



**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

October 10, 2019

Ms. Nicole Corbett, Esq.  
Tug Hill Operating, LLC  
380 Southpointe Boulevard  
Suite 200  
Canonsburg, PA 15317

Re: Oil & Gas Leasing Rights  
12.6 acres Fish Creek  
(being 8.5 acres Utica and 4.1 acres Marcellus)  
Marshall County, West Virginia

Dear Ms. Corbett,

This letter is to inform you that the West Virginia Division of Natural Resources (DNR) has chosen Tug Hill Operating, LLC's bid of \$1,500.00 per acre to develop the Oil & Gas underlying 12.6 acres (being 8.5 acres Utica and 4.1 acres Marcellus) of Fish Creek in Marshall 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.

DNR desires to close the Oil & Gas Lease transaction for this property as soon as possible. Once 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 Tug Hill Operating, 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?

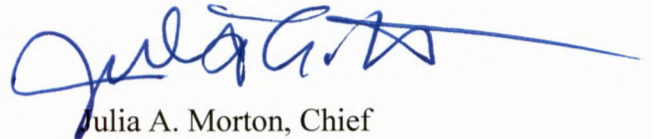
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DNR looks forward to working with you and Tug Hill Operating, LLC on this matter. If you have any questions or concerns, please contact this office.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Julia A. Morton", with a long horizontal flourish extending to the right.

Julia A. Morton, Chief  
Office of Land & Streams