



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA GAME COMMISSION

2001 Elmerton Avenue
Harrisburg, PA 17110-9797

Wildlife Habitat Management
717-787-6818

April 27, 2022

Re: Non-Surface Use Oil & Gas
Cooperative Agreement Bid Notification
Tract 36A-22
State Game Lands No. 36
Bradford County, Pennsylvania

To whom it may concern:

The Commonwealth of Pennsylvania, for the use of the Pennsylvania Game Commission, will receive sealed bonus bids for a **Non-Surface Use Cooperative Agreement for Exercise of Production Rights for Oil and Gas** until **2:00 P.M.** prevailing local time, **May 26, 2022** at the Bureau of Wildlife Habitat Management Office #138, Attention Oil/Gas & Mineral Development Section, Division of Environmental Planning and Habitat Protection, Pennsylvania Game Commission, 2001 Elmerton Avenue, Harrisburg, PA 17110-9797, which will be publicly opened and read at that time for the leasing of a portion of State Game Land No. 36 more fully described as follows:

Tract 36A-22 containing approximately 3,965+/- acres and consisting of a portion that land delineated as State Game Lands No. 36 located in Overton and Franklin Townships, Bradford County, Pennsylvania (Exhibit A).

The Commonwealth is considered to be the owner of the oil and gas rights but makes no warranty as to the presence of oil and gas, nor as to its ownership thereof, and winning firm assumes the risk of proving title.

A certified check, bank cashier's check or trust company treasurer's check to the order of the Pennsylvania Game Commission in the amount of \$25,000.00 made payable to the Commission must accompany each bid as a guarantee of the bid. The proceeds of the check from the winning entrant shall be retained by the Commission and considered liquidated damages if winning entrant fails to execute an agreement, if tendered by the Commission, and post the required performance bond. Checks will be returned to all unsuccessful entrants.

Enclosed for your use is a list of specific terms and restrictions applying to Tract 36A-22. These noted specific terms and restriction are incorporated into the Commission's current standard oil/gas agreement format. Additional special instructions for completing the bid form are also attached hereto.

The Commission reserves the right to reject any or all bids and to waive any informalities, defects or irregularities in bids. **The winning bidder must provide proof of their legal right to fully implement a development plan which must also accompany this bid.** The winning bid is subject to approval by the Pennsylvania Board of Game Commissioners at its July 9, 2022 quarterly meeting.

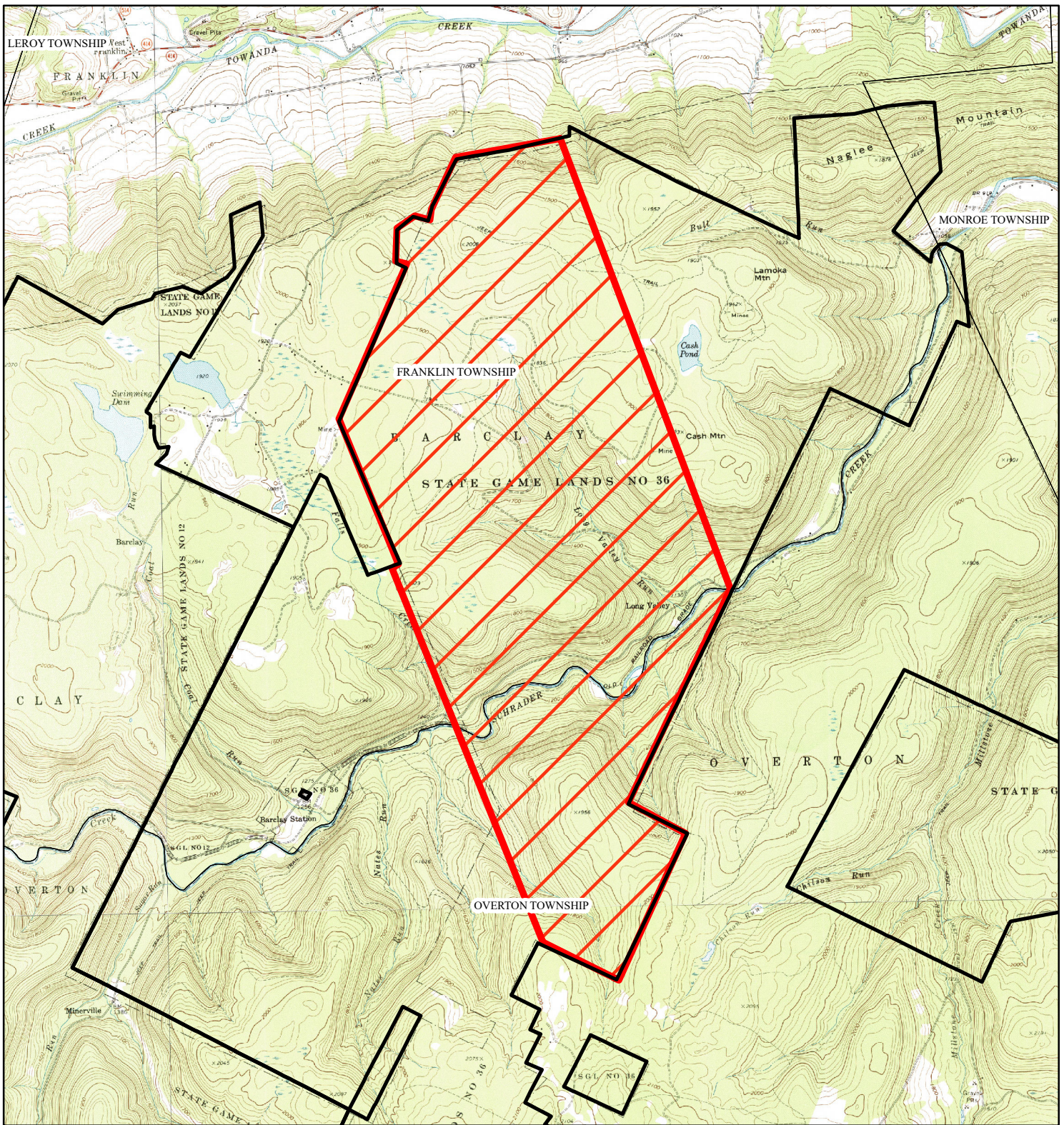
Should you have any questions regarding this matter, please feel free to contact the Commission's Oil/Gas and Mineral Development Section at 717-783-5957.

Very truly yours,



Michael R. DiMatteo, P.G.
Oil/Gas & Mineral Development Section
Bureau of Wildlife Habitat Management

DEW/dew

Enclosures



Legend

-  Non-Surface Use Agreement Area 3,965 +/- Acres
-  State Game Land No. 36

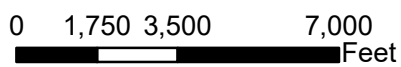


EXHIBIT A

State Game Land No. 36
Non-Surface Use
Oil & Gas Cooperative Agreement
Tract 36A-22
3,965 +/- Acres
 Franklin & Overton Townships
 Bradford County
 NortheastRegion

PENNSYLVANIA GAME COMMISSION PROPOSAL GUIDELINES
TRACT 36A-22 (3,965 +/- Acres)
PROPOSAL DUE DATE/TIME: May 26, 2022, 2:00 P.M. EST

1. METHOD OF BIDDING –BONUS BID

Bids will be received by the Pennsylvania Game Commission (“Commission”) for Tract 36A-22 (“Premises”), depicted on Exhibit A. Bids will be received on the amount of Bonus to be paid on a per/acre basis

A Non-Surface Use Cooperative Agreement for the Exercise of Production Rights of Oil and Gas (“Agreement”) covering the Premises may be offered to Company with the winning bid upon approval of the Board of Commissioners at the July 9, 2022 meeting.

All bids must be submitted on the “**Oil-Gas Bid Form Tract 36A-22**”. The bids must be received by the Commission or delivered to the Commission prior to the announced bid opening time, which is 2:00 P.M, Eastern Standard Time, May 26, 2022. A certified check, bank cashier’s check, or trust company treasurer’s check made payable to the order of the Commission in the amount of Twenty-Five Thousand Dollars (\$25,000.00) must accompany each bid as a guarantee of the bid.

Individual bidders must sign their bid; if a corporation, the President or Vice-President must sign, attested to by Secretary or Assistant Secretary, and corporate seal affixed. Any corporate signer other than indicated will require a power of attorney or letter of authority to be attached to the bid. If power of attorney is used, an original copy must be provided for the tract being offered and bid upon.

The bid check shall be retained by the Commission and considered liquidated damages if the winning bidder should fail to execute an Agreement within 90 days of the approval of the Board of Commissioners. Checks will be returned to all unsuccessful bidders.

The Commission reserves the right to reject any or all bids and waive any informalities, defects, or irregularities. Approval of winning bid is subject to final approval at the July 9, 2022 Pennsylvania Board of Game Commissioners’ quarterly meeting.

2. TERM

The primary term of the Agreement shall be five (5) years, with a Pugh Clause time frame of five (5) years after the expiration of the primary term, and an annual rental after the primary term of \$100 per undeveloped acre.

3. BONUS PAYMENT

The bonus payment will be due within ninety (90) days of the approval at the July 9, 2022 Pennsylvania Board of Game Commissioners’ quarterly meeting.

4. TITLE

The Pennsylvania Game Commission is considered to be the owner of the oil and gas rights but makes no warranty as to its ownership thereof. The successful bidder will assume the risk of proving title.

GAS, OIL, CONDENSATE, AND LIQUID HYDROCARBON ROYALTY

The royalty in the Agreement will be 20%. The royalty clause will be a cost-free provision, such that the royalty paid (20%), will be free of all costs of production and post-production, including all costs associated with transportation, gathering, dehydration, separation, compression, treatment, or other processing and/or taxes (production, severance, gathering, windfall profit).

5. DEVELOPMENT/UNITS

The winning bidder shall provide to the Commission a development plan indicating the proposed approach to, and a projected schedule for, the development of the lease acreage. This development plan shall include a depiction of Operator's existing lease acreage surrounding the proposed lease tract, as well as a representation of the layout of proposed pads, pipelines/spurs, proposed well laterals, and unit boundaries for each of the proposed pads. Additionally, the operator will provide legal proof of the ability to implement the proposed plan,

Producer shall not be required to spud more wells than required or allowed under any spacing order, rule, or regulation of the Pennsylvania Department of Environmental Protection ("DEP"). In the absence of any such order, the maximum unit size shall be 1,280 acres without the written consent of the Commission. All unit sizes in which the Premises are unitized must be reported by the Producer to the Commission

6. FORMAT

All other terms, provisions and Exhibits shall be as per the Commission's standard template format for a Non-Surface Use Cooperative Agreement for the Exercise of Production Rights of Oil and Gas.

7. DISCLAIMER

Any discrepancy between the attached pre-bid lease forms (including this form) and the executed agreement shall be resolved according to the language of the fully executed agreement.

INSTRUCTIONS TO BIDDERS

Tract 36A-22 (3,965 +/- Acres)

The following information covers details concerning the Cost-Free Royalty Non-Surface Use Cooperative Agreement for the Exercise of Production Rights of Oil and Gas (“Agreement”) bids for approximately 3,965+/- acres on portions of State Game Land No. 36, in Franklin/Overton Townships, Bradford County, Pennsylvania (Exhibit A). See the attached sheets for additional specifications.

BIDS MUST BE SUBMITTED IN AN ENVELOPE THAT CLEARLY STATES ON THE OUTSIDE: “BID for Oil/Gas Agreement Tract 36A-22”. Bids received in envelopes not containing this information may be rejected.

Bids must be received at the Pennsylvania Game Commission, 2001 Elmerton Ave Room 138 prior to the announced proposal opening time of 2:00 P.M. Eastern Standard Time, on May 26, 2022 for Tract No. 36A-22. Any bid received after the proposal opening time of 2:00 P.M., **May 26, 2022** will be rejected. Please ensure that you have enclosed the required certified check, bank cashier's or trust company treasurer's check in the amount of \$25,000 with your bid.

The Commission reserves the right to reject any or all bids and to waive any informalities, defects or irregularities in bids. Additionally, the winning bid is subject to approval by the PGC’s Board of Commissioners.

If you have any questions, please call Mr. Mike DiMatteo (ext-73602) or Mr. Donald Wandling (ext-73604) at the Commission’s Oil/Gas and Mineral Development Section at 717-787-4250.

OIL-GAS AGREEMENT BID FORM

TRACT 36A-22

NON SURFACE USE OIL & GAS AGREEMENT -
3,965+/- Acres

TRACT 36A-22

TIME - 2:00 PM Prevailing Time

OPENING DATE - May 26, 2022

Pennsylvania Game Commission
Bureau of Wildlife Habitat Management
ATTN: OGM Section
2001 Elmerton Avenue
Harrisburg, Pennsylvania 17110-9797

Gentlemen:

The undersigned proposes to execute a Non-Surface Use Cooperative Agreement for Production Rights of Oil and Gas ("Agreement") for **Tract No. 36A-22** in the form required by the Commission (a copy of which has been read by me) which shall provide for the payment to the Commonwealth of Pennsylvania, for use of the Commission, of a **Bonus** bid of _____\$/acre for the above Agreement, payable to the Commission when the Agreement is signed by winning bidder and returned to the Commission.

There is enclosed as a guarantee of this bid, a certified check, bank cashier's or trust company treasurer's check in the amount of Twenty Five Thousand and 00/100ths Dollars (\$25,000.00), drawn to the order of the Commission, which, it is understood, shall be retained by the Commission and considered as liquidated damages if the undersigned shall fail to execute an agreement for the aforesaid tract, if tendered by the Commission, and post the required performance bond if necessary within thirty (30) days after the lease is tendered.

If this bid shall not be accepted, the enclosed check will be returned to the undersigned.

Signature of Bidder

(SEAL)

(Witness)

(An Individual)

(CORPORATE SEAL)

Attest:

Secretary

President

(WITNESS)

(Partnership Name)

(Witness)

(Partner)

(SEAL)

(Witness)

(Partner)

(SEAL)

Bidder's Name and Address _____

NOTE: BIDS MUST BE SUBMITTED IN AN ENVELOPE THAT CLEARLY STATES ON THE OUTSIDE: **Bid for Oil/Gas Agreement Tract 36A-22** Bids received in envelopes not containing this information will be rejected. Bids will be opened in the Bureau of Wildlife Habitat Management, Room #138, 2001 Elmerton Avenue, Harrisburg, PA 17110-9797, at 2:00 P.M. Eastern Standard Time, May 26, 2022. The Commission reserves the right to reject any or all bids as deemed in the best interests of the Commission. Additionally, the bid is subject to approval by the Pennsylvania Board of Game Commissioners.

NOTE: Amount of bid must be expressed both in words and numerals and written in ink and signature of bidders must be handwritten in ink.

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