



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

July 18, 2022

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Oil and Gas Lease Auction – 12,560.47 acres were offered June 14, 2022

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 eight registered bidders with eight successful bidders.

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

Acres Bid: Of the 12,560.47 acres offered, a total of 7,258.80 acres received successful bids (5,228.12 acres development, 2,030.68 acres nondevelopment) in ten counties.

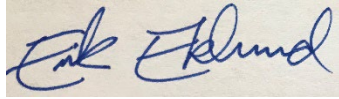
Lease Terms: Five-year primary term with two one-year extension options, one-sixth (1/6) royalty. Bonus amount of \$80,810.00 and rental amount of \$42,979.28. Total revenue generated at the auction was \$123,789.28.

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 August 2, 2022, Business Calendar and will be eligible for approval August 11, 2022.

July 18, 2022

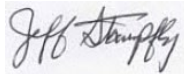
Recommendation: That the oil and gas leases be issued to the successful bidders pursuant to the above terms and conditions.



Erik Eklund, Chief
Finance and Operations Division



James L. Dexter, Chief
Fisheries Division



Jeff Stampfly, Chief
Forest Resources Division



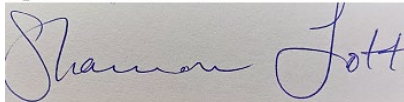
Ronald A. Olson, Chief
Parks and Recreation Division



Jared Duquette, Chief
Wildlife Division

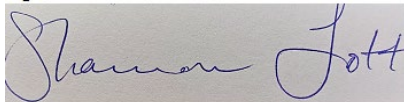


Mark Hoffman
Chief Administrative Officer



Shannon Lott
Natural Resources Deputy

I approve the staff recommendation.



Daniel Eichinger
Director

for

Approval Date: August 11, 2022

State of Michigan
Oil and Gas Lease Auction
June 14, 2022

| Bidder Number | Lessee | Total Acres | Total Bonus + Total Rental |
|---------------|--|-------------|----------------------------|
| 101 | J&M Energy, LLC 1425 S. Mission Road Mount Pleasant, MI 48858 | 475.56 | \$9,515.60 |
| 102 | West Bay Exploration Company 13685 S. West Bay Shore Drive Suite 200 Traverse City, MI 49684 | 1,633.98 | \$32,733.40 |
| 103 | Fortified Properties, LLC 10 E. Bridge Street, Suite 200 Rockford, MI 49341 | 1,440.00 | \$28,800.00 |
| 104 | ReefWorks LLC 730 Quail Ridge Drive Traverse City, MI 49686 | 1,522.59 | \$25,965.18 |
| 105 | Savoy Energy, L.P., registered to transact business in Michigan as Savoy Energy Limited Partnership P.O. Box 1560 Traverse City, MI 49685 | 40.00 | \$960.00 |
| 106 | Lambda Energy Resources LLC 1510 Thomas Road Kalkaska, MI 49646 | 1,120.00 | \$13,440.00 |
| 107 | Coughlin Land Services, LLC 9534 East River Road Mt. Pleasant, MI 48858 | 1,021.45 | \$12,262.90 |
| 108 | Muskegon Development Company 1425 S. Mission Road Mount Pleasant, MI 48858 | 5.22 | \$112.20 |
| Totals: | | 7,258.80 | \$123,789.28 |