

WEST VIRGINIA



Governor Jim Justice

Director Brett W. McMillion

February 29, 2024

Mr. Andrew Smith
SWN Production Company, LLC
10000 Energy Drive
Spring, Texas 77389

Re: Oil & Gas Leasing Rights
22.052 acres (parts of 2 tracts) Burches Run WMA
Webster District, Marshall County, West Virginia

Dear Mr. Smith:

This letter is to inform you that the West Virginia Division of Natural Resources (DNR) has chosen SWN Production Company, LLC's bid of \$2,500.00 per acre to develop the Oil & Gas in, on and underlying 22.052 acres (parts of 2 tracts), part of the Burches Run Wildlife Management Area (WMA), in Webster District, 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 your information, an approved surety bond form is available on:
www.wvmineraldevelopment.org

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

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 SWN Production Company, LLC?

(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 SWN Production Company, LLC on this matter. If you have any questions or concerns, please contact this office.

Sincerely yours,

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

Julia A. Morton, Chief
Office of Land & Streams