

## 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 16<sup>th</sup> day of August, 2005, at 10:00 o'clock a.m. local time, Oil And Gas Leases covering the following described lands, to wit:

<u>TRACT</u>	<u>DESCRIPTION</u>	<u>SEC/TWP/RGE</u>	<u>ACRES</u>	<u>COUNTY</u>
1.	All	16-12-52	640	CHEYENNE
2.	All	16-13-42	640	DEUEL
3.	All except the 5 acre cemetery in the NE <sup>1</sup> / <sub>4</sub> NE <sup>1</sup> / <sub>4</sub>	16-14-42	635	DEUEL
4.	All	16-13-43	640	DEUEL
5.	All	36-13-43	640	DEUEL
6.	All	16-14-43	640	DEUEL
7.	All	36-14-43	640	DEUEL
8.	All	36-16-43	640	GARDEN
9.	W <sup>1</sup> / <sub>2</sub> NW <sup>1</sup> / <sub>4</sub> & SW <sup>1</sup> / <sub>4</sub>	15-06-33	240	HAYES
10.	All	16-06-33	640	HAYES
11.	All	16-07-34	640	HAYES
12.	All	36-07-34	640	HAYES
13.	All	36-04-35	640	HITCHCOCK
14.	All	16-17-49	640	MORRILL
15.	All	16-19-50	640	MORRILL

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.

With respect to tracts 2, 4, 5 and 7, Kansas-Nebraska Natural Gas Company, Inc. previously acquired, pursuant to Sections 72-213 et. seq. of the Nebraska Statutes, an underground gas storage easement in the "D" Sand interval of the Upper Dakota Formation (generally, the interval from a depth of 3228 feet to 3254 feet) and pipeline right-of-way as shown by records on file in the office of the Board. Extraction of natural gas from said interval for sale or use is prohibited. Pursuant to Section 57-606 of the Nebraska Statutes, any additional cost and expense required to be incurred in order to protect the underground reservoir against pollution or escape of gas or liquefied petroleum gas therefrom by reason of boring or drilling above, into, or through such underground reservoir shall be paid by the public utility then owning the right to underground storage therein. Such public utility shall have the right to designate the protective measures which shall be employed in implementing the intent of Section 57-606 supra.

With respect to tract 11, the Board neither warrants nor agrees to defend title to the SE $\frac{1}{4}$ , except that all royalty payments applicable thereto will be returned to Lessee, without interest, in the event the Board does not have a lawful right to lease the SE $\frac{1}{4}$  for oil and gas exploration and production. No rent or bonus payments will be returned under any circumstances.

Such Leases will be for a primary term of 5 years; will reserve a 1/6<sup>th</sup> royalty to the Lessor; will provide for annual delay rentals of \$2.00 per acre; and 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

## NOTICE OF SALE OF OIL AND GAS LEASES

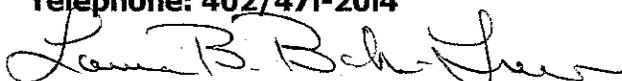
The Board of Educational Lands and Funds of the State of Nebraska (the Board or Lessor) offered for sale at Public Auction, in the office of the Board, 555 North Cotner Boulevard, Lincoln, Nebraska, on the 16th day of August, 2005, at 10:00 o'clock a.m. local time, Oil And Gas Leases covering the following described land, to wit:

<u>TRACT</u>	<u>DESCRIPTION</u>	<u>SEC/TWP/RGE</u>	<u>ACRES</u>	<u>COUNTY</u>
1.	All HIGH BID: \$2.00 per acre by SPRINGFIELD OIL COMPANY	16-12-52	640	CHEYENNE
2.	All HIGH BID: \$2.00 per acre by LONETREE ENERGY & ASSOCIATES, LLC	16-13-42	640	DEUEL
3.	All except the 5 acre cemetery in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ HIGH BID: \$2.00 per acre by LONETREE ENERGY & ASSOCIATES, LLC	16-14-42	635	DEUEL
4.	All HIGH BID: \$5.00 per acre by LONETREE ENERGY & ASSOCIATES, LLC	16-13-43	640	DEUEL
5.	All HIGH BID: \$4.75 per acre by LONETREE ENERGY & ASSOCIATES, LLC	36-13-43	640	DEUEL
6.	All HIGH BID: \$4.75 per acre by LONETREE ENERGY & ASSOCIATES, LLC	16-14-43	640	DEUEL
7.	All HIGH BID: \$2.75 per acre by LONETREE ENERGY & ASSOCIATES, LLC	36-14-43	640	DEUEL
8.	All HIGH BID: \$2.00 per acre by LONETREE ENERGY & ASSOCIATES, LLC	36-16-43	640	GARDEN
9.	W $\frac{1}{2}$ NW $\frac{1}{4}$ & SW $\frac{1}{4}$ HIGH BID: \$2.00 per acre by J. FRED HAMBRIGHT, INC.	15-06-33	240	HAYES
10.	All HIGH BID: \$2.00 per acre by J. FRED HAMBRIGHT, INC.	16-06-33	640	HAYES
11.	All HIGH BID: \$2.00 per acre by J. FRED HAMBRIGHT, INC.	16-07-34	640	HAYES
12.	All HIGH BID: \$2.00 per acre by J. FRED HAMBRIGHT, INC.	36-07-34	640	HAYES
13.	All HIGH BID: \$2.10 per acre by J. FRED HAMBRIGHT, INC.	36-04-35	640	HITCHCOCK
14.	All HIGH BID: \$2.00 per acre by BENSON MINERAL GROUP, INC.	16-17-49	640	MORRILL
15.	All HIGH BID: \$2.00 per acre by TA INVESTORS, LLC	16-19-50	640	MORRILL

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

AMOUNT RECEIVED: \$ 24,374.00  
TOTAL ACRES SOLD: 9,195.00  
AVERAGE PER ACRE: \$ 2.65

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Laura B. Bahr-Frew, Minerals Administrator