



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



RODNEY A. STOKES  
DIRECTOR

June 14, 2012

**To:** Rodney A. Stokes, Director

**Information:** Natural Resources Commission

**Transaction:** Oil and Gas Lease Auction – 108,164.70 acres were offered on May 8, 2012

**Authority:** Part 5, Department of Natural Resources, Section 502, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA)

**Applicants:** The attached auction summary identifies the successful bidders, the total acreage, and the total revenue paid. There were sixty-nine registered bidders with twenty-three successful bidders.

**Mineral Description:** The Official Auction Record shows the legal descriptions for each offering.

**Acres Bid:** Of the 108,164.70 acres offered, a total of 91,225.42 acres received successful bids (17,573.44 acres development, 73,651.98 acres nondevelopment) in 21 counties.

**Lease Terms:** Five-year primary term with two one-year extension options, 1/6 royalty. Bonus amount of \$3,640,112.00 and rental amount of \$485,336.60. Total revenue generated at the auction was \$4,125,448.60. However, \$4,069,128.60 was collected as one successful bidder left without paying for the 160 acre offering bid on. Minerals Management Section is exploring avenues to recover the \$56,320.00 owed for the successful bid, up to and including prosecution to the extent permitted by law. In accordance with the Rules for Oil and Gas Leases on State Land, the 160 acres may be offered at the next scheduled auction.

**Special Restrictions:** In accordance with those described in the Official Auction Record for each applicable auction description. Additionally, for any parcels that were acquired through tax reversion on or after April 1, 1976, the successful bidder will be required to submit an Attorney's Title Opinion. The Attorney's Title Opinion must show that the mineral rights were not severed prior to tax reversion. If an Attorney's Title Opinion is not provided by November 8, 2012,

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a lease will not be issued and the Department of Natural Resources (DNR) will not refund the bonus and rental paid.

Notice: This item appeared on the March 26, 2012 DNR Business Calendar, and is eligible for approval on June 14, 2012.

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



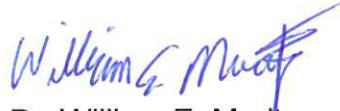
William O'Neill, Acting Chief  
Forest Resources Division



James L. Dexter, Chief  
Fisheries Division



Russ Mason, Ph.D., Chief  
Wildlife Division



Dr. William E. Moritz  
Natural Resources Deputy

I approve the staff recommendation.

Rodney A. Stokes  
Director

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Approval Date

**State of Michigan**  
**Oil and Gas Lease Auction**  
**May 8, 2012**

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	Pteradon Energy, LLC P.O. Box 1229 Traverse City, MI 49685	7,593.46	\$198,202.30
102	Steven M. Casey P.O. Box 1831 Traverse City, MI 49685	No Bid	No Bid
103	Aaron Wissner 11355 Rita Drive Middleville, MI 49333	No Bid	No Bid
104	Deborah Groban Olson 1021 Nottingham Road Grosse Pointe Park, MI 48230	No Bid	No Bid
105	Devon Energy Production Company, Limited Partnership P.O. Box 301 Jackson, MI 49204	6,024.70	\$244,046.00
106	Dan Higdon 1200 Smith Street Houston, TX 77002	No Bid	No Bid
107	Devon Energy Production Company, Limited Partnership 1200 Smith Street Houston, TX 77002	280.00	\$51,600.00
108	Larry L. Sibley Oil & Gas Co., L.L.C. 20803 Junction Road Bellevue, MI 49021	17.95	\$251.90
109	Kosco Energy Group, LLC P.O. Box 2104 Traverse City, MI 49685	4,069.61	\$126,764.10
110	Brandon McDowell 954 Business Park Drive, Suite Traverse City, MI 49686	No Bid	No Bid
111	Devon Energy Production Company, Limited Partnership 7833 Nw 132nd Terr. Oklahoma City, OK 73142	12,080.86	\$400,778.40

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
112	EXOK, INC. 6410 N. Santa Fe Oklahoma City, OK 73116	1,323.16	\$50,155.00
113	Pteradon Energy, LLC P.O. Box 1229 Traverse City, MI 49685	3,890.94	\$85,925.40
114	Jordan Development Company, L.L.C. 1503 Garfield Road North Traverse City, MI 49686	22,221.52	\$668,963.06
115	Westgrove Energy Holdings, LLC 820n Gessner Road, Suite 1375 Houston, TX 77024	6,888.04	\$62,279.68
116	Riverside Operating Company, LLC 333 West Grandview Parkway Traverse City, MI 49684	40.00	\$3,280.00
117	Kathy Chiaravalli 2491 Island View West Bloomfield, MI 48324	No Bid	No Bid
118	West Bay Exploration Company 13685 South West Bay Shore Suite 200 Traverse City, MI 49684	491.54	\$19,181.40
119	Ricka L. Drennan P. O. Box 160 Gaylord, MI 49734	No Bid	No Bid
120	Joseph M. Holt 2400 Northern Visious Drive Traverse City, MI 49684	No Bid	No Bid
121	Tom Coughlin 711 Bayliss Street Midland, MI 48640	No Bid	No Bid
122	Paxton Resources, L.L.C. 132 North Otsego Avenue Gaylord, MI 49735	421.80	\$45,178.00
123	Sturgeon Point Development Company 421 Second Street, Suite B Traverse City, MI 49684	388.00	\$7,032.00
124	Meridian Energy Corporation P.O. Box 610 Haslett, MI 48840	20,627.33	\$1,580,855.66

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
125	Meridian Energy Corporation P.O. Box 610 Haslett, MI 48840	1,286.30	\$24,491.60
126	Rich Patterson P.O. Box 610 Haslett, MI 48840	No Bid	No Bid
127	Rich Patterson P.O. Box 610 Haslett, MI 48840	No Bid	No Bid
128	Mike Evans 9233 Wildwood Road Delton, MI 49046	No Bid	No Bid
129	John Stillwell 13685 South W. Bay Shore Drive Traverse City, MI 49684	No Bid	No Bid
130	Karen Waterson 13685 Sw Bay Shore Drive Suite 200 Traverse City, MI 49684	No Bid	No Bid
131	Mary Ann Lesert 524 Plum Wayland, MI 49348	No Bid	No Bid
132	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	170.46	\$30,509.60
133	Luke Miller 277 South Rose Street Kalamazoo, MI 49007	No Bid	No Bid
134	Erik Bauss P.O. Box 510 Northville, MI 48167	No Bid	No Bid
135	Alan P. Emmendorfer 621 17th Street, Suite 2121 Denver, CO 80403	No Bid	No Bid
136	Clifford C. Abel 112 E. Chicago Street P.O. Box 25 Allen, MI 49227	No Bid	No Bid
137	Clifford C. Abel 112 E. Chicago Street P.O. Box 25 Allen, MI 49227	No Bid	No Bid

Bidder Number	Lessee	Total Acres	Total Bonus Total Rental
138	Clifford C. Abel 112 E. Chicago Street P.O. Box 25 Allen, MI 49227	No Bid	No Bid
139	Coleman Oil and Gas, Inc. P.O. Drawer 3337 Farmington, NM 87499	480.00	\$59,600.00
140	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	240.00	\$3,360.00
141	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	45.00	\$1,350.00
142	Brian Benson 1100 Conrad Industrial Drive Ludington, MI 49431	No Bid	No Bid
143	Earl Lafave 10795-B Silver Lake Rd. South Lyon, MI 48178	No Bid	No Bid
144	Nicholas Grim 555 S. Saginaw Street Flint, MI 48502	No Bid	No Bid
145	Tammy Hall P.O. Box 481 Delton, MI 49046	No Bid	No Bid
146	Larry Plamondon 7800 Biindagen Trail Delton, MI 49046	No Bid	No Bid
147	Scott Bellinger P.O. Box 250 Mount Pleasant, MI 48858	No Bid	No Bid
148	Steven Losher P.O. Box 255 Cloverdale, MI 49035	No Bid	No Bid
149	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	2,164.75	\$400,844.50
150	Chris Horvath 2400 Northern Visions Drive Traverse City, MI 49684	No Bid	No Bid

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
151	Kevin Timmer 4720 6 Mile Road Marne, MI 49435	No Bid	No Bid
152	Mandi Creveling 921 Fuller Avenue, Ne Grand Rapids, MI 49503	No Bid	No Bid
153	Jordan Lindsay 8436 Buffalo Drive Commerce, MI 48382	No Bid	No Bid
154	Max Lockwood 524 Plum Street Wayland, MI 49348	No Bid	No Bid
155	Tabitha Skervin 102 Albert Ave Apt 12 East Lansing, MI 48823	No Bid	No Bid
156	Wade Allen 440 N. Church Kalamazoo, MI 49007	No Bid	No Bid
157	Peggy Simon 3963 Lake Front Street Waterford, MI 48328	No Bid	No Bid
158	Case Michielsen 633 College Ne Grand Rapids, MI 49503	No Bid	No Bid
159	Harolyn Beverly 4750 Hardwoods Drive West Bloomfield, MI 48323	No Bid	No Bid
160	Chris Wahmhoff 1407 Bryant Street Kalamazoo, MI 49001	160.00	\$56,320.00 UNPAID
161	Jeff Smith 424 Lagrave SE Grand Rapids, MI 49503	No Bid	No Bid
162	Remington Davids 350 West Evelyn Ave. Hazel Park, MI 48030	No Bid	No Bid
163	Ben Ayer 410 Elm Kalamazoo, MI, 49007	No Bid	No Bid

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
164	Bob Chronister P. O. Box 411 Holt, MI 48842	No Bid	No Bid
165	Kirk Mackavich 3749 Lake Front Street Waterford, MI 48328	No Bid	No Bid
166	Matthew C. Keil 3819 Lakefront Waterford, MI 48328	No Bid	No Bid
167	Harvey Langworthy 4508 Wilcox Road Holt, MI 48842	No Bid	No Bid
168	Richard Moritz One Riverfront Plaza Grand Rapids, MI 49503	No Bid	No Bid
169	Hardy & Hardy Consulting, LLC 1315 Larkwood Drive P.O. Box 332 Dewitt, MI 48820	320.00	\$4,480.00
Totals:		91,225.42	\$4,125,448.60