



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



SHANNON LOTT  
ACTING DIRECTOR

March 13, 2023

To: Shannon Lott, Acting Director

Information: Natural Resources Commission

Transaction: Proposed May 2, 2023, 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 77,000 acres

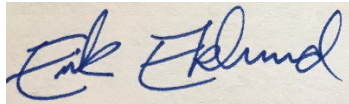
Counties Offered: Arenac, Clare, Crawford, Gladwin, Grand Traverse, Kalkaska, Manistee, Mason, Midland, Missaukee, Montcalm, Newaygo, Osceola, Oscoda, and Wexford

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 April 4, 2023, DNR Business Calendar and is eligible for approval April 13, 2023.

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.



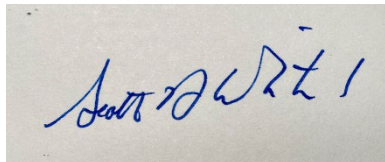
Erik Eklund, Chief  
Finance and Operations Division



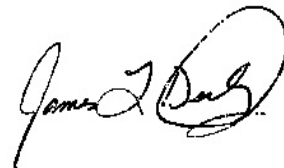
Jeffery J. Stampfly, Chief  
Forest Resources Division



Jared Duquette, Chief  
Wildlife Division



Scott Whitcomb  
Acting Natural Resources Deputy



James L. Dexter, Chief  
Fisheries Division



Ronald A. Olson, Chief  
Parks and Recreation Division



Kristin Phillips  
Chief Administrative Officer

I approve the staff recommendation.

Shannon Lott  
Acting Director

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Approval Date