

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **1999-03-26**  
SEC Accession No. **0000905729-99-000062**

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### SUBJECT COMPANY

#### **MILLER EXPLORATION CO**

CIK: **1048740** | IRS No.: **383379776** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **SC 13D** | Act: **34** | File No.: **005-53433** | Film No.: **99573588**  
SIC: **1311** Crude petroleum & natural gas

Business Address  
3104 LOGAN VALLEY RD  
TRAVERSE CITY MI  
49685-0348

### FILED BY

#### **MILLER KELLY E**

CIK: **1049122**  
Type: **SC 13D**

Mailing Address  
C/O MILLER EXPLORATION  
CO  
3104 LOGAN VALLEY ROAD  
TRAVERSE CITY MI  
49685-0348

Business Address  
3104 LOGAN VALLEY ROAD  
TRAVERSE CITY MI  
49685-0348

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities and Exchange Act of 1934  
(Amendment No. #1) <F\*>

MILLER EXPLORATION COMPANY  
(Name of Issuer)

COMMON STOCK \$0.01 PAR VALUE  
(Title of Class of Securities)

600533 10 0  
(CUSIP Number)

Stephen C. Waterbury  
Warner Norcross & Judd LLP  
900 Old Kent Building  
111 Lyon Street, N.W.  
Grand Rapids, Michigan 49503-2487  
(616) 752-2000

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

FEBRUARY 15, 1999  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [ ].

<F\*> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAMES OF REPORTING PERSONS/  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Kelly E. Miller

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP<F\*>  
(a)  [X]  
(b)  [ ]

3. SEC USE ONLY

4. SOURCE OF FUNDS OO, IN

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM  
2(d) OR 2(e) \_\_\_\_\_

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES	7. SOLE VOTING POWER	1,102,303 <F1>
BENEFICIALLY OWNED BY	8. SHARED VOTING POWER	94,324 <F2>
EACH REPORTING	9. SOLE DISPOSITIVE POWER	1,102,303 <F1>
PERSON WITH	10. SHARED DISPOSITIVE POWER	94,324 <F2>
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		1,196,627 <F1><F2>
12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		[ ]
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		9.5%
14. TYPE OF REPORTING PERSON (See Instructions)		IN

<F1> Includes options for 2,270 shares with an exercise price of \$8.80/share that are exercisable after 2/9/99 and options for 63,730 shares with an exercise price of \$8.00/share that are also exercisable after 2/9/99.

<F2> Includes 10,300 shares purchased on behalf of minor children.

<F\*> SEE INSTRUCTIONS BEFORE FILLING OUT.

1. NAMES OF REPORTING PERSONS/  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Miller and Miller, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP<F\*>  
(a)  [X]  
(b)  [ ]

3. SEC USE ONLY

4. SOURCE OF FUNDS OO

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM  
2(d) OR 2(e) \_\_\_\_\_

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES	7. SOLE VOTING POWER	0
BENEFICIALLY OWNED BY	8. SHARED VOTING POWER	84,024
EACH REPORTING	9. SOLE DISPOSITIVE POWER	0
PERSON WITH	10. SHARED DISPOSITIVE POWER	84,024
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		84,024
12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		<input checked="" type="checkbox"/> <F**>
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		0.7%
14. TYPE OF REPORTING PERSON (See Instructions)		CO

<F\*> SEE INSTRUCTIONS BEFORE FILLING OUT.

<F\*\*>EXCLUDES SHARES BENEFICIALLY OWNED BY KELLY E. MILLER.

This Amendment is being filed to amend the original Schedule 13D filed by Kelly E. Miller and Miller and Miller, Inc. on February 19, 1998.

ITEM 1 SECURITIES AND ISSUER

This statement relates to the ownership of shares of common stock, \$.01 par value, of Miller Exploration Company (the "Company") and options to purchase shares of common stock of the Company as of February 9, 1999. The address of the executive office of the Company is 3104 Logan Valley Road, Traverse City, Michigan 49684. This statement is being filed jointly on behalf of (1) Kelly E. Miller and (2) Miller and Miller, Inc.

ITEM 2 IDENTITY AND BACKGROUND

(1)

- (a) Name: Kelly E. Miller
- (b) Business address: 3104 Logan Valley Road, Traverse City, Michigan 49684
- (c) Mr. Miller is the President, Chief Executive Officer, and a director of the Company. The Company is an independent oil and gas exploration and production company.
- (d) Mr. Miller has not been convicted in a criminal proceeding during the previous five years.
- (e) Mr. Miller has not been a party in a civil or administrative proceeding involving an alleged violation of any state or federal securities laws during the previous five years.
- (f) Mr. Miller is a citizen of the United States of America.

(2)

- (a) Name and state of organization: Miller and Miller, Inc., a Michigan corporation.
- (b) Business address: 3104 Logan Valley Road, Traverse City, Michigan 49684
- (c) Business purpose: Miller and Miller, Inc. is an oil and gas exploration company.
- (d) Miller and Miller, Inc. has not been convicted in a criminal proceeding during the previous five years.
- (e) Miller and Miller, Inc. has not been a party in a civil or administrative proceeding involving an alleged violation of any state or federal securities laws during the previous five years.

ITEM 3 SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Mr. Miller was granted 60,000 shares of restricted stock pursuant to a restricted stock agreement in conjunction the Company's initial public offering in February 1998. If Mr. Miller remains employed by the Company and does not breach the terms of the restricted stock agreement, his conditional right to the 60,000 shares of the restricted stock vests at

cumulative annual increments of one-half of the total number, beginning on the first anniversary of the February 9, 1998. Thus, 30,000 of Mr. Miller's restricted shares have vested as of February 9, 1999.

Mr. Miller has purchased shares of the Company's common stock over the past 12 months. Mr. Miller used his personal funds for all the acquisitions listed below. All of these shares were purchased in open market transactions. Mr. Miller acquired 10,000 shares in February; 2,500 shares in July; 1,000 shares in August; 5,000 shares in September; 33,500 shares in October; and 5,000 shares in December.

<TABLE>

<CAPTION>

DATE	AMOUNT OF FUNDS	SOURCE
-----	-----	-----
<S> <C>	<C>	<C>
2/25/1998	\$78,750	personal funds
7/1/1998	\$7,750	personal funds
7/7/1998	\$3,813	personal funds
7/16/1998	\$3,813	personal funds
7/20/1998	\$3,813	personal funds
8/28/1998	\$5,500	personal funds
9/2/1998	\$5,375	personal funds
9/3/1998	\$5,000	personal funds
9/4/1998	\$5,000	personal funds
9/24/1998	\$10,000	personal funds
10/8/1998	\$14,246	personal funds
10/9/1998	\$140,000	personal funds
12/1/1998	\$13,875	personal funds
12/2/1998	\$9,000	personal funds

</TABLE>

In addition, Mr. Miller purchased 10,300 shares of the Company's common stock on behalf of his minor children. Mr. Miller used his personal funds for all of the acquisitions listed below. All of these shares were purchased in open market transactions. These purchases included 400 shares in February; 2,000 in July; and 7,900 in August for the following amounts:

<TABLE>

<CAPTION>

DATE	AMOUNT OF FUNDS	SOURCE
-----	-----	-----
<S> <C>	<C>	<C>
2/9/1998	\$3,200	personal funds
7/20/1998	\$11,438	personal funds
7/24/1998	\$3,813	personal funds
8/24/1998	\$25,988	personal funds
8/25/1998	\$19,600	personal funds
8/28/1998	\$2,213	personal funds

</TABLE>

On February 9, 1999, Mr. Miller was awarded 1,399 shares as a result of the Company's matching contributions under the 401(k) savings plan. On the matching date, the value of the 1,399 shares was \$5,771. On February 15, 1999, Kelly E. Miller, as trustee of the Kelly E. Miller Trust, dated February 21, 1989, also acquired 3,609 shares as an annuity payment pursuant to the terms of the Kelly E. Miller Retained Annuity Trust #1, trustee by C.E. Miller and dated November 3, 1997. The dollar amount of shares transferred from that trust to Kelly E. Miller, as trustee of the Kelly E. Miller Trust, was \$12,631.

ITEM 4 PURPOSE OF TRANSACTION

(1) Mr. Miller acquired the shares as an investment. Mr. Miller intends for the Company to continue its business of oil and gas exploration and production. Mr. Miller intends for the common stock of the Company to continue to be eligible for trading on The Nasdaq Stock Market.

(2) Miller and Miller, Inc. acquired the shares as an investment. Miller and Miller, Inc. intends for the Company to continue its business of oil and gas exploration and production. Miller and Miller, Inc. intends for the common stock of the Company to continue to be eligible for trading on The Nasdaq Stock Market.

ITEM 5 INTEREST IN SECURITIES OF THE ISSUER.

(1) Mr. Miller is the beneficial owner of 1,196,627 shares of the Company's common stock, or approximately 9.5% of its outstanding shares. Mr. Miller holds the sole power to vote and dispose of 1,102,303 of these shares. This total includes 66,000 shares underlying options that Mr. Miller currently has the right to acquire.

Mr. Miller holds the shared power to vote and dispose of 94,324 of the 1,196,627 shares. Mr. Miller shares the power to vote and the power to dispose of 84,024 of these shares with Miller and Miller, Inc. Mr. Miller shares the power to vote and the power to dispose of the other 10,300 shares with his minor children.

Mr. Miller has conducted the following recent transactions in the Company's common stock:

- (a) Mr. Miller purchased 3,000 shares of common stock on December 1, 1998 at a price per share of \$4.625. Mr. Miller purchased these shares on the open market.
- (b) Mr. Miller purchased 2,000 shares of common stock on December 2, 1998 at a price per share of \$4.50. Mr. Miller purchased these shares on the open market.

- (c) Mr. Miller has an option to acquire 2,270 shares of common stock at an exercise price of \$8.80 as of February 9, 1999.
- (d) Mr. Miller has an option to acquire 63,730 shares of common stock at an exercise price of \$8.00 as of February 9, 1999.
- (e) Mr. Miller was awarded 1,399 shares of common stock on February 9, 1999 as a result of the Company's matching contributions under the 401(k) savings plan.
- (f) On February 15, 1999, the Kelly E. Miller Trust, trusteeed by Mr. Miller and dated February 21, 1989, was awarded 3,609 shares of common stock as an annuity payment from the Kelly E. Miller Retained Annuity Trust #1, trusteeed by C.E. Miller and dated November 3, 1997. The shares were transferred from the trust to Mr. Miller, as trustee of the Kelly E. Miller Trust, at a share price of \$3.50.

(2) Miller and Miller, Inc. is the beneficial owner of 84,024 shares of the Company's common stock, or approximately 0.7% of its outstanding shares. Miller and Miller, Inc. has shared power to vote and dispose of these shares. Miller and Miller, Inc. shares the power to vote and the power to dispose of these shares with Kelly E. Miller.

ITEM 6 CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS  
WITH RESPECT TO SECURITIES OF THE ISSUER

None

ITEM 7 MATERIALS TO BE FILED AS EXHIBITS

The following exhibits are furnished with this Schedule 13D:

EXHIBIT NUMBER	DOCUMENT
99.1	Joint Filing Agreement
99.2	Members of Group
99.3	Power of Attorney. Previously filed as an exhibit to the Schedule 13D of Mr. Miller filed on February 19, 1998, and here incorporated by reference.



SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 25, 1999

/S/ KELLY E. MILLER  
Kelly E. Miller

MILLER AND MILLER, INC.

KELLY E. MILLER TRUST

By /S/ KELLY E. MILLER  
Kelly E. Miller, Trustee

\*By /S/ TASHIA L. RIVARD  
Tashia L. Rivard, Attorney-in-Fact

## EXHIBIT INDEX

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99.1	Joint Filing Agreement
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EXHIBIT 99.1

JOINT FILING AGREEMENT

The undersigned stockholders of Miller Exploration Company, a Delaware corporation, hereby consent to the joint filing of a Schedule 13(d) in accordance with Rule 13d-1(f) (1) of the Securities Exchange Act of 1934.

Date: March 25, 1999

/S/ KELLY E. MILLER  
Kelly E. Miller

KELLY E. MILLER TRUST

By /S/ KELLY E. MILLER  
Kelly E. Miller, Trustee

MILLER AND MILLER, INC.

KELLY E. MILLER TRUST

By /S/ KELLY E. MILLER  
Kelly E. Miller, Trustee

\* By /S/ TASHIA L. RIVARD  
Tashia L. Rivard, Attorney-in-fact

EXHIBIT 99.2

MEMBERS OF GROUP

The following stockholders of Miller Exploration Company, a Delaware corporation, are members of a group pursuant to Section 13(d)(3) of the Securities Exchange Act of 1934:

Kelly E. Miller

Miller and Miller, Inc.