



LEASE ASSIGNMENT REQUIREMENTS

This information is provided by authority of Part 5, Section 502, Act 451 of 1994, as amended.

All assignments of working interest in State of Michigan (State) leases must be submitted to the Department of Natural Resources (DNR), Finance and Operations Division (FOD), Minerals Management Section (MMS), for approval.

The DNR will review all assignments within 30 days of receipt. If review within 30 days is not possible, you will be notified in writing that the review timeframe must be extended.

The requirements and nonrefundable assignment fees differ for partial and full assignments.

- *The review fee for a Partial Assignment is \$10 per lease, per assignment.*

One copy (or original) must be submitted. If within the 30-day time period you are not notified otherwise, you may assume the partial assignment has been approved and has been retained by the DNR. A copy will be returned upon request.

- *The review fee for a Full Assignment is \$25 per lease, per assignment.*

One original and a duplicate copy must be submitted. If approved, both documents will be executed by the DNR, the original will be returned to you and the duplicate copy will be retained by the DNR.

Note, we recommend that assignments be submitted for an informal review prior to execution; please submit to TurnerA7@michigan.gov.

All assignments submitted to the DNR for approval must:

- Be on the current State Assignment of Lease(s) form PR4058, available at www.michigan.gov/minerals. Forms should be printed on letter-sized paper, two-sided if possible.
- Represent a separate assignment of working interest in a State lease(s) from a single Assignor to a single Assignee; no assignments from or to multiple parties will be accepted.
- Pertain to the assignment of working interest in State leases only and cannot include assignments of private leases, personal property, pipeline or other utility easements, overriding royalty interest, net revenue interest, etc. and cannot be made "subject to" any other agreements or conveyances between parties. *See Lease Assignment Language (form IC4308).*
- Be specific as to what interest is being assigned and what interest the Assignor owns to assign. For example, if you own 100% in a State lease and assign 25%, you would state "25% of Assignor's 100% right, title, and interest." This format must be used in all cases. If the assignment is only for a formation, list that formation. *See Lease Assignment Language (form IC4308).*
- Specifically identify the legal description on Attachment A, as described on the original lease, incorporating any amendments or releases, of the lands affected by the assignment (town, range, section, and description). For example, T22N, R16W, Sec 23, NE1/4 SE1/4.
- Pertain to only one county per assignment.
- Identify whether the assignment constitutes a Partial or Full Assignment by marking the appropriate boxed section at the bottom of the first page. There is only one Lessee, or responsible party, for each State lease. Current Lessee information is available at www.michigan.gov/minerals.
- A Partial Assignment is any assignment where the Lessee assigns less than 100% of their interest in a lease or portion of a lease, and/or any assignment made by an interest owner that is not the Lessee.
- A Full Assignment requires the transfer of responsible party (Lessee) status to another legal entity. It is considered a Full Assignment when the Lessee transfers:
 - 100% of the interest that is held by the Lessee in the lease.
 - 100% of the interest that is held by the Lessee in a specified legal description in the lease.

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- Any of Lessee's interest to a party who agrees to accept the responsibility of Lessee for all interest holders of the lease for all formations.
- Include properly signed, dated, and notarized signatures of all parties to the assignment. All parties and notaries must have their name printed or typed legibly, exactly as signed, directly below each signature.
- Be in a recordable format and have all corrections, strikethroughs, etc. initialed by the applicable party.
- To help expedite the review process, please list leases in numerical order on Attachment A.
- Be submitted with full payment of the nonrefundable assignment fee. Checks must be made payable to "State of Michigan" and mailed with the assignment(s) to:

ATTN: CASHIER'S OFFICE
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30451
LANSING MI 48909-7951

Proof of legal entity is required for every Lessee of a State lease and must be submitted to the DNR, if requested. This may be in the form of one of the following documents:

- *Individual* - Proof of legal age; copy of driver's license, birth certificate or passport.
- *Company, Corporation or Partnership* - A "Certificate of Good Standing" or a "Certificate of Limited Partnership," which may be obtained from the Department of Licensing and Regulatory Affairs (LARA), Corporations Division, P.O. Box 30054, Lansing, MI 48909; 517-241-6470 or www.michigan.gov/lara. Email inquiries should be sent to CorpsMail@michigan.gov.
- *Persons Doing Business Under an Assumed Name* - A "Certificate of Persons Conducting Business Under an Assumed Name," which may be obtained from the Clerk of the County in which registered.

All Lessees of State leases must have a sufficient lease performance bond on file with the DNR. The amount of bond required is dependent upon the number of State mineral acres the Lessee will have under lease once the assignment has been approved. The Lessee's name on the bond must read exactly as registered to transact business in Michigan and as listed on the assignment. Bond information is available at www.michigan.gov/minerals or contact Kim Venne, Property Specialist, MMS, FOD, at 517-284-5912 or VenneK@michigan.gov.

Entities listed on the DNR's Hold Action List are ineligible to accept assignments of State leases as long as they remain on the Hold Action List.

Any assignment submitted for approval that does not meet the criteria outlined above will be returned unapproved.

Additional information is available at www.michigan.gov/minerals or contact Andrea N. Turner, Property Analyst, MMS, FOD, at 517-284-6430 or TurnerA7@michigan.gov.
