES

1. **ONE DIRECT METALLIC MINERAL LEASE - DEVELOPMENT WITH RESTRICTION:** Dblock Mining, of Marquette, Michigan, metallic mineral lease rights to 96.23 acres, more or less, of state-owned surface and mineral rights, Section 15, T49N, R28W, Champion Township, Marquette County.

Terms: Ten-year term, standard rental (\$3.00 per acre), royalty (variable), and bonus consideration of \$288.69 (\$3.00 per acre).

2. **DIRECT OIL AND GAS LEASE - DEVELOPMENT:** Petro-Vest, Inc., of Mt. Pleasant, Michigan, oil and gas lease rights to 40.00 acres, more or less, of Department of Natural Resources state-owned oil and gas rights, Section 15, T16N, R01W, Edenville Township, Midland County.

Terms: Three-year term, no extensions, 3/16 royalty, \$4,400.00 bonus consideration (\$110.00 per acre), and \$2.00 per acre annual rental.

3. **ONE DIRECT NONMETALLIC SAND AND GRAVEL MINERAL LEASE - DEVELOPMENT:** United States Department of Agriculture, Forest Service of Escanaba, Michigan, nonmetallic sand and gravel lease rights to 40 acres, more or less, of state-owned mineral rights, Section 13, T43N, R05W, Brevort Township, Mackinac County.

Terms: Seven-year term, with a possible three-year extension if in the best interest of the state. Royalty rates are \$0.294 per ton royalty for sand and \$0.602 per ton royalty on gravel.

The Director of the Department of Natural Resources approved Item 1 on August 14, 2008. The Chief of Forest, Mineral and Fire Management approved Items 2 and 3 on August 18, 2008. The form of legal documents involved in these transactions have previously been approved by the Attorney General.

I recommend approval.

Respectfully submitted:
Department of Natural Resources

By: _____
Thomas Wellman, Manager
Mineral and Land Management Section
Forest, Mineral and Fire Management