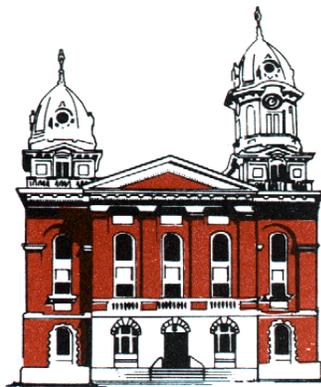


PUBLIC REQUEST FOR BIDS

“OIL AND GAS LEASE AT THE VENANGO REGIONAL AIRPORT”



COUNTY OF VENANGO

Courthouse Annex
1174 Elk Street
Franklin, PA 16323

Phone: 814/432-9508

Fax: 814/432-4741

BOARD OF VENANGO COUNTY COMMISSIONERS

Timothy S. Brooks, Chair

Vincent L. Witherup

Bonnie S. Summers

Issued: February 17, 2012

Bid Opening Date: March 8, 2012

BACKGROUND

The County of Venango is soliciting bids from qualified bidders to lease certain premises on the Venango Regional Airport located in Franklin, PA for the purpose of exploring for oil and gas.

Ad to Appear on County Web Site:

www.co.venango.pa.us

NOTICE TO BIDDERS

The County of Venango is requesting sealed bids for the Exploration of Oil and Gas at the Venango Regional Airport located in Franklin, PA in accordance with the specifications on file with the Chief Clerk's Office, Courthouse Annex, 1174 Elk Street, Franklin, PA 16323. Bids will be received by the Chief Clerk at the address above, until 12 o'clock noon prevailing time on March 8, 2012, where bids will be opened and read immediately thereafter in Room 103 of the Courthouse Annex. All bids shall be submitted in a sealed envelope clearly marked "Oil and Gas Lease Bid". The Board of Commissioners reserves the right to accept or reject any or all bids, or to accept any part of a bid without accepting the whole thereof, or to accept such bid that they deem to be in the best interest of the County.

Venango County Commissioners
ATTEST: Denise W. Jones, Chief Clerk

SCOPE OF WORK

Work will include drilling, operating, producing, and removing oil and gas and their related constituents thereof and transferring by pipelines or otherwise, across and through said land of the Venango Regional Airport, oil, gas and their related constituents from the leased premises.

Work may also include the placement of tanks, equipment, roads, structures, and other pertinent facilities thereon to access said products, together with the right to enter into and upon the leased premises for said purposes pursuant to the terms of a Lease and Lease Addendum.

GENERAL SPECIFICATIONS

The Bidder hereby proposes and agrees:

1. The Bidder shall submit a proposed Oil & Gas Lease for certain premises on the Venango Regional Airport and shall attach thereto a Lease Addendum Form, setting forth the prepaid signing bonus and royalty interest of the Venango Regional Airport.
2. All work shall be done in accordance with all municipal, county, state and local laws, ordinances, and regulations applicable to said work.
3. The Lease and all drilling and construction on the property are subject to the Federal Aviation Administration and Pennsylvania Department of Transportation laws, rules and regulations as well as the Operating Standards of the Venango Regional Airport.
4. The successful bidder shall procure, maintain, and provide proof of insurance coverage for injuries to persons and/or property damage as may arise from or in conjunction with the work performed on behalf of the County by the vendor, his agents, representatives, employees or subcontractors. Proof of coverage as contained herein shall be submitted fifteen (15) days prior to the commencement of work and such coverage shall be maintained by the vendor for the duration of the contract period for occurrence policies. Claims made policies shall be in force or that coverage purchased for three (3) years after contract completion date.

General Liability

Coverage shall be as broad as: Comprehensive General Liability endorsed to include Broad Form, Commercial General Liability form including Products/Completed Operations.

Minimum Limits

General Liability:

- \$1,000,000 General Aggregate Limit
- \$1,000,000 Products & Completed Operations
- \$1,000,000 Personal and Advertising Injury
- \$3,000,000 Each Occurrence Limit
- \$ 100,000 Fire Damage Limit
- \$ 10,000 Medical Expense Limit

Automobile Liability

Coverage sufficient to cover all vehicles owned, used, or hired by the vendor, his agents, representatives, employees or subcontractors.

Minimum Limits

Automobile Liability

- \$ 1,000,000 Combined Single Limit
- \$ 1,000,000 Each Occurrence Limit
- \$ 5,000 Medical Expense Limit

Worker's Compensation

Limits as required by the Workers' Compensation Act of Pennsylvania
Statutory Limits \$1,000,000

Owners' and Contractors' Protective Policy

Policy will be in name of the County.
Minimum limits: \$1,000,000

Coverage Provisions

All deductibles or self-insured retention shall appear on the certificate(s). Vendor is responsible to pay any and all deductibles and/or self-insured retentions that may apply to the required insurance.

Venango County, its officers/officials, employees, agents and volunteers, individually and collectively, shall be added as "additional insured" as their interests may appear. This provision does not apply to Professional Liability or Workers' Compensation/Employers' Liability.

The vendor's insurance shall be primary over any applicable insurance or self-insurance maintained by the County.

The vendor shall provide thirty (30) days written notice to the County before any cancellation, suspension, or voiding of coverage in whole or part, where such provision is reasonable.

All coverage's for subcontractors of the vendor shall be subject to all of the requirements stated herein. The subcontractor's insurance must name the County as additional insured. The Vendor shall maintain each subcontract's certificate of insurance on file and provide such information to the County for review upon request.

All deductibles or self-insured retention shall appear on the certificate(s) and shall be subject to approval by the County. At the option of the County, either the insurer shall reduce or eliminate such deductible or self-insured retention; or the vendor shall be required to procure a bond guaranteeing payment of losses and related claims expenses.

Failure to comply with any reporting provisions of the policy(ies) shall not affect coverage provided the County, its officers/officials, agents, employees and volunteers.

The insurer shall agree to waive all rights of subrogation against the County, its officers/officials, agents, employees or volunteers for any act, omission or condition of premises for which the parties may be held liable by reason of negligence.

The vendor shall furnish the County certificates of insurance including endorsements affecting coverage. The certificates are to be signed by a person authorized by the

insurance company(ies) to bind coverage on its behalf, if executed by a broker, notarized copy of authorization to bind, or certify coverage shall be attached.

All insurance shall be placed with insurers maintaining an A.M. Best rating of no less than an A: VII. If A.M. Best rating is less than A: VII, approval shall be received from County's Risk Officer.

All coverage designated herein shall be as broad as the Insurance Services Office (ISO) forms filed for use with the Commonwealth of Pennsylvania.

Failure of Vendor to obtain and maintain the required insurance shall constitute a breach of contract and Vendor will be liable to the County for any and all cost, liabilities, damages, and penalties (including attorney's fees, court, and settlement expenses) resulting from such breach, unless County provides Vendor with a written waiver of the specific insurance requirement.

None of the requirements contained herein as to the types, limits, or County's approval of insurance coverage to be maintained by Vendor are intended to and shall not in any manner, limit, qualify, or quantify the liabilities and obligations assumed by Vendor under the Contract Documents, any other agreement with the County, or otherwise provided by law.

Failure of Vendor to provide insurance as herein required or failure of the County to require evidence of insurance or to notify Vendor of any breach by Vendor of the requirements of this Section shall not be deemed to be a waiver of any of the terms of the Contract Documents, nor shall they be deemed to be a waiver of the obligation of the Vendor to defend, indemnify, and hold harmless the indemnified parties as required herein. The obligation to procure and maintain any insurance required is a separate responsibility of Vendor and independent of the duty to furnish a copy or certificate of such insurance policies.

Hold Harmless Clause

The vendor shall, during the term of the contract including any warranty period, indemnify, defend, and hold harmless the County, its officials, employees, agents, and representatives thereof from all suits, actions, or claims of any kind, including attorney's fees, brought on account of any personal injuries, damages, or violations of rights, sustained by any person or property in consequence of any neglect in safeguarding contract work or on account of any act or omission by the contractor, his employees, or sub-contractors, or anyone directly or indirectly employed by or under supervision of any of them in the prosecution of the operations included in this contract, from any claims or amounts arising from violation of any law, bylaw, ordinance, regulation or decree. The vendor agrees that this clause shall include claims involving infringement of patent or copyright.

At no time shall the vendor permit any mechanics or similar liens to attach to the County's premises on account of labor or material furnished to the Contractor or claimed to have been furnished to the vendor, in connection with its work hereunder.

GENERAL INSTRUCTIONS TO BIDDERS

1. Bid specifications may be obtained at the Office of the Chief Clerk, Courthouse Annex Building, 1174 Elk Street, Franklin, PA, 16323, Monday through Friday, 8:30 a.m. to 4:30 p.m., except on legal holidays. Bid packets may be requested by phone at 814/432-9508 or 814/432-9512; by fax at 814/432-4741 or via email at: djones@co.venango.pa.us.
2. Bids shall be submitted only on the proposal forms distributed with the bid documents, in addition to the Lease and Lease Agreement to be supplied by the bidder.
3. Bids shall be submitted without state sales tax as The County of Venango is exempt from same.
4. Bids shall be submitted to The County of Venango, Attn: Chief Clerk, at Courthouse Annex, 1174 Elk Street, Franklin, PA 16323 by 9:00 a.m. E.S.T March 8, 2012 via the US Postal Service, private Express Mail Carrier, or in person. Bids must be received by 12 o'clock noon on March 8, 2012, **NO EXCEPTIONS.**
5. Each bid proposal shall be submitted in a sealed envelope plainly marked "Gas & Oil Lease Bid" by **March 8, 2012 at 12 o'clock noon.**
6. The County will not be liable for any costs incurred in the preparation of the bids.
7. Each bidder shall be expected to furnish the County with additional information as may be reasonably required.
8. The County will not be responsible for any costs not included in the bids and any subsequent contracted-for costs.
9. The Venango County Board of Commissioners reserves the right to reject any or all proposals, and to waive any defects or irregularities in the best interest of the County.
10. The Contact person for this project is:

OC Bell
(412) 736-0270
obell@co.venango.pa.us

All bid proposals shall be opened and read at the above date and time in Room 103 in the Courthouse Annex. Bids will be reviewed and the highest responsible bid shall be selected. The successful bid will be acted upon at the subsequent public meeting of the Venango County Board of Commissioners.

BID FORM

CERTIFICATION. (To be completed by the Bidder):

1. The only person(s) having an interest in this proposal, including the owners of equipment leased by the Lessee is (are):

(Name) (Address)

(Name) (Address)

(Name) (Address)

2. None of the above persons are employees or elected or appointed officials of the Venango Regional Airport.
3. The Lessee has provided Workmen’s Compensation Insurance for the operators of this equipment to be provided under the terms of this Lease.
4. The Lessee will comply with all the requirements of the laws and implementing regulations of the Commonwealth of Pennsylvania and of the United States relating to human relations, equal opportunity and non-discrimination in employment, and will pay to workmen employed in the performance of the Lease, the wages to which they may be entitled.

WITNESSED OR ATTESTED BY:

Owner

Signature

By: _____

Title: _____

Title

(seal)

I (we) hereby submit the attached bid proposal:

Name of Bidder: _____

Title: _____

Address: _____

Telephone: _____ Fax: _____

Authorized Signature: _____

BIDS ARE DUE BY 12:00 noon on March 8, 2012.

Please indicate the name of your business on the outside of the envelope.

Mail or Deliver Bids to:

Chief Clerk's Office
Venango County Courthouse Annex
1174 Elk Street, P.O. Box 831
Franklin, PA 16323