

NOTICE OF SALE OF OIL AND GAS LEASES

NOTICE is hereby given that the Board of Educational Lands and Funds of the State of Nebraska (the Board or Lessor) will offer for sale at Public Auction, to be held in the office of the Board, 555 North Cotner Boulevard, Lincoln, Nebraska, on the 3rd day of June, 2003, at 10:00 o'clock a.m. local time, Oil And Gas Leases covering the following described land, to wit:

<u>TRACT</u>	<u>DESCRIPTION</u>	<u>SEC/TWP/RGE</u>	<u>ACRES</u>	<u>COUNTY</u>
1.	All	36-01-37	640	DUNDY
2.	All	22-17-32	640	MCPHERSON
3.	All	23-17-32	640	MCPHERSON

Each tract is offered and the Lease for each tract will be issued for the acreage indicated, which may be either more or less than the actual acreage. Bonus bid on a per acre basis and rent will be computed exclusively on the basis of the acreage indicated regardless of whether the acreage indicated is equal to, or more or less than, the actual acreage. Bonus and rent as so computed will not be increased if it is established that the actual acreage is greater than the acreage indicated and will not be decreased if it is established that the actual acreage is less than the acreage indicated. In addition, each Lease shall be subject to all easements, restrictions, reservations, rights-of-way and other matters of record in the office of the Board and all public roads.

In Dundy County (tract 1), this Lease will be for a primary term of five (5) years, will reserve a one-sixth (1/6th) royalty to the Lessor, and will provide for annual delay rentals of \$2.00 per acre. In McPherson County (tracts 2-3), such Leases will be for a primary term of ten (10) years, will reserve a one-eighth (1/8th) royalty to the Lessor, and will provide for annual delay rentals of \$1.00 per acre.

All such Leases will be sold and issued in all respects under, in accordance with and pursuant to the applicable laws of the State of Nebraska and applicable Rules And Regulations of the Board. Each such Lease will be sold to the highest and best bidder therefor subject to the right of the Board to reject any and all bids.

Laura B. Bahr-Frew
Minerals Administrator
555 North Cotner Blvd.
Lincoln, NE 68505

Telephone: 402/471-2014

BOARD OF EDUCATIONAL LANDS AND FUNDS



L. Jay Gildersleeve, Minerals Director

SALE RESULTS

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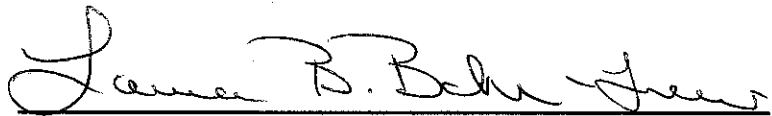
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<u>TRACT</u>	<u>DESCRIPTION</u>	<u>SEC/TWP/RGE</u>	<u>ACRES</u>	<u>COUNTY</u>
1.	All <u>HIGH BID: \$13.00 per acre by BEREXCO INC.</u>	36-01-37	640	DUNDY
2.	All <u>HIGH BID: \$1.00 per acre by LYCO ENERGY CORPORATION</u>	22-17-32	640	MCPHERSON
3.	All <u>HIGH BID: \$1.00 per acre by LYCO ENERGY CORPORATION</u>	23-17-32	640	MCPHERSON

See NOTICE OF SALE OF OIL AND GAS LEASES for the terms of sale.

AMOUNT RECEIVED: \$9,600.00
TOTAL ACRES SOLD: 1,920.00
AVERAGE PER ACRE: \$5.00

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Laura B. Bahr-Frew, Minerals Administrator