

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 19th day of May, 2015, 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	16-17-58W	640	BANNER
2.	All	16-05-40W	640	CHASE
3.	All	16-01-38W	640	DUNDY
4.	N2, SW4 & W2SE4	16-02-25W	560	FURNAS
5.	S2	26-20-51W	320	MORRILL

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 4, (Furnas County 16-02-25) there are two unplugged wells: (State 225 16-2) located on this tract of land in the NE4NW4 and the other unplugged well (State 16-9) also located on this tract of land in the NW4SW4. The previous Lessee (Coleman Oil Company) has a continuing legal obligation to plug these two wells. The successful bidder of this tract will have two (2) options pertaining to these wells. 1) If the successful bidder does not want these wells, then the previous Lessee will continue to be required to plug these wells, or, 2) If the successful bidder does want these wells, then we will amend the Lease for this tract to cover these wells, in this case the successful bidder will assume full responsibility for such wells under this Lease and the bonds regarding these wells with the Nebraska Oil And Gas Conservation Commission and the Board.

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; 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. 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

BOARD OF EDUCATIONAL LANDS AND FUNDS


Richard R. Endacott, CEO/Executive Secretary

SALE RESULTS

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<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 DELUCA HOLDINGS, LLC	16-17-58W	640	BANNER
2.	All HIGH BID: \$64.00 per acre by J. FRED HAMBRIGHT, INC.	16-05-40W	640	CHASE
3.	All HIGH BID: \$16.00 per acre by J. FRED HAMBRIGHT, INC.	16-01-38W	640	DUNDY
4.	N2, SW4 & W2SE4 HIGH BID: \$5.00 per acre by HOP ENERGIES, LLC	16-02-25W	560	FURNAS
5.	S2 HIGH BID: \$2.00 per acre by EVERTSON ENERGY PARTNERS, LLC	26-20-51W	320	MORRILL

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

AMOUNT RECEIVED: \$ 55,920.00
TOTAL ACRES SOLD: 2,800.00
AVERAGE PER ACRE: \$ 19.97

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Lincoln, NE 68505
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Laura B. Bahr-Frew, Minerals Administrator