

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 463.4 acres, more or less, of oil and gas
underlying that part of the Ohio River from a point within Mile 74 to a point within Mile 77
and all navigable portions of Cross, Buffalo and Short Creeks
Cross Creek, Buffalo and Richland Districts
Brooke and Ohio Counties, 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
463.4 acres, more or less
underlying that part of the Ohio River from a point within Mile 74 to a point within Mile 77
and all navigable portions of Cross, Buffalo and Short Creeks
(as shown on the Map attached hereto)
Cross Creek, Buffalo and Richland Districts
Brooke and Ohio Counties, 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.

V. Bid Submission Date

All written sealed bids must be received by 4:00 p.m. on Monday, August 26, 2019, 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 Tuesday, August 27, 2019, 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.

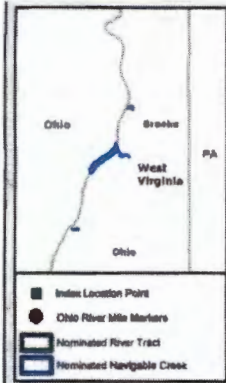
Bidders may review the Division of Natural Resources' standard Oil and Gas Lease Agreement template before submitting a bid. The Oil and Gas Lease Agreement template can be found at www.wvmineraldevelopment.org.

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.

Ohio River And Navigable Creek Leasing

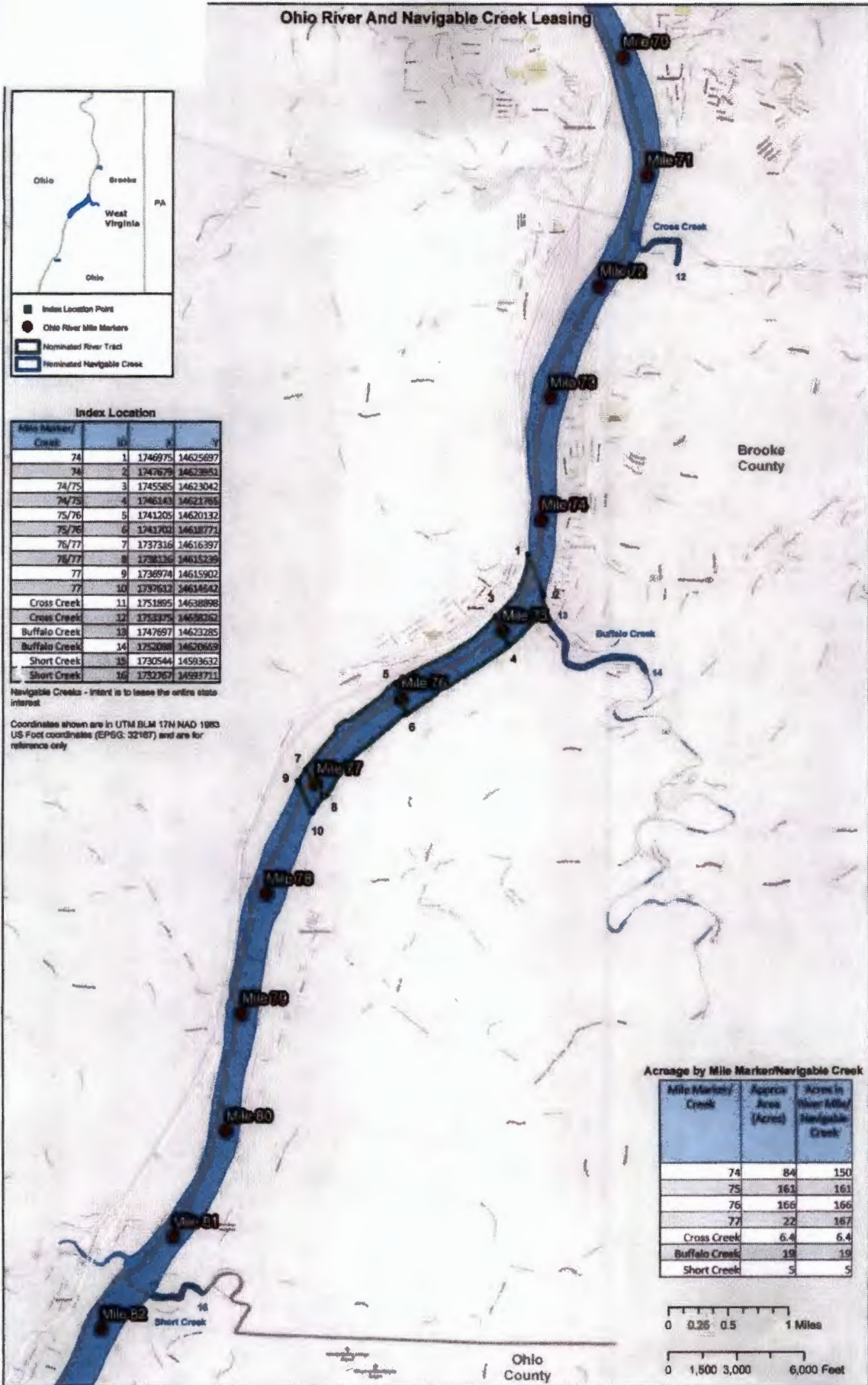


Index Location

Mile Marker/ Creek	10	2	Y
74	1	1746975	14625697
74	2	1747679	14623851
74/75	3	1745585	14623042
74/75	4	1746143	14621785
75/76	5	1741205	14620132
75/76	6	1741703	14618771
76/77	7	1737316	14616397
76/77	8	1738126	14615239
77	9	1736974	14615902
77	10	1737612	14614842
Cross Creek	11	1751895	14638898
Cross Creek	12	1753375	14638052
Buffalo Creek	13	1747697	14623285
Buffalo Creek	14	1752098	14620629
Short Creek	15	1730544	14593632
Short Creek	16	1752767	14593711

Navigable Creeks - Intend to lease the entire state interest

Coordinates shown are in UTM BLM 17N NAD 1983 US Foot coordinates (EP9G, 32167) and are for reference only



Acraege by Mile Marker/Navigable Creek

Mile Marker/ Creek	Approx Area (Acres)	Acres in River Miles/ Navigable Creek
74	84	150
75	161	161
76	166	166
77	22	167
Cross Creek	6.4	6.4
Buffalo Creek	19	19
Short Creek	5	5

