

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

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

A prospectus on the oil and gas resources beneath the waters of the Ohio River located in  
Marshall and Wetzel Counties, West Virginia.

Keith Burdette, Secretary  
West Virginia Department of Commerce

Frank Jezioro, 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 administers and manages those lands in order to provide a comprehensive program for the conservation, development, protection, enjoyment, and use of the natural resources of the state by its citizens and visitors.

The Division of Natural Resources, may lease coal, oil, gas, sand, gravel under its control and management for proper development and production, all in accordance with Chapter 20, Article 1, Section 7, Paragraph 14.

The Division of Natural Resources in its endeavors of managing its real estate resources has decided to lease, by competitive bidding process, the oil and gas resources for development and production from beneath the waters of the Ohio River, beginning at mile post 125 to 127 in Wetzel County, West Virginia.

**Bids may be submitted for the entire River Bid or for smaller segments of the river within the River Bid, but in any instance, all bids shall be submitted on a per mile basis for each individual mile of river the bidder desires to fully develop.** The Division of Natural resources reserves the right to select the highest responsible bidder for each mile of river up for bid.

II. Location of Resources

**SUBJECT TO THE RESTRICTIONS ESTABLISHED BY THE CORPS OF ENGINEERS, WV DNR AND WV DEP.**

This lease prospectus includes the following oil and gas resources located beneath the waters of the Ohio River in Marshall and Wetzel Counties, West Virginia, more specifically located and shown on the maps included with this prospectus.

III. Production and Assurance of Maintaining Environmental Integrity

Production of the Division of Natural Resources oil and gas resources beneath the waters of the Ohio River shall be by environmentally sound methods: and procedures will be reviewed by the Department of Commerce, Division of Natural Resources in addition to all other federal and state agencies which may have jurisdiction and/or regulatory control and enforcement authority over such 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 and/or bidders in a prudent manner, efficiently, economically, without waste, and in the best interest of the State of West Virginia, Department of Commerce, Division of Natural Resources with all diligence and in a workmanlike manner in accordance with the best, most up-to-date oil and or gas producing methods.

IV. Minimum Bid

- A. The Division of Natural resources requires a standard royalty of 20% or 1/5 to develop the oil and gas underlying the River bid.
- B. The Bidder shall submit with its bid an earnest money check in the amount of \$ 5000.00 for each mile of river the bidder desires to fully develop. The Division of Natural Resources will return earnest money checks to the unsuccessful bidders.
- C. The Bidder shall submit bids for a cash bonus for each mile of river the Bidder desires to fully develop on a per acres basis. Leases will be awarded to the highest responsible bidder for each mile of the river up for bid and based upon the Director's determination the bidder will operate responsibly and develop the prospect that protects the interest of the State of West Virginia.
- D. The Division of Natural Resources will consider any other form of consideration.
- E. The bidder shall submit a fully completed Bidder Questionnaire with its bid. A copy of the Bidder Questionnaire is include with this prospectus or maybe downloaded at [www.wvcommerce.org/mineraldevelopment](http://www.wvcommerce.org/mineraldevelopment).

V. Bid Submission and cut-off date

All written sealed bids shall be received by the Department of Commerce, Office of the Secretary by 3:30 p.m. eastern time on Thursday, January 22, 2015, at 1900 Kanawha Boulevard, East, State Capitol, Building 6, Room 525, Charleston, West Virginia 25305-0311.

VI. Bid Opening and Review

The Department of Commerce, Office of the Secretary will hold a public opening of all bids on Friday, January 23, 2015, at 1:00 p.m. in Room 525 at its office at 1900 Kanawha Boulevard, East, State Capitol Complex, Building 6, Charleston, West Virginia, 25305-0311. Thereafter, the Department of Commerce, Division of Natural Resources will review all bid proposals. The Department of Commerce, Division of Natural Resources reserves the right to reject any and all bids.

VII. Bidder Registration Form

Each individual bid shall include as a part of their bid package the completed attached bidder registration and submission forms to assist the DNR in its evaluation of the bidding entity to determine if their technical expertise and economic resources are sufficient to carry out their proposal.

VIII. Bid Award

The Department of Commerce, Division of Natural Resources will notify the successful bidder of their bid acceptance no later than two weeks from the bid closing date.

IX. Limitation of Warranty

The Division of Natural Resources is considered to be the owner of the oil and gas resources, but makes no warranty as to the presence of said resources or any specific amounts.