



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



M. SCOTT BOWEN
DIRECTOR

September 18, 2023

To: M. Scott Bowen, Director

Information: Natural Resources Commission

Transaction: Proposed October 24, 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 3,000 acres

Counties Offered: Allegan, Arenac, Barry, Cass, Cheboygan, Grand Traverse, Ionia, Kalkaska, Manistee, Missaukee, Saint Clair, and Washtenaw

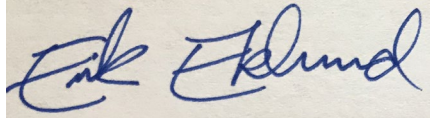
Lease Terms: Five-year primary term with two one-year extension options; one-sixth (1/6) royalty rate; minimum bid of \$10.00 per acre; and \$2.00 per acre annual rental for the primary term.

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 3, 2023, DNR Business Calendar and is eligible for approval October 12, 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.

September 18, 2023



Erik Eklund, Chief
Finance and Operations Division



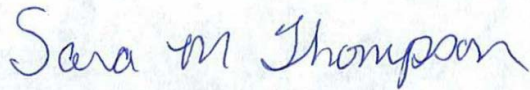
Randall M. Claramunt, Chief
Fisheries Division



Jeff Stampfly, Chief
Forest Resources Division



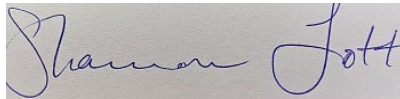
Ronald A. Olson, Chief
Parks and Recreation Division



Sara Thompson, Chief
Wildlife Division



Kristin Phillips
Chief Administrative Officer



Shannon Lott
Natural Resources Deputy

I approve the staff recommendation.

M. Scott Bowen
Director

Approval Date: