

**TRACT 41042 - Portion of Block 18, Eugene Island Area, Revised, St. Mary Parish, Louisiana**

The beds and bottoms of all water bodies belonging to the State of Louisiana located in Block 18, Eugene Island Area, Revised, together with any present lands formed by accretion to the shoreline or islands formed therein, located in St. Mary Parish, Louisiana, owned by and not presently under mineral lease as of July 8, 2009, from the State of Louisiana, the geographical area of which is more fully described as follows: Beginning at an interior corner of State Lease No. 19890 having Coordinates of X = 1,954,933.52 and Y = 249,170.00; thence South 1,025.29 feet along the boundary of said State Lease No. 19890 to its Southernmost Southwest corner, also being the Northwest corner of State Lease No. 18501 having Coordinates of X = 1,954,933.52 and Y = 248,144.71; thence South 749.29 feet along the boundary of said State Lease No. 18501 to the Northeast corner of State Lease No. 19721 having Coordinates of X = 1,954,933.52 and Y = 247,395.42; thence West 785.00 feet along the boundary of said State Lease No. 19721 to its Northernmost Northwest corner, also being the Easternmost Northeast corner of State Lease No. 17121, as amended having Coordinates of X = 1,954,148.52 and Y = 247,395.42; thence North 49 degrees 01 minute 27 seconds West 659.37 feet along the boundary of said State Lease No. 17121 to a point on the boundary of State Lease No. 1536, as amended having Coordinates of X = 1,953,650.70 and Y = 247,827.80; thence along the boundary of said State Lease No. 1536, the following courses: North 43 degrees 21 minutes 48 seconds East 71.80 feet, North 34 degrees 17 minutes 13 seconds East 532.54 feet, and North 26 degrees 50 minutes 03 seconds East 952.58 feet to the Northernmost Southwest corner of said State Lease No. 19890 having Coordinates of X = 1,954,430.00 and Y = 249,170.00; thence East 503.52 feet along the boundary of said State Lease No. 19890 to the point of beginning, containing approximately **36.74 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).

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 above described tract may be in the vicinity of existing shell reefs where drilling and dredging operations must be conducted in strict conformity with the regulations adopted by the Louisiana Department of Wildlife and Fisheries and/or the U.S. 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 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: AUDUBON OIL AND GAS CORPORATION

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

