

TRACT 34261 - PORTION OF BLOCK 17, CHANDELEUR SOUND AREA, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, belonging to the State of Louisiana and not under mineral lease on March 13, 2002, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southeast corner of Block 17, Chandeleur Sound Area, having Coordinates of X = 2,709,100.00 and Y = 440,330.00; thence West 14,750.00 feet to the Southwest corner of Block 17, having Coordinates of X = 2,694,350.00 and Y = 440,330.00; thence North 7,375.00 feet to a point having Coordinates of X = 2,694,350.00 and Y = 447,705.00; thence East 14,750.00 feet to a point having Coordinates of X = 2,709,100.00 and Y = 447,705.00; thence South 7,375.00 feet to the point of beginning, containing approximately 2,497.27 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract 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 or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing of 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

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

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 hereinabove reserved.

Applicant: Crossroads Energy

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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17

TR 34261
2,497.27 ± ACS.
MAR, 2002

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P.O.B.
X=2,709,100.00
Y= 440,330.00

CHANDELEUR SOUND AREA
ST. BERNARD PARISH, LOUISIANA

SCALE: 1" = 4000'

TRACT 34262 - PORTION OF BLOCK 16, CHANDELEUR SOUND AREA, St. Bernard Parish, Louisiana

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

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Applicant: Crossroads Energy

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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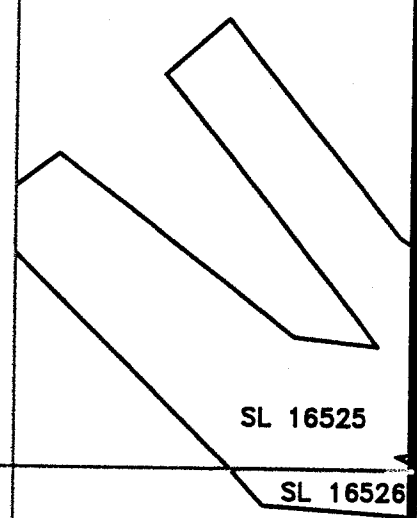


P.O.B.
X=2,709,100.00
Y= 455,080.00

17

TR 34262
2,497.27 ± ACS.
MAR., 2002

16



SL 16525

SL 16526

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29

CHANDELEUR SOUND AREA
ST. BERNARD PARISH, LOUISIANA

SCALE: 1" = 4000'

TRACT 34263 - PORTION OF BLOCK 16, CHANDELEUR SOUND AREA, St. Bernard Parish, Louisiana

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Applicant: Crossroads Energy

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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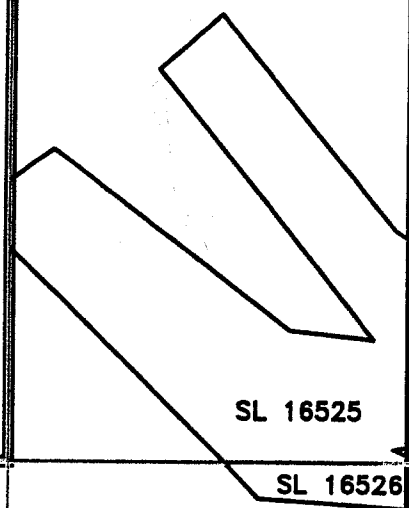


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X=2,723,850.00
Y= 455,080.00

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TR 34263
2,497.27 ± ACS.
MAR, 2002



SL 16525

SL 16526

28

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