

OFFSHORE

TRACTS

TRACT 33331 - PORTION OF BLOCK 6, VERMILION AREA, REVISED, Vermilion Parish, Louisiana

That portion of Block 6, Vermilion Area, Revised, Vermilion Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease April 11, 2001, described as follows: Beginning at the Northeast corner of said Block 6, Vermilion Area, Revised, having Coordinates of X = 1,676,898.27 and Y = 318,813.64; thence South 7,788.87 feet on the East line of said Block 6 to its Southeast corner having Coordinates of X = 1,676,898.27 and Y = 311,024.77; thence West 11,565.27 feet on the South line of said Block 6 to a point having Coordinates of X = 1,665,333.00 and Y = 311,024.77; thence North 10,997.60 feet to a point on the North line of said Block 6 having Coordinates of X = 1,665,333.00 and Y = 322,022.37; thence Southeasterly on a straight line to a point having Coordinates of X = 1,665,833 and Y = 321,916; thence Southeasterly on a straight line to a point having Coordinates of X = 1,667,091 and Y = 321,595; thence Southeasterly on a straight line to a point having Coordinates of X = 1,669,012 and Y = 321,061; thence Southeasterly on a straight line to a point having Coordinates of X = 1,671,018 and Y = 320,396; thence Southeasterly on a straight line to a point having Coordinates of X = 1,675,346 and Y = 319,196; thence Southeasterly on a straight line to the point of beginning, containing approximately 2,492.1 acres, as shown outlined in red 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 boundary description and plat for this tract as shown and advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates of title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, or which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and any conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder

will be given an opportunity to accept or reject a new lease on the portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental, 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.



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: Cypress Energy Corporation

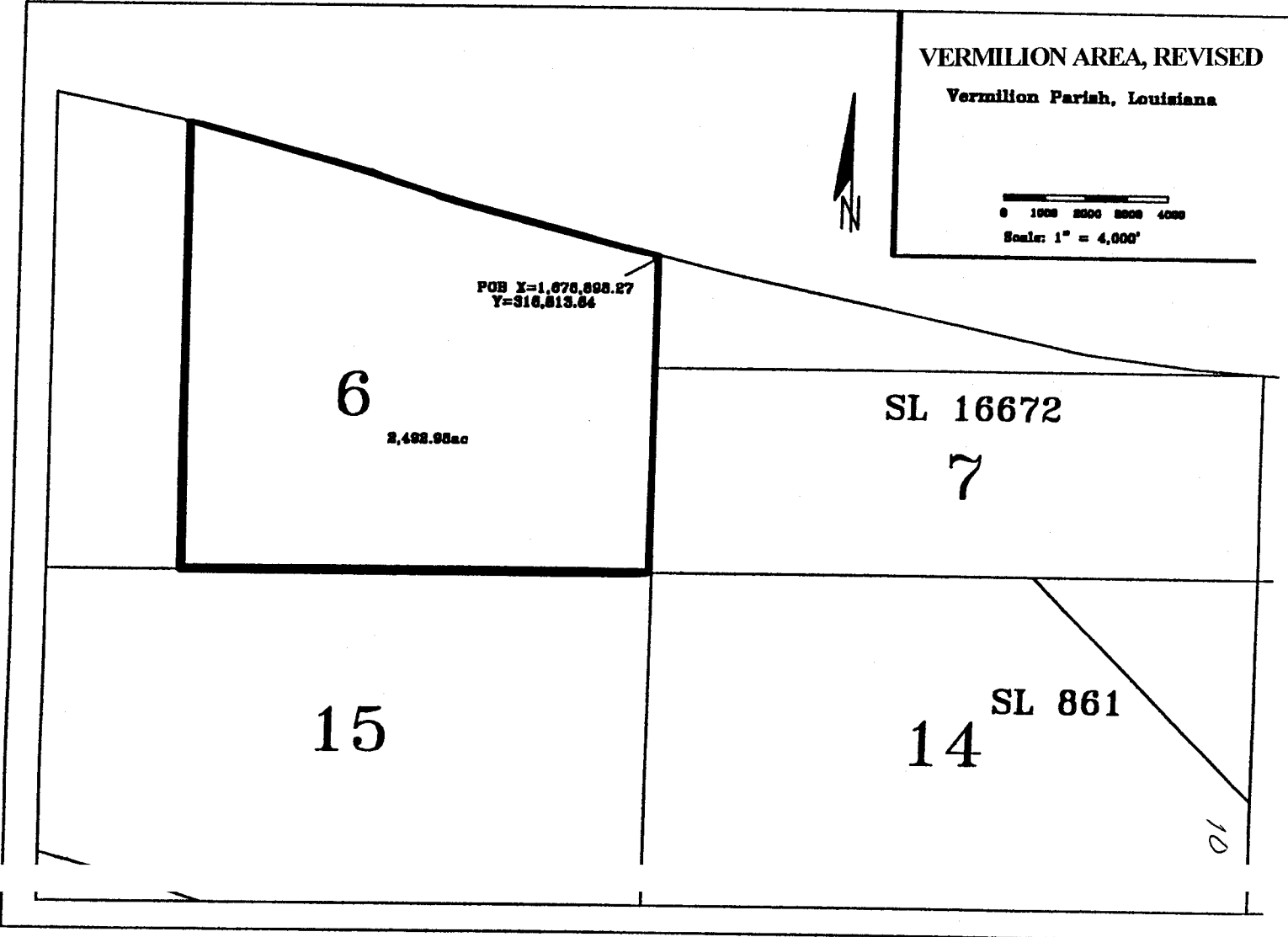
Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

TR 33331
2,492.98 +/- ACS.
APRIL, 2001

VERMILION AREA, REVISED
Vermilion Parish, Louisiana



Scale: 1" = 4,000'



TRACT 33332 - PORTION OF BLOCK 14, VERMILION AREA, REVISED, Vermilion Parish, Louisiana

That portion of Block 14, Vermilion Area, Revised, Vermilion Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease April 11, 2001, described as follows: Beginning at the Northeast corner of said Block 14 having Coordinates of X = 1,691,656.32 and Y = 311,024.77; thence South 5,449.65 feet to the boundary of State Lease No. 861, amended; thence North 45 degrees 09 minutes 47 seconds West 7,729.00 feet to the boundary of said State Lease No. 861 to the North line of said Block 14; thence East 5,480.77 feet to the point of beginning, containing approximately **342.84 acres**, as shown outlined in red 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 boundary description and plat for this tract as shown and advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates, title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will, within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and all conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on the portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental, 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

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 and shall not hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: Cypress Energy Corporation

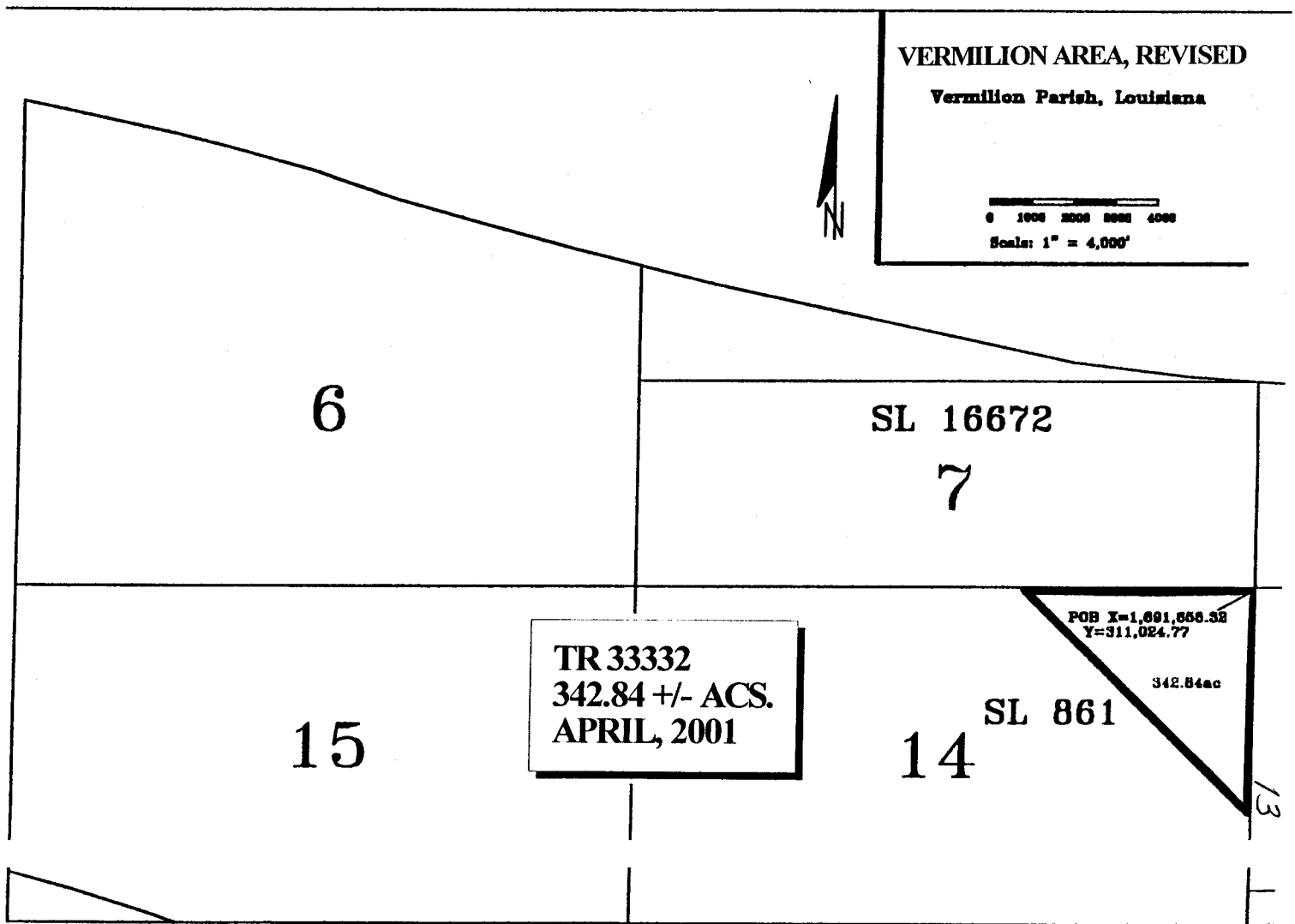
Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

VERMILION AREA, REVISED

Vermilion Parish, Louisiana



0 1000 2000 3000 4000
Scale: 1" = 4,000'



6

SL 16672

7

15

TR 33332
342.84 +/- ACS.
APRIL, 2001

14

SL 861

POB X=1,691,656.32
Y=311,024.77

342.84ac

13

TRACT 33333 - PORTION OF BLOCK 8, VERMILION AREA, REVISED, Vermilion Parish, Louisiana

That portion of Block 8, Vermilion Area, Revised, Vermilion Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on April 11, 2001, described as follows: Beginning at the Southeast corner of said Block 8 having Coordinates of X = 1,706,414.36 and Y = 311,024.77; thence West 14,758.04 feet on the South line of said Block 8 to its Southwest corner having Coordinates of X = 1,691,656.32 and Y = 311,024.77; thence North 5,028.64 feet on the West line of said Block 8 to its Northwest corner having Coordinates of X = 1,691,656.32 and Y = 316,053.41; thence Easterly on a straight line to a point having Coordinates of X = 1,692,568 and Y = 315,990; thence Easterly on a straight line to a point having Coordinates of X = 1,696,359 and Y = 315,965; thence Northeasterly on a straight line to a point having Coordinates of X = 1,700,680 and Y = 316,390; thence Northeasterly on a straight line to a point having Coordinates of X = 1,703,080 and Y = 316,885; thence Northeasterly on a straight line to the Northeast corner of said Block 8 having Coordinates of X = 1,706,414.36 and Y = 317,770.27; thence South 6,745.50 feet on the East line of said Block 8 to the point of beginning, containing approximately 1,838.45 acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant. All bearing distances and coordinates are based on Louisiana Coordinate System of 1977 (South Zone).

NOTE: The boundary description and plat for this tract as shown and advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates, title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will, within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and all conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on the

portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental, 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

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 by any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with or hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: Cypress Energy Corporation

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

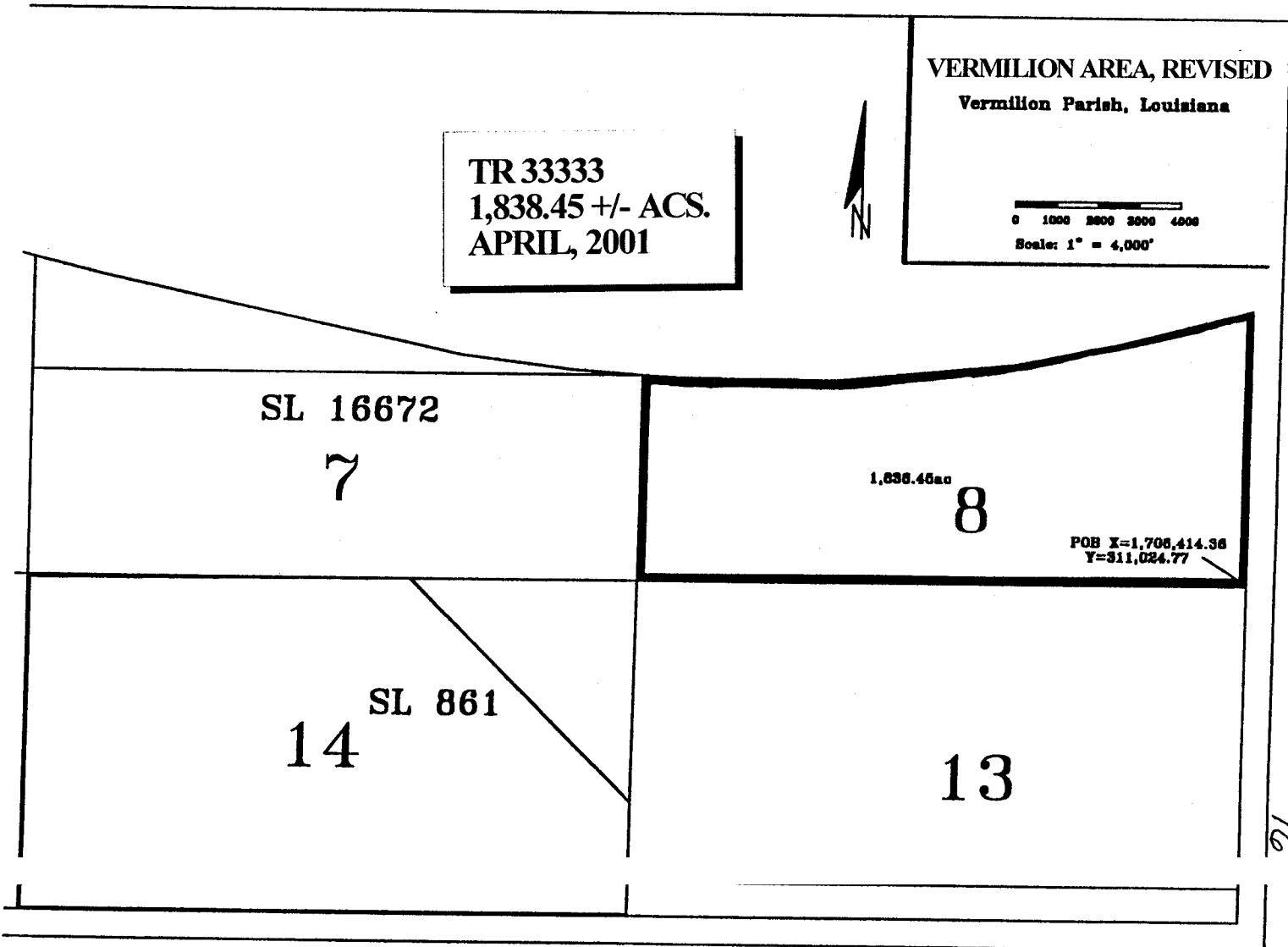
VERMILION AREA, REVISED

Vermilion Parish, Louisiana



Scale: 1" = 4,000'

TR 33333
1,838.45 +/- ACS.
APRIL, 2001



SL 16672

7

1,838.45acs

8

POB X=1,708,414.36
Y=311,024.77

SL 861

14

13

16

TRACT 33334 - PORTION OF BLOCK 13, VERMILION AREA, REVISED, Vermilion Parish, Louisiana

That portion of Block 13, Vermilion Area, Revised, Vermilion Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on April 11, 2001, described as follows: Beginning at the Northeast corner of said Block 13 having Coordinates of X = 1,706,414.36 and Y = 311,024.77; thence South 7,375.00 feet along the East line of said Block 13 to a point having Coordinates of X = 1,706,414.36 and Y = 303,649.77; thence West 14,758.04 feet to a point on the West line of said Block 13 having Coordinates of X = 1,691,656.32 and Y = 303,649.77; thence North 7,375.00 feet along the West line of said Block 13 to its Northwest corner having Coordinates of X = 1,691,656.32 and Y = 311,024.77; thence East 14,758.04 feet to the point of beginning, containing approximately 2,498.64 acres, as shown outlined in red 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 1977 (South Zone).

NOTE: The boundary description and plat for this tract as shown and advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates, title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will, within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and all conditions which may affect potential operations thereon. The determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to visit the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on that portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental, 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than

determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

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 or hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: Cypress Energy Corporation

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Othe

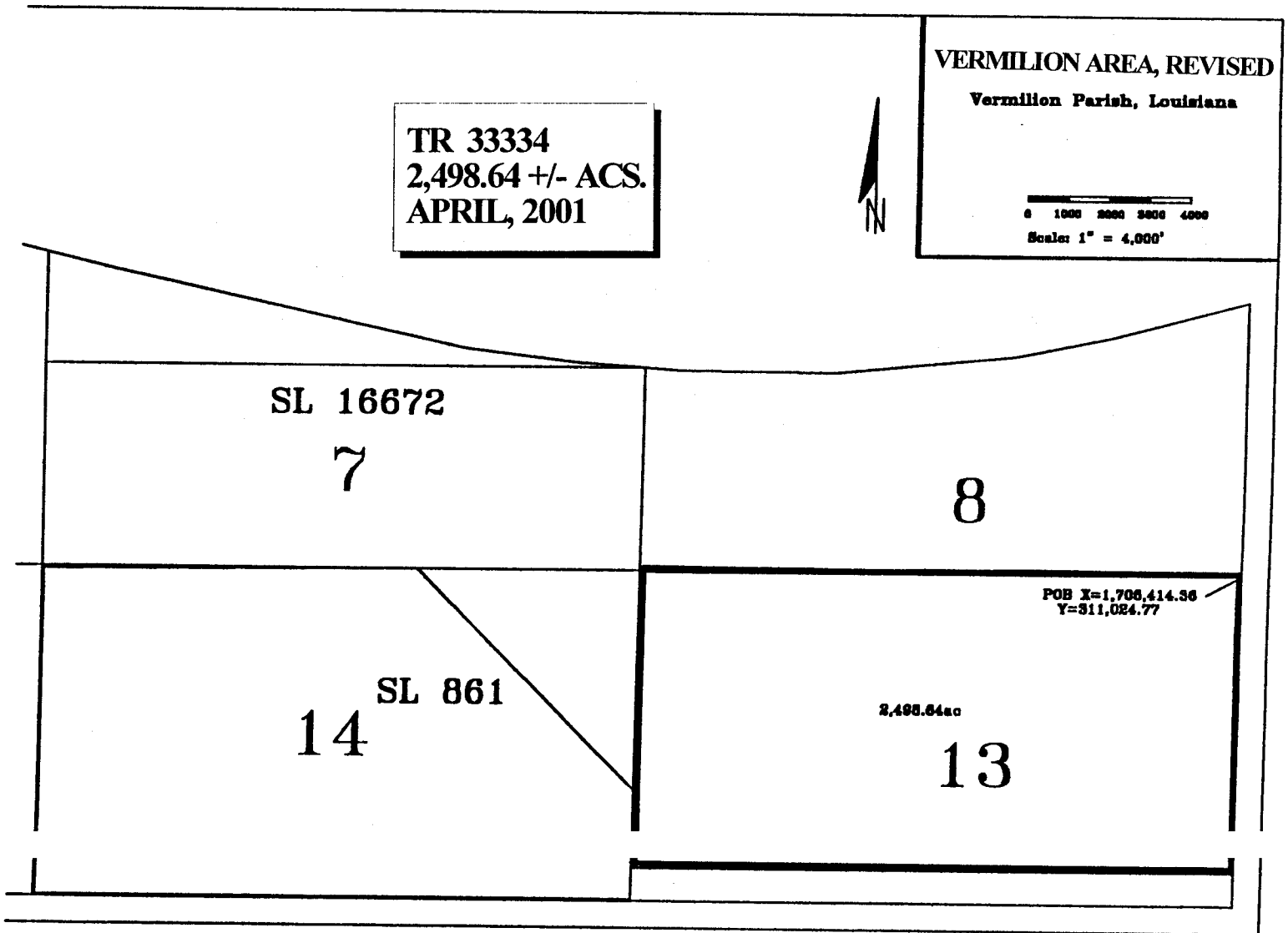
TR 33334
2,498.64 +/- ACS.
APRIL, 2001

VERMILION AREA, REVISED

Vermilion Parish, Louisiana



0 1000 2000 3000 4000
Scale: 1" = 4,000'



TRACT 33335 - PORTION OF BLOCK 4, GRAND ISLE AREA, Jefferson Parish, Louisiana

That portion of Block 4, Grand Isle Area, Jefferson Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on April 1, 2001, described as follows: Beginning at the Southeast corner of Block 4, Grand Isle Area, having Coordinates of X = 2,442,901.85 and Y = 215,051.47; thence West 5,503.09 feet on the South line of said Block 4 to a point having Coordinates of X = 2,437,398.76 and Y = 215,051.47; thence Northeasterly on a straight line to a point having Coordinates of X = 2,437,945 and Y = 215,568; thence Northeasterly on a straight line to a point having Coordinates of X = 2,438,898 and Y = 217,128; thence Northeasterly on a straight line to a point having Coordinates of X = 2,440,613 and Y = 220,945; thence Northeasterly on a straight line to the Northeast corner of said Block 4 having Coordinates of X = 2,442,901.85 and Y = 221,730.55; thence South 6,679.08 feet on said East line of said Block 4 to the point of beginning, containing approximately **518.63 acres**, as shown outlined in red 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 boundary description and plat for this tract as shown and advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates, title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will, within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and the conditions which may affect potential operations thereon. The determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on that portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases a new lease will be issued and any additional per acre bonus/rental

10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

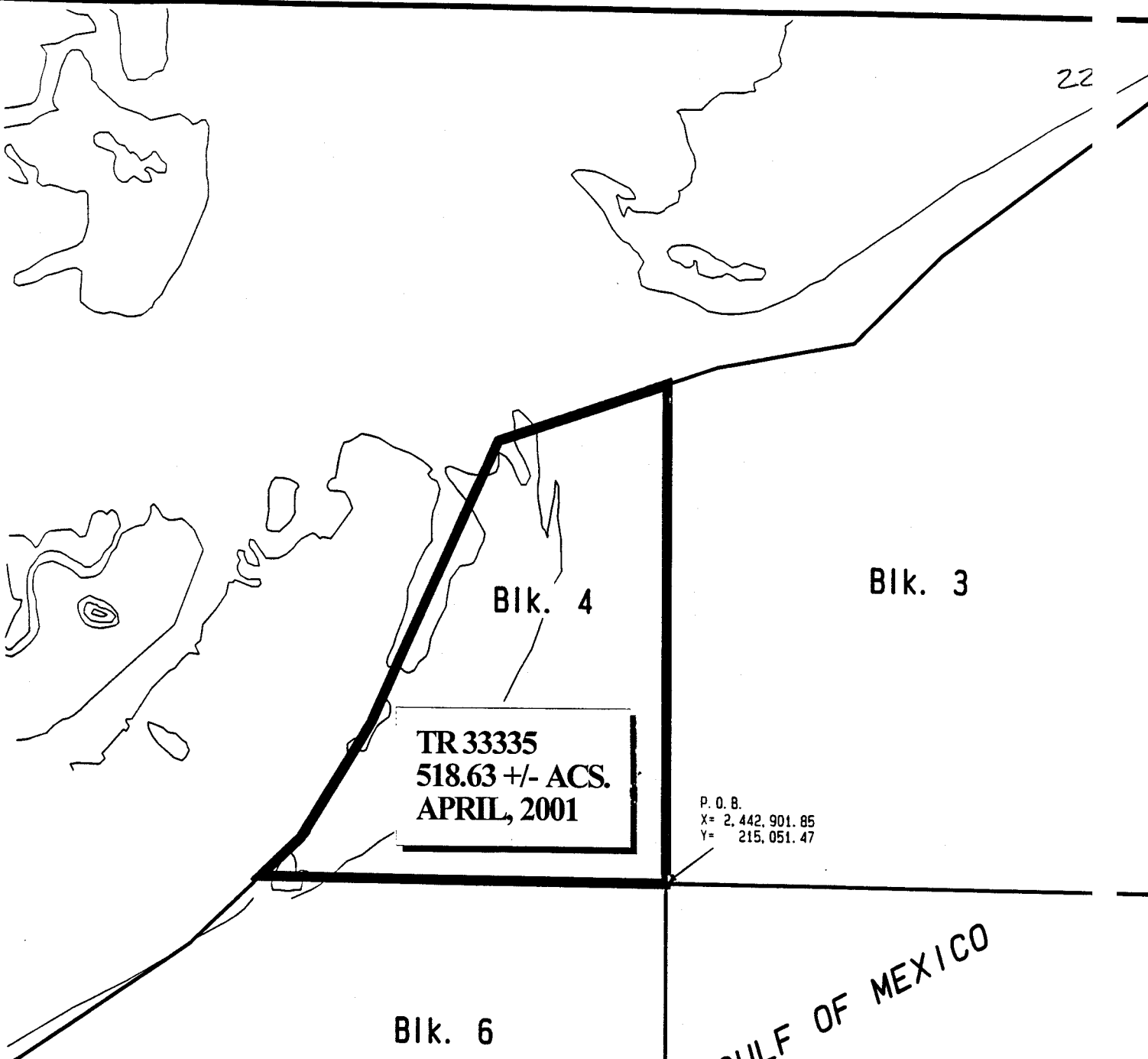
NOTE: It appears, according to our records, that a portion of this tract is located within the restrictive safety fairway area as set out by the Corps of Engineers, U.S. Army.

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 or hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: South Padre Energy, Inc.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

22



TR 33335
518.63 +/- ACS.
APRIL, 2001

P. O. B.
 X= 2,442,901.85
 Y= 215,051.47

BIK. 6

BIK. 3

BIK. 4

BIK. 7

GULF OF MEXICO



NAD 27 LAMBERT LA. SOUTH ZONE

Revised: _____

