

STATE OF WEST VIRGINIA  
DEPARTMENT OF COMMERCE  
DIVISION OF NATURAL RESOURCES  
OFFICE OF LAND & STREAMS

324 Fourth Avenue, Room 200  
South Charleston, West Virginia 25303  
Telephone: (304) 558-3225

**DIVISION OF NATURAL RESOURCES**  
**BID PROSPECTUS**  
**FOR**  
**OIL and GAS LEASING AND PRODUCTION**

A prospectus on 19.46 acres, more or less, of oil and gas  
underlying a portion of Middle Island Creek  
Ellsworth District  
Tyler County, West Virginia

C. Edward Gaunch, Secretary  
West Virginia Department of Commerce

Stephen S. McDaniel, Director  
West Virginia Division of Natural Resources

## **I. Introduction**

The State of West Virginia, through the Division of Natural Resources, holds title to certain lands and mineral resources in the state. The Division of Natural Resources is charged with administering and managing those certain state lands and mineral resources to provide a comprehensive program for their conservation, development, protection, enjoyment and use.

Pursuant to West Virginia Code §20-1-7(14), the Division of Natural Resources is authorized to lease minerals, including oil and gas, under its jurisdiction and control for proper development and production.

In the course of its duties, the Division of Natural Resources has decided to lease part of its oil and gas resources for development and production by the competitive bidding process. In so doing, the Division of Natural Resources reserves the right to select the highest responsible bidder for the subject property, and the Division of Natural Resources also reserves the right to reject any or all bids it receives for the subject property, if any, and the right to re-bid the subject property at a future time.

## **II. Property**

This prospectus for an Oil and Gas Lease for development and production includes:

Oil and Gas  
19.46 acres, more or less  
Underlying a portion of Middle Island Creek  
(beginning Latitude: 39.474638 Longitude: -80.844931  
ending Latitude: 39.460152 Longitude: -80.840603)  
Ellsworth District  
Tyler County, West Virginia

**NOTICE:** The above property is SUBJECT TO THE RESTRICTIONS established by the United States Army Corps of Engineers, the West Virginia Division of Natural Resources and the West Virginia Division of Environmental Protection.

### **III. Production and Assurance of Maintaining Environmental Integrity**

Production of the Division of Natural Resources' oil and gas resources, which are the subject of this prospectus, shall be by environmentally sound methods. Procedures will be reviewed by the Department of Commerce, Division of Natural Resources and all other federal and state agencies which have jurisdiction and/or regulatory control and enforcement authority over oil and/or gas resources and production activities.

Also, the Division of Natural Resources' oil and gas resources shall be developed and produced by the successful bidder in a prudent, efficient and economical manner without waste, and in the best interest of the State of West Virginia, with due diligence and in a workman-like manner in accordance with the most up-to-date oil and/or gas exploration and production methods and practices.

### **IV. Minimum Bid**

1. The Division of Natural Resources requires a standard royalty of 20% or 1/5 to develop its oil and gas resources.

2. The Bidder shall submit with its bid, an earnest money check in the amount of Five Thousand (\$5,000.00) Dollars for the oil and gas resources. The Division of Natural Resources will return an earnest money check to any unsuccessful Bidder. The earnest money check may be applied to the cash bonus at closing.

**NOTICE:** If a bid is awarded to a Bidder to develop the subject property and the Bidder subsequently withdraws or rescinds its offer, then the Bidder forfeits the earnest money check for its bid.

3. The bid shall include a cash bonus for each tract on a per acre basis. The Division of Natural Resources will also consider any other form of consideration.

**NOTICE:** Oil and Gas Lease(s) for the subject property will be awarded to the highest responsible Bidder, as determined by the Director of the West Virginia Division of Natural Resources, after an evaluation of the technical expertise and economic resources of all of the Bidders, and based upon the Director's determination that the winning Bidder will operate in a responsible manner and develop the subject property in the best interest of the State of West Virginia.

4. The Bidder shall submit a fully completed Bidder Questionnaire Form and a fully completed Lessee Bid Submission Form with its bid. A copy of the Bidder Questionnaire Form and Lessee Bid Submission Form are available at [www.commerce.org/mineraldevelopment](http://www.commerce.org/mineraldevelopment).

### **V. Bid Submission Date**

All written sealed bids must be received by 4:00 p.m. on Wednesday, October 28, 2020, at the following:

West Virginia Division of Natural Resources  
Office of Land & Streams  
324 Fourth Avenue, Room 200  
South Charleston, West Virginia 25303

### **VI. Bid Opening Date**

The West Virginia Division of Natural Resources, Office of Land & Streams will hold a public opening of all bids at 2:00 p.m. on Thursday, October 29, 2020, in its office at 324 Fourth Avenue, Room 200, South Charleston, West Virginia 25303.

### **VII. Bid Award**

After the public opening of the bids, the West Virginia Division of Natural Resources will review all the submitted bid proposals. No later than two weeks after the bid closing date, the Division of Natural Resources will notify the winning bidder.

**NOTICE:** The West Virginia Division of Natural Resources hereby reserves the right to reject any and all submitted bids.

### **VIII. Execution of Lease Agreement**

The Division of Natural Resources will draft and execute the Oil and Gas Lease Agreement for the subject property as soon as possible after notifying the winning bidder. If the parties are unable to execute the Oil and Gas Lease Agreement, the Division of Natural Resources reserves the right to cancel the winning bid, retain the earnest money check, and re-bid the subject property through the competitive bidding process.

Bidders may review the Division of Natural Resources' standard Oil and Gas Lease Agreement template before submitting a bid. Bidders may request the Oil and Gas Lease Agreement template from the Office of Land & Streams (304-558-3225).

**NOTICE:** Pursuant to West Virginia Code §20-1-7(14) and upon execution of the Oil and Gas Lease Agreement, the winning bidder shall give bond for the proper performance of the lease.

### **IX. Limitations of Warranty**

The Division of Natural Resources is considered to be the owner of the oil and gas resources in, on and underlying the subject property, but makes no representation or warranty, and expressly disclaims any such representation or warranty as to the presence or quantity of such oil and gas resources, or to the title or ownership of the oil and gas resources in, on and underlying the subject property.