

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 23rd day of May, 2006, 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	16-08-38	640	CHASE
2.	All	16-07-39	640	CHASE
3.	The E ¹ / ₂ , E ¹ / ₂ W ¹ / ₂ , SW ¹ / ₄ SW ¹ / ₄ and NW ¹ / ₄ NW ¹ / ₄	36-07-39	560	CHASE
4.	All	16-08-39	640	CHASE
5.	All	36-07-40	640	CHASE
6.	All except the SW ¹ / ₄ SW ¹ / ₄	36-08-40	600	CHASE
7.	All	36-05-41	640	CHASE
8.	All	16-01-36	640	DUNDY
9.	All	36-01-36	640	DUNDY
10.	All	16-03-40	640.48	DUNDY
11.	All	36-04-40	643.92	DUNDY
12.	All	36-05-35	640	HAYES
13.	All	16-01-32	586.77	HITCHCOCK
14.	All	36-01-32	585.14	HITCHCOCK
15.	All	36-02-32	640	HITCHCOCK
16.	All	16-03-32	640	HITCHCOCK
17.	All	36-03-32	643.44	HITCHCOCK
18.	All	16-01-33	640	HITCHCOCK
19.	All	36-01-33	640	HITCHCOCK
20.	All	36-02-33	640	HITCHCOCK
21.	The NW ¹ / ₄ NW ¹ / ₄ except the North 924 feet of the West 660 feet thereof; the SW ¹ / ₄ NW ¹ / ₄ except the RR ROW of 0.55 acres in the southeast corner thereof; all of the E ¹ / ₂ NW ¹ / ₄ lying North of the RR ROW; the W ¹ / ₂ NE ¹ / ₄ except the RR ROW of 11.63 acres; the NE ¹ / ₄ NE ¹ / ₄ except the RR ROW of 3.34 acres; and all that part of the SE ¹ / ₄ NE ¹ / ₄ lying North of the RR ROW	36-03-33	235.41	HITCHCOCK
22.	The S ¹ / ₂ except the road ROW of 3.92 acres along the South Section Line	16-02-34	316.08	HITCHCOCK
23.	All	36-02-34	640	HITCHCOCK

24.	All	16-12-38	640	KEITH
25.	All	16-12-39	640	KEITH
26.	The N½	16-12-40	320	KEITH
27.	All	16-13-41	640	KEITH
28.	All	16-14-41	640	KEITH
29.	All	16-15-41	640	KEITH
30.	All	16-09-38	638.80	PERKINS
31.	All	36-09-38	640.16	PERKINS
32.	All	36-10-38	645.81	PERKINS
33.	All	36-11-38	640.32	PERKINS
34.	All	36-09-39	640	PERKINS
35.	All	16-10-39	640	PERKINS
36.	All	36-10-39	640	PERKINS
37.	All	16-09-40	640	PERKINS
38.	All	36-09-40	642.81	PERKINS

Each tract is offered and the Lease for each tract will be issued for the acreage indicated, which may be 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 tract 3, the Board neither warrants nor agrees to defend title to the reacquired RR ROW of approximately 9.86 acres located in the E½SW¼ and S½SE¼, 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 such reacquired RR ROW of approximately 9.86 total acres for oil and gas exploration and production. No rent or bonus payments will be returned under any circumstances.

In Chase, Dundy, Hayes and Hitchcock Counties (tracts 1-23), such Leases 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 Keith and Perkins Counties (tracts 24-38), such Leases will be for a primary term of five (5) years, will reserve a one-eighth (1/8th) royalty to the Lessor, and will provide for annual delay rentals of \$2.00 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
www.belf.state.ne.us

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 23rd day of May, 2006, at 10:00 o'clock a.m. local time, Oil And Gas Leases covering the following described land, to wit:

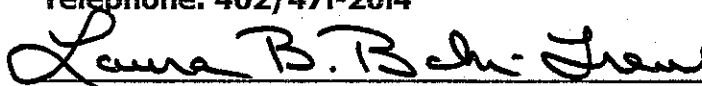
<u>TRACT</u>	<u>DESCRIPTION</u>	<u>SEC/TWP/RGE</u>	<u>ACRES</u>	<u>COUNTY</u>
1.	All HIGH BID: \$6.00 per acre by TETON DJ LLC	16-08-38	640	CHASE
2.	All HIGH BID: \$2.00 per acre by TETON DJ LLC	16-07-39	640	CHASE
3.	The E ¹ / ₂ , E ¹ / ₂ W ¹ / ₂ , SW ¹ / ₄ SW ¹ / ₄ and NW ¹ / ₄ NW ¹ / ₄ HIGH BID: \$2.00 per acre by TETON DJ LLC	36-07-39	560	CHASE
4.	All HIGH BID: \$2.00 per acre by TETON DJ LLC	16-08-39	640	CHASE
5.	All HIGH BID: \$2.00 per acre by TETON DJ LLC	36-07-40	640	CHASE
6.	All except the SW ¹ / ₄ SW ¹ / ₄ HIGH BID: \$2.00 per acre by TETON DJ LLC	36-08-40	600	CHASE
7.	All HIGH BID: \$10.00 per acre by TETON DJ LLC	36-05-41	640	CHASE
8.	All HIGH BID: \$21.00 per acre by CENTRAL OPERATING, INC.	16-01-36	640	DUNDY
9.	All HIGH BID: \$15.50 per acre by J. FRED HAMBRIGHT, INC.	36-01-36	640	DUNDY
10.	All HIGH BID: \$2.00 per acre by TETON DJ LLC	16-03-40	640.48	DUNDY
11.	All HIGH BID: \$2.00 per acre by TETON DJ LLC	36-04-40	643.92	DUNDY
12.	All HIGH BID: \$2.00 per acre by FREMONT EXPLORATION, INC.	36-05-35	640	HAYES
13.	All HIGH BID: \$16.50 per acre by J. FRED HAMBRIGHT, INC.	16-01-32	586.77	HITCHCOCK
14.	All HIGH BID: \$16.50 per acre by J. FRED HAMBRIGHT, INC.	36-01-32	585.14	HITCHCOCK
15.	All HIGH BID: \$2.00 per acre by FREMONT EXPLORATION, INC.	36-02-32	640	HITCHCOCK
16.	All HIGH BID: \$2.00 per acre by FREMONT EXPLORATION, INC.	16-03-32	640	HITCHCOCK
17.	All HIGH BID: \$17.50 per acre by J. FRED HAMBRIGHT, INC.	36-03-32	643.44	HITCHCOCK
18.	All HIGH BID: \$2.00 per acre by FREMONT EXPLORATION, INC.	16-01-33	640	HITCHCOCK
19.	All HIGH BID: \$17.50 per acre by J. FRED HAMBRIGHT, INC.	36-01-33	640	HITCHCOCK
20.	All HIGH BID: \$18.50 per acre by J. FRED HAMBRIGHT, INC.	36-02-33	640	HITCHCOCK

21.	The NW $\frac{1}{4}$ NW $\frac{1}{4}$ except the North 924 feet of the West 660 feet thereof; the SW $\frac{1}{4}$ NW $\frac{1}{4}$ except the RR ROW of 0.55 acres in the southeast corner thereof; all of the E $\frac{1}{2}$ NW $\frac{1}{4}$ lying North of the RR ROW; the W $\frac{1}{2}$ NE $\frac{1}{4}$ except the RR ROW of 11.36 acres; the NE $\frac{1}{4}$ NE $\frac{1}{4}$ except the RR ROW of 3.34 acres; and all that part of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ lying North of the RR ROW	36-03-33	235.41	HITCHCOCK
	HIGH BID: \$10.50 per acre by J. FRED HAMBRIGHT, INC.			
22.	The S $\frac{1}{2}$ except the road ROW of 3.92 acres along the South Section Line	16-02-34	316.08	HITCHCOCK
	HIGH BID: \$26.50 per acre by BEREXCO INC.			
23.	All	36-02-34	640	HITCHCOCK
	HIGH BID: \$2.00 per acre by J. FRED HAMBRIGHT, INC.			
24.	All	16-12-38	640	KEITH
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
25.	All	16-12-39	640	KEITH
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
26.	The N $\frac{1}{2}$	16-12-40	320	KEITH
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
27.	All	16-13-41	640	KEITH
	HIGH BID: \$7.00 per acre by TETON DJ LLC			
28.	All	16-14-41	640	KEITH
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
29.	All	16-15-41	640	KEITH
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
30.	All	16-09-38	638.80	PERKINS
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
31.	All	36-09-38	640.16	PERKINS
	HIGH BID: \$6.00 per acre by TETON DJ LLC			
32.	All	36-10-38	645.81	PERKINS
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
33.	All	36-11-38	640.32	PERKINS
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
34.	All	36-09-39	640	PERKINS
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35.	All	16-10-39	640	PERKINS
	HIGH BID: \$2.00 per acre by TETON DJ LLC			
36.	All	36-10-39	640	PERKINS
	HIGH BID: \$6.50 per acre by TETON DJ LLC			
37.	All	16-09-40	640	PERKINS
	HIGH BID: \$11.00 per acre by TETON DJ LLC			
38.	All	36-09-40	642.81	PERKINS
	HIGH BID: \$11.00 per acre by TETON DJ LLC			

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

AMOUNT RECEIVED: \$157,735.18
TOTAL ACRES SOLD: 23,059.14
AVERAGE PER ACRE: \$ 6.84

BOARD OF EDUCATIONAL LANDS AND FUNDS
555 North Cotner Blvd.
Lincoln, NE 68505
Telephone: 402/471-2014


Laura B. Bahr-Frew, Minerals Administrator