TRACT 39271 - St. James Parish, Louisiana

All of the mineral rights only under land adjudicated to and acquired by the State of Louisiana in and through a proper tax sale, and subsequently alienated by the State which retained the mineral rights thereto, which is not under valid mineral lease from the State of Louisiana on July 11, 2007, situated in St. James Parish, Louisiana, and being more fully described as follows: Beginning at a point having Coordinates of X = 2,142,700.00 and Y = 519,000.00 Thence South 57 Degrees 30 Minutes 00 Second East, a distance of 3,000.00 feet to a point having Coordinates of X = 2,145,230.17 and Y = 517,388.10; Thence South 32 Degrees 30 Minutes 00 Seconds West, a distance of 9,800.00 feet to a point having Coordinates of X = 2,139,964.64 and Y = 509,122.87; Thence North 57 Degrees 30 Minutes 00 Seconds West, a distance of 1,018.27 feet to a point on the boundary of State Lease No. 19197, having Coordinates of X = 2,139,105.84 and Y =509,669.98; Thence North 65 degrees 28 minutes 47 seconds East, a distance of 786.01 feet along said boundary of State Lease No. 19197 to a point having Coordinates of X = 2,139,820.96 and Y = 509,996.19; Thence North 36 degrees 54 minutes 30 seconds West, a distance of 2,574.04 feet along said boundary of State Lease No. 19197 to a point having Coordinates of X = 2,138,275.16 and Y = 512,054.39; Thence North 32 Degrees 30 Minutes 00 Seconds East a distance of 8,235.44 feet to the point of beginning, containing approximately 8 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 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 such modification, cancellation, paid by the Lessor prior to abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The State of Louisiana owns only the mineral rights on this tract; the surface and other rights of ownership have been sold or patented out by the State. Because the surface is not owned by the State, no surface activity on this tract undertaken in conjunction with any operations under any mineral lease given on this tract will be allowed without prior approval of the surface owner and further, no such right of surface use

shall be deemed to have been given as part of any mineral lease by the State of Louisiana on this tract.

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: AUDUBON OIL AND GAS CORPORATION

Bidder	Cash	Price/	Rental	Oil	Gas	Other
	Payment	Acre				

