



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

June 14, 2021

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Proposed July 29, 2021, Oil and Gas Lease Auction

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

Auction Method: Online Auction

Acres Offered: Approximately 24,000 acres

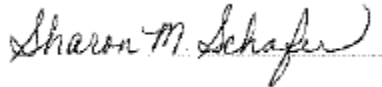
Counties Offered: Antrim, Bay, Clare, Crawford, Gladwin, Grand Traverse, Iosco, Kalkaska, Lake, Manistee, Midland, Missaukee, Montmorency, Oceana, Ogemaw, Otsego, and Presque Isle

Lease Terms: Five-year primary term with two one-year extension options; 1/6 royalty rate; minimum bid of \$10.00 per acre; and \$2.00 per acre annual rental for the primary term.

Special Restrictions: Certain parcels proposed to be offered for lease may contain restrictions limiting surface activities where environmental concerns exist. All oil and gas development activities proposed on state-owned surface require separate surface use agreements.

Notice: Township supervisors, county commissioners, legislators representing the nominated areas, and potentially affected private surface owners have been notified of the proposed auction. Notice of the proposed auction also appeared in the county newspapers representing the areas where the lands are located. This item will appear on the Department of Natural Resources July 6, 2021, Business Calendar and is eligible for approval July 15, 2021.

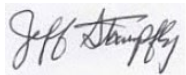
Recommendation: The mineral rights in all the lands being considered should be offered for inclusion in the proposed auction, under the terms and conditions specified.



Sharon M. Schafer, Chief
Finance and Operations Division



James L. Dexter, Chief
Fisheries Division



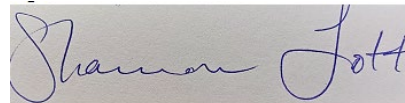
Jeff Stampfly, Chief
Forest Resources Division



Ronald A. Olson, Chief
Parks and Recreation Division



Jared Duquette, Chief
Wildlife Division



Shannon Lott
Natural Resources Deputy

I approve the staff recommendation.

Daniel Eichinger
Director

Approval Date