



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



KEITH CREAGH
DIRECTOR

May 11, 2015

To: Keith Creagh, Director

Information: Natural Resources Commission

Transaction: Oil and Gas Lease Auction – 129,269.66 acres were offered May 4, 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 nineteen registered bidders with seventeen successful bidders.

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

Acres Bid: Of the 129,269.66 acres offered, a total of 73,629.58 acres received successful bids (50,204.39 acres development, 23,425.19 acres nondevelopment) in 18 counties.

Lease Terms: Five-year primary term with two one-year extension options, 1/6 royalty. Bonus amount of \$1,083,479.00 and rental amount of \$185,138.24. Total revenue generated at the auction was \$1,268,617.24.

Special Restrictions: In accordance with those described in the Official Auction Record for each applicable auction description.

Notice: This item will appear on the June 2, 2015, DNR Business Calendar, and will be eligible for approval June 11, 2015.

May 4, 2015, Oil and Gas Lease Auction
Page 2
May 11, 2015

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



for William O'Neill, Chief
Forest Resources Division



James L. Dexter, Chief
Fisheries Division



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



Russ Mason, Ph.D., Chief
Wildlife Division



Tracie Bonner, Acting Manager
Minerals Management

I approve the staff recommendation.

Keith Creagh
Director

Approval Date

**State of Michigan
Oil and Gas Lease Auction
May 4, 2015**

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	Innova Exploration, Inc. PO Box 129 Traverse City, MI 49685	80.00	\$960.00
102	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	2,604.22	\$89,652.20
103	The Moraine Land Company 8907 Riverview Shepherd, MI 498883	1,070.15	\$12,036.30
104	Maritz Land Company LLC PO Box 4126 Traverse City, MI 49685	240.00	\$2,880.00
105	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	681.59	\$29,645.00
106	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	918.37	\$12,026.74
107	Marathon Oil Company 5555 San Felipe Road Houston, TX 77056	17,590.94	\$255,096.58
108	Kosco Energy Group, LLC PO Box 2104 Traverse City, MI 49685	142.64	\$2,866.40
109	Apollo Exploration & Development, Inc. PO Box 653 Mt. Pleasant, MI 48804	801.98	\$15,543.96
110	Maness Petroleum Corporation 1425 S. Mission Road Mt. Pleasant, MI 48858	309.14	\$6,321.40
111	Marathon Oil Company 5555 San Felipe Houston, TX 77056	35,495.96	\$545,395.58
112	Jordan Development Company, L.L.C. 1503 Garfield Rd N Traverse City, MI 49696	484.15	\$8,478.30

**State of Michigan
Oil and Gas Lease Auction
May 4, 2015**

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
113	O.I.L. Energy Corp. 954 Business Park Drive, Suite 5 Traverse City, MI 49686	131.52	\$1,583.04
114	West Bay Exploration Company 13685 South West Bay Shore Traverse City, MI 49684	8,624.49	\$230,648.98
115	Hardy & Hardy Consulting, LLC 1315 Larkwood Drive Dewitt, MI 48820	2.00	\$70.00
116	Richard Moritz One Riverfront Plaza Grand Rapids, MI 49503	No Bid	No Bid
117	Savoy Energy, L.P. <i>Registered to transact business in Michigan as Savoy Energy Limited Partnership</i> PO Box 610 Traverse City, MI 49685	4,212.43	\$50,612.76
118	Jim Patterson PO Box 1560 Haslett, MI 48840	No Bid	No Bid
120	Delta Oil Co. 125 Windsor Drive Oak Brook, IL 60523	240.00	\$4,800.00
Totals:		73,629.58	\$1,268,617.24