



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

August 28, 2019

Mr. Gary Nuckolls
Staff Landman
SWN Production Company, LLC
10000 Energy Drive
Spring, Texas 77389

RE: Oil & Gas Leasing Rights
463.4 acres Ohio River (between Mile Markers 74 and 77) and
all navigable portions of Cross, Buffalo and Short Creeks
Cross Creek, Buffalo and Richland Districts
Brooke and Ohio Counties, West Virginia

Dear Mr. Nuckolls,

This letter is to inform you that the West Virginia Division of Natural Resources (DNR) has chosen SWN Production Company, LLC's bid of \$2,500.00 per acre to develop the Oil & Gas underlying 463.4 acres of the Ohio River (between Mile Markers 74 and 77) and all navigable portions of Cross, Buffalo and Short Creeks in Brooke and Ohio Counties, West Virginia, as the highest responsible bid for the property.

This bid award is subject to the execution of an Oil & Gas Lease Agreement acceptable to DNR. DNR will draft the Oil & Gas Lease Agreement. You may view a sample Oil & Gas Lease Agreement form on the WV Mineral Development website.

For drafting purposes, DNR needs the following information from SWN Production Company, LLC:

- (1) A detailed description of the property to be leased, including:
 - (a) Specific Mile Markers for the Ohio River; and
 - (b) Longitude and Latitude for the Ohio River and the Creeks;Or
 - (c) A metes and bounds description, if the Longitude and Latitude are not availableAnd
- (2) Well name(s) and number(s) that include this property.

DNR desires to close the Oil & Gas Lease transaction for this property as soon as possible. Once DNR receives the above information, and the Oil & Gas Lease Agreement is drafted and agreed upon, then a Closing date will be set.

For the Closing, DNR would like to know the following:

(1) Will your Earnest Money check of \$5,000.00 be used as part of the Bonus Money payment?

Or

Will DNR be returning the Earnest Money check to SWN Production Company, LLC?

And

(2) Will you or a representative of the Company be attending the Closing at DNR's offices located at 324 Fourth Avenue, South Charleston, West Virginia?

Or

Will everything be transacted through mail and email?

DNR looks forward to working with you and SWN Production Company, LLC on this matter. If you have any questions or concerns, please contact this office.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Julia A. Morton", with a long horizontal line extending to the right from the end of the signature.

Julia A. Morton
Office of Land & Streams