



Michigan Department of Natural Resources Metallic Mineral Leases Frequently Asked Questions

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What is the DNR's authority for leasing metallic minerals?

The DNR's authorization to enter into contracts for the taking of coal, oil, gas and other mineral products from state-owned lands comes from section 324.502(3) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).

How are state-owned metallic mineral rights leased?

Any party interested in leasing state-owned metallic mineral rights can "nominate" state-owned mineral rights for lease. A nomination does not mean the mineral rights will be offered for lease.

Does the state of Michigan generate revenue from metallic mineral leasing?

Yes. Leasing of state-owned metallic mineral rights for exploration and development generates revenue in three ways:

- Lessees pay a "bonus" to acquire the lease rights;
- Lessees pay rent on acreage leased; and
- Lessees pay royalties based on the gross sales value of all metallic minerals or mineral products sold from the leased premises.

Over the last 7 fiscal years, the leasing of state-owned metallic mineral rights has generated more than \$34 million. Michigan's state constitution requires that this revenue go into the Michigan State Parks Endowment Fund and the Game and Fish Protection Trust Fund. These funds allow for improvements and increased recreational opportunities for everyone.



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Are metallic mineral exploration and development activities regulated by the state of Michigan?

Yes. In Michigan, all metallic mineral exploration and development on state and private land is regulated by the Michigan Department of Environmental Quality (DEQ), Oil, Gas, and Minerals Division. For more information regarding mining regulations, please visit their website at: <https://www.michigan.gov/deq>, select “Land”, then click on the Mining tab.

How is the environment protected?

There are several means of addressing environmental concerns with metallic mineral development. For example:

- Parcels nominated for leasing go through a classification review by resources professionals to determine the appropriate level of surface use that should be allowed (see related information regarding lease classifications and stipulations for further information).
- The lessee is subject to all applicable existing or subsequent federal and state laws and rules.
- The lease within itself is not an authorization to mine. Separate application(s) and approval(s) by the DEQ are required prior to mining activity.

What are “severed minerals”?

Severed minerals occur when the mineral estate, which includes metallic mineral rights, is severed from the surface estate. In this case, one party may own the right to farm the land, build a house, or graze cattle, while another party may own the right to explore for and produce the metallic minerals from beneath the land at the same property, if such minerals exist.

How can I find out who owns the minerals under my land?

To determine who owns the mineral rights under your property, a title search would need to be performed. An individual can search the records at the Register of Deeds office in the county where the property is located, or an individual can hire someone to do the title search for them. A landowner can determine whether the DNR owns the mineral rights by contacting the Office of Minerals Management (OMM) at 517-284-5850.

Can I buy the State of Michigan-owned severed mineral rights?

DNR’s OMM oversees a program which allows for the reunification of surface and mineral rights in some circumstances. For more information, contact OMM at 517-284-5850.



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Does state ownership of the metallic mineral rights mean there are metallic minerals to be developed?

Not necessarily. State ownership of the metallic mineral rights merely signifies that the state owns any metallic minerals that exist, along with the right to explore, mine, and produce them. It does not mean that metallic minerals are present.

What is a lease classification?

There are four categories of lease classification: Leasable development (allows surface use that conforms to lease terms), leasable development with restrictions (allows surface use that conforms to lease terms and additional added stipulations), leasable nondevelopment (does not allow surface use without separate, written permission from the DNR), and nonleasable (mineral rights will not be leased). Nominated parcels are classified for leasing after a review by biologists, foresters, the State Archeologist, and other professionals to determine the appropriate level of surface use for the parcel based on its resource features.

What are lease stipulations?

Stipulations are additional restrictions or requirements that are added to a lease. They are determined by the DNR based on a pre-lease classification review of nominated tracts. For example, the department may add a stipulation to the metallic lease to restrict development to certain times of the year. Other stipulations might address the placement of equipment or roads on a parcel, or address wildlife and other natural resource issues.

What are administrative rules?

Administrative rules are adopted by the various state agencies to guide them and the public in the conduct of their agency responsibilities. The DNR has developed and implemented rules to guide the process of metallic minerals leasing on state lands. These rules can be found on the DNR website at: www.michigan.gov/minerals. Select "Metallic", and the Administrative Rules can be found under the "Procedures" heading.



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How does the DNR notify the public about Metallic Minerals Leasing?

The DNR uses a variety of methods to notify the public regarding the leasing of state-owned mineral rights:

- The DNR website contains a variety of information regarding the leasing of state-owned mineral rights – including nomination information, maps, mineral leasing procedures and forms.
- A public notice regarding proposed leasing is posted on our website and in newspapers serving areas of proposed lease activity. Public notices are distributed to local newspapers in time to give the public 30 days to review and comment on tracts nominated for leasing before any decision is made regarding the application to lease the mineral rights.
- The DNR sends information regarding proposed mineral leasing to the County Commissioners and Township Supervisors where nominated parcels are located.
- The DNR distributes press releases regarding proposed metallic mineral leasing.
- The DNR sends information regarding all mineral leasing activities to interested parties who have signed up for notification via e-mail or text through the GovDelivery system. Please visit www.michigan.gov/minerals and click on “Metallic” to sign up for notifications regarding metallic minerals leasing.

Does the DNR accept public comments on metallic leasing activities?

Yes. Public comment is an important component of metallic mineral leasing. Written comments may be sent to Michigan Department of Natural Resources, Office of Minerals Management, P.O. Box 30452, Lansing, MI 48909 or e-mailed to DNR-Minerals@Michigan.gov.