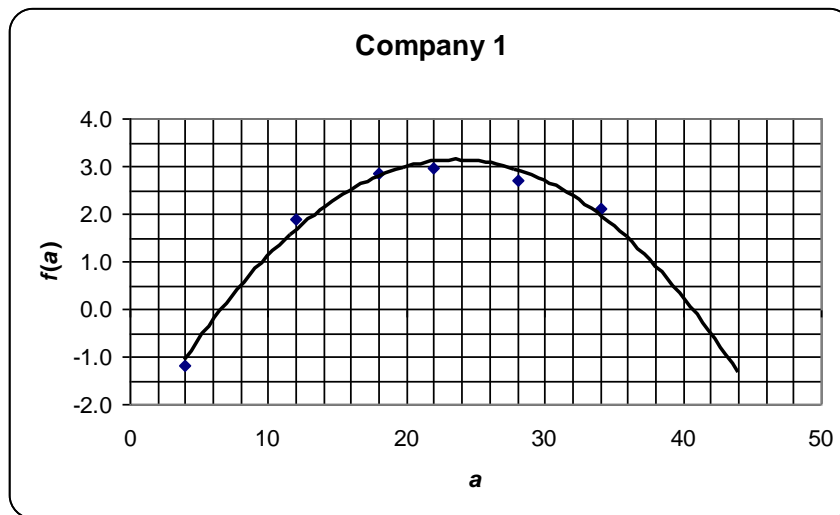


| Leases | Signals | | |
|--------------|-----------|-----------|-----------|
| Proven Value | Company 1 | Company 2 | Company 3 |
| \$55 | \$52 | \$53 | \$54 |
| \$120 | \$113 | \$127 | \$120 |

- 1) Find the errors
- 2) Find the WC
- 3) Find the WB
- 4) An approximation of the graph of $f(a)$ is given below.



Assuming that all other companies reduce their signals by both the “winner’s curse” and the “winner’s blessing”, how much should Company 1 be willing to pay for the drilling rights if the signal for Company 1 is \$159.1 million?