

Execution Version

~~February 12,~~ March 7, 2013

Mr. Rich Caruso
Chief Financial Officer
RG Steel Wheeling, LLC
1134 Market Street
Wheeling; WV 28003

Re: Higher and Better Offer to Purchase Certain Mineral Rights of RG Steel
Wheeling, LLC in Brooke County, West Virginia, Jefferson County,
Ohio and Belmont County, Ohio

Dear Mr. Caruso:

Subject to the conditions set forth below, Bounty Minerals, LLC ("BOUNTY") hereby submits a cash offer of Three Million One Hundred Seventy Thousand and Fifty-Seven Dollars and Fifty Cents (\$3,170,057.50) (the "Purchase Price") for all of RG Steel Wheeling, LLC's ("Seller's") right, title and interest in and to 1,268.0230 net mineral acres more fully described in the enclosed Exhibit A attached hereto, including, but not limited to oil, gas and other hydrocarbons (excluding coal), underlying the above-referenced lands, and, including all royalties on production, executive rights to lease, and any and all other rights, permits or privileges relating to the ownership of such minerals (the Minerals"). However, the sale shall not include surface ownership of the land which shall remain with Seller and Bounty agrees to waive any expressed or implied right to conduct any surface operations including the right to drill wells, construct pipelines, construct access roads, utility easements, and/or install any other facilities or construct any structures of any nature, on the surface of the lands overlying the Minerals in Follansbee, Cross Creek, West Virginia, more particularly located west of State Route 2 and East of the Ohio River, and as more particularly reflected in Exhibit B attached hereto, unless the surface owner consents (and the surface owner provides Mountain State Carbon, LLC with advanced notice of such consent), which consent shall not be unreasonably withheld, that it is permissible to build such infrastructure or drill the well on the surface. Except as provided in the preceding sentence, the foregoing waiver does not limit Bounty's right and/or ability to drill, remove or explore for the Minerals in accordance with applicable law.

BOUNTY and Seller acknowledge and agree that Seller's acceptance of this Offer to Purchase, and the respective obligations of BOUNTY and Seller to consummate the transaction contemplated hereby, shall be subject to the procedures set forth in that certain Order Establishing Procedures For Sale or Abandonment of Excess Assets [Docket No. 427] (the "Sale Procedures Order"), entered by the United States Bankruptcy Court for the District of Delaware in Seller's currently pending case under chapter 11 of the Bankruptcy Code, jointly administered under Case No. 12-11611 (KJC).

This Offer to Purchase and the Purchase Price are based upon your ownership of the Minerals, as more particularly set forth in Exhibit A attached hereto. This Offer to Purchase is further conditioned upon (i) Seller executing a Mineral Deed mutually acceptable to BOUNTY and Seller, (ii) assumes that Seller's title to the Minerals shall be conveyed free and clear of any mortgages, liens or other

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encumbrances, [and](#) (iii) ~~Seller accepting BOUNTY's offer to purchase Seller's right, title and interest in and to 822.908 net mineral acres more fully described in the enclosed Exhibit B attached hereto, which offer is the subject of a separate letter agreement; and (iv)~~ an acceptable Order entered by the United States Bankruptcy Court for the District of Delaware providing the fullest protection available to purchasers of assets under Section 363(m) of the United States Bankruptcy Code as provided in Paragraph 5 of the Sales Procedure Order. Any of the conditions may be waived in writing by BOUNTY. BOUNTY and the Seller agree that ~~Exhibits A and B~~[Exhibit A](#) may be modified upon the mutual agreement of the parties.

Seller shall be liable for all costs attributable to the Minerals and entitled to all revenues and proceeds attributable to the Minerals prior to the date upon which BOUNTY makes payment of the Purchase Price (the "Effective Date"), and BOUNTY shall be responsible for and entitled to same after the Effective Date.

BOUNTY will make payment of the Purchase Price [by wire transfer](#) as follows:

- (A) Within Five (5) days after Seller's receipt of the requisite non-appealable authority under the Sale Procedures Order to sell the Minerals on the terms and conditions set forth in this offer, Seller shall receive \$2,500 per net mineral acre; and
- (B) In the event that BOUNTY notifies Seller in writing of any title defect in any Minerals prior to Seller's receipt of the requisite non-appealable authority under the Sales Procedure Order, Seller shall have fifteen (15) days after receiving such notice to cure such title defect, and BOUNTY shall close on any additional mineral acreage which BOUNTY finds that Seller cured title within five (5) days thereafter at the price of \$2,500 per net mineral acre assuming the Seller has obtained the non-appealable authority to sell the Minerals.

~~This offer to purchase will be considered void if not accepted by March 1, 2013.~~ BOUNTY reserves the right to substitute as purchaser hereunder any of its affiliates, without otherwise altering the terms and conditions of this Offer to Purchase. Until the closing, the Parties shall maintain the confidentiality of (i) the existence of this Offer to Purchase, (ii) the terms and transaction set forth herein, and BOUNTY and Seller shall disclose such information only to their respective officers, directors, partners, employees, representatives, advisors, attorneys, consultants and financial third parties who need to know said information in order to directly assist in consummating such transaction; provided, however that Seller may disclose such confidential information to the Bankruptcy Court and other parties to the extent necessary to comply with the terms of the Sales Procedures Order

~~BOUNTY appreciates the opportunity to submit this offer. BOUNTY believes this offer is a higher and better offer for the following reasons:~~

- ~~(A) BOUNTY's offer is not contingent upon any option period for any additional acreage that may or may not close;~~
- ~~(B) BOUNTY's offer is a higher and better offer;~~
- ~~(C) BOUNTY's offer allows Seller the best opportunity to sell its remaining non-producing minerals that it owns;~~
- ~~(D) BOUNTY's offer is not subject to inspection of title on a minimum of 1,709 net mineral acres.~~

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~~If acceptable, please so indicate~~ [Kindly acknowledge acceptance of this Higher and Better Offer](#) by signing the appropriate space below and returning to the attention of the undersigned. Should you have any questions regarding this offer, please do not hesitate to contact the undersigned at Bounty Minerals, LLC, 777 Main Street, Suite 850, Fort Worth, Texas 76109.

Very truly yours,

Bounty Minerals, LLC

Michael Mazur
Manager

AGREED TO AND ACCEPTED this _____ day of _____, 2013.

RG Steel, LLC

By: _____
Rich Caruso, Chief Financial Officer