

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 28th day of October, 2008, 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	16-17-54	640	BANNER
2.	All	36-06-42	640	CHASE
3.	All except the NW ¹ / ₄ NW ¹ / ₄	36-13-51	600	CHEYENNE
4.	All	16-14-51	640	CHEYENNE
5.	All	36-14-51	640	CHEYENNE
6.	N2	02-12-52	320	CHEYENNE
7.	All	36-13-52	640	CHEYENNE
8.	All	16-14-44	640	DEUEL
9.	The bed of the Republican River to the ordinary high-water mark as it lies in Sections 25 and	26-02-36	94.9	DUNDY
10.	All	36-03-36	640	DUNDY
11.	All	36-01-37	640	DUNDY
12.	All	36-03-37	640	DUNDY
13.	All	36-01-41	640	DUNDY
14.	All	16-07-35	640	HAYES
15.	All	36-02-31	640	HITCHCOCK
16.	All	16-02-32	640	HITCHCOCK
17.	All	36-04-33	640	HITCHCOCK
18.	All	16-03-35	640	HITCHCOCK
19.	All	16-15-54	640	KIMBALL
20.	All	16-14-57	640	KIMBALL
21.	All	16-15-57	640	KIMBALL
22.	All	36-13-58	640	KIMBALL

23.	All	16-16-58	640	KIMBALL
24.	NE $\frac{1}{4}$ NW $\frac{1}{4}$ & W $\frac{1}{2}$ W $\frac{1}{2}$	25-20-52	200	MORRILL
25.	All	36-20-52	640	MORRILL
26.	All	16-01-30	640	RED WILLOW
27.	All	16-21-55	640	SCOTTS BLUFF

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 9, Lessor neither warrants nor agrees to defend title to the leased premises, except that all royalty payments will be returned to Lessee, without interest, in the event Lessor does not have a lawful right to lease the leased premises for oil and gas exploration and production. No rent or bonus payments will be returned under any circumstances. In the event of production in paying quantities, this Lease will be divided into separate Leases, one of which will cover the Section in which the producing well is located, and the other will cover the remaining Section. In the event of unitization, this Lease will be divided into separate Leases, one of which will cover only the unitized land, and the other(s) will cover the remaining land in contiguous parcels. Only the separate Lease covering the producing Section or unitized land shall remain in force (subject to the Lease provisions) beyond the primary term.

With respect to tract 27, Lessor neither warrants nor agrees to defend title to the leased premises, except that all royalty payments will be returned to Lessee, without interest, in the event Lessor does not have a lawful right to lease the leased premises 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 five (5) years; will reserve a one-sixth (1/6th) 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
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 28th day of October, 2008, 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 HIGH BID: \$52.00 per acre by T-K PRODUCTION COMPANY	16-17-54	640	BANNER
2.	All HIGH BID: \$60.00 per acre by ESER CORPORATION	36-06-42	640	CHASE
3.	All except the NW ¹ / ₄ NW ¹ / ₄ HIGH BID: \$2.00 per acre by SAMUEL WEBB	36-13-51	600	CHEYENNE
4.	All HIGH BID: \$33.00 per acre by SAMUEL WEBB	16-14-51	640	CHEYENNE
5.	All HIGH BID: \$2.00 per acre by SAMUEL WEBB	36-14-51	640	CHEYENNE
6.	N ¹ / ₂ HIGH BID: \$2.00 per acre by T-K PRODUCTION COMPANY	02-12-52	320	CHEYENNE
7.	All HIGH BID: \$2.00 per acre by T-K PRODUCTION COMPANY	36-13-52	640	CHEYENNE
8.	All HIGH BID: \$25.00 per acre by VISTA A&S 2006-1 LLC	16-14-44	640	DEUEL
9.	The bed of the Republican River to the ordinary high-water mark as it lies in Sections 25 and HIGH BID: \$20.00 per acre by MURFIN DRILLING COMPANY, INC.	26-02-36	94.9	DUNDY
10.	All HIGH BID: \$31.00 per acre by GENEXCO, LLC	36-03-36	640	DUNDY
11.	All HIGH BID: \$10.00 per acre by BEREXCO INC.	36-01-37	640	DUNDY
12.	All HIGH BID: \$31.00 per acre by GENEXCO, LLC	36-03-37	640	DUNDY
13.	All HIGH BID: \$10.00 per acre by MURFIN DRILLING COMPANY, INC.	36-01-41	640	DUNDY
14.	All HIGH BID: \$10.00 per acre by BYRON E. HUMMON, JR.	16-07-35	640	HAYES
15.	All HIGH BID: \$21.00 per acre by GENEXCO, LLC	36-02-31	640	HITCHCOCK
16.	All HIGH BID: \$33.00 per acre by MURFIN DRILLING COMPANY, INC.	16-02-32	640	HITCHCOCK

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| 17. | All | 36-04-33 | 640 | HITCHCOCK |
| | | HIGH BID: \$25.00 per acre by MURFIN DRILLING COMPANY, INC. | | |
| 18. | All | 16-03-35 | 640 | HITCHCOCK |
| | | HIGH BID: \$20.00 per acre by MURFIN DRILLING COMPANY, INC. | | |
| 19. | All | 16-15-54 | 640 | KIMBALL |
| | | HIGH BID: \$2.00 per acre by EDWARD MIKE DAVIS, LLC | | |
| 20. | All | 16-14-57 | 640 | KIMBALL |
| | | HIGH BID: \$45.00 per acre by EDWARD MIKE DAVIS, LLC | | |
| 21. | All | 16-15-57 | 640 | KIMBALL |
| | | HIGH BID: \$2.00 per acre by EVERTSON ENERGY PARTNERS, LLC | | |
| 22. | All | 36-13-58 | 640 | KIMBALL |
| | | HIGH BID: \$8.00 per acre by T-K PRODUCTION COMPANY | | |
| 23. | All | 16-16-58 | 640 | KIMBALL |
| | | HIGH BID: \$4.00 per acre by ANTELOPE ENERGY COMPANY, LLC | | |
| 24. | NE $\frac{1}{4}$ NW $\frac{1}{4}$ & W $\frac{1}{2}$ W $\frac{1}{2}$ | 25-20-52 | 200 | MORRILL |
| | | HIGH BID: \$2.00 per acre by T-K PRODUCTION COMPANY | | |
| 25. | All | 36-20-52 | 640 | MORRILL |
| | | HIGH BID: \$2.00 per acre by T-K PRODUCTION COMPANY | | |
| 26. | All | 16-01-30 | 640 | RED WILLOW |
| | | HIGH BID: \$40.00 per acre by P.A. BREW | | |
| 27. | All | 16-21-55 | 640 | SCOTTS BLUFF |
| | | HIGH BID: \$2.00 per acre by PRAIRIE PETROLEUM, LLC | | |

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

AMOUNT RECEIVED: \$ 304,938.00
TOTAL ACRES SOLD: 15,934.90
AVERAGE PER ACRE: \$19.13

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Lincoln, NE 68505
Telephone: 402/471-2014



Laura B. Bahr-Frew, Minerals Administrator