

BOARD OF EDUCATIONAL LANDS AND FUNDS

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Minerals Administrator

www.belf.nebraska.gov

February 3, 2017

Subject: Oil & Gas Leasing

Ladies and Gentlemen:

Oil And Gas Leases will next be sold at public auction by the Board of Educational Lands and Funds in the office of the Board, 555 North Cotner Boulevard, Lincoln, Nebraska, on May 2, 2017, at 10:00 o'clock a.m. local time, on the following terms:

In the counties of Banner, Chase, Cheyenne, Dawes, Deuel, Dundy, Furnas, Garden, Hayes, Hitchcock, Kimball, Morrill, Red Willow, Scotts Bluff, and Sioux: for a primary term of five (5) years with a one-sixth (1/6th) royalty reserved to the Lessor and annual delay rentals of \$2.00 per acre.

In the counties of Arthur, Box Butte, Cass, Douglas, Frontier, Gage, Gosper, Grant, Harlan, Jefferson, Johnson, Keith, Lancaster, Lincoln, Nemaha, Otoe, Pawnee, Perkins, Phelps, Richardson, Saline, Sarpy, Saunders, and Sheridan: for a primary term of five (5) years with a one-eighth (1/8th) royalty reserved to the Lessor and annual delay rentals of \$2.00 per acre.

In all other counties: for a primary term of ten (10) years with a one-eighth (1/8th) royalty reserved to the Lessor and annual delay rentals of \$1.00 per acre.

All Leases will be sold on the basis of sections, or the amount of contiguous land within the section available for leasing, whichever is less, and Applications must cover all land available for leasing within the section.

In order for a tract to be included in this sale held on May 2, 2017, the application designating the tract must be received not later than March 28, 2017. Please make sure to properly complete a separate Application for each tract you desire to lease. Additional copies of the Application form will be furnished upon request. Our Summarization of Oil And Gas Leasing Rules And Regulations and sample copies of our Oil And Gas Leases are also available upon request. These forms can also be accessed under *Mineral Leasing* at our website (www.belf.nebraska.gov) and printed (PDF format).

Although the Board itself may nominate certain tracts for lease, it is presently contemplated that the Oil And Gas Leases offered for sale on May 2, 2017, will cover only those tracts for which prospective lessees have made Application on or before March 28, 2017. Information regarding the availability of land for which you desire to make application for lease, can be obtained by contacting Laura Bahr-Frew at this office.

Each Application must be accompanied by a certified remittance in the amount of the initial annual delay rental (either \$2.00 or \$1.00 per acre, depending upon the county involved).

A copy of the sale Notice, listing the tracts available for lease with other necessary information, will be mailed to you, and will also be available on our website, approximately two to three weeks prior to the Lease Auction. If you have any questions, please feel free to contact us. Thank you.

Sincerely yours,

Kelly L. Sudbeck
CEO/Executive Secretary

KLS/lbbf