



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

August 16, 2021

To: Daniel Eichinger, Director

Information: Natural Resources Commission

Transaction: Oil and Gas Lease Auction – 23,743.03 acres were offered July 29, 2021

Authority: Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended

Applicants: The attached auction summary identifies the successful bidders, the total acreage, and the total revenue paid. There were ten registered bidders with nine successful bidders.

Mineral Description: The Official Auction Record shows the legal descriptions for each offering.

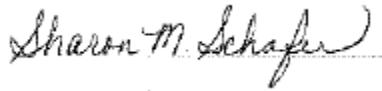
Acres Bid: Of the 23,743.03 acres offered, a total of 15,382.31 acres received successful bids (7,808.77 acres development, 7,573.54 acres nondevelopment) in 12 counties.

Lease Terms: Five-year primary term with two one-year extension options; one-sixth (1/6) royalty. Bonus amount of \$221,909.00 and rental amount of \$54,984.62. Total revenue generated at the auction was \$276,893.62.

Special Restrictions: In accordance with those described in the Official Auction Record for each applicable auction description.

Notice: This item will appear on the Department of Natural Resources September 7, 2021, Business Calendar and is eligible for approval September 16, 2021.

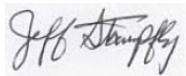
Recommendation: That the oil and gas leases be issued to the successful bidders pursuant to the above terms and conditions.



Sharon M. Schafer, Chief
Finance and Operations Division



James L. Dexter, Chief
Fisheries Division



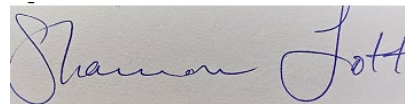
Jeff Stampfly, Chief
Forest Resources Division



Ronald A. Olson, Chief
Parks and Recreation Division



Jared Duquette, Chief
Wildlife Division



Shannon Lott
Natural Resources Deputy

I approve the staff recommendation.

Daniel Eichinger
Director

Approval Date

State of Michigan
Oil and Gas Lease Auction
July 29, 2021

Bidder Number	Lessee	Total Acres	Total Bonus + Total Rental
101	West Bay Exploration Company 13685 S. West Bay Shore Drive Suite 200 Traverse City, MI 49684	6,535.63	\$80,241.26
102	Savoy Energy, L.P., registered to transact business in Michigan as Savoy Energy Limited Partnership P.O. Box 1560 Traverse City, MI 49685	1,451.12	\$50,958.24
103	VCP Michigan, LLC P.O. Box 977 Gaylord, MI 49734	413.41	\$8,274.10
104	Heritage Land Company, LLC P.O. Box 882 Traverse City, MI 49685	1,102.10	\$22,071.00
105	J&M Energy LLC 1425 South Mission Road Mt. Pleasant, MI 48858	846.40	\$17,774.00
106	Western Land Services, Inc. 1100 Conrad Industrial Drive Ludington, MI 49431	665.59	\$13,325.90
107	ReefWorks LLC 730 Quail Ridge Drive Traverse City, MI 49686	4,049.06	\$80,421.12
108	Carter Bandy 4632 S. Gary Avenue Tulsa, OK 74105	239.00	\$2,868.00
109	CORE Energy, LLC 1011 Noteware Drive Traverse City, MI 49686	80.00	\$960.00
110	Ben Brower 1503 Garfield Rd N Traverse City, MI 49686	No Bid	No Bid
Totals:		15,382.31	\$276,893.62