



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

February 14, 2022

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Oil and Gas Lease Auction – 17,437.97 acres were offered January 18, 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 six registered bidders with six successful bidders.

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

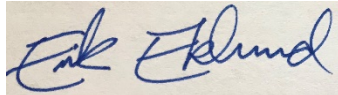
Acres Bid: Of the 17,437.97 acres offered, a total of 6,900.83 acres received successful bids (2,957.42 acres development, 3,943.41 acres nondevelopment) in nine counties.

Lease Terms: Five-year primary term with two one-year extension options, one-sixth (1/6) royalty. Bonus amount of \$141,770.00 and rental amount of \$31,737.10. Total revenue generated at the auction was \$173,507.10.

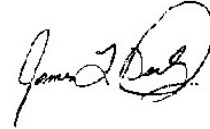
Special Restrictions: In accordance with those described in the Official Auction Record for each applicable auction description.

Notice: This item will appear on the Department of Natural Resources March 1, 2022, Business Calendar and will be eligible for approval March 10, 2022.

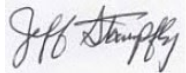
Recommendation: That the oil and gas leases be issued to the successful bidders pursuant to the above terms and conditions.



Erik Eklund, Chief
Finance and Operations Division



James L. Dexter, Chief
Fisheries Division



Jeff Stampfly, Chief
Forest Resources Division



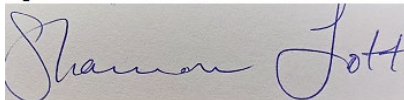
Ronald A. Olson, Chief
Parks and Recreation Division



Jared Duquette, Chief
Wildlife Division



Mark Hoffman
Chief Administrative Officer



Shannon Lott
Natural Resources Deputy

I approve the staff recommendation.



Daniel Eichinger
Director

March 10, 2022
Approval Date

State of Michigan
Oil and Gas Lease Auction
January 18, 2022

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	Fortified Properties 10 E. Bridge Street, Suite 200 Rockford, MI 49341	237.70	\$4,757.00
102	J&M Energy, LLC 1425 S. Mission Road Mount Pleasant, MI 48858	1,545.15	\$45,851.50
103	Lambda Energy Resources LLC 1510 Thomas Road Kalkaska, MI 49646	4,378.90	\$79,947.80
104	ReefWorks LLC 730 Quail Ridge Drive Traverse City, MI 49686	299.08	\$6,350.80
105	Savoy Energy, L.P., Registered to transact business in Michigan as Savoy Energy Limited Partnership P.O. Box 1560 Traverse City, MI 49685	280.00	\$30,840.00
106	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	160.00	\$5,760.00
Totals:		6,900.83	\$173,507.10



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DANIEL EICHINGER
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February 14, 2022

TO: Daniel Eichinger, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of Restrictive Covenant on DNR-Managed Land
Traverse City Management Unit – Kalkaska County
Land Transaction Case #20210180

Sale: 9.16 acres

Sale Price: \$15,000.00

Description: Kalkaska County, Kalkaska Township, T27N, R08W, Section 36:
A restrictive covenant, as fully described in the case file, to be placed
on a 9.16-acre parcel in the S 1/2 of the SW 1/4

PA 240 of 2018: This parcel is north of the Mason-Arenac county line and will result in
no net loss of DNR-managed lands.

Applicant: Schlumberger Technology Corporation, Sugar Land, Texas

Authority: Natural Resources and Environmental Protection Act, 1994 PA 451, as
amended.

Notice: This item will appear on the Department of Natural Resources
(Department) March 1, 2022, calendar and is eligible for approval on
March 8, 2022.

Acquired: By federal government exchange in 1948.

Minerals: No mineral rights will be considered with this sale of land rights.

Comments: The restrictive covenant is desired over a portion of state-owned land
that was the former site of the Dowell Facility. Soils at this site became
contaminated. Remedial actions have been conducted over many
years and a restrictive covenant is needed to ensure current and future
public safety.

In general terms, the restrictive covenant will prohibit groundwater use,
future building construction, and excavation and intrusive activity at the
site location.

The proposed land rights disposal was recommended for approval by
the Land Exchange Review Committee on October 21, 2021.

Proceeds will be deposited into the Land Exchange Facilitation Fund (LEFF). The LEFF allows the Department to sell rights in land and deposit the proceeds in a fund which can then be used to acquire replacement property.

- Recommendations:
1. That the restrictive covenant be sold to the applicant for \$15,000.00.
 2. That the proceeds of the sale be deposited in the LEFF.



James L. Dexter, Chief
Fisheries Division



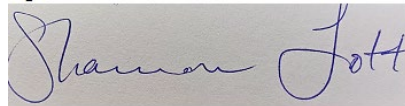
Jeff Stampfly, Chief
Forest Resources Division



Ronald A. Olson, Chief
Parks and Recreation Division



Jared Duquette, Chief
Wildlife Division



Shannon Lott
Natural Resources Deputy



Mark H. Hoffman
Chief Administrative Officer

I approve the staff recommendations.

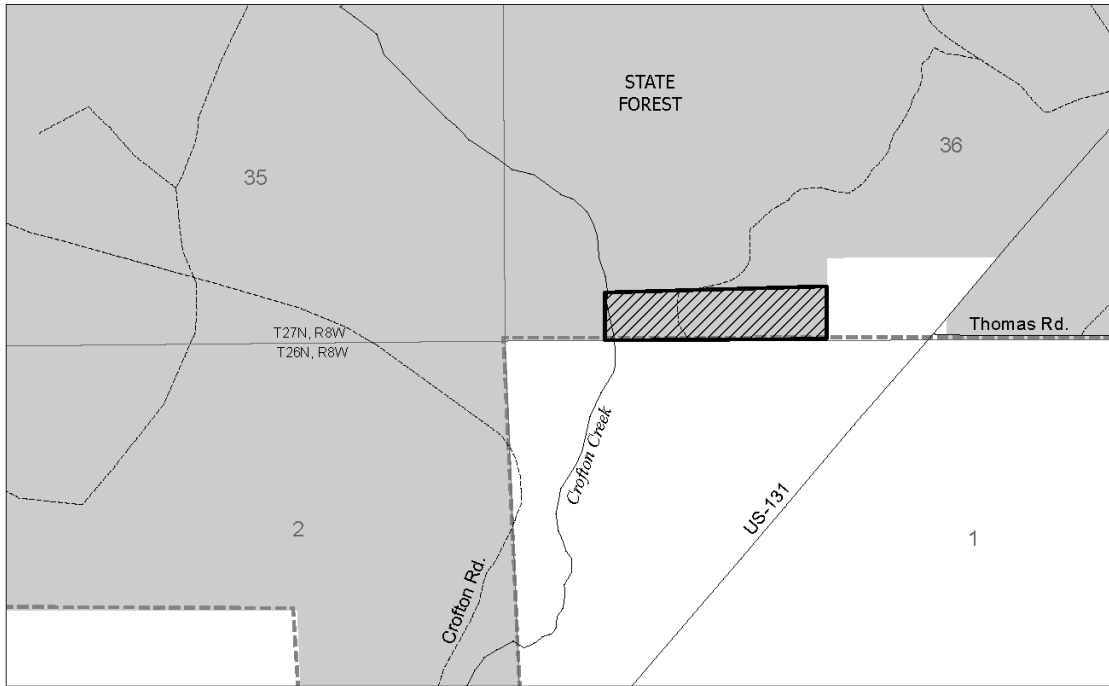


Daniel Eichinger
Director




Date Approved: March 10, 2022

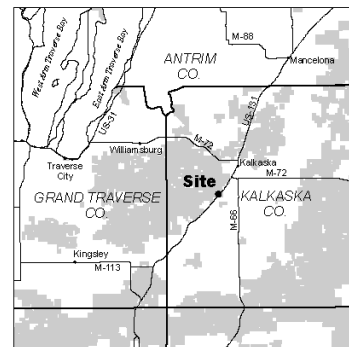
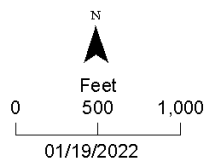
RESTRICTIVE COVENANT ON DNR-MANAGED LAND

Traverse City Management Unit - Kalkaska County
Land Transaction Case #20210180



Section 36, T27N, R08W, Kalkaska Township

-  Restrictive covenant on DNR land (9.16 acres)
-  State land
-  DNR Project Boundary



 DNR Project Boundaries



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DANIEL EICHINGER
DIRECTOR

February 14, 2022

TO: Daniel Eichinger, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of Surplus DNR-Managed Land
Metro District – Wayne County
Land Transaction Case #20210236

Sale: 0.05-acre (1 subdivision lot)

Sale Price: \$1,000.00

Description: Wayne County, Huron Township
T04S, R09E, Section 1
Penn Belt Highlands Subdivision: Lot 18, and the N 1/2 of the adjacent vacant alley

PA 240 of 2018: This parcel is south of the Mason-Arenac county line and will result in a decrease of 0.05-acre of DNR-managed lands.

Applicant: Paula Filek, Romulus, Michigan

Authority: Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

Notice: This item will appear on the Department of Natural Resources (Department) March 1, 2022, calendar and is eligible for approval on March 8, 2022.

Acquired: By tax reversion in 1993.

Minerals: Mineral rights will be conveyed.

Comments: The desired parcel is isolated from other state ownership, is fenced in, and has been maintained by the applicant for several years. Sale of this parcel will result in a divestiture of a small parcel surrounded by private ownership.

The proposed land disposal was recommended for approval as surplus by the Land Exchange Review Committee on December 16, 2021.

Proceeds will be deposited into the Land Exchange Facilitation Fund (LEFF). The LEFF allows the Department to sell rights in land and

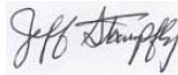
deposit the proceeds in a fund which can then be used to acquire replacement property.

Recommendations:

1. That the land be sold to the applicant for \$1,000.00.
2. That the proceeds of the sale be deposited in the LEFF.
3. That the state retain aboriginal antiquities.



James L. Dexter, Chief
Fisheries Division



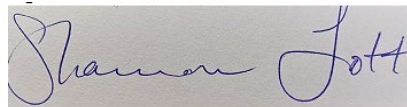
Jeff Stampfly, Chief
Forest Resources Division



Ronald A. Olson, Chief
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Jared Duquette, Chief
Wildlife Division



Shannon Lott
Natural Resources Deputy



Mark H. Hoffman
Chief Administrative Officer

I approve the staff recommendations.

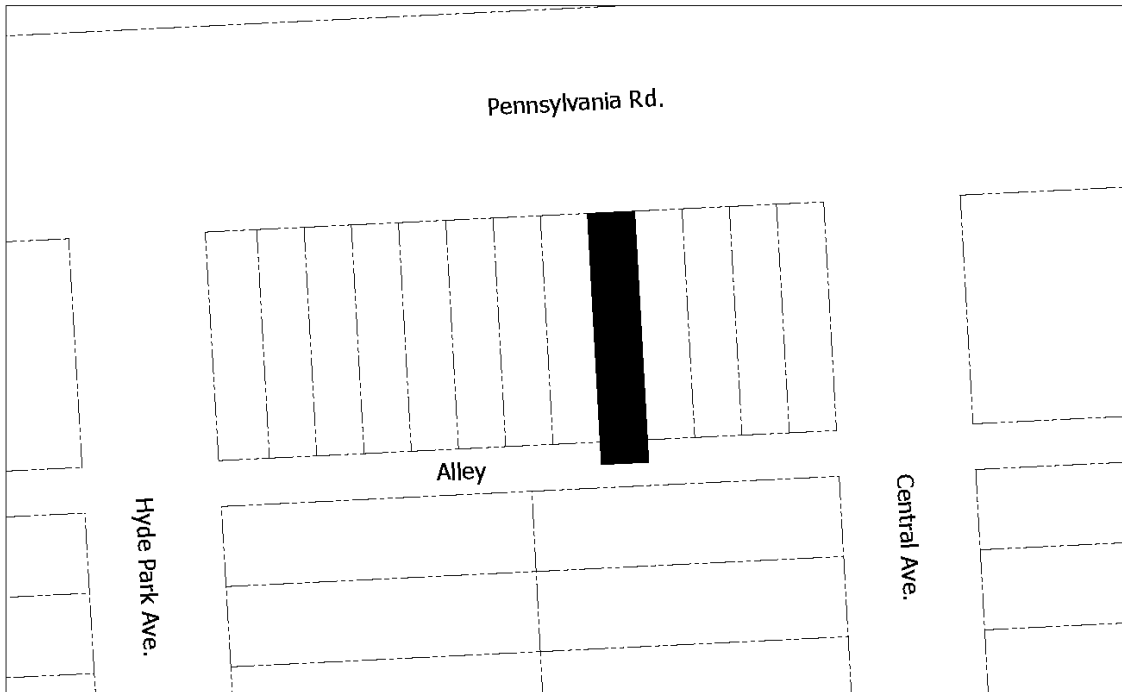


Daniel Eichinger
Director

Date Approved: March 10, 2022

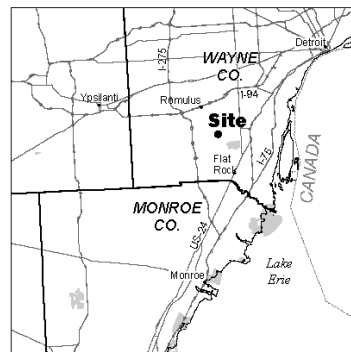
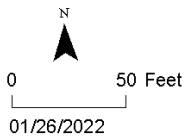
SALE OF SURPLUS DNR-MANAGED LAND

Metro District – Wayne County
Land Transaction Case #20210236



Penn Belt Highlands Subdivision, Section 1, T04S, R09E, Huron Township

■ Surplus DNR land to be sold (1 lot)



■ DNR Project Boundaries



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DANIEL EICHINGER
DIRECTOR

February 14, 2022

TO: Daniel Eichinger, Director

INFORMATION: Natural Resources Commission

Transaction: Sale of Easement
Plainwell District – Kent County
Fred Meijer White Pine Trail State Park
Land Transaction Case #20210276

Sale: Residential sanitary sewer (20' x 797.73') and water main (20' x 76.91') easements.

Sale Price: \$4,300.00

Description: Kent County, Plainfield Township, T08N, R11W, Section 31:
A variable width sanitary sewer easement and a variable width water main easement in the W 1/2 of Section 31, as more accurately described in the case file.

PA 240 of 2018: Not applicable.

Applicant: MKB Holdings LLC, Grand Rapids, Michigan

Authority: Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

Notice: This item will appear on the Department of Natural Resources (Department) March 1, 2022, calendar and is eligible for approval on March 8, 2022.

Acquired: The land was purchased in 1994 with Michigan Natural Resources Trust Fund (MNRTF) and Federal Transportation Economic Assistance dollars.

Minerals: Not applicable.

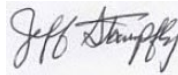
Comments: The desired easement is a strip of land within the Fred Meijer White Pine Trail. The sale of the easement will not impact the recreational uses along the existing trail. The easements are necessary in order to connect the applicant's property to the municipal water and sewer system along Morrisey Road.

February 14, 2022

- Recommendations:
1. That the septic drain field easement be sold to the applicant for \$4,300.00 with the following condition:
 - Any surface disturbance of the easement area shall be repaired or returned to the same or better condition.
 2. That the proceeds of the sale be deposited into the MNRTF.



James L. Dexter, Chief
Fisheries Division



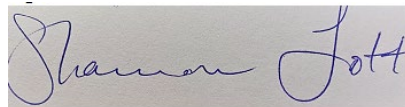
Jeff Stampfly, Chief
Forest Resources Division



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Jared Duquette, Chief
Wildlife Division



Shannon Lott
Natural Resources Deputy



Mark H. Hoffman
Chief Administrative Officer

I approve the staff recommendations.

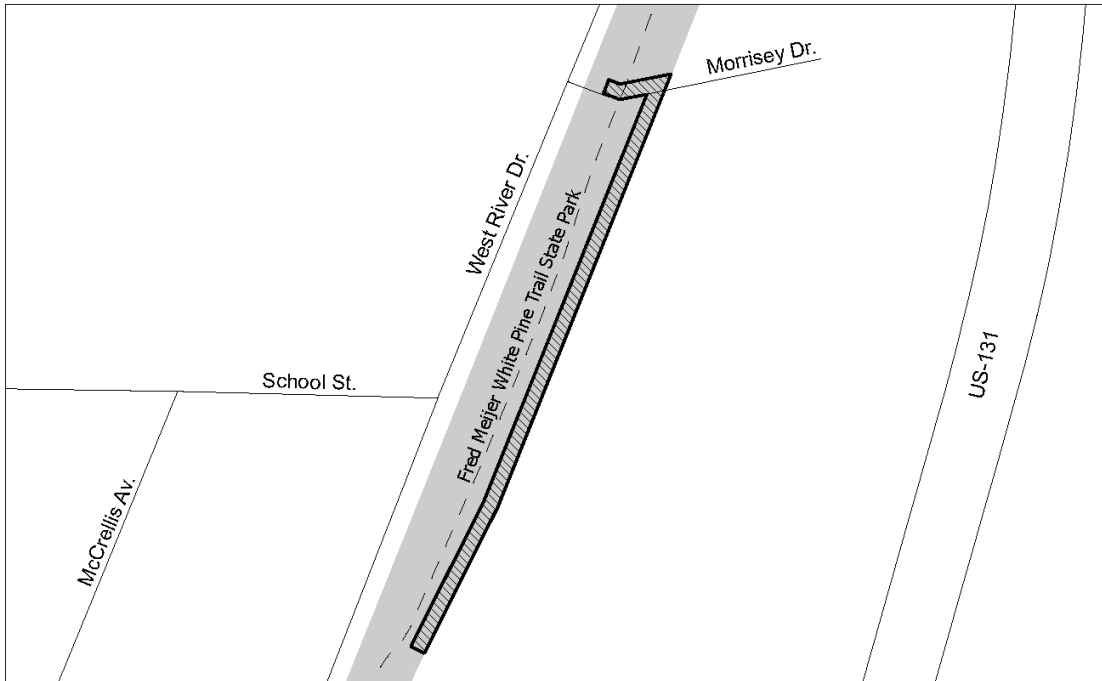


Daniel Eichinger
Director



Date Approved: March 10, 2022

SALE OF EASEMENT

Plainwell District - Kent County
Land Transaction Case #20210276



Section 31, T08N, R11W, Plainfield Township

-  Easement to be sold
-  State land

