



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

September 12, 2022

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Proposed October 25, 2022, 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 4,800 acres

Counties Offered: Arenac, Clare, Gladwin, Kalamazoo, and Oakland

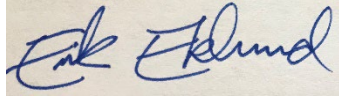
Lease Terms: Five-year primary term with two one-year extension options; one-sixth (1/6) royalty rate; minimum bid of \$10.00 per acre; and \$2.00 per acre annual rental for the primary term.

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 October 4, 2022, DNR Business Calendar and is eligible for approval October 13, 2022.

September 12, 2022

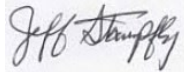
Recommendation: The mineral rights in all the lands being considered should be offered for inclusion in the proposed auction, under the terms and conditions specified.



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

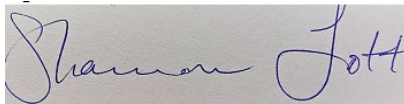


Jared Duquette, Chief
Wildlife Division

for



Mark Hoffman
Chief Administrative Officer



Shannon Lott
Natural Resources Deputy

I approve the staff recommendation.

Daniel Eichinger
Director

Approval Date