

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

324 Fourth Avenue, Room 200
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DIVISION OF NATURAL RESOURCES

BID PROSPECTUS

FOR

SAND & GRAVEL LEASING, DREDGING

and PRODUCTION

A prospectus on a portion of the Ohio River
between Mile Marker 54 and Mile Marker 126.4
Hancock, Brooke, Ohio, Marshall and Wetzel 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 sand and gravel, 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 sand and gravel resources for commercial sand and gravel dredging 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 a Sand & Gravel Lease for commercial sand and gravel dredging and production includes:

Sand & Gravel
Within a portion of the Ohio River
(between Mile Marker 54 and Mile Marker 126.4)
Hancock, Brooke, Ohio, Marshall and Wetzel 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

Dredging and production of the Division of Natural Resources' sand and gravel 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 sand and gravel resources, dredging and production activities.

Also, the Division of Natural Resources' sand and gravel 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 sand and gravel dredging and production methods and practices.

IV. Minimum Bid

1. The Division of Natural Resources requires a standard royalty rate of thirty cents (30¢) per ton to dredge its sand and gravel 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 sand and gravel 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 mile of the river to be dredged. The Division of Natural Resources will also consider any other form of consideration.

NOTICE: Sand and Gravel 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 Thursday, March 12, 2020, 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 Friday, March 13, 2020, 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 from 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 Sand and Gravel Lease Agreement for the subject property as soon as possible after notifying the winning bidder. If the parties are unable to execute the Sand and Gravel 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.

NOTICE: Pursuant to West Virginia Code §20-1-7(14) and upon execution of the Sand and Gravel 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 sand and gravel 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 sand and gravel resources, or to the title or ownership of the sand and gravel resources within the subject property.