



**DIVISION OF NATURAL RESOURCES**  
324 Fourth Avenue, Room 200  
South Charleston, West Virginia 25303-1228  
Telephone (304) 558-3225  
Fax (304) 558-6048  
TDD (304) 558-1439  
TDD 1-800-354-6087

**Stephen S. McDaniel**  
Director

February 20, 2019

Mr. Brian Paugh, Vice President of Land  
Jay-Bee Production  
75 Crosswinds Drive  
Bridgeport, West Virginia 26330

RE: Sugar Creek/Middle Island Creek  
Pleasants County 1.37 acres

Dear Mr. Paugh:

The West Virginia Division of Natural Resources ("DNR") has identified your company's bid of \$3601.00 per net mineral acre to develop the above-referenced oil and gas in Pleasants County, West Virginia, as the highest responsible bid for this property. Be advised that the award of this bid is time sensitive and remains subject to execution of a lease agreement acceptable to the agency.

The DNR desires to close a lease transaction on this property on or before April 1, 2019 at our offices located at 324 Fourth Avenue, South Charleston, West Virginia 25303, at a time to be determined. An earnest money check in the amount of \$5,000.00 was submitted and received with your bid. Enclosed hereto is a copy of the DNR's standard lease agreement for your review. You may contact Joe Scarberry of the Division's Office of Land & Streams to coordinate the closing on this lease transaction at 304-558-3225.

We look forward to working with you on this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. McDaniel", written over a horizontal line.

Stephen S. McDaniel

cc: Joe Scarberry, Office of Land & Streams  
Larry George, Special Assistant West Virginia Attorney General

SM:js