

TRACT 37042 - St. Bernard Parish, Louisiana

All lands now or formerly constituting the beds and bottoms of water bodies of whatever description and nature owned by the State of Louisiana and located within the geographical boundaries of the Biloxi Wildlife Management Area and not presently under mineral lease by the State of Louisiana as of January 12, 2005, the area being set forth as follows: Beginning at a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,582,809.34 and Y = 496,186.54; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: South 87 degrees 07 minutes 21 seconds West 2,340.25 feet, South 87 degrees 02 minutes 54 seconds West 307.19 feet, South 87 degrees 33 minutes 11 seconds West 816.84 feet, South 87 degrees 25 minutes 44 seconds West 503.43 feet, South 87 degrees 27 minutes 15 seconds West 1,149.34 feet and South 86 degrees 30 minutes 25 seconds West 161.58 feet to the Northeast corner of State Lease No. 17769 having Coordinates of X = 2,577,536.76 and Y = 495,934.88; thence West 3,969.68 feet along the North line of said State Lease No. 17769 to a point, also being the Southeast corner of State Lease No. 17974 having Coordinates of X = 2,573,567.08 and Y = 495,934.88; thence North 978.48 feet along the East line of said State Lease No. 17974 to its Northeast corner, also being a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,573,567.08 and Y = 496,913.36; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: Northeasterly, Easterly, North 01 degrees 08 minutes 13 seconds East 5.17 feet, South 01 degrees 14 minutes 31 seconds East 1,123.67 feet, South 14 degrees 09 minutes 15 seconds East 276.44 feet, South 13 degrees 56 minutes 47 seconds East 883.52 feet, and South 14 degrees 01 minutes 03 seconds East 4,470.12 feet to the point of beginning, **LESS AND EXCEPT** any portion that may lie outside the boundaries of the Biloxi Wildlife Management Area, containing approximately **48 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration

paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Department of Wildlife and Fisheries.
5. No activities will be allowed during the hunting season unless approved by the Department.
6. Compliance with the said WMA regulations will be required unless otherwise specified by the Department.
7. Prior to submitting applications for wetland permits to Federal and State permitting agencies the lease holder shall coordinate project details with the Louisiana Department of Wildlife and Fisheries, Fur and Refuge Division. Contact person for the Department will be Mike Windham at (504) 568-5886.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed

Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other



TRACT 37043 - St. Bernard Parish, Louisiana

All lands now or formerly constituting the beds and bottoms of water bodies of whatever description and nature owned by the State of Louisiana and located within the geographical boundaries of the Biloxi Wildlife Management Area and not presently under mineral lease by the State of Louisiana as of January 12, 2005, the area being set forth as follows: Beginning at a point on the boundary of the Biloxi Wildlife Management Area, the Northeast corner of State Lease No. 17976 and also being the Southeast corner of State Lease No. 17951 having Coordinates of X = 2,593,723.77 and Y = 485,529.22; thence along the boundary of State Lease No. 17951 the following courses and distances: North 00 degrees 24 minutes 22 seconds West 341.84 feet, North 00 degrees 20 minutes 22 seconds West 1,821.95 feet and North 00 degrees 20 minutes 35 seconds West 772.13 feet to the Northeast corner of State Lease No. 17951, also being a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,593,705.94 and Y = 488,465.08; thence along the boundary of Biloxi Wildlife Management Area the following courses and distances: North 00 degrees 20 minutes 35 seconds West 1,060.72 feet, North 00 degrees 49 minutes 40 seconds West 1,643.66 feet, North 87 degrees 44 minutes 54 seconds East 5,407.86 feet, South 02 degrees 47 minutes 00 seconds East 3,554.61 feet, South 02 degrees 58 minutes 50 seconds East 356.59 feet, South 02 degrees 49 minutes 18 seconds East 1,837.38 feet, South 88 degrees 51 minutes 44 seconds West 1,082.73 feet and South 88 degrees 52 minutes 34 seconds West 4,555.71 feet to the point of beginning, **LESS AND EXCEPT** any portion that may lie outside the boundaries of the Biloxi Wildlife Management Area, containing approximately **542 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

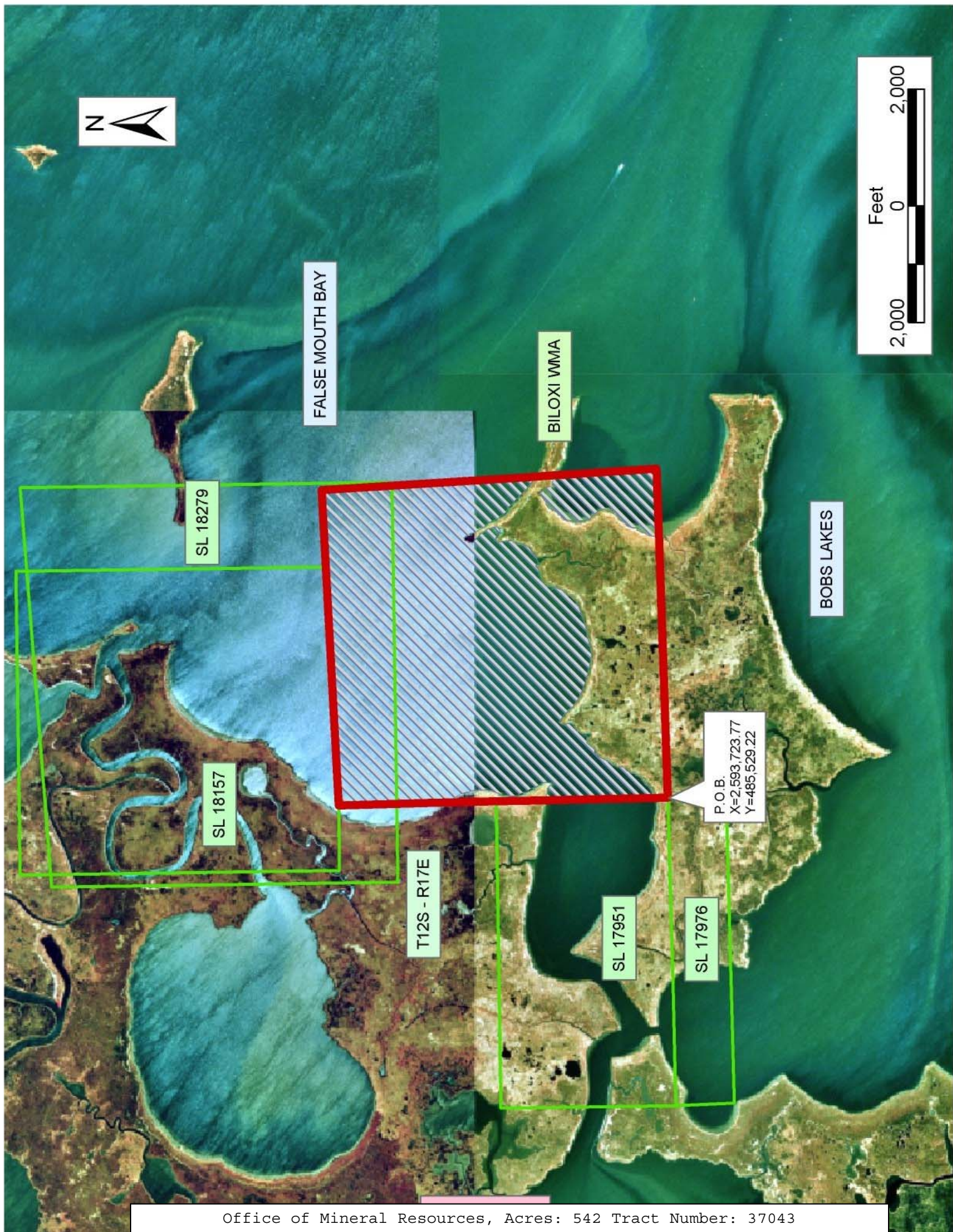
1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Department of Wildlife and Fisheries.
5. No activities will be allowed during the hunting season unless approved by the Department.
6. Compliance with the said WMA regulations will be required unless otherwise specified by the Department.
7. Prior to submitting applications for wetland permits to Federal and State permitting agencies the lease holder shall coordinate project details with the Louisiana Department of Wildlife and Fisheries, Fur and Refuge Division. Contact person for the Department will be Mike Windham at (504) 568-5886.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other



TRACT 37044 - St. Bernard Parish, Louisiana

All lands now or formerly constituting the beds and bottoms of water bodies of whatever description and nature owned by the State of Louisiana and located within the geographical boundaries of the Biloxi Wildlife Management Area and not presently under mineral lease by the State of Louisiana as of January 12, 2005, the area being set forth as follows: Beginning at the Northeast corner of State Lease No. 18175 and a point on the South line of State Lease No. 17772 having Coordinates of X = 2,574,399.38 and Y = 464,180.30; thence South 89 degrees 53 minutes 48 seconds East 4,190.90 feet on the South line of said State Lease No. 17772 to its Southeast corner, and a point on the boundary of State Lease No. 17955, and a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,578,590.28 and Y = 464,172.74; thence along the boundaries of said State Lease No. 17955 and said Biloxi Wildlife Management Area the following courses: South 01 degrees 08 minutes 45 seconds East 4,661.88 feet and South 89 degrees 23 minutes 58 seconds East 5,216.55 feet to the Southeast corner of said State Lease No. 17955, a corner of said Biloxi Wildlife Management Area, and a point on the West line of State Lease No. 17980 having Coordinates of X = 2,583,899.77 and Y = 459,457.10; thence South 14,379.78 feet on the West line of said State Lease No. 17980 to its most Northerly Southwest corner and a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,583,899.77 and Y = 445,077.32; thence along the boundary of said Biloxi Wildlife Management Area the following courses: North 42 degrees 49 minutes 12 seconds West 497.55 feet, North 40 degrees 48 minutes 24 seconds West 566.82 feet, and North 45 degrees 06 minutes 44 seconds West 269.82 feet to the Northeast corner of State Lease No. 17958 having Coordinates of X = 2,583,000.00 and Y = 446,061.73; thence along the boundaries of said State Lease No. 17958 and said Biloxi Wildlife Management Area the following courses: North 45 degrees 06 minutes 44 seconds West 237.85 feet, North 49 degrees 33 minutes 44 seconds West 442.99 feet, North 48 degrees 56 minutes 56 seconds West 509.55 feet, North 52 degrees 54 minutes 05 seconds West 488.11 feet, North 56 degrees 12 minutes 12 seconds West 778.51 feet, and North 62 degrees 17 minutes 26 seconds West 312.82 feet to the Southeast corner of State Lease No. 17979 having Coordinates of X = 2,580,796.85 and Y = 447,724.47; thence along the boundary of said State Lease No. 17979 the following courses: North 6,393.89 feet and South 88 degrees 58 minutes 18 seconds West 6,398.50 feet to the most Northerly Southeast corner of said State Lease No. 18175 having Coordinates of X = 2,574,399.38 and Y = 454,003.52; thence North 10,176.77 feet on the West line of said State Lease No. 18175 to the point of beginning, **LESS AND EXCEPT** any portion that may lie outside the boundaries of the Biloxi Wildlife Management, containing approximately **541 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

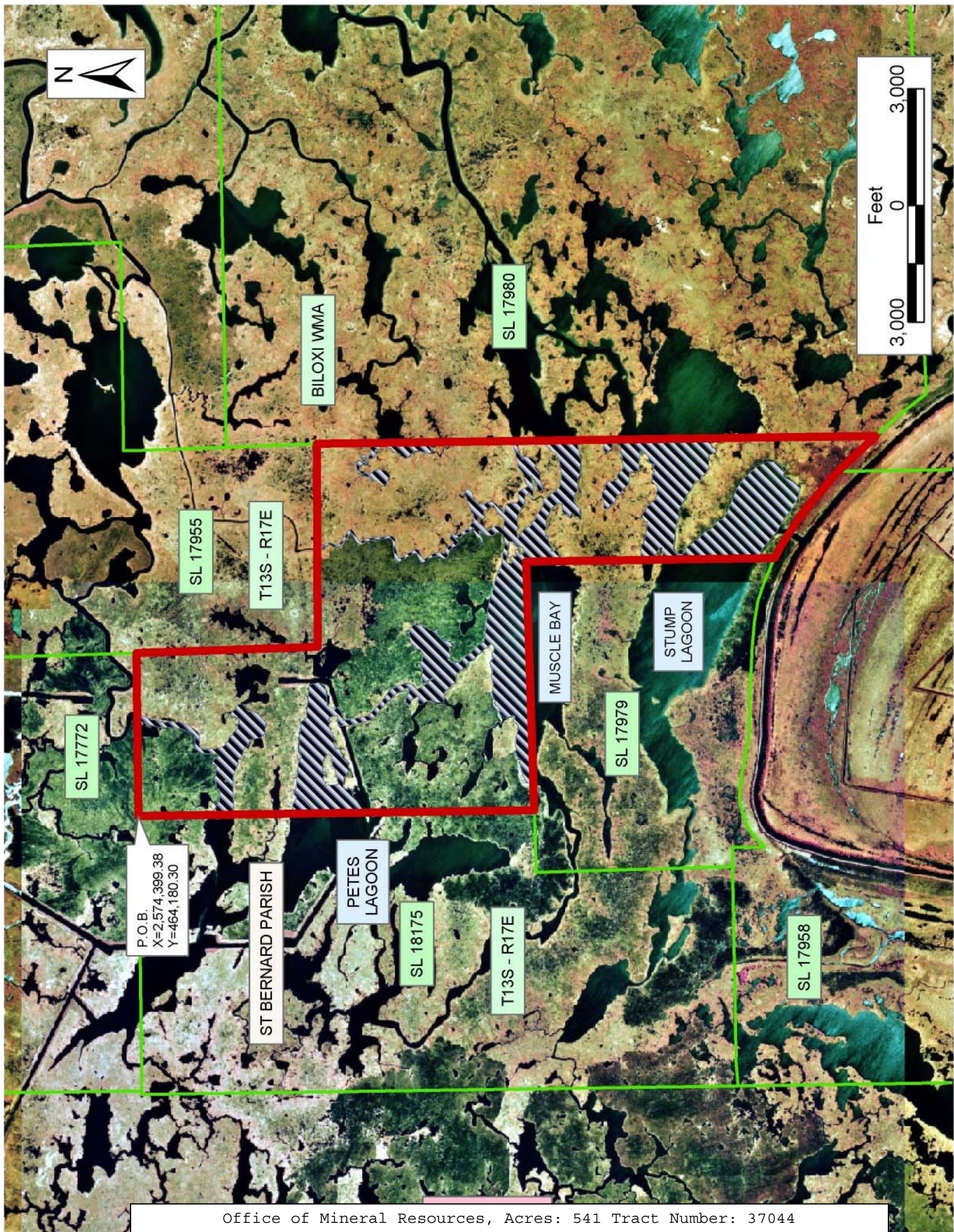
1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Department of Wildlife and Fisheries.
5. No activities will be allowed during the hunting season unless approved by the Department.
6. Compliance with the said WMA regulations will be required unless otherwise specified by the Department.
7. Prior to submitting applications for wetland permits to Federal and State permitting agencies the lease holder shall coordinate project details with the Louisiana Department of Wildlife and Fisheries, Fur and Refuge Division. Contact person for the Department will be Mike Windham at (504) 568-5886.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other



TRACT 37045 - St. Bernard Parish, Louisiana

All lands now or formerly constituting the beds and bottoms of water bodies of whatever description and nature owned by the State of Louisiana and located within the geographical boundaries of the Biloxi Wildlife Management Area and not presently under mineral lease by the State of Louisiana as of January 12, 2005, the area being set forth as follows: Beginning at the Southeast corner of State Lease No. 18204 and a point on the West line of State Lease No. 18175 having Coordinates of X = 2,567,242.00 and Y = 453,845.23; thence South 4,979.86 feet on the West line of said State Lease No. 18175 to its Southwest corner and a point on the boundary of the Biloxi Wildlife Management Area and the Northwest corner of State Lease No. 17958 having Coordinates of X = 2,567,242.00 and Y = 448,865.36; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: South 86 degrees 26 minutes 46 seconds West 2,054.28 feet, South 03 degrees 22 minutes 29 seconds East 1,352.56 feet, South 03 degrees 22 minutes 30 seconds East 1,352.56 feet, South 87 degrees 11 minutes 37 seconds West 1,294.56 feet, South 04 degrees 08 minutes 59 seconds East 1,344.18 feet, South 04 degrees 09 minutes 00 seconds East 1,344.18 feet, South 87 degrees 59 minutes 04 seconds West 1,258.52 feet, South 02 degrees 12 minutes 43 seconds East 2,350.37 feet to a point on the boundary of the said Biloxi Wildlife Management Area having Coordinates of X = 2,563,085.42 and Y = 440,900.00; thence West 9,914.22 feet to a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,553,171.20 and Y = 440,900.00; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: Northeasterly, Southeasterly, Northeasterly, Southeasterly, Northerly, North 88 degrees 40 minutes 02 seconds East 994.30 feet, North 44 degrees 52 minutes 12 seconds East 5.23 feet, North 88 degrees 40 minutes 38 seconds East 1,296.36 feet, North 01 degrees 51 minutes 44 seconds West 2,585.82 feet, North 02 degrees 15 minutes 57 seconds West 130.95 feet, North 01 degrees 40 minutes 40 seconds West 454.59 feet, North 02 degrees 09 minutes 33 seconds West 141.85 feet, and North 01 degrees 51 minutes 50 seconds West 1,710.50 feet to the Southeast corner of State Lease No. 18184 having Coordinates of X = 2,557,635.14 and Y = 448,105.84; thence along the East line of said State Lease No. 18184 and the boundary of said Biloxi Wildlife Management Area the following courses and distances: North 01 degrees 51 minutes 50 seconds West 133.40 feet and North 00 degrees 58 minutes 51 seconds West 5,205.85 feet to a point on the boundary of said Biloxi Wildlife Management Area and the Southwest corner of said State Lease No. 18204 having Coordinates of X = 2,557,541.69 and Y = 453,444.26; thence along the boundary of said State Lease No. 18204 the following courses and distances: North 86 degrees 20 minutes 38 seconds East 4,896.34 feet and North 88 degrees 56 minutes 39 seconds East 4,814.75 feet to the point of beginning, **LESS AND EXCEPT** any portion that may lie outside the boundaries of the Biloxi Wildlife Management, containing approximately **18 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources.

All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Department of Wildlife and Fisheries.
5. No activities will be allowed during the hunting season unless approved by the Department.
6. Compliance with the said WMA regulations will be required unless otherwise specified by the Department.
7. Prior to submitting applications for wetland permits to Federal and State permitting agencies the lease holder shall coordinate project details with the Louisiana Department of Wildlife and Fisheries, Fur and

Refuge Division. Contact person for the Department will be Mike Windham at (504) 568-5886.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

