

## 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 29th day of October, 2013, 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	36-15-48W	640	CHEYENNE
2.	All	16-14-44W	640	DEUEL
3.	All	36-01-38W	640	DUNDY
4.	All	36-02-38W	640	DUNDY
5.	All	36-03-38W	640	DUNDY
6.	All exc. 1 acre in NW4NW4	16-01-39W	639	DUNDY
7.	All	36-01-39W	640	DUNDY
8.	All	16-02-39W	640	DUNDY
9.	All	16-01-40W	640	DUNDY
10.	All	36-01-40W	640	DUNDY
11.	All	16-03-40W	640.48	DUNDY
12.	All	36-04-40W	643.92	DUNDY
13.	All	16-01-41W	640	DUNDY
14.	W2	36-01-42W	320	DUNDY
15.	All	16-03-25W	640	FURNAS
16.	All	36-03-25W	640	FURNAS
17.	N2NE4, SE4NE4, SWNW4 & S2	36-05-32W	480	HAYES
18.	E2NE4	16-05-34W	80	HAYES
19.	W2 & SW4SE4	16-05-34W	360	HAYES
20.	N2 & SE4	16-06-34W	480	HAYES

21.	N2 & SE4 exc. 6.40 acres of RR ROW	16-05-35W	473.6	HAYES
22.	SW4SW4	16-05-35W	40	HAYES
23.	The bed of the Republican River to the ordinary high-water mark as it lies in	24-03-31W	75.31	HITCHCOCK
24.	All	16-01-34W	640	HITCHCOCK
25.	S2 except the road ROW of 3.92 acres along the South Section Line	16-02-34W	316.08	HITCHCOCK
26.	All	36-01-35W	634.99	HITCHCOCK
27.	All	36-02-35W	640	HITCHCOCK
28.	The bed of the Republican River to the ordinary high-water mark as it lies in	19-03-30W	56	RED WILLOW
29.	N2 & SW4	36-02-26W	480	RED WILLOW
30.	All	36-03-26W	640	RED WILLOW
31.	All	16-30-53W	640	SIOUX
32.	All	36-30-53W	640	SIOUX
33.	All	16-32-55W	640	SIOUX
34.	All	36-32-55W	640	SIOUX
35.	All	36-34-55W	640	SIOUX
36.	All	16-32-56W	640	SIOUX
37.	All	36-33-56W	640	SIOUX
38.	NE4	36-24-57W	160	SIOUX
39.	ALL	16-25-52W	640	BOX BUTTE
40.	E2	21-26-52W	320	BOX BUTTE
41.	All	16-27-52W	640	BOX BUTTE
42.	All	16-28-52W	640	BOX BUTTE

43.	Lots 1, 3, 4, 11 thru 17 & 21 thru 29	36-01-13E	490	RICHARDSON
44.	N2	16-02-16W	320	FRANKLIN
45.	S2	36-03-16W	320	FRANKLIN

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, public roads, rights-of-way and other leases of record and other matters of record in the office of the Board.

With respect to tract 2, (Deuel County 16-14-44) there is a shut-in but unplugged well (State 13-16) located on this tract of land in the NW4SW4. The previous Lessee (Vista A&S 2006-1 LLC) has a continuing legal obligation to plug this well. The successful bidder of this tract will have two (2) options pertaining to this well. 1) If the successful bidder does not want this well, then the previous Lessee will continue to be required to plug this well, or, 2) If the successful bidder does want this well, then we will amend the Lease for this tract to cover this well. In this case the successful bidder will assume full responsibility for such well under this Lease and the bonds regarding this well with the Nebraska Oil And Gas Conservation Commission and the Board.

With respect to tract 5, (Dundy County 36-03-38) the Board neither warrants nor agrees to defend title to the west thirty-three (33) feet, being the road right-of-way of approximately 4 acres along the west section line, except that all royalty payments applicable thereto will be returned to Lessee, without interest, in the event the Lessor does not have a lawful right to lease the same for oil and gas exploration and production. No rent or bonus payments will be returned under any circumstances. There is also a shut-in but unplugged well (State 8-36) located on this tract of land in the SE4NE4. The previous Lessee (H&R Exploration & Production Inc.) has a continuing legal obligation to plug this well. The successful bidder of this tract will have two (2) options pertaining to this well. 1) If the successful bidder does not want this well, then the previous Lessee will continue to be required to plug this well, or, 2) the successful bidder does want this well, then we will amend the Lease for this tract to cover this well, in this case the successful bidder will assume full responsibility for such well under this Lease and the bonds regarding this well with the Nebraska Oil And Gas Conservation Commission and the Board.

With respect to tract 23, (Hitchcock County 24-03-31), 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.

With respect to tract 28, (Red Willow County 19-03-30), 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.

With respect to tract 33, (Sioux County 16-32-55), Lessor neither warrants nor agrees to defend title to the NW4NE4 & E2NW4, except that all royalty payments applicable thereto will be returned to Lessee, without interest, in the event Lessor does not have a lawful right to lease the same for oil and gas exploration and production. No rent or bonus payments will be returned under any circumstances.

With respect to tract 38, (Sioux County 36-24-57), 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 Cheyenne, Deuel, Dundy, Furnas, Hayes, Hitchcock, Red Willow and Sioux Counties (tracts 1-38), 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 Box Butte and Richardson Counties (tracts 39-43), such Lease 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. In Franklin County (tracts 44-45) such Leases will be for a primary term of ten (10) years, will reserve a one-eighth (1/8<sup>th</sup>) 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. Copies of the Lease forms are available prior to the sale by contacting Ms. Bahr-Frew at the number below.

Laura B. Bahr-Frew  
Minerals Administrator  
555 North Cotner Blvd.  
Lincoln, NE 68505  
Telephone: 402/471-2014  
[www.belf.nebraska.gov](http://www.belf.nebraska.gov)

BOARD OF EDUCATIONAL LANDS AND FUNDS

  
Richard R. Endacott, CEO/Executive Secretary

## 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) offer for sale at Public Auction, in the office of the Board, 555 North Cotner Boulevard, Lincoln, Nebraska, on the 29th day of October, 2013, 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: \$7.00 per acre by WHITE EAGLE EXPLORATION, INC.	36-15-48W	640	CHEYENNE
2.	All HIGH BID: \$2.00 per acre by NORTHWEST WELL SERVICE	16-14-44W	640	DEUEL
3.	All HIGH BID: \$100.00 per acre by FORESTAR PETROLEUM CORPORATION	36-01-38W	640	DUNDY
4.	All HIGH BID: \$190.00 per acre by FORESTAR PETROLEUM CORPORATION	36-02-38W	640	DUNDY
5.	All HIGH BID: \$130.00 per acre by SYNERGY RESOURCES CORPORATION	36-03-38W	640	DUNDY
6.	All exc. 1 acre in NW4NW4 HIGH BID: \$60.00 per acre by FORESTAR PETROLEUM CORPORATION	16-01-39W	639	DUNDY
7.	All HIGH BID: \$70.00 per acre by FORESTAR PETROLEUM CORPORATION	36-01-39W	640	DUNDY
8.	All HIGH BID: \$106.00 per acre by J. FRED HAMBRIGHT, INC.	16-02-39W	640	DUNDY
9.	All HIGH BID: \$180.00 per acre by SYNERGY RESOURCES CORPORATION	16-01-40W	640	DUNDY
10.	All HIGH BID: \$175.00 per acre by SYNERGY RESOURCES CORPORATION	36-01-40W	640	DUNDY
11.	All HIGH BID: \$65.00 per acre by FORESTAR PETROLEUM CORPORATION	16-03-40W	640.48	DUNDY
12.	All HIGH BID: \$70.00 per acre by FORESTAR PETROLEUM CORPORATION	36-04-40W	643.92	DUNDY
13.	All HIGH BID: \$55.00 per acre by J. FRED HAMBRIGHT, INC.	16-01-41W	640	DUNDY

14.	<b>W2</b> HIGH BID: \$56.00 per acre by J. FRED HAMBRIGHT, INC.	<b>36-01-42W</b>	<b>320</b>	<b>DUNDY</b>
15.	<b>All</b> HIGH BID: \$2.00 per acre by HOP ENERGIES, LLC	<b>16-03-25W</b>	<b>640</b>	<b>FURNAS</b>
16.	<b>All</b> HIGH BID: \$22.00 per acre by GULF OIL AND GAS, LLC	<b>36-03-25W</b>	<b>640</b>	<b>FURNAS</b>
17.	<b>N2NE4, SE4NE4, SWNW4 &amp; S2</b> HIGH BID: \$12.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>36-05-32W</b>	<b>480</b>	<b>HAYES</b>
18.	<b>E2NE4</b> HIGH BID: \$12.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>16-05-34W</b>	<b>80</b>	<b>HAYES</b>
19.	<b>W2 &amp; SW4SE4</b> HIGH BID: \$12.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>16-05-34W</b>	<b>360</b>	<b>HAYES</b>
20.	<b>N2 &amp; SE4</b> HIGH BID: \$25.00 per acre by SYNERGY RESOURCES CORPORATION	<b>16-06-34W</b>	<b>480</b>	<b>HAYES</b>
21.	<b>N2 &amp; SE4 exc. 6.40 acres of RR ROW</b> HIGH BID: \$10.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>16-05-35W</b>	<b>473.6</b>	<b>HAYES</b>
22.	<b>SW4SW4</b> HIGH BID: \$10.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>16-05-35W</b>	<b>40</b>	<b>HAYES</b>
23.	<b>The bed of the Republican River to the ordinary high- water mark as it lies in</b> HIGH BID: \$80.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>24-03-31W</b>	<b>75.31</b>	<b>HITCHCOCK</b>
24.	<b>All</b> HIGH BID: \$60.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>16-01-34W</b>	<b>640</b>	<b>HITCHCOCK</b>
25.	<b>S2 except the road ROW of 3.92 acres along the South Section Line</b> HIGH BID: \$130.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>16-02-34W</b>	<b>316.08</b>	<b>HITCHCOCK</b>
26.	<b>All</b> HIGH BID: \$130.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>36-01-35W</b>	<b>634.99</b>	<b>HITCHCOCK</b>
27.	<b>All</b> HIGH BID: \$65.00 per acre by FORESTAR PETROLEUM CORPORATION	<b>36-02-35W</b>	<b>640</b>	<b>HITCHCOCK</b>

28.	<b>The bed of the Republican River to the ordinary high-water mark as it lies in</b>	<b>19-03-30W</b>	<b>56</b>	<b>RED WILLOW</b>
	HIGH BID: \$105.00 per acre by FORESTAR PETROLEUM CORPORATION			
29.	<b>N2 &amp; SW4</b>	<b>36-02-26W</b>	<b>480</b>	<b>RED WILLOW</b>
	HIGH BID: \$50.00 per acre by MULL DRILLING COMPANY, INC.			
30.	<b>All</b>	<b>36-03-26W</b>	<b>640</b>	<b>RED WILLOW</b>
	HIGH BID: \$5.00 per acre by HOP ENERGIES, LLC			
31.	<b>All</b>	<b>16-30-53W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
32.	<b>All</b>	<b>36-30-53W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
33.	<b>All</b>	<b>16-32-55W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
34.	<b>All</b>	<b>36-32-55W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
35.	<b>All</b>	<b>36-34-55W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$3.00 per acre by J. FRED HAMBRIGHT, INC.			
36.	<b>All</b>	<b>16-32-56W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
37.	<b>All</b>	<b>36-33-56W</b>	<b>640</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
38.	<b>NE4</b>	<b>36-24-57W</b>	<b>160</b>	<b>SIoux</b>
	HIGH BID: \$2.00 per acre by WYOTEX OIL COMPANY			
39.	<b>ALL</b>	<b>16-25-52W</b>	<b>640</b>	<b>BOX BUTTE</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
40.	<b>E2</b>	<b>21-26-52W</b>	<b>320</b>	<b>BOX BUTTE</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
41.	<b>All</b>	<b>16-27-52W</b>	<b>640</b>	<b>BOX BUTTE</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
42.	<b>All</b>	<b>16-28-52W</b>	<b>640</b>	<b>BOX BUTTE</b>
	HIGH BID: \$2.00 per acre by JOSH & LEANNE SKAVDAHL			
43.	<b>Lots 1, 3, 4, 11 thru 17 &amp; 21 thru 29</b>	<b>36-01-13E</b>	<b>490</b>	<b>RICHARDSON</b>
	HIGH BID: \$2.00 per acre by KINNEY OIL COMPANY			

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|------------|--|------------------|------------|-----------------|
| <b>44.</b> | <b>N2</b>  | <b>16-02-16W</b> | <b>320</b> | <b>FRANKLIN</b> |
|            | HIGH BID: \$37.00 per acre by THOROUGHbred ASSOCIATES, LLC |                  |            |                 |
| <b>45.</b> | <b>S2</b>  | <b>36-03-16W</b> | <b>320</b> | <b>FRANKLIN</b> |
|            | HIGH BID: \$31.00 per acre by HANNA OIL & GAS COMPANY      |                  |            |                 |

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

<b>AMOUNT RECEIVED: \$ 1,115,985.50</b>	<b>BOARD OF EDUCATIONAL LANDS AND FUNDS</b>
<b>TOTAL ACRES SOLD: 23,329.38</b>	<b>555 North Cotner Blvd.</b>
<b>AVERAGE PER ACRE: \$ 47.83</b>	<b>Lincoln, NE 68505</b>
	<b>Telephone: 402/471-2014</b>

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**Laura B. Bahr-Frew, Minerals Administrator**