

EXCLUSIVE GEOPHYSICAL AGREEMENT TRACT 36129 - Plaquemines Parish, Louisiana

The Exclusive Geophysical Agreement is a Type # 3, and carries a maximum Initial Term of eighteen (18) months, with an Option Term, if exercised by additional payment as specified in the agreement, of six (6) months. The Exclusive Geophysical Agreement #3, shall be effective from February 16, 2004, for a period terminating August 15, 2005, unless the option period is activated by payment of the option payment amount set forth in the agreement, in which case the termination date shall be February 15, 2006, and which agreement authorizes the successful bidder to conduct at least 3-D geophysical operations on all state-owned water bottoms situated in an area in Plaquemines Parish, which area is identified for convenience as Tract No. 36129 and is more particularly described hereinafter, and further, which Tract shall exclude and not be deemed to cover any area subject to an existing oil and gas lease or Operating Agreement from the State of Louisiana lying within the geographical boundaries thereof. The minimum bids which will be considered by the Mineral Board for the seismic survey portion of the agreement shall be \$20.00 per acre while the minimum bids considered by the Mineral Board for leases selected under the agreement shall be \$275.00 per acre bonus/rental and 25% royalty. Successful bidder hereunder obligates itself to select at least 500 acres for lease under the agreement for a primary term of three (3) years at the bid bonus/rental and royalty, but may select for lease up to the entire amount of presently unleased state-owned lands and water bottoms within the Tract in lease tracts no larger than 1,500 acres each. All operations conducted under the agreement by the successful bidder, including leasing operations for leases selected thereunder, shall be conducted in accordance with policy of the State Mineral Board as enunciated in the agreement and which is on file in the Office of Mineral Resources. Copies of same may be obtained upon request. The nominated area is more particularly described as follows: Beginning at a point having Coordinates of X = 2,473,530.00 and Y = 274,500.00; thence East 38,720.00 feet to a point having Coordinates of X = 2,512,250.00 and Y = 274,500.00; thence South 36,630.39 feet to a point having Coordinates of X = 2,152,250.00 and Y = 237,869.61; thence South 87 degrees 57 minutes 06 seconds West 10,033.41 feet to a point having Coordinates of X = 2,502,223.00 and Y = 237,511.00; thence South 89 degrees 37 minutes 07 seconds West 28,693.64 feet to a point having Coordinates of X = 2,473,530.00 and Y = 237,320.00; thence North 37,180.00 feet to the point of beginning, **LESS AND EXCEPT** Tract Nos. 35915, 36002, and 36003 also State Lease Nos. 2028, 2376, 2104, 1464, 212, 17266, 17721, 17267, 17722, 17723, 12415, 1753, and 10854, also Operating Agreements Nos. 262 and 195, containing approximately **8,866 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, (South Zone).

A cashier's check, certified check or bank money order, payable to the **OFFICE OF MINERAL RESOURCES** for the full amount of cash consideration (but

no less than **\$20.00 per acre**) offered for the Exclusive Geophysical Agreement #3 on said Tract shall accompany and be deposited with the bid. The State Mineral Board reserves the right to reject any and all bids.

Any Agreement granted hereto shall contain the requirements that the contracting party shall deliver to the Office of Mineral Resources for the State Mineral Board one (1) copy of the final 3-D seismic digital tape in SEG Y format which includes the final processed, filtered and migrated 3-D volume data set used for seismic interpretation and all other basic geophysical data and other information obtained from the contracting party's operations on **Tract No. 36129**, at the end of the initial period, or option period if exercised, if processing is completed, but no later than six (6) months from the end date of the initial period, or option period if exercised. Further, if the tape is reprocessed by the contracting party within five (5) years of the end of the initial period, or option period if exercised, the staff of the State Mineral Board shall be given a copy of the reprocessed tape within thirty (30) days of completion of reprocessing, and shall have access to any interpretation of processed, or reprocessed, data for that five (5) year period. Such data and information delivered shall be confidential and used only in the lawful official administration and development of publicly-owned lands in accordance with LSA-R.S. 30:209.1.

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 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: Acadian Land Services, L.L.C.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

