

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR COLUMBIA COUNTY, OREGON

In the Matter of Amending the Terms, ) **ORDER NO. 39-2017**  
Conditions and Regulations of Leasing )  
County-Owned Oil and Gas Rights )  
for Underground Storage in the Mist )  
Gas Field )

WHEREAS, The Board of County Commissioners adopted Order No. 25-2017 on May 17, 2017, setting Auction Date and Terms, Conditions and Regulations in the matter of Leasing County-Owned Oil and Gas Rights for Underground Gas Storage in the Mist Gas Field; and

WHEREAS, ORS 275.300, provides that the County may provide such conditions and regulations for the sale as may be deemed to be in the best interest of the County; and

WHEREAS, the Board intends to allow additional payment methods pertaining to the Bid Security and intends to include Automated Clearing House ("ACH") also known as electronic payments to satisfy the Bid Security; and

WHEREAS, the amended Bid Form attached hereto as Exhibit A provides for payments by ACH;

NOW, THEREFORE, IT IS HEREBY ORDERED except as expressly amended herein, Order No. 25-2017 shall remain in full force and effect.

DATED this 7<sup>th</sup> day of June, 2017.

Approved as to form:

By: Sue O'Hann  
Office of County Counsel

BOARD OF COUNTY COMMISSIONERS  
FOR COLUMBIA COUNTY, OREGON

By: [Signature]  
Henry Heimuller, Chair

By: [Signature]  
Margaret Magruder, Commissioner

By: [Signature]  
Alex Tardif, Commissioner

**EXHIBIT A  
BID FORM**

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR COLUMBIA COUNTY, OREGON

In the Matter of Leasing County- )  
Owned Oil and Gas Rights )

**WRITTEN BID FORM**

**Medicine Underground Storage Lease**

**The Property:** SE¼, S½NE¼, S½SW¼, Section 35, Township 7 North, Range 5 West of the Willamette Meridian

**Acreage:** 320 acres (stipulated)

**Offered Rights:** All mineral rights, including the rights to store natural gas, from 100 feet above the top to 100 feet below the base of the Clark and Wilson Sands or the stratigraphic equivalent of those sands as measured to a depth of 1330 to 2011 feet in Columbia County well 23-22. Subject to valid existing rights that currently encumber the Property.

**Bid Information**

1. **Bidder:** \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone No.: \_\_\_\_\_ Email Address: \_\_\_\_\_
2. **Agent:** \_\_\_\_\_ ( if applicable)  
Mailing Address: \_\_\_\_\_  
Phone No.: \_\_\_\_\_ Email Address: \_\_\_\_\_
3. **Bonus Bid** (minimum \$50.00 per acre): \_\_\_\_\_
4. **Bid Security Due with Bid:** \$5,000.00 bid security, in the form of cash, cashier's check, or automated clearing house (ACH).
5. **Forfeiture Authorization:** The undersigned bidder or bidder's agent, on behalf of himself/herself, and on behalf of bidder, authorizes forfeiture of the full amount of the bid security if bidder is deemed the apparent high bidder by the County but elects to not accept the lease.
6. **Declaration of Qualifications:** By signing below, Bidder, or Bidders agent on behalf of Bidder, declares that it has the demonstrated experience and capacity to permit, develop and operate an underground natural gas storage facility.
7. **Terms and Conditions of the Offering:** Bidder or its agent has reviewed and accepts the terms and conditions of the offering, attached hereto as Exhibit A to this Bid Form.

BIDDER OR BIDDER'S AGENT

Date: \_\_\_\_\_, 2017

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

## Exhibit A

### Medicine Underground Storage Lease Offering Terms and Conditions June 2017

1. The Property: SE¼, S½NE¼, S½SW¼, Section 35, Township 7 North, Range 5 West of the Willamette Meridian.
2. Acreage: 320 acres (stipulated).
3. Offered Rights: All mineral rights from 100 feet above the top to 100 feet below the base of the Clark and Wilson Sands or the stratigraphic equivalent of those sands as measured to a depth of 1330 to 2011 feet in Columbia County well 23-22. Subject to valid existing rights the currently encumber the property.
4. Lease Terms and Conditions. As provided for in the draft Medicine Underground Storage Lease, available on line at: <http://www.co.columbia.or.us/requests-for-proposals>.
5. Lease Offering Details.
  - a. Written bids will be submitted on a Medicine Underground Storage Lease bid form.
  - b. Bids will be submitted in sealed envelopes, along with the required \$5,000 bid security.
  - c. Bids must be received at the Board of County Commissioners' Office, Columbia County Courthouse, Room 331, St. Helens, Oregon 97051, no later than 10:00 a.m. on Wednesday, June 15, 2017.
  - d. Bids will be opened at 10:30 a.m. on Thursday, June 15, 2017, with the apparent high bidder named after all bids are opened.
  - e. In the event of a tie bid between one or more qualified bidders, the County will arrange for the tied bidders to complete the competitive process through an oral auction on a date and at a time specified by the Board.
  - f. Unsuccessful bids and associated bid security will be returned to bidders within 10 business days of the bid opening.
  - g. Subject to the County's confirmation of the apparent high bidders qualifications, two original Medicine Underground Storage Leases will be delivered to the apparent high bidder within 10 business days of the bid opening.
  - h. Signed Leases will be returned to the County no later than 10 days following issuance of the Lease (Lease Delivery Deadline), along with remaining amounts due under the lease, with said amounts to include: the bonus bid (minus the bid security); the first year's rent due under the lease; and a \$145 document processing fee.
  - i. The bid security will be forfeited to the County if, through no fault of the County, signed Leases and remaining amounts due under the lease are not delivered to the County by the Lease Delivery Deadline.
6. County Execution. Subject to the apparent high bidder being deem qualified by the County and satisfying all lease offering requirements, the County Board of Commissioners will adopt an order authorizing the County to enter into a lease with the apparent high bidder. The lease will then be signed by the County and a Memorandum of Lease will be recorded by the County. A fully executed original lease will be delivered to the lessee.

7. Agents. If any bidder is acting as an agent or an employee of a prospective lessee, the bidder shall provide satisfactory evidence of his or her agency status and supply the proper name, address and phone number and other information with which to complete the lease documents. All bidders will be held personally responsible for proper payment of the bid security and fulfillment of the lease offering terms and condition, regardless of employee or agency status.
8. Name Changes. After lease documents have been prepared and completed, ready for signature, and before approval and execution by the Board, no name changes or other such changes will be made except upon payment of an additional administrative fee deemed reasonable by the Board.
9. No Warranty or Guarantee. Columbia County does not warrant or guarantee title to the offered mineral rights. Additionally certain existing encumbrances may prevent the commencement of storage operations under the lease until such time the encumbrances have expired, have been terminated or have been acquired by the Medicine Underground Storage Lease lessee. Bidders are urged to conduct their own due diligence as to the title circumstances associated with the offered mineral rights.