



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



DANIEL EICHINGER  
DIRECTOR

November 14, 2022

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Oil and Gas Lease Auction – 4,834.62 acres were offered October 25, 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 five registered bidders with five successful bidders.

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

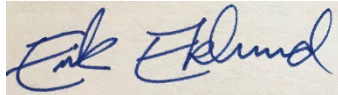
Acres Bid: Of the 4,834.62 acres offered, a total of 4,594.62 acres received successful bids (753.76 acres development, 3,840.86 acres nondevelopment) in five counties.

Lease Terms: Five-year primary term with two one-year extension options, one-sixth (1/6) royalty. Bonus amount of \$46,040.00 and rental amount of \$12,045.36. Total revenue generated at the auction was \$58,085.36.

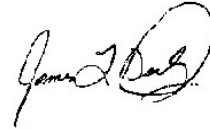
Special Restrictions: In accordance with those described in the Official Auction Record for each applicable auction description.

Notice: This item will appear on the Department of Natural Resources November 29, 2022, Business Calendar and will be eligible for approval December 8, 2022.

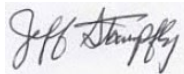
Recommendation: That the oil and gas leases be issued to the successful bidders pursuant to the above terms and conditions.



Erik Eklund, Chief  
Finance and Operations Division



James L. Dexter, Chief  
Fisheries Division



Jeff Stampfly, Chief  
Forest Resources Division



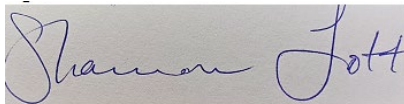
Ronald A. Olson, Chief  
Parks and Recreation Division



Jared Duquette, Chief  
Wildlife Division



Kristin Phillips  
Chief Administrative Officer



Shannon Lott  
Natural Resources Deputy

I approve the staff recommendation.

Daniel Eichinger  
Director

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Approval Date

State of Michigan  
Oil and Gas Lease Auction  
October 25, 2022

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	Jordan Development Company, L.L.C. 1503 Garfield Rd North Traverse City, MI 49686	2,762.11	\$33,204.22
102	Fortified Properties, LLC 10 E. Bridge Street, Suite 200 Rockford, MI 49341	240.60	\$4,835.00
103	Gallatin Energy, Inc. P.O. Box 1122 Gaylord, MI 49734	114.04	\$2,290.40
104	Savoy Energy, L.P. P.O. Box 1560 Traverse City, MI 49685	672.00	\$8,064.00
105	Sturgeon Point Development Company 333 West Grandview Parkway Suite 400 Traverse City, MI 49684	805.87	\$9,691.74
	Totals:	4,594.62	\$58,085.36

