

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

324 4th AVENUE, ROOM 200
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DIVISION OF NATURAL RESOURCES OIL AND GAS RESOURCES
BID PROSPECTUS
FOR
LEASING AND PRODUCTION

A prospectus on 7.5 acres, m/l of the oil and gas resources beneath portions of the Jug Wildlife Management Area, Tyler County, West Virginia.

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 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 surface of the Jug Wildlife Management Area in Tyler County, West Virginia.

The Division of Natural Resources 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. 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 portions of the Jug Wildlife Management Area in Tyler County, 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 surface of the Jug WMA shall be by environmentally sound methods. 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.

The Subject 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, with all diligence and in a workmanlike manner in accordance with the best, most up-to-date oil and or gas producing methods.

There shall be no oil and gas development activities permitted on the surface of the subject property.

IV. Minimum Bid

A. The Division of Natural resources requires a standard royalty of 20% or 1/5 to develop its oil and gas resources.

B. The Bidder shall submit with its bid an earnest money check in the amount of \$20,000.00 for the resources they are bidding on. The Division of Natural Resources will return earnest money checks to unsuccessful bidders.

NOTICE: If a bid is awarded to develop the subject property and the winning bidder subsequently withdraws or rescinds its offer, such bidder forfeits the earnest money check on this bid.

- C. The Bidder shall submit bids for a cash bonus for each tract on a per acre basis. Leases will be awarded to the highest responsible bidder 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 included with this prospectus or maybe downloaded at www.wvmineraldevelopment.org.
- V. Bid Submission and cut-off date
All written sealed bids shall be received by the Division of Natural Resources, Office of Land & Streams by 3:00 p.m. eastern time on Thursday, October 4, 2018, at 324 4th Avenue, Room 200, South Charleston, West Virginia, 25303.
- VI. Bid Opening and Review
The Division of Natural Resources, Office of Land & Streams will hold a public opening of all bids on Friday, October 5, 2018, at 1:00 p.m. in Room 200 at its office at 324 4th Avenue, South Charleston, West Virginia, 25303. Thereafter, the Division of Natural Resources will review all bid proposals. The 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-week s 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.

