



DIVISION OF NATURAL RESOURCES
324 4th Avenue, Room 342
South Charleston, West Virginia 25303-1228
Telephone 304-558-3225
Fax 304-558-6048
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TDD 800-354-6087

Stephen S. McDaniel
Director
January 29, 2020

Ms. Bailey Brougher
SWN Production Company, LLC
10000 Energy Drive
Spring, Texas 77389

RE: Oil & Gas Leasing Rights
320.44 acres Ohio River (between within Mile Marker 68 to the southern end of
Mile Marker 70, excluding Mingo Island)
Cross Creek District
Brooke County, West Virginia

Dear Ms. Brougher,

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 320.44 acres of the Ohio River (between within Mile Marker 68 to the southern end of Mile Marker 70, excluding Mingo Island) in Cross Creek District, Brooke County, 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: Well name(s) and number(s) that include this property.

For your information, the Oil & Gas Lease Agreement will include SWN's requested language.

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?

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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/or 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,



Julia A. Morton
Office of Land & Streams