



*Jim Justice*  
*Governor of West Virginia*

June 19, 2019

Stephen S. McDaniel, Director  
Division of Natural Resources  
324 Fourth Avenue, Room 200  
South Charleston, WV 25303-1228

**RECEIVED**

JUN 25 2019

**DNR**  
DIRECTOR'S OFFICE

Re: (463.4 acres, m/l), Ohio River and all navigable portions of Cross, Buffalo and Short Creeks, Cross Creek Buffalo and Richland Districts – Brooke and Ohio Counties- Oil and Gas Leasing

Dear Director McDaniel:

This is in response to your January 13, 2019 request under W. Va. Code § 20-1-7(14) for approval to solicit sealed bids from the public for a lease to develop the oil and gas interests under portions 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, being (463.4 acres, m/l) in Cross Creek, Buffalo and Richland Districts, Brooke and Ohio Counties, WV. I hereby approve your request, subject to the division ensuring, at a minimum, that:

1. The bidding process is competitive and accords with § 20-1-7(14);
2. The bidders are responsible and qualified to hold the lease;
3. The mineral interests will be developed in an orderly, diligent, and timely manner;
4. The mineral interests will be developed in compliance with applicable environmental protection laws and regulations;
5. The state shall receive rents, royalties, or other compensation equal to or greater than the fair market value of the mineral interests leased;
6. The state's royalty shall be free of volumetric and cost deductions (*i.e.*, the lessee shall bear all costs incurred in exploring for, producing, marketing, and transporting the mineral interests to the point of sale), unless the particular circumstances warrant the state bearing a portion of the deductions;

OFFICE OF THE GOVERNOR

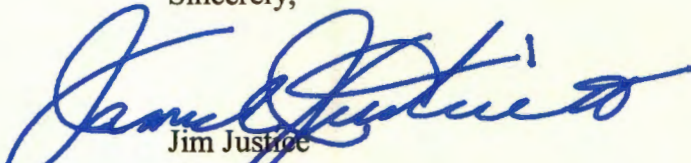
McDaniel

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7. The lessee shall be liable for royalty payments on mineral interests lost or wasted because of negligence or failure to comply with the lease or the law;
8. The lessee shall drill and produce wells necessary to protect the property from drainage or pay compensatory royalty for drainage;
9. The lessee shall regularly furnish detailed statements to the division showing the amount and quality of all minerals extracted and sold, the proceeds therefrom, and the amount used for production purposes or unavoidably lost; and
10. The proposed development is in the best economic interests of the state and will not unreasonably disrupt use and enjoyment of the Ohio River and all navigable portions of Cross, Buffalo, and Short Creeks or the division's opportunities to develop other mineral interests in the area.

Although the resulting lease will include other important terms and conditions, I believe the foregoing solicitation and lease requirements are of key importance to ensure that the state receives a fair and reasonable deal. Please see that these requirements are adhered to and highlighted in the solicitation process. If they prove unworkable based on the particular circumstances at issue, please advise. Further, please keep my General Counsel, Brian Abraham, informed of the status of this matter.

Sincerely,



Jim Justice  
Governor

CC:

Ed Gaunch, Cabinet Secretary, Department of Commerce

Wes White, Interim General Counsel, Department of Commerce

Dave Hardy, Cabinet Secretary, Department of Revenue





**DIVISION OF NATURAL RESOURCES**  
 324 Fourth Avenue, Room 200  
 South Charleston, West Virginia 25303-1228  
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Stephen S. McDaniel  
 Director

June 13, 2019



Honorable Jim Justice  
 Governor of West Virginia  
 Office of the Governor  
 State Capitol  
 1900 Kanawha Boulevard East  
 Charleston, West Virginia 25305  
 ATTENTION: Brian Abraham, Chief Counsel

Re: Request for Oil & Gas Lease  
 463.4 acres, m/l, Ohio River and  
 all navigable portions of Cross, Buffalo and Short Creeks  
 Cross Creek, Buffalo and Richland Districts  
 Brooke and Ohio Counties

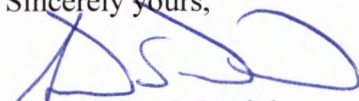
Dear Governor Justice,

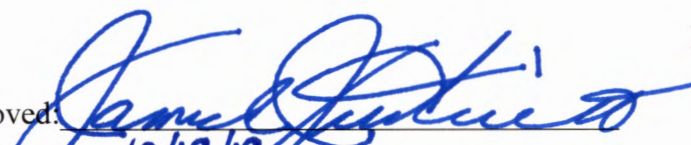
In accordance with West Virginia Code §20-1-7(14), the Division of Natural Resources hereby requests your approval to put out for public competitive bid the oil & gas in, on and underlying that part of the Ohio River from a point within Mile 74 to a point within Mile 77, and all navigable portions of Cross, Buffalo and Short Creeks, being 463.4 acres, m/l, in Cross Creek, Buffalo and Richland Districts, Brooke and Ohio Counties, West Virginia.

The advertising and bidding procedure will be done in compliance with West Virginia Code §59-3-1.

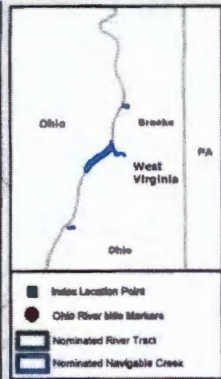
Your favorable consideration of this request is appreciated.

Sincerely yours,

  
 Stephen S. McDaniel  
 Director

Approved:   
 Date: 6/19/19

# Ohio River And Navigable Creek Leasing

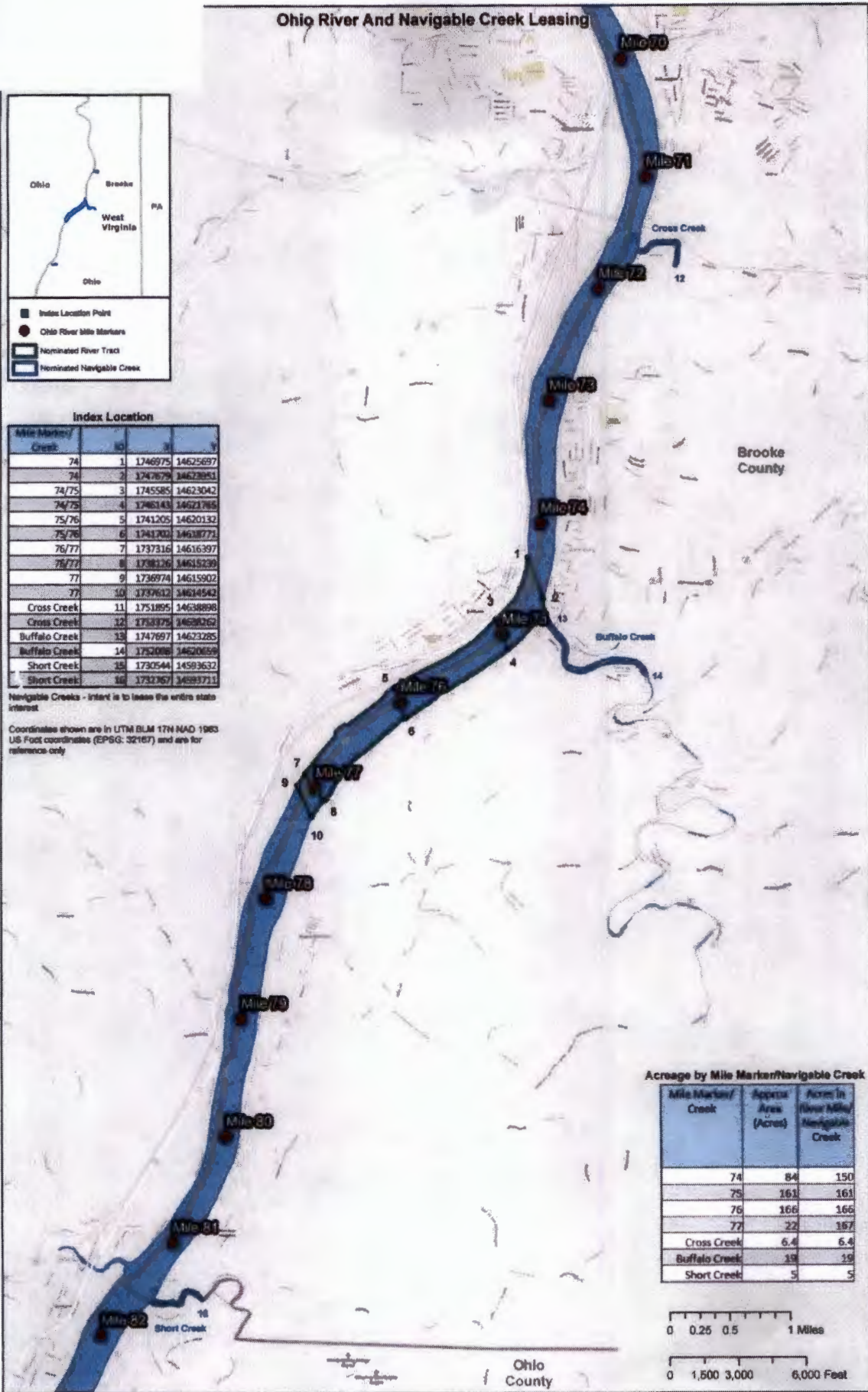


## Index Location

Mile Marker/ Creek	10	11	12	13
74	1	1746975	14625697	
74	2	1747679	14623951	
74/75	3	1745585	14623042	
74/75	4	1746143	14623785	
75/76	5	1741205	14620132	
75/76	6	1741300	14618773	
76/77	7	1737316	14616397	
76/77	8	1738126	14615239	
77	9	1736974	14615902	
77	10	1737632	14614542	
Cross Creek	11	1751895	14638898	
Cross Creek	12	1733375	14629262	
Buffalo Creek	13	1747697	14623285	
Buffalo Creek	14	1752098	14620658	
Short Creek	15	1730544	14593632	
Short Creek	16	1732767	14593711	

Navigable Creeks - Intent is to lease the entire state interest

Coordinates shown are in UTM BLM 17N MAD 1983 US Foot coordinates (EPSG: 32167) and are for reference only



## Acroage by Mile Marker/Navigable Creek

Mile Marker/ Creek	Approx Area (Acres)	Acres in River Mile/ 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

0 0.25 0.5 1 Miles

0 1,500 3,000 6,000 Feet