

LLOG EXPLORATION COMPANY, L.L.C.  
433 Metairie Road, Suite 600  
Metairie, Louisiana 70005  
February 2, 2011

State of Louisiana  
Department of Natural Resources  
Office of Mineral Resources  
State Mineral and Energy Board  
Post Office Box 2827  
Baton Rouge, Louisiana 70821-2827

Attention: Mr. Anthony Fontenot

RE: State Lease Sale Dated March 9, 2011  
Thirty-Four (34) Tracts  
White Lake Area  
Vermillion Parish, Louisiana

Ladies and Gentlemen:

In accordance with the provisions of Act No. 92 of the Regular Session of the Louisiana Legislature of 1942, the State Mineral and Energy Board will advertise and receive bids on, March 9, 2011, for an oil and gas lease or leases by the State of Louisiana on White Lake acreage.

The provisions of said Act No. 92 require that, within sixty (60) days after the granting by the State Mineral and Energy Board of a State Lease, said Lessee from the State shall obtain a lease on the White Lake acreage from the Acadia Vermilion Rice Irrigation Company, Inc.

This is to advise that, within sixty (60) days after the granting of a lease by the State Mineral and Energy Board of such acreage, or any part or parts thereof, LLOG Exploration Company, L.L.C. (successor in title from Energy Development Corporation) and AVRICO, Inc., together successors in ownership to Acadia Vermilion Rice Irrigation Company, Inc., will grant to the State's Lessee an oil, gas and mineral lease or leases for a consideration equal to the following:

1. fifty percent (50%) of the amount to be paid to the State in cash payment money for lease bonus and rentals; and,
2. fifty percent (50%) of the royalty payable to the State but, in no event, to be less than a total aggregate royalty of 25% to the State and the required private lease or leases, resulting, therefore, in a minimum royalty of 8.333% of 8/8ths, net, to LLOG Exploration Company, L.L.C. and AVRICO, Inc.

The form of lease which will be executed by the undersigned will follow

closely the form executed by the State Mineral and Energy Board on behalf of the State, inclusive of a paragraph providing that, at the end of the primary term of the lease, Lessee shall release in favor of Lessors (LLOG Exploration Company, L.L.C. and AVRICO, Inc.) all of Lessee's right, title and interest in such lease or leases as to all depths 100 feet below the deepest formation producing, or deepest formation, behind pipe, capable of producing, at the expiration of the primary term.

It will be required that the lessee shall be a person, company or corporation having sufficient financial strength, technical organization and the necessary experience to properly develop the property.

Please call if you require further documentation of our respective occurrences.

Very truly yours,

LLOG EXPLORATION COMPANY, L.L.C.  
s/Michael C. McKeogh  
Michael C. McKeogh  
Attorney in Fact

AVRICO, INC.  
S/Albert Mintz  
Albert Mintz  
President

I hereby certify that the above is a true and correct copy of a letter submitted to this office by Mr. Michael C. McKeogh, Attorney in Fact, LLOG Exploration Company, L.L.C. (successor in title from Energy Development Corporation) and Mr. Albert Mintz, President, Avrico, Inc., relative to requirements on obtaining a mineral lease in the White Lake, Vermilion Parish, Louisiana.

s/Victor Vaughn  
Acting Assistant Secretary  
Office of Mineral Resources

**TRACT 41944 - Vermilion Parish, Louisiana**

A portion of the bed and bottom of White Lake created by shoreline erosion since November of 1942, and therefore not in existence at the time Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature was enacted, claimed as one hundred percent (100%) owned by the State of Louisiana, not presently under mineral lease by the State of Louisiana on March 9, 2011 and being more particularly described as follows: Beginning at a point having Coordinates of X = 1,615,824.16 and Y = 423,000.00; thence South approximately 3,784 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of X = 1,615,824.16; thence Westerly and Southwesterly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with a an arc on the Northeast boundary of State Lease No. 11151; thence Northwesterly approximately 159 feet along said arc to the right having a radius of 821.79 feet and a center at X = 1,605,248.51 and Y = 416,714.76 to a point having Coordinates of X = 1,604,569.06 and Y = 416,252.50; thence West 1,947.46 feet along the North boundary of said State Lease No. 11151 to its Northwest corner having Coordinates of X = 1,602,621.60 and Y = 416,252.50; thence North 6,747.50 feet to a point having Coordinates of X = 1,602,621.60 and Y = 423,000.00; thence East 13,202.56 feet to the point of beginning, containing approximately **56 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).

NOTE: Any lease on this Tract shall contain the following language, to wit: "Should a title dispute arise regarding this leased acreage and litigation ensue, lessee herein agrees to pay the State as billed by the State, any and all legal costs incurred by the State of Louisiana in defending its title to said leased acreage up to a maximum aggregate amount of one hundred fifty thousand and no/100 dollars (\$150,000.00) for all leases in the same area by the same lessee."

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

11030028

Wildlife

Active\_Leases

IMAGERY.DOQQ\_2008\_1M\_CIR

VERMILION PARISH

WHITE LAKE WETLANDS CONSERVATION AREA

T14S - R2W

P.O.B.

WHITE LAKE

SL 11151

0 2,000 Feet



**TRACT 41945 - Vermilion Parish, Louisiana**

A portion of the bed and bottom of White Lake created by shoreline erosion since November of 1942, and therefore not in existence at the time Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature was enacted, claimed as one hundred percent (100%) owned by the State of Louisiana, not presently under mineral lease by the State of Louisiana on March 9, 2011 and being more particularly described as follows: Beginning at a point having Coordinates of X = 1,615,824.16 and Y = 423,000.00; thence East 13,751.40 feet to a point having Coordinates of X = 1,629,575.56 and Y = 423,000.00; thence South 11,770.11 feet to a point having Coordinates of X = 1,629,575.56 and Y = 411,229.89; thence West approximately 1,483 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of Y = 411,229.89; thence Northwesterly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with a North South line having a Coordinate of X = 1,615,824.16; thence North approximately 3,784 feet to the point of beginning, containing approximately **154 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).

NOTE: Any lease on this Tract shall contain the following language, to wit: "Should a title dispute arise regarding this leased acreage and litigation ensue, lessee herein agrees to pay the State as billed by the State, any and all legal costs incurred by the State of Louisiana in defending its title to said leased acreage up to a maximum aggregate amount of one hundred fifty thousand and no/100 dollars (\$150,000.00) for all leases in the same area by the same lessee."

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

11030027

Wildlife

IMAGERY.DOQQ\_2008\_1M\_CIR

VERMILION PARISH

WHITE LAKE WETLANDS CONSERVATION AREA

T14S - R1W

P.O.B.

WHITE LAKE

0 3,000 Feet





**TRACT 41946 - Vermilion Parish, Louisiana**

A portion of the entirety of the beds and bottoms embraced within the meander of the shoreline as same existed in 1942, located in any parts of Township 14 South, Ranges 1, 2 and 3 West and 1 East, and Township 15 South, Ranges 1, 2 and 3 West and 1 East, the entirety of said described area being deemed to comprise 50,000 acres, whether actually more or less, not presently under mineral lease from the State on March 9, 2011, and not formerly adjudicated in fee ownership to any party other than the State of Louisiana; which property is subject to the provisions of Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature requiring the successful bidder, within sixty (60) days of obtaining a mineral lease from the State of Louisiana, to obtain additional leases on the same property from LLOG Exploration Company, L.L.C. (successor in title to Energy Development Corp.) and Avrico, Inc. [both successors in title to Acadian Vermilion Rice Irrigation Company, Inc.] containing terms not substantially different from and further containing a bonus and royalty not less than one-half (1/2) of those contained in the lease taken from the State of Louisiana, being more specifically described as follows: Beginning at a point having Coordinates of X = 1,618,493.01 and Y = 411,942.20; thence West 7,967.58 feet to a Northeast corner of State Lease No. 540, as amended, having Coordinates of X = 1,610,525.42 and Y = 411,942.20; thence along the boundary of said State Lease No. 540 the following courses: North 89 degrees 22 minutes 00 seconds West 2,750.00 feet to a point having Coordinates of X = 1,607,775.59 and Y = 411,972.60; North 00 degrees 38 minutes 00 seconds East 1,780.00 feet to its Northernmost Northeast corner having Coordinates of X = 1,607,795.27 and Y = 413,752.49 and West 1,764.03 feet to the Southeast corner of State Lease No. 11151, as amended, having Coordinates of X = 1,606,031.19 and Y = 413,752.50; thence along the boundary of said State Lease No. 11151 the following courses: North 1,400.00 feet to a point having Coordinates of X = 1,606,031.19 and Y = 415,152.50; South 69 degrees 43 minutes 04 seconds East 151.05 feet to a point having Coordinates of X = 1,606,172.87 and Y = 415,100.14; North 26 degrees 19 minutes 18 seconds West 220.75 feet to a point having Coordinates of X = 1,606,074.99 and Y = 415,298.00; North 42 degrees 55 minutes 48 seconds West 411.10 feet to a point having Coordinates of X = 1,605,794.99 and Y = 415,599.00; North 51 degrees 36 minutes 36 seconds West 497.58 feet to a point having Coordinates of X = 1,605,404.99 and Y = 415,908.01 and Northwesterly approximately 798 feet along an arc to the right having a radius of 821.79 feet and a center at X = 1,605,248.51 and Y = 416,714.76 to a point of intersection with the 1942 Shoreline of White Lake; thence Northeasterly, Easterly and Southeasterly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with a North-South line having a Coordinate of X = 1,618,493.01; thence South approximately 6,088 feet along said line to the point of beginning, containing approximately **1,875 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).

NOTE: The maximum primary term for any lease of this tract is three (3) years and further, the aggregate total royalty in leases from the State of Louisiana, LLOG Exploration Company, L.L.C. and Avrico, Inc. on this tract shall not equal less than twenty-five percent (25%). All leases, including the State lease shall contain a paragraph providing that, at the end of the primary term of the lease, Lessee shall release in favor of Lessor all of Lessee's right, title and interest in such lease as to all depths one hundred feet (100') below the deepest formation producing, or deepest formation, behind pipe, capable of producing, at that time.

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

- 11030002
- Wildlife
- Active Leases

VERMILION PARISH

WHITE LAKE WETLANDS CONSERVATION AREA

T14S - R2W



P.O.B.

SL 11151

WHITE LAKE

SL 540

**TRACT 41947 - Vermilion Parish, Louisiana**

A portion of the entirety of the beds and bottoms embraced within the meander of the shoreline as same existed in 1942, located in any parts of Township 14 South, Ranges 1, 2 and 3 West and 1 East, and Township 15 South, Ranges 1, 2 and 3 West and 1 East, the entirety of said described area being deemed to comprise 50,000 acres, whether actually more or less, not presently under mineral lease from the State on March 9, 2011, and not formerly adjudicated in fee ownership to any party other than the State of Louisiana; which property is subject to the provisions of Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature requiring the successful bidder, within sixty (60) days of obtaining a mineral lease from the State of Louisiana, to obtain additional leases on the same property from LLOG Exploration Company, L.L.C. (successor in title to Energy Development Corp.) and Avrico, Inc. [both successors in title to Acadian Vermilion Rice Irrigation Company, Inc.] containing terms not substantially different from and further containing a bonus and royalty not less than one-half (1/2) of those contained in the lease taken from the State of Louisiana, being more specifically described as follows: Beginning at the Northeast corner of State Lease No. 20366 having Coordinates of X = 1,618,493.01 and Y = 406,080.60; thence North approximately 11,950 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of X = 1,618,493.01; thence Southeasterly and Southerly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with an East-West line having a Coordinate of Y = 405,080.60; thence West approximately 10,467 feet along said line to point on the East boundary of said State Lease No. 20366 having Coordinates of X = X = 1,618,493.01 and Y = 405,080.60; thence North 1,000.00 feet along the East boundary of said State Lease No. 20366 to the point of beginning, containing approximately **2,334 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).

NOTE: The maximum primary term for any lease of this tract is three (3) years and further, the aggregate total royalty in leases from the State of Louisiana, LLOG Exploration Company, L.L.C. and Avrico, Inc. on this tract shall not equal less than twenty-five percent (25%). All leases, including the State lease shall contain a paragraph providing that, at the end of the primary term of the lease, Lessee shall release in favor of Lessor all of Lessee's right, title and interest in such lease as to all depths one hundred feet (100') below the deepest formation producing, or deepest formation, behind pipe, capable of producing, at that time.

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

- 11030003
- Wildlife
- Active Leases

VERMILION PARISH

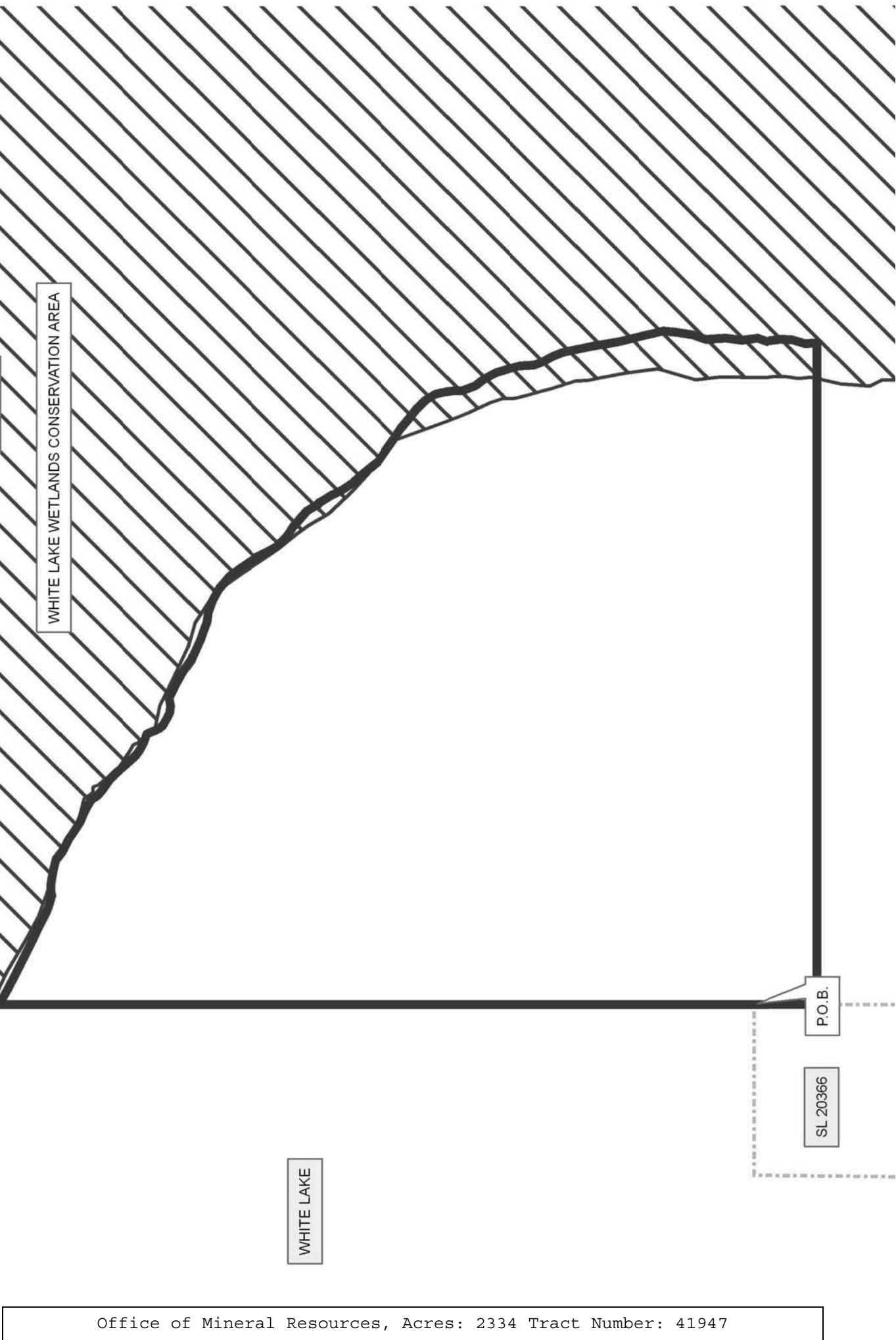
T14S - R1W

WHITE LAKE WETLANDS CONSERVATION AREA

WHITE LAKE

P.O.B.

SL 20366



**TRACT 41948 - Cameron and Vermilion Parishes, Louisiana**

A portion of the bed and bottom of White Lake created by shoreline erosion since November of 1942, and therefore not in existence at the time Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature was enacted, claimed as one hundred percent (100%) owned by the State of Louisiana, not presently under mineral lease by the State of Louisiana on March 9, 2011 and being more particularly described as follows: Beginning at a point having Coordinates of X = 1,591,000.00 and Y = 400,300.00; thence North 13,452.51 feet to a point having Coordinates of X = 1,591,000.00 and Y = 413,752.50; thence East 9,295.27 feet to the Southwest corner of State Lease No. 11151 having Coordinates of X = 1,600,295.27 and Y = 413,752.50; thence East along the South boundary of said State Lease No. 11151 approximately 1,005 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of Y = 413,752.50; thence Southwesterly and Southerly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with an East West line having a Coordinate of Y = 400,300.00; thence West approximately 3,319 feet to the point of beginning, **LESS AND EXCEPT** any portion of State Lease No. 540, as amended, containing approximately **185 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).

NOTE: Any lease on this Tract shall contain the following language, to wit: "Should a title dispute arise regarding this leased acreage and litigation ensue, lessee herein agrees to pay the State as billed by the State, any and all legal costs incurred by the State of Louisiana in defending its title to said leased acreage up to a maximum aggregate amount of one hundred fifty thousand and no/100 dollars (\$150,000.00) for all leases in the same area by the same lessee."

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

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Wildlife

Active\_Leases

Counties

IMAGERY.DOQQ\_2008\_1M\_CIR

VERMILION PARISH

WHITE LAKE WETLANDS CONSERVATION AREA

SL 11151

SL 540

WHITE LAKE

P.O.B.

CAMERON PARISH

T14S - R3W

0 3,000 Feet



**TRACT 41949 - Vermilion Parish, Louisiana**

A portion of the entirety of the beds and bottoms embraced within the meander of the shoreline as same existed in 1942, located in any parts of Township 14 South, Ranges 1, 2 and 3 West and 1 East, and Township 15 South, Ranges 1, 2 and 3 West and 1 East, the entirety of said described area being deemed to comprise 50,000 acres, whether actually more or less, not presently under mineral lease from the State on March 9, 2011, and not formerly adjudicated in fee ownership to any party other than the State of Louisiana; which property is subject to the provisions of Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature requiring the successful bidder, within sixty (60) days of obtaining a mineral lease from the State of Louisiana, to obtain additional leases on the same property from LLOG Exploration Company, L.L.C. (successor in title to Energy Development Corp.) and Avrico, Inc. [both successors in title to Acadian Vermilion Rice Irrigation Company, Inc.] containing terms not substantially different from and further containing a bonus and royalty not less than one-half (1/2) of those contained in the lease taken from the State of Louisiana, being more specifically described as follows: Beginning at a Southwest corner of State Lease No. 540, as amended, having Coordinates of X = 1,599,113.00 and Y = 404,754.50; thence West approximately 5,300 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of Y = 404,754.50; thence Northeasterly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with a North-South line having a Coordinate of X = 1,599,113.00; thence South approximately 127 feet along said line to the Westernmost Northwest corner of said State Lease No. 540 having a Coordinate of X = 1,599,113.00; thence South approximately 6,900 feet along the Western boundary of said State Lease No. 540 to the point of beginning, containing approximately **495 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).

NOTE: The maximum primary term for any lease of this tract is three (3) years and further, the aggregate total royalty in leases from the State of Louisiana, LLOG Exploration Company, L.L.C. and Avrico, Inc. on this tract shall not equal less than twenty-five percent (25%). All leases, including the State lease shall contain a paragraph providing that, at the end of the primary term of the lease, Lessee shall release in favor of Lessor all of Lessee's right, title and interest in such lease as to all depths one hundred feet (100') below the deepest formation producing, or deepest formation, behind pipe, capable of producing, at that time.

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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.

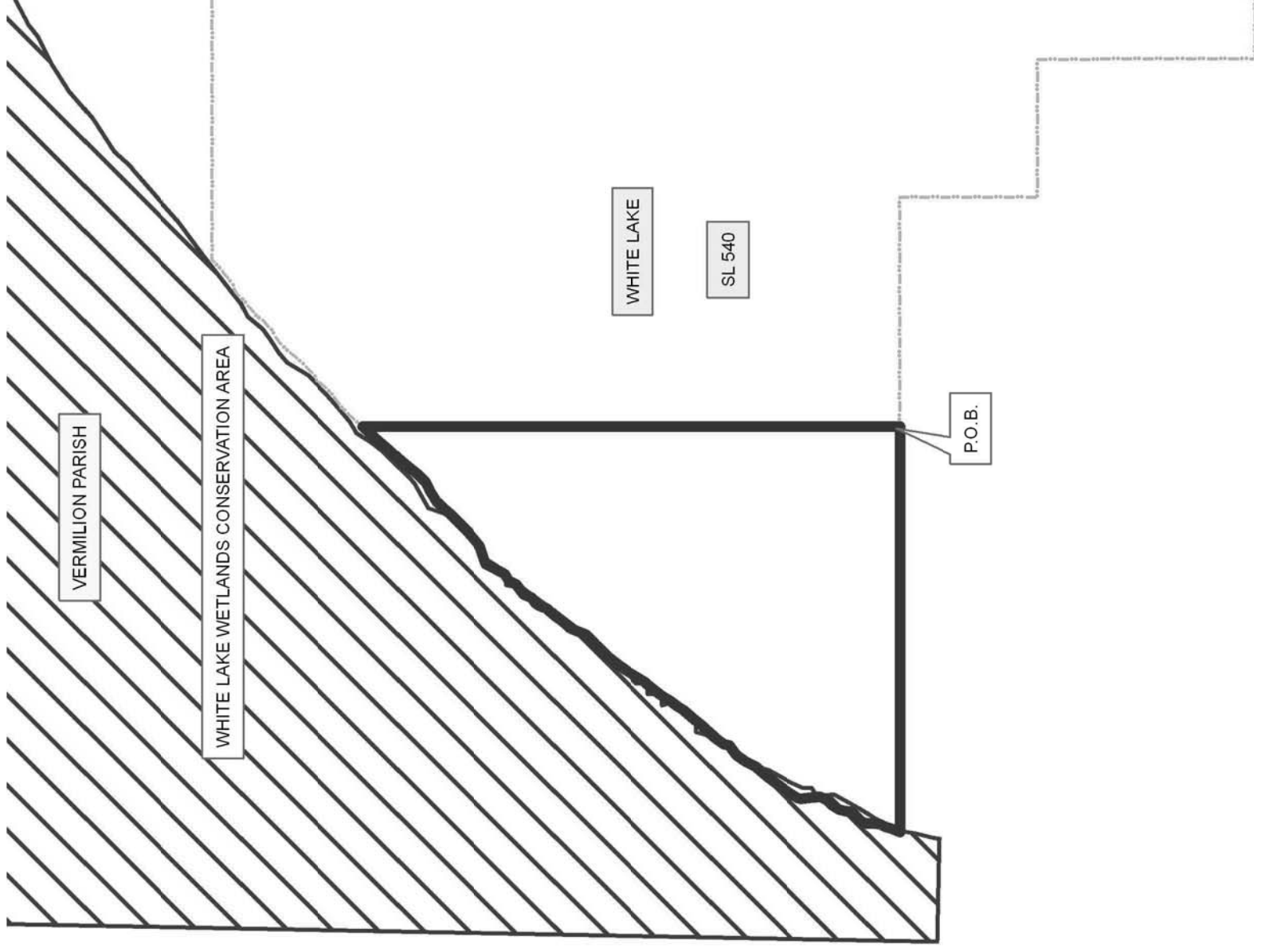
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing 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.

Applicant: CINCO LAND & EXPLORATION, INC.

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
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**Legend**

- 11030001 ACTIVE\_LEASES
- Wildlife



**TRACT 41950 - Vermilion Parish, Louisiana**

A portion of the entirety of the beds and bottoms embraced within the meander of the shoreline as same existed in 1942, located in any parts of Township 14 South, Ranges 1, 2 and 3 West and 1 East, and Township 15 South, Ranges 1, 2 and 3 West and 1 East, the entirety of said described area being deemed to comprise 50,000 acres, whether actually more or less, not presently under mineral lease from the State on March 9, 2011, and not formerly adjudicated in fee ownership to any party other than the State of Louisiana; which property is subject to the provisions of Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature requiring the successful bidder, within sixty (60) days of obtaining a mineral lease from the State of Louisiana, to obtain additional leases on the same property from LLOG Exploration Company, L.L.C. (successor in title to Energy Development Corp.) and Avrigo, Inc. [both successors in title to Acadian Vermilion Rice Irrigation Company, Inc.] containing terms not substantially different from and further containing a bonus and royalty not less than one-half (1/2) of those contained in the lease taken from the State of Louisiana, being more specifically described as follows: Beginning at a point having Coordinates of X = 1,618,493.01 and Y = 411,942.20; thence South 5,861.60 feet to the Northeast corner of State Lease No. 20366 having Coordinates of X = 1,618,493.01 and Y = 406,080.60; thence West 2,702.04 feet along the North boundary of said State Lease No. 20366 to its Northwest corner, also being a point on the East boundary of State Lease No. 540, as amended, having Coordinates of X = 1,615,790.96 and Y = 406,080.60; thence along the boundary of said State Lease No. 540 the following courses: North 00 degrees 37 minutes 59 seconds East 3,003.04 feet to a point having Coordinates of X = 1,615,824.15 and Y = 409,083.46; North 89 degrees 22 minutes 00 seconds West 2,230.00 feet to a point having Coordinates of X = 1,613,594.28 and Y = 409,108.11; North 00 degrees 38 minutes 00 seconds East 1,300.00 feet to a point having Coordinates of X = 1,613,608.65 and Y = 410,408.03; North 89 degrees 22 minutes 00 seconds West 3,100.00 feet to a point having Coordinates of X = 1,610,508.84 and Y = 410,442.29 and North 00 degrees 38 minutes 00 seconds East 1,500.00 feet to a point having Coordinates of X = 1,610,525.42 and Y = 411,942.20; thence East 7,967.58 feet to the point of beginning, containing approximately **612.94 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).

NOTE: The maximum primary term for any lease of this tract is three (3) years and further, the aggregate total royalty in leases from the State of Louisiana, LLOG Exploration Company, L.L.C. and Avrigo, Inc. on this tract shall not equal less than twenty-five percent (25%). All leases, including the State lease shall contain a paragraph providing that, at the end of the primary term of the lease, Lessee shall release in favor of Lessor all of Lessee's right, title and interest in such lease as to all depths one hundred feet (100') below the deepest formation producing, or deepest formation, behind pipe, capable of producing, at that time.

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
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**Legend**  
11030007  
Active\_Leases

VERMILION PARISH

WHITE LAKE

P.O.B.

SL 20366

SL 540





**TRACT 41951 - Vermilion Parish, Louisiana**

A portion of the bed and bottom of White Lake created by shoreline erosion since November of 1942, and therefore not in existence at the time Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature was enacted, claimed as one hundred percent (100%) owned by the State of Louisiana, not presently under mineral lease by the State of Louisiana on March 9, 2011 and being more particularly described as follows: Beginning at a point having Coordinates of X = 1,643,665.09 and Y = 411,229.89; thence South approximately 6,913 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of X = 1,643,665.09; thence Southwesterly, Westerly and Northerly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with an East West line having a Coordinate of Y = 411,229.89; thence East approximately 15,572 feet to the point of beginning, containing approximately **171 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).

NOTE: Any lease on this Tract shall contain the following language, to wit: "Should a title dispute arise regarding this leased acreage and litigation ensue, lessee herein agrees to pay the State as billed by the State, any and all legal costs incurred by the State of Louisiana in defending its title to said leased acreage up to a maximum aggregate amount of one hundred fifty thousand and no/100 dollars (\$150,000.00) for all leases in the same area by the same lessee."

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

11030024

Wildlife

IMAGERY.DOQQ\_2008\_1M\_CIR

VERMILION PARISH

WHITE LAKE WETLANDS CONSERVATION AREA

T14S - R1W

P.O.B.

WHITE LAKE

0 3,000 Feet



**TRACT 41952 - Vermilion Parish, Louisiana**

A portion of the bed and bottom of White Lake created by shoreline erosion since November of 1942, and therefore not in existence at the time Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature was enacted, and all lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description claimed as one hundred percent (100%) owned by the State of Louisiana, not presently under mineral lease by the State of Louisiana on March 9, 2011 and being more particularly described as follows: Beginning at a point having Coordinates of X = 1,643,665.09 and Y = 411,229.89; thence East 14,694.45 feet to a point having Coordinates of X = 1,658,359.54 and Y = 411,229.89; thence Southerly approximately 3,295 feet to a point on the Exxon/State Ownership Boundary Line; thence Southerly approximately 470 feet along said Exxon/State Ownership Boundary Line to a point of intersection with the 1942 Shoreline of White Lake; thence Westerly and Southwesterly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with a North-South line having a Coordinate of X = 1,643,665.09; thence North approximately 6,913 feet to the point of beginning, containing approximately **328 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).

NOTE: Any lease on this Tract shall contain the following language, to wit: "Should a title dispute arise regarding this leased acreage and litigation ensue, lessee herein agrees to pay the State as billed by the State, any and all legal costs incurred by the State of Louisiana in defending its title to said leased acreage up to a maximum aggregate amount of one hundred fifty thousand and no/100 dollars (\$150,000.00) for all leases in the same area by the same lessee."

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

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

11030023

Wildlife

IMAGERY.DOQQ\_2008\_1M\_CIR

VERMILION PARISH

WHITE LAKE WETLANDS CONSERVATION AREA

T14S - R1W

CLEAR LAKE

WHITE LAKE

P.O.B.

0 2,000 Feet

N

**TRACT 41953 - Vermilion Parish, Louisiana**

A portion of the entirety of the beds and bottoms embraced within the meander of the shoreline as same existed in 1942, located in any parts of Township 14 South, Ranges 1, 2 and 3 West and 1 East, and Township 15 South, Ranges 1, 2 and 3 West and 1 East, the entirety of said described area being deemed to comprise 50,000 acres, whether actually more or less, not presently under mineral lease from the State on March 9, 2011, and not formerly adjudicated in fee ownership to any party other than the State of Louisiana; which property is subject to the provisions of Special Act No. 92 of the 1942 Regular Session of the Louisiana Legislature requiring the successful bidder, within sixty (60) days of obtaining a mineral lease from the State of Louisiana, to obtain additional leases on the same property from LLOG Exploration Company, L.L.C. (successor in title to Energy Development Corp.) and Avrigo, Inc. [both successors in title to Acadian Vermilion Rice Irrigation Company, Inc.] containing terms not substantially different from and further containing a bonus and royalty not less than one-half (1/2) of those contained in the lease taken from the State of Louisiana, being more specifically described as follows: Beginning at a point having Coordinates of X = 1,643,665.09 and Y = 399,749.44; thence North approximately 4,567 feet to a point of intersection with the 1942 Shoreline of White Lake having a Coordinate of X = 1,643,665.09; thence Northeasterly along the meanders of said 1942 Shoreline of White Lake to a point of intersection with a North-South line having a Coordinate of X = 1,654,100.09; thence South approximately 7,770 feet along said line to a point having Coordinates of X = 1,654,100.09 and Y = 399,749.44; thence West 10,435.00 feet to the point of beginning, containing approximately **1,580 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).

NOTE: The maximum primary term for any lease of this tract is three (3) years and further, the aggregate total royalty in leases from the State of Louisiana, LLOG Exploration Company, L.L.C. and Avrigo, Inc. on this tract shall not equal less than twenty-five percent (25%). All leases, including the State lease shall contain a paragraph providing that, at the end of the primary term of the lease, Lessee shall release in favor of Lessor all of Lessee's right, title and interest in such lease as to all depths one hundred feet (100') below the deepest formation producing, or deepest formation, behind pipe, capable of producing, at that time.

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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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 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.

Applicant: CINCO LAND & EXPLORATION, INC.

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
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Legend  
11030005  
Wildlife

VERMILION PARISH

T14S - R1W

WHITE LAKE WETLANDS CONSERVATION AREA

WHITE LAKE

P.O.B.

