



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
GE039508

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
FRANK WHITTAKER
304-558-2316

***B04144257** **304-872-1111**
L J HUGHES & SONS INC
320 TURNPIKE ROAD
SUMMERSVILLE WV 26651

GEOLOGICAL & ECONOMIC SURVEY
MONT CHATEAU RESEARCH CENTER
EXIT 10 OFF I-68
MORGANTOWN, WV
26505-0879 594-2331

DATE PRINTED 08/07/2008	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **08/21/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		962-16		
<p>CORE DRILLING SERVICES</p> <p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WV GEOLOGICAL SURVEY, IS SOLICITING BIDS FOR DRILLING SERVICES AND SITE/ACCESS PREPARATION AND RECLAMATION PER THE ATTACHED SPECIFICATIONS</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE</p>						

RECEIVED
 2008 AUG 21 A 9:52
 PURCHASING DIVISION
 STATE OF WV

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE *David L. Hughes* TELEPHONE **304-872-1111** DATE **8-20-2008**

TITLE **PRESIDENT** FEIN **55-0371295** ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA Business Associate Addendum:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
15. **West Virginia Alcohol & Drug-Free Workplace Act:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free work place policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy."

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications:
Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130,
Charleston, WV 25305-0130



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<p>(1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>David P. Hughes</i>	304-872 -1111	8-20-2008
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
PRESIDENT	55-0371295	

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<p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>EXHIBIT 6</p> <p>PRICE ADJUSTMENT PROVISION: THE STATE OF WEST VIRGINIA WILL CONSIDER BIDS THAT CONTAIN PROVISIONS FOR PRICE ADJUSTMENTS PRIOR TO THE ORIGINAL EXPIRATION OF THE CONTRACT, PROVIDED THAT SUCH PRICE ADJUSTMENT COVERS BOTH UPWARD AND DOWNWARD MOVEMENT OF THE COMMODITY PRICE, AND THAT ADJUSTMENT IS BASED ON THE "PASS THROUGH" INCREASE OR DECREASE OF RAW MATERIALS AND/OR LABOR, WHICH MAKE UP ALL OR A SUBSTANTIAL PART OF A PRODUCT. ADJUSTMENTS ARE TO BE BASED UPON AN ACTUAL DOLLAR FIGURE, NOT A PERCENTAGE. ALL PRICE ADJUSTMENT REQUESTS MUST BE SUBSTANTIATED IN A MANNER ACCEPTABLE TO THE DIRECTOR PURCHASING, E.G. GOVERNMENTAL BENCH MARKS, GENERAL MARKET INCREASE, PUBLISHED PRICE LISTS. SUCH REQUESTS FOR AND INCREASE SHOULD BE RECEIVED IN WRITING BY THE DIRECTOR OF PURCHASING AT LEAST 30 DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE INCREASE. ANY TIME THE VENDOR REQUESTS A PRICE ADJUSTMENT, THE PURCHASING DIVISION MAY EITHER ACCEPT THE PRICE ADJUSTMENT AND AMEND THE CONTRACT ACCORDINGLY OR REJECT THE ADJUSTMENT IN ITS ENTIRETY AND CANCEL THE CONTRACT. PRICE ADJUSTMENTS WILL ONLY BE CONSIDERED AT THE TIME OF CONTRACT RENEWAL.</p> <p>PREFERRED TERMS: IT IS PREFERRED THAT THE PRICES ON THIS CONTRACT ARE FIRM FOR LIFE OF THE CONTRACT, AS INDICATED IN THE LIF</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS			
SIGNATURE <i>Darrell H. Hughes</i>	TELEPHONE 304-872-1111	DATE 8-20-2008	
TITLE PRESIDENT	FEIN 55-0371295	ADDRESS CHANGES TO BE NOTED ABOVE	

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<p>OF CONTRACT CLAUSE CONTAINED HEREIN, NOT TO EXCEED ONE (1) YEAR.</p> <p>VENDOR PREFERENCE CERTIFICATE</p> <p>CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS).</p> <p>A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>() BIDDER IS AN INDIVIDUAL RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>() BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>() BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE <i>[Signature]</i>	TELEPHONE 304-872-1111	DATE 8-20-2008				
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<p>FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION.</p> <p>B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>() BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID;</p> <p>OR</p> <p>() BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX & REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (A) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (B) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304-872-1111	DATE 8-20-2008
TITLE PRESIDENT	FEIN 55-0371295	ADDRESS CHANGES TO BE NOTED ABOVE

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PURCHASER

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<p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLY REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p> <p>BIDDER: L.J. HUGHES & SONS, INC.</p> <p>DATE: AUGUST 20, 2008</p> <p>SIGNED: <i>David L. Hughes</i></p> <p>TITLE: PRESIDENT</p> <p>* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)</p>						

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SIGNATURE <i>David L. Hughes</i>	TELEPHONE 304-872-1111	DATE 8-20-2008	
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<p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: 44</p> <p>REQ. NO.: GE039508</p> <p>BID OPENING DATE: 08/21/08</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: 304-872-3120</p> <hr/> <p>PLEASE PRINT OR TYPE NAME OF PERSON TO CONTACT CONCERNING THIS QUOTE: DAVID M. HUGHES</p> <hr/>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>David M. Hughes</i>	TELEPHONE 304-872-1111	DATE 8-20-2008
TITLE PRESIDENT	FAX 55-0371295	ADDRESS CHANGES TO BE NOTED ABOVE

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***** THIS IS THE END OF RFQ GE039508 ***** TOTAL:						

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WEST VIRGINIA DIVISION OF LABOR

749-B Building 6 , Capitol Complex • Charleston, West Virginia 25305

Phone (304) 558-7890 • Fax (304) 558-3797

HTTP://WWW.LABOR.STATE.WV.US

JOE MANCHIN, III
Governor



DAVID W. MULLINS
Commissioner

WEST VIRGINIA CONTRACTOR LICENSING BOARD

Building 6, Room B-749, Capitol Complex
Charleston, West Virginia 25305

April 21, 2008

EXEMPTION FROM THE REQUIREMENTS OF THE CONTRACTOR LICENSING ACT

The following company has demonstrated through a letter of explanation that due to the nature of business being conducted, the company is exempt from provisions of the West Virginia Contractor Licensing Law.

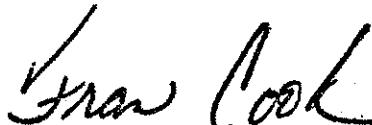
LJ Hughes & Sons, Inc.
Diamond Core Drilling
320 Turnpike Road
Summersville, WV 26651

TYPE OF WORK PERFORMED....

“Company will perform diamond core drilling for coal samples only.”

This exemption does not apply to work, which is subject to State Building Codes and National Fire Protection Association codes.

This exemption expires: April 21, 2009



Fran Cook
Deputy Commissioner

* To renew this exemption, please fax it to (304) 558-5174*



Request for Bids: Drilling Services for WV Geological Survey

In the interest of maintaining maximum scheduling flexibility, the Geological Survey may request the West Virginia Division of Purchasing to issue contract awards to multiple vendors.

I. Executive Summary

SCOPE - The West Virginia Geological and Economic Survey ("Survey") is seeking bids for an open-ended contract for drilling services to obtain information about the subsurface geology of West Virginia. Particularly, organizations ("Contractor") bidding to supply drilling services to the Survey must have the capability to provide recovery in compliance with this agreement of rock and coal core from all coal-bearing geologic formations found in the state of West Virginia , although drilling may not be limited to coal-bearing rocks.

The Contractor agrees to furnish all personnel, materials, supplies, equipment, tools, trucking permits, liability and property damage insurance verification (to be co-insured by the State of West Virginia Board of Risk Management), and all other things necessary for drilling services and site and access preparation and reclamation in accordance with this Agreement.

This Agreement will cover a one year period from the date of signature for the following projects:

LOCATION:	Various sites in West Virginia
DEPTH RANGE (Est.):	from 200 ft. to 2,500 ft. <u>or</u> the practical and safe maximum depth capability of the drill beyond 2,500 ft. per completed hole.

TYPE OF DRILLING: Wireline continuous coring and associated rotary bit
drilling

AMOUNT OF DRILLING: 7,000 to 10,000 linear ft. (est.) during the life of the
agreement

NOTE: No specific or minimum work quantity is guaranteed during the life of the
agreement.

RESPONSIBILITIES AND PROCEDURES - The Contractor will insure that all necessary equipment and personnel will arrive at a drill site on or close to the agreed upon starting date. A schedule of working days and hours will be established between the Contractor and the Survey Drilling Manager prior to each drill hole.

It will be the Contractor's responsibility (unless otherwise notified by the Survey): (1) to cooperate, coordinate, and communicate with Survey personnel and any other contractors or subcontractors working on a site; (2) to move drill rigs and equipment on and off drill sites; (3) when required, to build, maintain, and reclaim drill site access roads, drill sites, and sumps; (4) to perform rotary drilling and/or coring of rock and coal strata; (5) to box coal and rock cores if so directed by the Survey; (6) to keep a driller's log and other records on each hole and to provide the Survey with copies of records; (6) to conduct all drilling operations and drilling support activities in a safe, responsible, workmanlike manner and in accordance with all applicable laws,

rules and regulations; (7) to condition the bore hole properly to allow unobstructed passage of geophysical logging probes; (8) to assist in rigging up and down of geophysical logging equipment except for the handling of the radioactive source (the Contractor and its personnel are strictly prohibited from handling any logging probe that contains a radioactive source); (9) to assist in any other downhole testing as required by the Survey or its other contractors; (10) to plug each hole from bottom to top; (11) to remove all contractor's equipment from each drill site upon completion of the drill hole; (12) to minimize surface damages as much as possible by using one route of ingress and egress, limiting travel into and out of the drill site to only that necessary for proper drilling operation; (13) to keep the drill platform and surrounding area in a neat, clean, and orderly condition both for efficiency and safety; (14) to collect, remove and properly dispose of all trash and garbage from the drill site; (15) the Contractor, at its cost, shall apply promptly for issuance, transfer and/or renewal of any and all permits, bonds and licenses required for the work to be performed hereunder.

It will be the Survey's responsibility: (1) to give notice of drilling schedules; (2) to secure permission to drill on each drill site; (3) to communicate, cooperate, and coordinate with the Contractor, including informing the Contractor of the necessity to work with other contractors or subcontractors; (4) to log all rock and coal cores given the beginning core point unless delegated by the Survey to the Contractor; (5) to haul rock and coal cores away from the drill site, dispose of same, or to direct the driller to dispose of core on-site, and; (6) to inspect the site before, during, and upon completion of drilling for compliance with the provisions of this contract.

All work is subject to the approval of the Survey Drilling Manager and all questions concerning the contract or drilling should be immediately directed to the Survey Drilling Manager, Jim Britton or, in his absence, to the Resident Manager, Mitchel Blake, at their home office at:

West Virginia Geological and Economic Survey

1 Mont Chateau Rd.

Morgantown, WV 26508-8079

Tel: (304) 594-2331

Fax: (304) 594-2575

II. Technical Specifications, Definitions, and Requirements

BORE HOLE ABANDONMENT - Bore holes that are abandoned prior to completion will be plugged according to contract specifications the same as for completed holes (see **PLUGGING**). Drilling logs and cementing records will be kept and turned in to the Survey on all such holes. For holes that are abandoned prior to completion, the Survey will reimburse the Contractor for cement and irretrievable casing only, subject to approval, in writing, from the Survey Drilling Manager. This includes holes abandoned due to insufficient coal core recovery (less than 95%, see **CORE RECOVERY**).

BORE HOLES RESPONSIBILITY - The bore holes and all conditions thereof remain the

responsibility of the Contractor until satisfactory completion to the total depth, unless approved by the Survey Drilling Manager or designated Survey site geologist.

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CASING - SEE SURFACE CASING

COMMUNICATION - The Survey Drilling Manager will notify the Contractor of intent to core drill including: 1) desired start date; 2) site location; 3) anticipated need for site and/or road preparation, sump construction and reclamation; 4) anticipated total depth; 5) identity and approximate depth of target coal beds; 6) size of core; 7) type of rock strata to be encountered and any special equipment or fluids that may be necessary; 8) approximate depth(s) to any underground mine(s); 9) instructions relating to handling of the core, such as boxing or disposal, and; 10) information relating to testing to be conducted such as geophysical logging, or coal bed methane testing, or need for deflection drilling for the purpose of additional sample collection. The Contractor will notify the Survey Drilling Manager of their ability to start the core drilling on the desired start date. The Contractor will discuss the potential for difficult drilling conditions (see EXCESSIVE BIT OR EQUIPMENT WEAR) with the Survey Drilling Manager prior to commencement of drilling. Once drilling commences, the Contractor or their representative will communicate the anticipated times in which target coal beds will be cored to the Survey Drilling Manager or a designated Survey site geologist so they can be present to observe the target coals being cored and/or they inform other Survey contractors, such as coal bed methane testers. The Contractor or their representative will communicate to the Survey Drilling Manager or to the designated Survey site geologist the anticipated time of completion of a hole no less than 12

hours in advance of completion so the Survey can arrange for the "geophysical logger", other Survey contractors, or other special equipment to be at the drill site when the hole is completed. No payment for stand-by time will be made for delays due to insufficient notification by the Contractor to the Survey.

CORING and CORE EQUIPMENT - The Contractor agrees to core rock and coal seams as directed by the Survey Drilling Manager or a designated Survey site geologist. It is further understood that the equipment and crew are under the general direction of the Survey Drilling Manager or a designated Survey site geologist, but at no time will the Survey or Survey personnel assume responsibility or accountability for the Contractor's equipment or personnel. The Contractor must provide core barrels that are sufficient to recover full and satisfactory cores.

Coring and core equipment are required to meet the following specifications:

1. Conventional rotary rigs will use a minimum 15' long tube core barrel unless otherwise specified. The Contractor will provide at least two inner barrels so that coring may continue while core is being logged.
2. Wireline core rigs will use the size of coring equipment (both diameter and length) specified by the Survey Drilling Manager or a designated Survey site geologist, typically NXWL or NQWL, or NCWL.

CORE DISPOSAL - In the event the core is not to be removed from the site by the Survey, the Survey Drilling Manager will direct the driller to dispose of the core on-site in a suitable manner.

CORE RECOVERY - The Survey expects greater than 85% core recovery per run. No target coal cores with less than 95% recoveries of coal and internal partings will be accepted unless approved by the Survey Drilling Manager (see REDRILLS). Each target coal core will be measured against geophysical log(s) to determine "Coal Percent of Recovery" by the Survey Drilling Manager or a designated Survey site geologist. Coal core recovery shall be recorded on the typed driller's log.

CORING FIELD PROCEDURES

1. Core runs, if not placed in boxes, shall be laid on corrugated tin or wooden racks on a level surface and each run marked consecutively; also depths are to be marked at the end of each run with a waterproof marker.
2. The approximate amount and location of any core loss in a run will be indicated by the driller.
3. All core will be pushed out of inner barrel onto a wooden tray, any manmade

breaks will be marked on core.

4. Cores of all target coal beds will be pushed out of the inner barrel onto a wooden tray lined with plastic sheeting.
5. If directed by the Survey Drilling Manager, the Contractor will carefully place the core in wax-coated cardboard, plastic, or other suitable core boxes designed for the purpose, clearly marking on the box the sequential box number, drill hole number, and top and bottom depths of the core in the box. The driller will also clearly mark the top and/or bottom of the core in each box.
6. Inner barrels will use heads designed so that grease cannot come in contact with core.
7. Al-80 grease only will be used on lifters.

DEFLECTION DRILLING - The Contractor may be requested by the Survey to place either non-recoverable deflection wedges or recoverable window deflection wedges in the hole for the purpose of additional sample collection (see RIG TIME (g) and EXCESSIVE BIT OR EQUIPMENT WEAR). The Contractor and the Survey will discuss the condition of the hole bore to assess any risks associated with such deflection drilling and only will proceed upon mutual agreement. The drill hole and tools will remain the responsibility of the Contractor. Any

costs associated with deflection drilling for reasons other than sample collection, unless specifically directed or authorized by the Survey, remain the responsibility of the Contractor and are to be included in the bid footage price.

DEMobilIZATION - The Contractor will, at the completion of a drilling project, remove the drilling equipment from the last hole location. Demobilization only includes the time required to transit the rig and related cargo from the last hole location to the Contractor's base location. The Contractor will be compensated for demobilization from one hole projects. (See also RIGGING UP AND DOWN). The Contractor will be released from responsibility for the site and bore hole condition once the site is vacated, cleared of equipment and debris, and inspected and released by the Survey.

DRILL BITS - The Contractor will use drill bits in a condition appropriate for the type of rock to be encountered at the individual drill site. The Contractor and Survey will compare information available to them to determine, to the best of their abilities, the types of rock likely to be encountered at the individual drill sites.

DRILLER - The Contractor will provide drill operators ("drillers") with the capability to perform up to the standards of this agreement. The Survey reserves the right to seek replacement of an unsatisfactory driller and likewise under no circumstances will a driller be removed from the project without prior approval of the Survey Drilling Manager or a designated Survey site geologist.

DRILLING FLUIDS - The Survey reserves the right to recommend the use of drilling fluid and additives in order to insure safety, good hole condition and proper core recovery. The Contractor will coordinate with the Survey's Mud Services Contractor in the application and maintenance of the materials prescribed by the Survey's Mud Service Contractor. Any additional costs anticipated by the Contractor from the use of such drilling fluids and additives prescribed by the Survey's Mud Service Contractor are to be included in the bid footage price. The drill hole and tools will remain the responsibility of the Contractor.

DRILL SITES - The Survey will provide "Right of Entry" with reasonable access for each drill site. The Survey Drilling Manager or designated Survey site geologist will show the Contractor the ingress, egress and site area to be occupied for the drilling operations before the drilling equipment is ready to occupy the location. All excavated pits are required to be fenced by the Contractor for the protection of persons or property. (If this cannot be done, the Contractor will notify the Survey Drilling Manager so that other precautions may be taken.) The pits will remain fenced until backfilled. Unusual or extensive damage beyond what is reasonably necessary to accomplish the objective hereunder shall be the total responsibility of the Contractor, and the Contractor shall indemnify the Survey from any such damages.

EQUIPMENT - All equipment is to be in good mechanical condition with capacities designed to safely meet the conditions and the nature of the Contract and the specific drill project. The Survey will not under any circumstances authorize stand-by time or assume responsibility for drill pipe, bits or other equipment that might be lost in the hole, or for damages to any other

equipment due to fire, flood, theft, vandalism, accidents, breakdowns, normal wear and tear, or acts of God.

EXCESSIVE BIT OR EQUIPMENT WEAR - The Contractor may assess an additional drilling charge for excessive bit and equipment wear due to drilling in hard or well-cemented rock strata generally recognized to cause such wear, subject to prior approval by the Survey Drilling Manager, or drilling off of a wedge for the purpose of sample collection as directed by the Survey (see DEFLECTION DRILLING). Contractor supervisory personnel shall communicate with the Survey Drilling Manager concerning the potential for excessive wear conditions prior to drilling a hole.

MOBILIZATION - The Contractor will deliver to the first drill site of a project all necessary equipment, including but not limited to, personnel, drilling equipment, drilling tools, and other such support equipment and supplies as may be necessary to conduct drilling operations. Mobilization will be considered complete when the necessary equipment has arrived on site ready to be set up. Mobilization only includes the time required to transit the rig and related cargo from the Contractor's base location to the first hole location. The Contractor will be compensated for mobilization to one hole projects. (See also RIGGING UP AND DOWN).

PLUGGING - All drill holes will be permanently plugged with cement or other grouting mixture from "bottom to top" through rods or pipes in compliance with all existing federal and/or state laws and regulations. A cementing record form will be properly completed and signed by the

Contractor and submitted to the Survey Drilling Manager or designated Survey site geologist upon completion for each hole drilled. The Survey will not under any circumstances assume responsibility for drill pipe, casing, bits or other equipment that might be lost in the hole. The Contractor shall remedy, without cost to the Survey, any plugging defect caused by inferior workmanship or insufficient materials. The Contractor is responsible for any damages to persons or property that may occur due to inferior plugging.

RECORDS - The Contractor will maintain and submit to the Survey the following drilling records:

- 1) A driller's log is to be recorded for each hole of rock strata penetrated with depths stated in decimal feet (to nearest hundredths feet) from ground surface, including core recovery and other pertinent data to be accomplished by continuous sampling and documentation during drilling. The Contractor is to provide the Survey with a complete and neatly typed copy of the driller's log and a digital copy (if available) of the driller's log in ASCII or other acceptable format with fields identified on diskette at the time of invoicing for each hole.
- 2) Report the amount of cement or other materials used in completion of plugging the drill hole.

REDRILLS - Redrills or wedging required because of poor target coal bed recovery (less than

95%) will be done at the Contractor's cost.

RIGGING UP AND DOWN - In the case of multi-hole projects, the Contractor may tear down a rig, move it to the next drill site, and rig up the drill to commence drilling the next hole. Rigging up and down commences with tearing down the rig at the completed hole and ends with completion of rigging at the next hole site. Any costs associated with rigging up at the first hole or rigging down at the last hole (including one hole projects) are to be included in the bid footage price. (See also DEMOBILIZATION and MOBILIZATION).

RIG TIME - Tripping drill tools in and out of the hole during drilling or coring activities is not billable to the Survey as rig time, and should be included in the quoted footage prices. The Contractor may be required by the Survey to provide various activities which are billable as hours of rig time. Examples of such activities which may be required are: (a) Pressure Testing, (b) Pressure Grouting, (c) Bailing, (d) Hole Stabilization for Geophysical Logging, (e) in-hole Methane Testing, (f) Change-over from larger diameter coring (e.g. NC) to smaller diameter coring (e.g. NX, NQ) and re-inserting larger diameter drilling rods as casing for smaller diameter coring, (g) Deflection drilling for additional sample collection including all of the removal and insertion of drilling rods required for placement of non-recoverable deflection wedges or placement and removal of recoverable window deflection wedges and the time spent drilling off such wedges.

SAFETY - The Contractor, its agents and subcontractors, shall comply with all laws, rules,

regulations, orders and ordinances of federal, state and local government, including their agencies, officers and authorities, and shall indemnify and hold harmless the Survey, its directors, officers and employees from all penalties, fines and other charges resulting from violations or alleged violations of such laws, rules, regulations, order and ordinances, including but not limited to the Federal Mine Safety and Health Act of 1977, which relate to work performed hereunder by the Contractor, its agents or subcontractors. The Contractor at its cost shall apply promptly for the issuance, transfer and/or renewal of any and all permits, bonds and licenses required for the work to be performed hereunder. When required the Contractor shall obtain a Mine Safety and Health Administration identification number prior to beginning any work hereunder.

The Survey Drilling Manager or designated Survey site geologist may cause the Contractor to cease activity in their work place (issue a work cessation order) because of any imminent danger to any person, or to the drill site property or others. Any such work cessation order will require a written report by the Survey Drilling Manager, and work will not be allowed to continue until the dangerous conditions are corrected by the Contractor. Failure of the Contractor to follow its safety program may be cause for dismissal from the project for failure to comply with this contract.

SITE PREPARATION AND RECLAMATION - When required, the Contractor shall construct access roads, prepare the drill site, construct water sumps, maintain access roads, and after completion of drilling reclaim the drill site, sumps, and roads to the same condition as they were prior to drilling in compliance with all existing federal and/or state laws and regulations. Each

and every modification to the land pursuant to site preparation will be made with a view toward minimal impact on or damage to the environment. Costs of supplies related to site preparation and reclamation should be captured in the hourly rate. Invoices relating to site and road preparation, maintenance, and reclamation expenses will not be paid until final reclamation is inspected and approved by the Survey and the surface owner. Inspections will be done within 14 days after completion of reclamation.

STAND-BY TIME - Stand-by time is defined as non-working hourly time considered part of normal drilling activities, including waiting on cement to harden; waiting on orders from the Survey Drilling Manager or designated Survey site geologist; waiting on geophysical logging, etc. as authorized and approved by the Survey. No payment for stand-by time will be authorized for anything other than a complete drill rig and crew in full operating condition. The Contractor and the Survey will endeavor to maintain good communications in order to minimize stand-by time.

SUPPLIES - The cost of all supplies used in the drilling operation will be recovered in the core drilling footage rate.

SURFACE CASING - The Contractor shall have on hand at all times sufficient temporary surface casing of adequate size and quality to permit passage of downhole apparatus necessary to complete the rotary or core hole. The Survey will reimburse the Contractor at cost for that casing which cannot be retrieved and reused.

III. General Specifications and Requirements

ACCIDENTS - The Contractor shall immediately report to the Survey Drilling Manager all incidents or accidents which may result in injury to persons, damage to properties, or other damages that are in any way related to the Contractor's operations on the premises. In those cases where accident reports are furnished to local, federal or state agencies, as applicable, the Contractor shall also furnish a copy to the Survey Drilling Manager. Delays or down-time due to accidents will be the responsibility of the Contractor and are not billable as Stand-by time.

ALCOHOL & DRUG USE - The Contractor shall ensure that none of its employees or agents, or the employees or agents of any subcontractor, shall either possess or use alcoholic beverages, illegal drugs or drug paraphernalia while on the Survey's drill site or come onto the Survey's drill site while under the influence of alcohol or drugs. The Survey shall have the right to eject from the Survey's drill site any person who is intoxicated or under the influence of drugs or who has in his possession, while on said site, any alcoholic beverage or illegal drug or drug paraphernalia.

BULK CHEMICAL SPILLS - The Contractor, its employees, agents, and subcontractors shall be responsible for compliance with all laws, rules, and regulations respecting the reporting, containment, and cleaning up of spills or overfills of bulk chemicals such as, but not limited to petroleum products. Such spills will be reported immediately to the appropriate authorities and to the Survey Drilling Manager or designated site geologist. The Contractor will be responsible for any costs or liability associated with clean-up or damage associated with a spill.

CANCELLATION CLAUSE - This Contract Purchase Order is entered subject to cancellation at the Survey's option without further obligation on its part. The Survey will not be subject to any cancellation charges, fees or damages other than the cost of work performed up to the date of the contract cancellation.

CONFIDENTIAL INFORMATION - All information obtained by the Contractor from the review of the Survey's geological and other data (verbal or written) and from the condition of the drilling operations, shall be considered confidential and shall not be divulged by the Contractor, or its employees, to any person other than Survey personnel.

DELAYS - Neither the Survey nor the Contractor shall be responsible to the other for delays occasioned by federal or state laws, rules and regulations, strikes or other labor disturbances, breakdowns, weather, fires, or other cause beyond the control of the parties commonly referred to as *force majeure*, but any such delay on the part of the Contractor shall be grounds for the Survey to give notice of cancellation as herein provided.

FAIR LABOR STANDARDS ACT - The Contractor agrees to pay the persons employed by it in performing this Drilling Services Agreement in accordance with the requirements of the Fair Labor Standards Act of 1938, as amended, and to keep all such records as are required by such Act. The Contractor certifies that all goods not in its possession, which are to be used in carrying out the provisions of this Drilling Services Agreement, were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938,

as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof. The Contractor agrees that at the time goods not now in its possession are furnished to the Survey in carrying out the provisions of this Drilling Services Agreement, it will furnish the Survey with similar certifications of compliance with respect to such goods.

INDEPENDENT CONTRACTOR: INDEMNIFICATION - The Contractor shall assume all risks of the premises and shall indemnify and hold harmless the Survey, its directors, officers and employees, from and against any and all claims and/or demands including all costs and expenses, including attorney's fees, for injury or alleged injury or death to persons, or damage to property, caused by, arising from, incidental to, connected with or growing out of the work to be performed under this Drilling Services Agreement, including, but not limited to, any work to be performed by any subcontractor or agent of the Contractor.

INSURANCE - During work hereunder the Contractor shall carry and maintain the following minimum insurance until final acceptance by the Survey of the completed work:

- (a) Comprehensive General Liability Insurance including Contractual Liability Coverage and coverage for Products Liability and Completed Operations with Bodily Injury Limits of not less than \$500,000.00 per person, \$1,000,000.00 for each occurrence and Property Damage Limits of \$500,000.00.

- (b) Comprehensive Automobile Bodily Injury and Property Damage Liability Insurance including coverage for hired and non-owned vehicles with Bodily Injury Limits of not less than \$500,000.00 per person, \$1,000,000.00 for each accident and Property Damage Limits of \$500,000.00.
- (c) Worker's Compensation and Occupational Disease Insurance covering the statutory requirements of the state of West Virginia. The Survey reserves the right to request a current copy of the certificate of coverage anytime during the agreement period.
- (d) Any other insurance which may be required to cover special hazards encountered in the course of the work.
- (e) The Contractor shall require all subcontractors engaged in the performance of this agreement to carry and pay for Workers' Compensation and Occupational Disease Insurance which shall comply with all applicable laws together with such other insurance as the Contractor may deem necessary.

The above insurance requirements are "minimum" and do not constitute any recommendation by the Survey regarding the types and amounts of insurance coverage actually needed by the Contractor and any subcontractor to protect their own interests. The Contractor shall not commence work until insurance certificates evidencing the required coverage are submitted to and approved by the Survey. Insurance certificates must include specific coverage

for the Independent Contractor; Indemnification Clause and must contain an undertaking by the Insurer not to cancel or modify such policies without first giving at least fifteen (15) days prior written notice to the Survey.

WAIVER OF BREACH - Any failure by the Survey, at any time or from time to time, to enforce the strict conditions of this Agreement shall not constitute a waiver by the Survey of a breach of any such terms or conditions, and shall not affect or impair such terms or conditions in any way, or the right of the Survey at any time to avail itself of such remedies as it may have for any such breach or breaches of such terms or conditions.

IV. Invoicing

Invoices are to be submitted for payment as follows: All invoices should be mailed referencing the Purchase Order number for the individual project, to the following address:

ATTN: John D. May

West Virginia Geological and Economic Survey

1 Mont Chateau Rd.

Morgantown, WV 26508-0879

Tel: (304) 594-2331

Fax: (304) 594-2575

All invoices submitted for payment must include only line items for which bids are submitted under **V. Pricing/Fee Schedule**. Invoices must contain proper backup documentation, detailing work performed, labor hours expended, and material/parts list of items supplied. For work performed at job site, invoices will be submitted for verification and approval. Invoice only for completed drill holes, mobilization, and demobilization where applicable. Invoices will be approved for partially complete drill holes only at the direction of the Survey. A complete "Release of Liens" in form satisfactory to the Survey shall be delivered by the Contractor to the Survey, upon request, at the time of final payment.

V. Pricing/Fee Schedule

NOTE: Bid according to your choice where given various bid choices on an item (e.g. lump sum, per mile, or per hr. for mobilization/demobilization). Only one bid choice is required.

1. Initial mobilization and final demobilization, per unit,
of all necessary equipment, tools and personnel.

Base location: SUMMERSVILLE, WV \$ _____ lump sum
\$ _____ per mile
*\$ 285.00 per hr.

2. Rigging up and down of equipment, per unit, and
moving between site and project locations.

\$ _____ lump sum
\$ _____ per mile
*\$ 285.00 per hr.

3. Setting water pumps, laying and removing and
maintaining water line beyond initial -0- ft/
location.

\$ 0.65 per L. ft.
\$ _____ per hr.

4. Rotary (overburden) drilling and setting of surface
casing.

*\$ 29.35 per L. ft. (NXWL HOLE)
*\$ 39.05 per L. ft. (NCWL HOLE)

5. Continuous wireline core drilling (NXWL or NQWL,
2" size): O' - maximum depth capability. * \$ 29.35 per L. ft.
6. Continuous wireline core drilling (NCWL,
2.4" size): O' - maximum depth capability. *\$ 39.05 per L. ft.
7. Non-recoverable deflection wedge (for use in
sample collection only). \$ 4,410.00 each
8. Recoverable window deflection wedge (if
unrecoverable or worn out in sample collection). \$ 6,470.00 each
9. Excessive bit and equipment wear charge. \$ 2.50 per L. ft.
10. Reaming from NX size to casing size. \$ _____ per L. ft.
* \$ 250.00 per hr.
- | | | | |
|--|------------------|-----------------|------------|
| 11. Casing if left in surface or hole. | NW Casing (NXWL) | \$ <u>28.35</u> | per L. ft. |
| | HW Casing (NCWL) | \$ <u>37.80</u> | per L. ft. |
12. Rig time. * \$ 250.00 per hr.
RIG TIME - DEFLECTION DRILLING * \$ 280.00 per hr.
13. Stand-by time. * \$ 235.00 per hr.

14. Drill rig and crew cementing of drill hole. \$ _____ per L. ft.
 * \$ 250.00 per hr.
15. Water truck w/operator. * \$ 105.00 per hr.
 \$ _____ per day
16. Minimum water truck fee. * \$ 840.00 per day
17. Boxing of core by driller (including boxes) \$ 3.40 per L. ft.
 (cardboard boxes)
- \$ 4.10 per L. ft.
 (wooden boxes)
18. Core boxes.
- Wax-coated, cardboard core boxes (10' core, flat) \$ 8.75 each
 \$ _____ per 100
- Plastic boxes (10' core) \$ N/A each
 \$ _____ per 100
- Wooden boxes (16' core) \$ 16.10 each

\$ _____ per 100
 Wooden coal core boxes (various lengths). \$ 25.20 each
 \$ _____ per L. ft.

19. Construction, maintenance, and reclamation of drill

sites and roads. Include mobilization and

demobilization costs.

\$ 400.00 per hr.

Version of July 8, 2008

* Our proposal is based upon a base rate of \$4.90 per gallon for diesel fuel. Due to unknown future market conditions, diesel fuel prices will be allowed to fluctuate plus or minus twenty percent (20%) or \$0.98 per gallon of the base rate of \$4.90 per gallon. When the price of diesel fuel exceeds \$5.88 per gallon, WVG&ES will pay Hughes a surcharge of the per gallon excess times the gallons purchased. Conversely, when the price of diesel fuel is less than \$3.92 per gallon, Hughes will give WVG&ES a rebate of the per gallon reduction times the gallons purchased.

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

VENDOR OWING A DEBT TO THE STATE:

West Virginia Code §5A-3-10a provides that: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

West Virginia Code §21-1D-5 provides that: Any solicitation for a public improvement construction contract shall require each vendor that submits a bid for the work to submit at the same time an affidavit that the vendor has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the West Virginia Code. A public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the West Virginia Code and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the West Virginia Code may take place before their work on the public improvement is begun.

ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

LICENSING:

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY:

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendors should visit www.state.wv.us/admin/purchase/privacy for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and is in compliance with the requirements as stated.

Vendor's Name: L.J. HUGHES & SONS, INC.

Authorized Signature: *L. J. Hughes*, PRESIDENT Date: 8-20-08