



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

November 12, 2019

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Oil and Gas Lease Auction – 16,036.31 acres were offered October 30, 2019

Authority: Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended

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

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

Acres Bid: Of the 16,036.31 acres offered, a total of 5,442.07 acres received successful bids (1,537.39 acres development, 3,904.68 acres nondevelopment) in 15 counties.

Lease Terms: Five-year primary term with two one-year extension options, 1/6 royalty. Bonus amount of \$55,568.00 and rental amount of \$36,338.38. Total revenue generated at the auction was \$91,906.38.

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

Notice: This item will appear on the Department of Natural Resources December 3, 2019, Business Calendar and will be eligible for approval December 12, 2019.

Oil and Gas Lease Auction October 30, 2019

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

Sharon M. Schafer, Acting Chief
Office of Minerals Management

James L. Dexter, Chief
Fisheries Division

Rex Ainslie, Acting Chief
Wildlife Division

Ronald A. Olson, Chief
Parks and Recreation Division

Shannon Hanna
Natural Resources Deputy

Debbie A. Begalle, Chief
Forest Resources Division

I approve the staff recommendation.

Daniel Eichinger
Director

Approval Date

State of Michigan
Oil and Gas Lease Auction
October 30, 2019

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	Great Lakes Land Company, L.L.C. PO Box 903 Frankfort, MI 49635	97.00	\$1,164.00
102	Arbor Operating, L.L.C. 333 W. Grandview Parkway, Suite 401 Traverse City, MI 49684	40.00	\$800.00
103	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	50.89	\$1,028.90
104	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	810.59	\$9,801.18
105	Savoy Energy, L.P., registered to transact business in Michigan as Savoy Limited Partnership PO Box 1560 Traverse City, MI 49685	1,207.12	\$14,544.24
106	Paxton Resources, L.L.C. 132 N. Otsego Avenue Gaylord, MI 49735	2,319.94	\$42,267.40
107	West Bay Exploration Company 13685 South West Bay Shore, Suite 200 Traverse City, MI 49864	575.95	\$11,539.50
108	CORE Energy, LLC 1011 Noteware Drive Traverse City, MI 49686	195.00	\$3,900.00
109	Jordan Development Company, L.L.C. 1503 Garfield Road North Traverse City, MI 49696	145.58	\$6,861.16
Totals:		5,442.07	\$91,906.38