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DEPARTMENT OF NATURAL RESOURCES

LANSING



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## CHANGE IN REFUND POLICY REGARDING ATTORNEY TITLE OPINIONS

The State of Michigan has required an Attorney's Title Opinion for all tax-reverted parcels awarded at Oil and Gas Lease Auctions since June 2005. Successful bidders for offerings containing tax-reverted parcels must provide an acceptable Attorney's Title Opinion within six months of the auction date. Previously, if an acceptable Attorney's Title Opinion was not provided within six months, a lease was not issued and the Department of Natural Resources (Department) refunded the bonus and rental paid. In some instances, Attorney Title Opinions are not being submitted for a significant number of leases. The Department and the Michigan Oil and Gas Association agree that this situation increases the opportunity for speculation, and may result in acreage being held off the market. As a consequence, the Department has changed its policy and *will no longer issue refunds when an acceptable Attorney's Title Opinion is not submitted by the due date*. For the May 1, 2007 auction, that due date is November 1, 2007.

In the circumstance where an acceptable Attorney's Title Opinion indicating a prior severance is submitted by the due date, the Department will continue to refund the bonus and rental amounts paid for those parcels.

If you have any questions regarding the above information, please contact Ms. Julie Manson, Unit Manager, Oil and Gas Lease Management Unit, Mineral and Land Management Section, Forest, Mineral and Fire Management, at (517) 335-3232 or [mansonja@michigan.gov](mailto:mansonja@michigan.gov)