Michigan Department of Natural Resources

Metallic and Nonmetallic Minerals Lease Classifications

Upon receiving a request for a metallic or nonmetallic minerals lease, a review is completed by a multidisciplinary team at the Department of Natural Resources (DNR). The purpose of the review is to determine the most appropriate level of surface use that should be allowed for metallic or nonmetallic minerals development activities.

The following four lease classification categories are used:

- Nonleasable (NL) – The NL category prohibits the leasing of the parcel's metallic or nonmetallic mineral rights. It is used when there are no means to adequately protect surface resources or when deed restrictions prohibit leasing.

- Leasable Nondevelopment (LND) – The LND category allows for a parcel's metallic or nonmetallic mineral rights to be leased, but it does not allow the parcel's surface to be used for metallic or nonmetallic mineral development without separate written permission from the Department of Natural Resources.

- Leasable Development with Restriction (LDR) – The LDR category allows for a parcel's metallic or nonmetallic mineral rights to be leased and also allows surface use after all necessary permissions have been obtained. In addition to standard lease provisions, LDR leases contain other specific restrictions (stipulations). Examples of such restrictions include development time restrictions within Kirtland's Warbler habitat management area.

- Leasable Development (LD) – The LD category allows for metallic or nonmetallic mineral rights to be leased and allows surface use after all necessary permissions have been granted. The Lessee must follow all standard lease provisions and obtain all necessary permissions before commencing surface activities.

Lease classifications do not convey a right to explore, mine, or produce to a Lessee. It is only the first of many steps required in the metallic and nonmetallic minerals production process. A lease, regardless of its associated classification, merely grants a Lessee the exclusive right to pursue development of the leased metallic or nonmetallic mineral rights if they choose to do so, provided that all necessary permissions are obtained.