WESTVIRGINIA



Governor Jim Justice

Director Brett W. McMillion

February 28, 2023

Mr. Tim Surmick CNX Gas Company LLC CNX Center 1000 CONSOL Energy Drive Canonsburg, PA 15317-6506

Re: Oil & Gas Leasing Rights
25.178 acres
Big Wheeling Creek
Sand Hill and Webster Districts
Marshall County, West Virginia

## Dear Mr. Surmick:

This letter is to inform you that the West Virginia Division of Natural Resources (DNR) has chosen CNX Gas Company LLC's bid of \$3,000.00 per acre to develop the Oil & Gas in, on and underlying that part of Big Wheeling Creek, being 25.178 acres in Sand Hill and Webster Districts, Marshall County, West Virginia, as the highest responsible bid.

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.

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

For the Oil & Gas Lease Agreement to be approved by the West Virginia Attorney General's Office, your company will need to provide DNR with the following documents at Closing:

- (1) A surety bond required by paragraph 21 of the Oil & Gas Lease Agreement; and
- (2) The insurance policies, declaration pages and certificates required by paragraph 22 of the Oil & Gas Lease Agreement.

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 for the property?

Or

Will DNR be returning the Earnest Money check to CNX Gas Company LLC?

WEST VIRGINIA DIVISION OF NATURAL RESOURCES | BRETT W. MCMILLION | DIRECTOR 324 4th Avenue | South Charleston, WV 25303 | ph (304) 558-3225 | fax (304) 558-2768 | WVdnr.gov

Bid Award Letter (25.178 acres Big Wheeling Creek) February 28, 2023 Page 2

(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?

Please provide DNR with the well names that will be associated with this Oil & Gas Lease Agreement.

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

Sincerely yours,

Julia A. Morton, Chief Office of Land & Streams