

TRACT 38972 - Portion of Block 73, Chandeleur Sound Area, and Block 1, Main Pass Area, Revised, 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 the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,560,856.00 and Y = 382,441.00; thence East 17,892.00 feet to a point having Coordinates of X = 2,578,748.00 and Y = 382,441.00; thence South 8,327.00 feet to a point having Coordinates of X = 2,578,748.00 and Y = 374,114.00; thence West 17,892.00 feet to a point having Coordinates of X = 2,560,856.00 and Y = 374,114.00; thence North 8,327.00 feet to the point of beginning, **LESS AND EXCEPT** State Lease No. 18466 and State Lease No. 17919 that lies within the above described tract, more particularly described as follows: Commencing at the point of beginning of the above Nominated Area having Coordinates of X = 2,560,856.00 and Y = 382,441.00; thence South 09 degrees 42 minutes 38 seconds East 1,643.04 feet to a starting point on State Lease No. 18466 also being its Northwest corner, having Coordinates of X = 2,561,133.13 and Y = 380,821.50; thence along the boundary of said State Lease No. 18466 the following courses: East 5,168.37, South 4,590.24 feet, and South 88 degrees 04 minutes 33 seconds West 807.33 feet to its Southwest corner and the Southeast corner of State Lease No. 17919 having Coordinates of X = 2,565,494.63 and Y = 376,204.15; thence along the boundary of said State Lease No. 17919 the following courses: South 88 degrees 04 minutes 33 seconds West 4,204.00 feet and North 01 degrees 55 minutes 27 seconds West 4,224.52 feet to its Northwest corner and the Northernmost Southwest corner of said State Lease No. 18466 having Coordinates of X = 2,561,151.16 and Y = 380,285.14; thence North 01 degrees 55 minutes 31 seconds West 536.66 feet on the West line of said State Lease No. 18466 to the starting point, containing approximately **2,254 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), where applicable.

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 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

ST BERNARD PARISH

LAKE MACHIAS

MAIN PASS AREA, REVISED

LAKE LAFORTUNA

SL 18934

SL 18466

SL 17919

P.O.B.

LAKE COQUILLE



TRACT 38973 - Plaquemines and St. Bernard Parishes, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in Plaquemines and St. Bernard Parishes, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,526,691.00 and Y = 382,441.00; thence East 18,480.00 feet to a point having Coordinates of X = 2,545,171.00 and Y = 382,441.00; thence South 8,327.00 feet to a point having Coordinates of X = 2,545,171.00 and Y = 374,114.00; thence West 18,480.00 feet to a point having Coordinates of X = 2,526,691.00 and Y = 374,114.00; thence North 8,327.00 feet to the point of beginning, **LESS AND EXCEPT** any State Lands that lie within the above described tract, containing approximately **949 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), where applicable.

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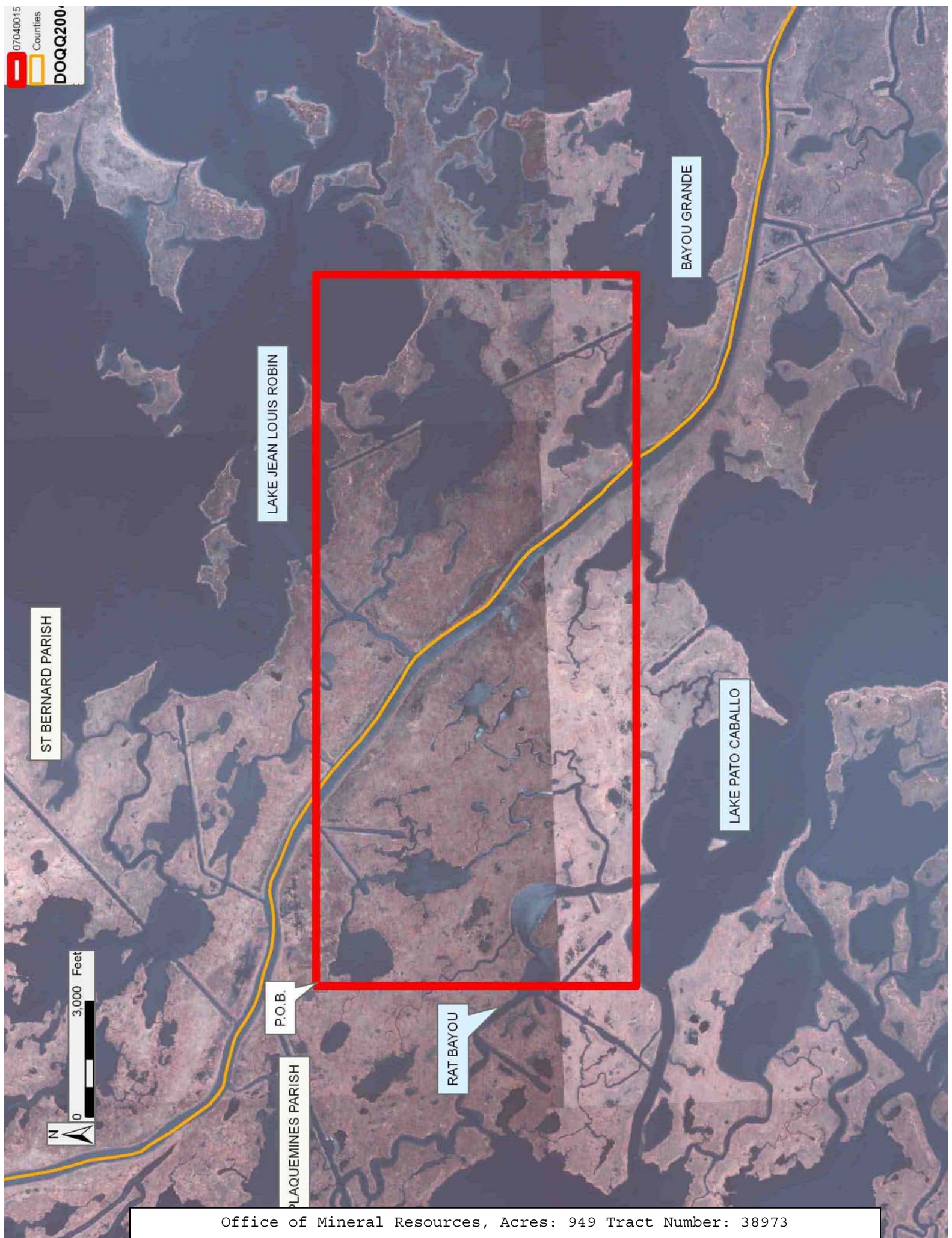
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing 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 38974 - 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 the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,545,171.00 and Y = 382,441.00; thence East 15,685.00 feet to a point having Coordinates of X = 2,560,856.00 and Y = 382,441.00; thence South 8,327.00 feet to a point having Coordinates of X = 2,560,856.00 and Y = 374,114.00; thence West 15,685.00 feet to a point having Coordinates of X = 2,545,171.00 and Y = 374,114.00; thence North 8,327.00 feet to the point of beginning, containing approximately **2,466 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), where applicable.

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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

07040021

Active_Leases

DOQQ2004

ST BERNARD PARISH

3,000 Feet

LAKE JEAN LOUIS ROBIN

P.O.B.

SL 18466

LAKE CALLEBASSE

SL 18933

BAYOU GRANDE

PLAQUEMINES PARISH

TRACT 38975 - Portion of Block 2, Main Pass Area, Revised, 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 the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northwest corner of Block 2, Main Pass Area, Revised, having Coordinates of X = 2,591,100.00 and Y = 381,330.00; thence East 14,750.00 feet along the North line of said Block 2, to its Northeast corner, having Coordinates of X = 2,605,850.00 and Y = 381,330.00; thence South 7,375.00 feet along the East line of said Block 2, to a point having Coordinates of X = 2,605,850.00 and Y = 373,955.00; thence West 14,750.00 feet to a point on the West line of said Block 2, having Coordinates of X = 2,591,100.00 and Y = 373,955.00; thence North 7,375.00 feet along the West line of said Block 2, to the point of beginning, containing approximately **1,660 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), where applicable.

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.

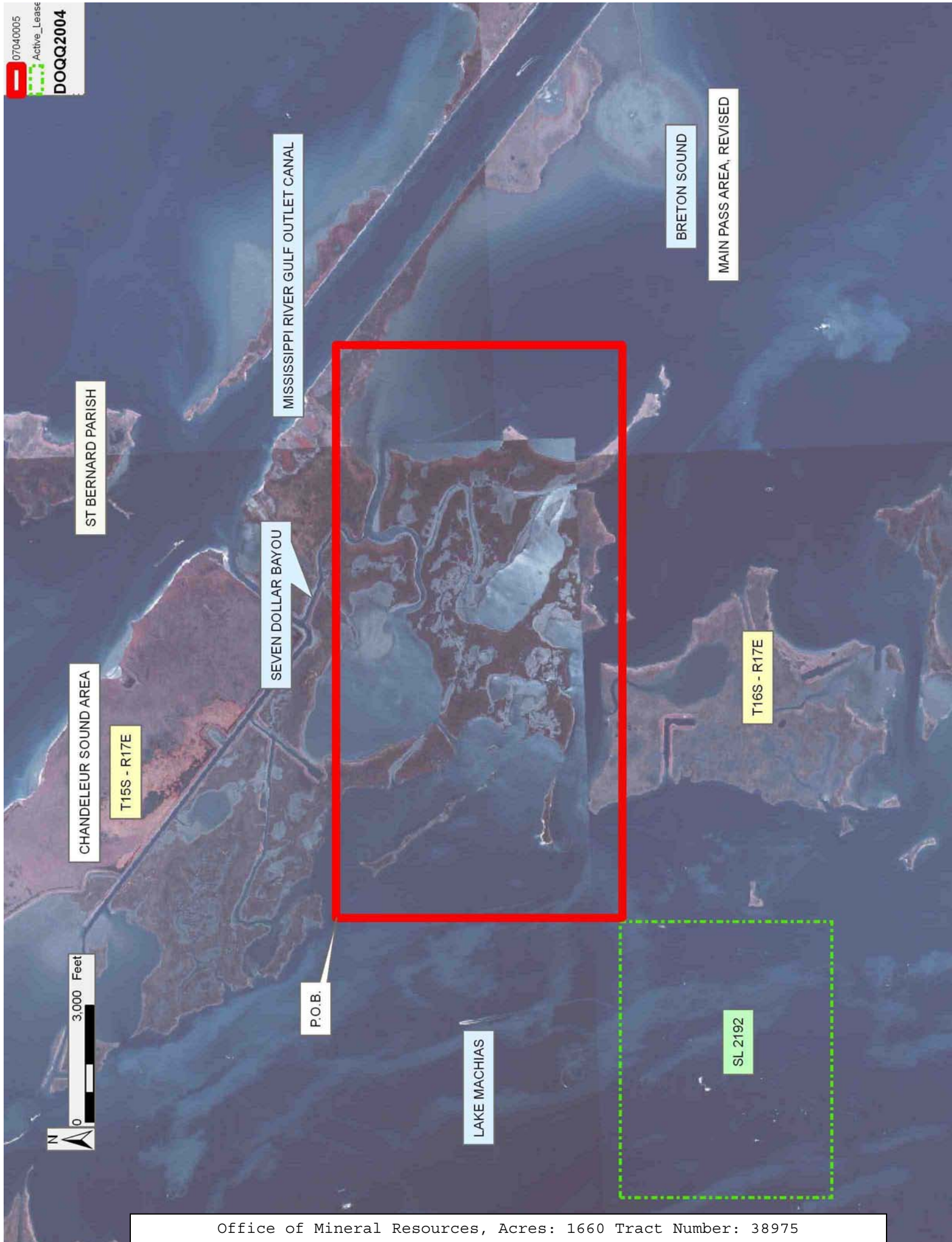
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing 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: 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 and/or the restrictive anchorage area as set out by the U.S. Coast Guard.

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 38976 - Portion of Block 1, Main Pass Area, Revised, 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 the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 1, Main Pass Area, Revised having Coordinates of X = 2,578,748.00 and Y = 378,982.00; thence East 12,352.00 feet to the East line of said Block 1 having Coordinates X = 2,591,100.00 and Y = 378,982.00; thence South 12,402.00 feet along the East line of said Block 1 to its Southeast corner having Coordinates X = 2,591,100.00 and Y = 366,580.00; thence West 6,373.78 feet to the Southeast corner of State Lease No. 16386 having Coordinates X = 2,584,726.22 and Y = 366,580.00; thence North 02 degrees 28 minutes 56 seconds West 1,971.85 feet along the East line of said State Lease No. 16386 to a point on the South line of State Lease No. 2192 having Coordinates of X = 2,584,640.82 and Y = 368,550.00; thence East 77.18 feet to the Northwest corner of State Lease No. 16324 having Coordinates of X = 2,584,718.00 and Y = 368,550.00; thence along the boundary of said State Lease No. 16324 the following courses: South 1,573.50 feet, East 3,166.00 feet and North 1,573.50 feet to a point on the South line of State Lease No. 2192 having Coordinates of X = 2,587,884.00 and Y = 368,550.00; thence along the boundary of said State Lease No. 2192 the following courses: East 3,116.00 feet, North 5,450.00 feet, West 7,110.00 feet and South 3,415.14 feet to the most Northern Northeast corner of State Lease No. 16386 having Coordinates X = 2,583,890.00 and Y = 370,584.86; thence along the boundary of said State Lease No. 16386 the following courses: West 2,490.00 feet and South 4,004.86 feet to its Southwest corner also being a point on the South line of Block 1, having Coordinates X = 2,581,400.00 and Y = 366,580.00; thence West 2,652.00 feet along the South line of said Block 1, to a point having Coordinates X = 2,578,748.00 and Y = 366,580.00; thence North 12,402.00 feet to the point of beginning, **LESS AND EXCEPT** State Lease No. 14375 that lies within the above described tract, more particularly described as follows: Commencing at the point of beginning of the above Nominated Area having Coordinates of X = 2,578,748.00 and Y = 378,982.00; thence South 84 degrees 48 minutes 20 seconds East 3,114.79 feet to a starting point on State Lease No. 14375 also being its Northernmost corner, having Coordinates of X = 2,581,850.00 and Y = 378,700.00; thence along the boundary of said State Lease No. 14375 the following courses: South 55 degrees 45 minutes 04 seconds East 2,842.97 feet, South 34 degrees 49 minutes 28 seconds East 2,801.79 feet, West 1,700.00 feet, North 41 degrees 56 minutes 01 seconds West 3,965.48 feet and North 22 degrees 50 minutes 01 seconds East 1,030.78 feet to the starting point, containing approximately **2,083 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), where applicable.

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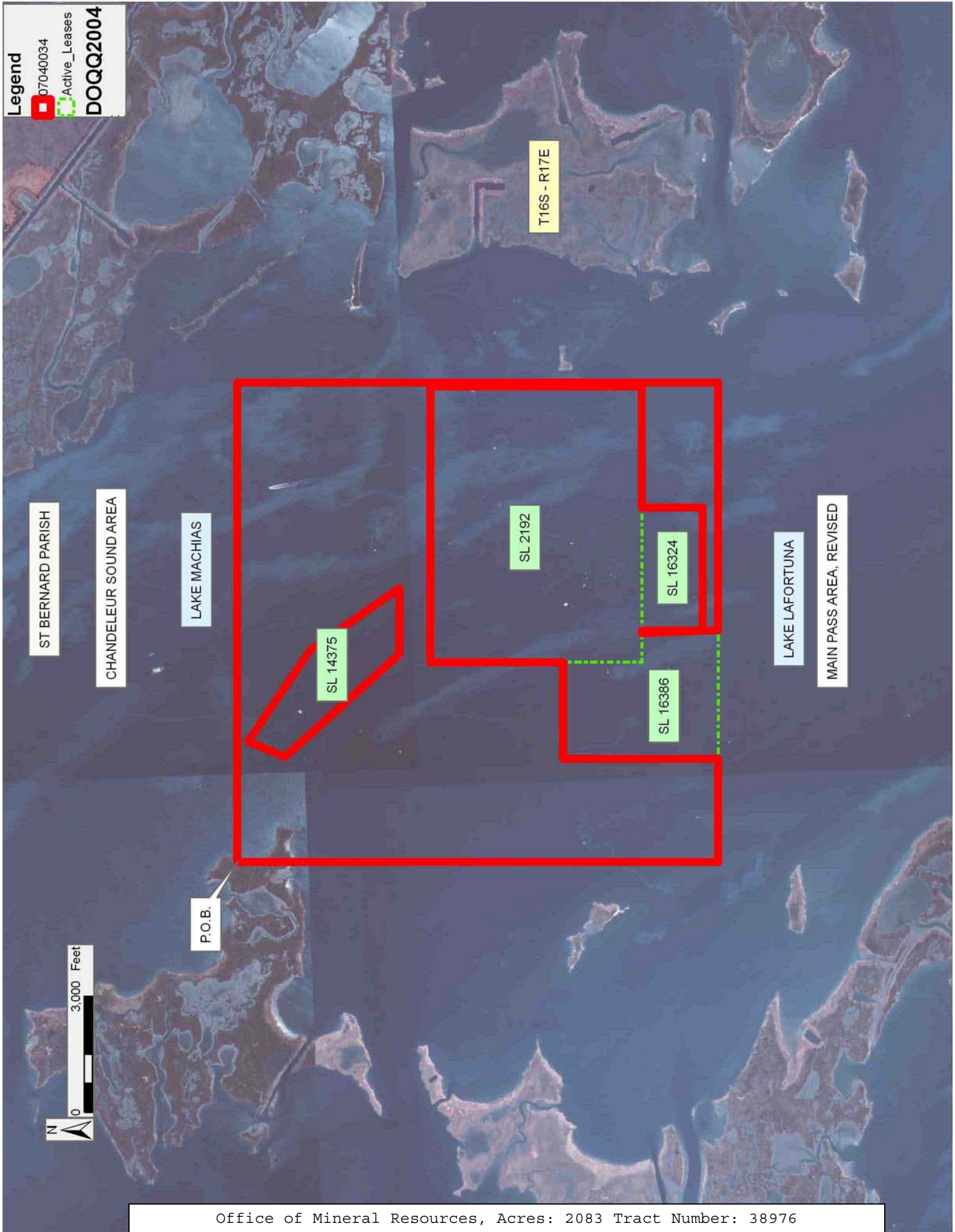
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

Applicant: KARE-SUE ENERGY, INC.

Legend
07040034
Active_Leases
DOQQ2004



TRACT 38977 - Portion of Block 2, Main Pass Area, Revised, 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 the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point on the West line of Block 2, Main Pass Area, Revised, having Coordinates of X = 2,591,100.00 and Y = 373,955.00; thence East 14,750.00 feet to a point on the East line of said Block 2, having Coordinates of X = 2,605,850.00 and Y = 373,955.00; thence South 2,425.00 feet to the most Easterly Northeast corner of State Lease No. 14564 having Coordinates of X = 2,605,850.00 and Y = 371,530.00; thence along the boundaries of said State Lease No. 14564 the following courses: North 66 degrees 59 minutes 59 seconds West 2,100.00 feet, South 77 degrees 59 minutes 59 seconds West 2,000.01 feet, South 18 degrees 00 minutes 08 seconds West 2,500.00 feet, South 52 degrees 32 minutes 26 seconds East 1,250.10 feet, South 86 degrees 19 minutes 40 seconds East 1,823.42 feet, North 56 degrees 18 minutes 36 seconds East 1,442.22 feet and North 45 degrees 00 minutes 00 East 919.24 feet to a point on the East line of Block 2, having Coordinates of X = 2,605,850.00 and Y = 370,130.00; thence South 3,550.00 feet along the East line of said Block 2 to its Southeast corner, having Coordinates of X = 2,605,850.00 and Y = 366,580.00; thence West 14,750.00 feet along the South line of said Block 2 to its Southwest corner, having Coordinates of X = 2,591,100.00 and Y = 366,580.00; thence North 7,375.00 feet to the point of beginning, containing approximately **1,649 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), where applicable.

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 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 38978 - Plaquemines and St. Bernard Parishes, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in Plaquemines and St. Bernard Parishes, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,526,691.00 and Y = 374,114.00; thence East 16,273.00 feet to a point having Coordinates of X = 2,542,964.00 and Y = 374,114.00; thence South 6,880.00 feet to a point having Coordinates of X = 2,542,964.00 and Y = 367,234.00; thence West 16,273.00 feet to a point having Coordinates of X = 2,526,691.00 and Y = 367,234.00; thence North 6,880.00 feet to the point of beginning, **LESS AND EXCEPT** any State Lands that lie within the above described tract, containing approximately **1,702 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), where applicable.

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 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

ST BERNARD PARISH

PLAQUEMINES PARISH

BAYOU TERRE AUX BOEUFs

LAKE CAMPO

P.O.B.

PINTAIL FLAT



TRACT 38979 - Plaquemines and St. Bernard Parishes, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in Plaquemines and St. Bernard Parishes, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,542,964.00 and Y = 374,114.00; thence East 17,892.00 feet to a point having Coordinates of X = 2,560,856.00 and Y = 374,114.00; thence South 6,880.00 feet to a point having Coordinates of X = 2,560,856.00 and Y = 367,234.00; thence West 17,892.00 feet to a point having Coordinates of X = 2,542,964.00 and Y = 367,234.00; thence North 6,880.00 feet to the point of beginning, **LESS AND EXCEPT** State Lease No. 18933 that lies within the above described tract, more particularly described as follows: Commencing at the point of beginning of the above Nominated Area having Coordinates of X = 2,542,964.00 and Y = 374,114.00; thence South 87 degrees 27 minutes 06 seconds East 13,652.50 feet to a starting point on State Lease No. 18933, also being its Northwest corner, having Coordinates of X = 2,556,603.00 and Y = 373,507.00; thence along the boundary of said State Lease No. 18933 the following courses: North 83 degrees 24 minutes 27 seconds East 2,508.59 feet, South 03 degrees 25 minutes 56 seconds West 3,173.69 feet, North 80 degrees 17 minutes 44 seconds West 3,227.18 feet and North 20 degrees 37 minutes 14 seconds East 2,495.90 feet to the starting point, containing approximately **1,189 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), where applicable.

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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 38980 - Portion of Block 1, Main Pass Area, Revised, 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 the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,560,856.00 and Y = 374,114.00; thence East 6,012.50 feet to the Northwest corner of State Lease No. 18934 having Coordinates of X = 2,566,868.50 and Y = 374,114.00; thence South 2,544.50 feet along the West line of said State Lease No. 18934 to the Northeast corner of State Lease No. 18467 having Coordinates of X = 2,566,868.50 and Y = 371,569.50; thence along the boundary of said State Lease No. 18467 the following courses: West 4,175.00 feet, South 4,175.00 feet, East 4,175.00 feet and North 3,661.50 feet to the Southwest corner of State Lease No. 18934 having Coordinates of X = 2,566,868.50 and Y = 371,056.00; thence along the boundary of said State Lease No. 18934 the following courses: East 7,390.50 feet and North 3,058.00 feet to its Northeast corner having Coordinates of X = 2,574,259.00 and Y = 374,114.00; thence East 4,489.00 feet to a point within Block 1, Main Pass Area, Revised, having Coordinates of X = 2,578,748.00 and Y = 374,114.00; thence South 7,534.00 feet to a point on the South line of said Block 1, having Coordinates of X = 2,578,748.00 and Y = 366,580.00; thence West 2,398.00 feet to the Southwest corner of said Block 1, having Coordinates of X = 2,576,350.00 and Y = 366,580.00; thence North 654.00 feet along the West line of said Block 1 to a point having Coordinates of X = 2,576,350.00 and Y = 367,234.00; thence West 15,494.00 feet to a point having Coordinates of X = 2,560,856.00 and Y = 367,234.00; thence North 6,880.00 feet to the point of beginning, containing approximately **1,618 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), where applicable.

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

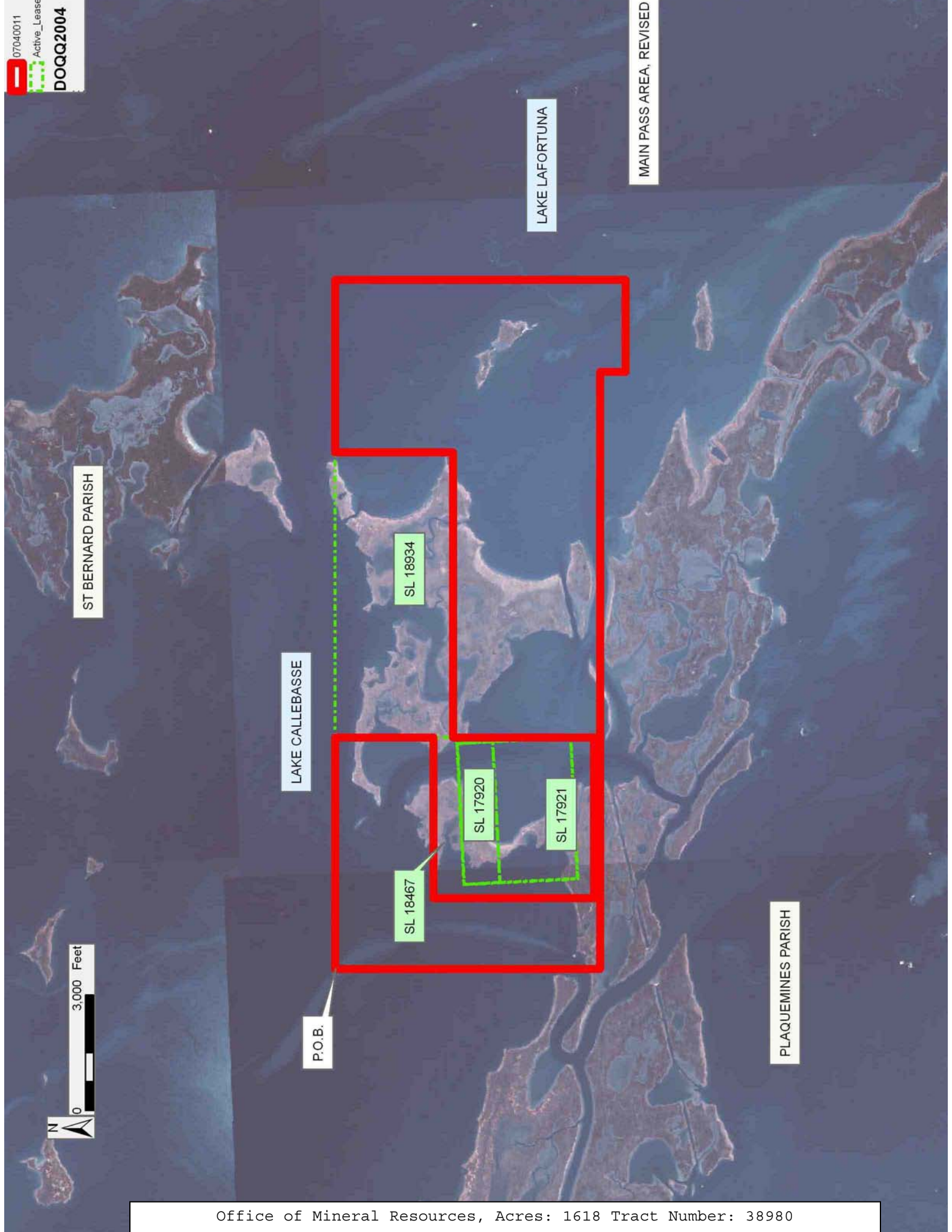
paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The 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



MAIN PASS AREA, REVISED

LAKE LAFORTUNA

ST BERNARD PARISH

LAKE CALLEBASSE

PLAQUEMINES PARISH

TRACT 38981 - St. Mary Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on April 11, 2007, situated in St. Mary Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,053,900.00 and Y = 349,250.00; thence South 88 degrees 59 minutes 10 seconds West approximately 5,060 feet to a point on the East boundary of State Lease No. 341, as amended; thence Northerly approximately 5,195 feet along the East boundary of said State Lease No. 341 to a point; thence, leaving said State Lease No. 341, North 89 degrees 29 minutes 27 seconds East approximately 5,113 feet to a point having Coordinates of X = 2,053,875.00 and Y = 354,400.00; thence South 00 degrees 16 minutes 41 seconds East 5,150.06 feet to the point of beginning, **LESS AND EXCEPT** that portion, if any, of State Lease No. 341, as amended, which may lie within the above described tract, containing approximately **39 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), where applicable.

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 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: GHJ LAND SERVICES, L.L.C.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

