RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING

KEITH CREAGH
DIRECTOR

November 9, 2015

To:	Keith Creagh, Director
Information:	Natural Resources Commission
Transaction:	Oil and Gas Lease Auction – 21,125.82 acres were offered October 28, 2015
Authority:	Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451
Applicants:	The attached auction summary identifies the successful bidders, the total acreage, and the total revenue paid. There were twelve registered bidders with eleven successful bidders.
Mineral Description:	The Official Auction Record shows the legal descriptions for each offering.
Acres Bid:	Of the 21,125.82 acres offered, a total of 8,875.29 acres received successful bids (4,406.05 acres development, 4,469.24 acres nondevelopment) in 14 counties.
Lease Terms:	Five-year primary term with two one-year extension options, 1/6 royalty. Bonus amount of $112,612.00 and rental amount of $24,981.24. Total revenue generated at the auction was $137,593.24.
Special Restrictions:	In accordance with those described in the Official Auction Record for each applicable auction description.
Notice:	This item will appear on the December 1, 2015, DNR Business Calendar and will be eligible for approval December 10, 2015.

Recommendation: That the oil and gas leases be issued to the successful bidders pursuant to the above terms and conditions.

William O'Neill, Chief
Forest Resources Division

Russ Mason, Ph.D., Chief
Wildlife Division

Jami Pattison for James Dexter
James Dexter, Chief
Fisheries Division

Mark B. Sweatman, Director
Office of Minerals Management

William E. Moritz, Ph.D.
Natural Resources Deputy

Ronald A. Olson, Chief
Parks and Recreation Division

I approve the staff recommendation.

Keith Creagh
Director

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Approval Date

State of Michigan
Oil and Gas Lease Auction
October 28, 2015

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	Maritz Land Company LLC P.O. Box 4126 Traverse City, MI 49685	0.14	$75.00
102	Mathew Maritz P.O. Box 4126 Traverse City, MI 49685	No Bid	No Bid
103	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	257.58	$3,137.16
104	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	834.48	$10,018.96
105	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	100.00	$1,200.00
106	Marathon Oil Company 5555 San Felipe Road Houston, TX 77056	5,443.10	$61,878.20
107	Marathon Oil Company 5555 San Felipe Road Houston, TX 77056	627.78	$25,479.38
108	Delta Oil Co. 125 Windsor Drive, Suite 101 Oak Brook, IL 60523	369.64	$16,526.40
109	West Bay Exploration Company 13685 S. West Bay Shore, Suite 200 Traverse City, MI 49684	500.00	$10,000.00
110	CORE Energy, LLC 1011 Noteware Drive Traverse City, MI 49686	581.57	$6,983.14
111	Wolverine Gas and Oil Corporation One Riverfront Plaza, 55 Campau, NW Grand Rapids, MI 49503	41.00	$495.00
112	Arbor Operating, L.L.C. 104 S. Union Street, Suite 202 Traverse City, MI 49684	120.00	$1,800.00
	Totals:	8,875.29	$137,593.24