



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



M. SCOTT BOWEN  
DIRECTOR

March 18, 2024

To: M. Scott Bowen, Director

Information: Natural Resources Commission

Transaction: Proposed May 2, 2024, 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 2,800 acres

Counties Offered: Arenac, Clare, Gladwin, Missaukee, and Osceola

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 2, 2024, DNR Business Calendar and is eligible for approval April 11, 2024.

March 18, 2024

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.



Dan Lord, Chief  
Finance and Operations Division



Randall M. Claramunt, Chief  
Fisheries Division



Jeffery J. Stampfly, Chief  
Forest Resources Division



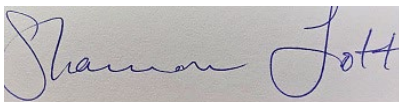
Ronald A. Olson, Chief  
Parks and Recreation Division



Sara Thompson, Chief  
Wildlife Division



Kristin Phillips  
Chief Administrative Officer



Shannon Lott  
Natural Resources Deputy

I approve the staff recommendation.



for

M. Scott Bowen  
Director

Approval Date: April 11, 2024