

**NOTICE OF SALE OF OIL AND GAS LEASE**

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 24th day of October, 2017, at 10:00 o'clock a.m. local time, an Oil And Gas Lease 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.	N2 & E2SE4	16-14-54W	400	KIMBALL

This tract is offered and the Lease for this 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, this 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 this tract 1, (Kimball County 16-14-54) there are three shut-in but unplugged wells: State (S. Kenton Unit) 2 located on this tract of land in the NE4NE4, State (S. Kenton Unit) 3 located on this tract of land in the SE4NE4 and State (S. Houtby Unit) 3-B located on this tract of land in the N2SE4NW4. The previous Lessee (HRM Resources II, LLC) has a continuing legal obligation to plug these 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 these wells under this Lease and the bond regarding these wells with the Nebraska Oil And Gas Conservation Commission and the Board.

Such Lease 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. 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**



Kelly L. Sudbeck, CEO/Executive Secretary

## SALE RESULTS

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**HIGH BID: \$2.00 per acre by HRM Resources II, LLC.**

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

AMOUNT RECEIVED: \$ 800.00  
TOTAL ACRES SOLD: 400.00  
AVERAGE PER ACRE: \$ 2.00

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Laura B. Bahr-Frew, Minerals Administrator