

p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract 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 or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing or 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents 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 hereinabove reserved.

Applicant: G. K. Grady

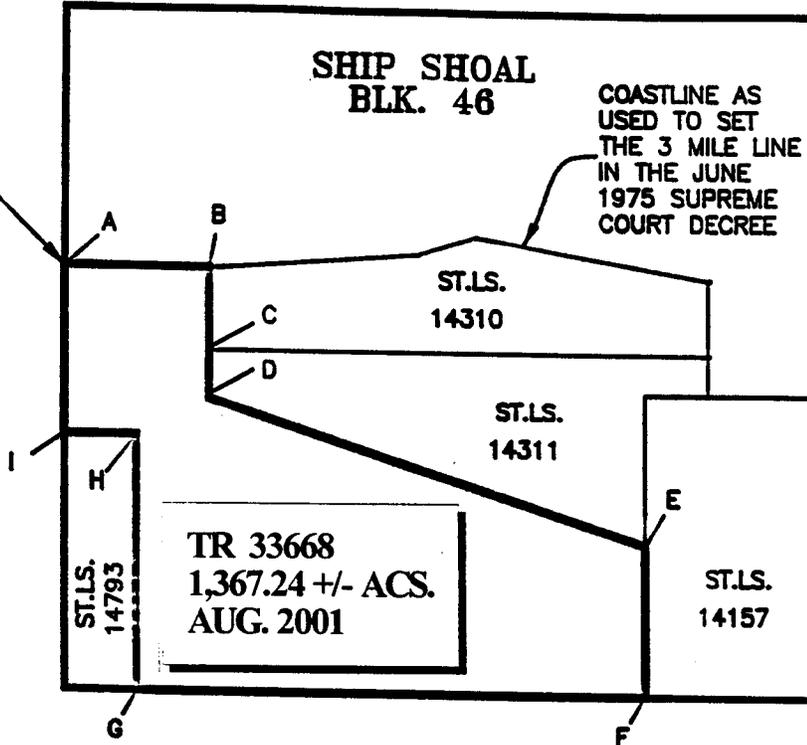
Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

POB
 NAD 27
 Y=136276.00
 X=2140400.00
 NAD 83
 Y=196981.23
 X=3421200.25

LOUISIANA COORDINATE SYSTEM
 (1927 SOUTH ZONE)

**SHIP SHOAL
 BLK. 46**

COASTLINE AS
 USED TO SET
 THE 3 MILE LINE
 IN THE JUNE
 1975 SUPREME
 COURT DECREE



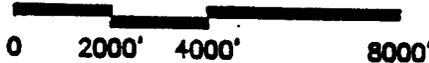
NAD 27

- A- Y=136276.00
X=2140400.00
- B- Y=136276.00
X=2143400.00
- C- Y=134572.76
X=2143400.00
- D- Y=133592.02
X=2143400.00
- E- Y=130674.99
X=2152482.00
- F- Y=127591.99
X=2152482.00
- G- Y=127591.99
X=2141880.00
- H- Y=132822.77
X=2141880.00
- I- Y=132822.77
X=2140400.00

COURSES

- A-B EAST 3000.00'
- B-C SOUTH 1703.24'
- C-D SOUTH 980.74'
- D-E S72°11'37"E 9538.96'
- E-F SOUTH 3083.00'
- F-G WEST 10602.00'
- G-H NORTH 5230.78'
- H-I WEST 1480.00'
- I-A NORTH 3453.23'

GRAPHIC SCALE



NOTE: UNLESS OTHERWISE NOTED
 COORDINATES ARE BASED ON NAD27.

NOTE:
 NAD83 COORDINATES WERE CONVERTED
 TO/FROM NAD27 COORDINATES USING THE
 CORPSCON SOFTWARE FROM THE U.S.
 ARMY TOPOGRAPHIC ENGINEERING CENTER.

NO.	DATE	REVISION
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1367.24 ACRES; AREA OF INTEREST
 LOUISIANA STATE MINERAL BOARD OIL & GAS LEASE
 BLOCK 46, SHIP SHOAL AREA
 GULF OF MEXICO
 TERREBONNE PARISH, LOUISIANA

SCALE: 1"=4000"

TRACT 33669 - PORTION OF BLOCK 65, SHIP SHOAL AREA, Terrebonne Parish, Louisiana

That portion of Block 65, Ship Shoal Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on August 8, 2001, described as follows: Beginning at the Northeast corner of Block 65, Ship Shoal Area, having Coordinates of X = 2,156,000.00 and Y = 127,591.99; thence South along the East line of said Block 65 a distance of 647.33 feet to a point having Coordinates of X = 2,156,000.00 and Y = 126,944.66; thence West a distance of 10,595.00 feet to a point on the East line of State Lease No. 15067, said point having Coordinates of X = 2,145,405.00 and Y = 126,944.66; thence North along the East line of said State Lease No. 15067 a distance of 647.33 feet to a point at the Northeast corner of said State Lease No. 15067, said point also being on the North line of said Block 65 and having Coordinates of X = 2,145,405.00 and Y = 127,591.99; thence East along the North line of said Block 65 a distance of 10,595.00 feet to the point of beginning, containing approximately 157.45 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 bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract 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 or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing of 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

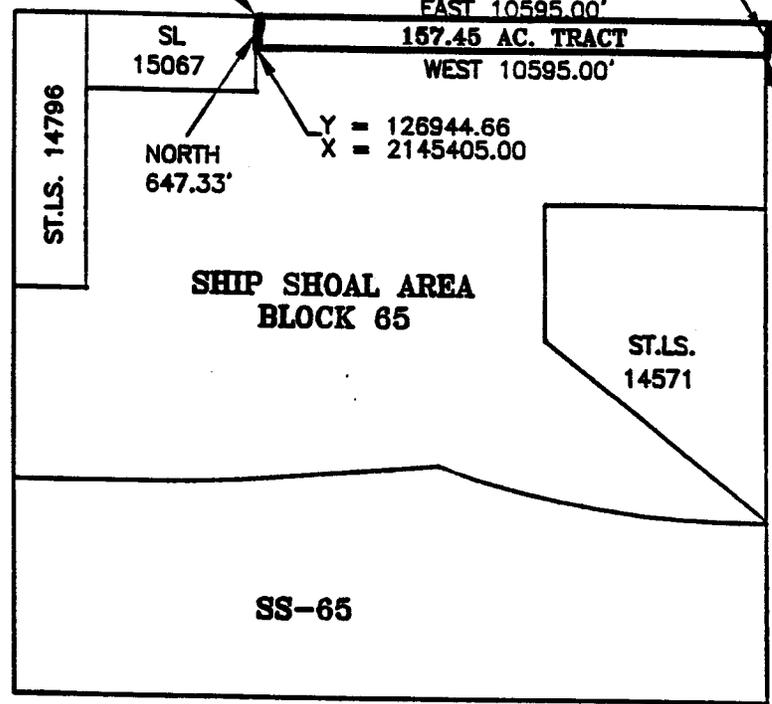
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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

Applicant: G. K. Grady

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

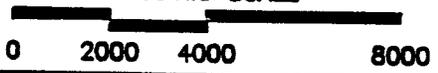
LOUISIANA COORDINATE SYSTEM
(1927 SOUTH ZONE)

Y = 127591.99
X = 2145405.00



TR 33669
157.45 +/- ACS.
AUG. 2001

GRAPHIC SCALE



NOTE: UNLESS OTHERWISE NOTED
COORDINATES ARE BASED ON NAD27.

NOTE:
NAD83 COORDINATES WERE CONVERTED
TO/FROM NAD27 COORDINATES USING THE
CORPSCON SOFTWARE FROM THE U.S.
ARMY TOPOGRAPHIC ENGINEERING CENTER.

NO.	DATE	REVISION
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157.45 ACRE TRACT; AREA OF INTEREST
LOUISIANA STATE MINERAL BOARD OIL & GAS LEASE
BLOCK 65, SHIP SHOAL AREA
GULF OF MEXICO
TERREBONNE PARISH, LA.

SCALE : 1"=4000'

TRACT 33670 - PORTION OF BLOCK 65, SHIP SHOAL AREA, Terrebonne Parish, Louisiana

That portion of Block 65, Ship Shoal Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on August 8, 2001, described as follows: Beginning at a point on the East line of Block 65, Ship Shoal Area, having Coordinates of X = 2,156,000.00 and Y = 126,944.66; thence South along the East line of said Block 65 a distance of 3,152.68 feet to a point at the Northeast corner of State Lease No. 14571, said point having Coordinates of X = 2,156,000.00 and Y = 123,791.99; thence Westerly, Southerly and Southeasterly along the lines of said State Lease No. 14571 the following courses: West a distance 4,600.00 feet to a point having Coordinates of X = 2,151,400.00 and Y = 123,791.99; thence South a distance of 2,805.78 feet to a point having Coordinates of X = 2,151,400.00 and Y = 120,986.21; thence South 51 degrees 55 minutes 06 seconds East a distance of 5,843.99 feet to a point at the South corner of State Lease No. 14571, also being on the East line of said Block 65, said point having Coordinates of X = 2,156,000.00 and Y = 117,371.73; thence South along said East line of Block 65 a distance of 38.52 feet to a point on the 3 Mile Line as set out in the June, 1975, decree of the Supreme Court; thence Westerly along said 3 Mile Line the following courses: along a curve to the right having a radius of 18,240.60 feet and a radius point coordinate of X = 2,155,349.20 and Y = 135,572.20 to a point having Coordinates of X = 2,149,162.00 and Y = 118,413.00; thence South 85 degrees 33 minutes 44 seconds West a distance of 4,174.51 feet to a point having Coordinates of X = 2,145,000.00 and Y = 118,090.00; thence along a curve to the right having a radius of 18,240.60 feet and a radius point coordinate of X = 2,143,584.56 and Y = 136,275.60 to a point having Coordinates of X = 2,143,589.00 and Y = 118,035.00; thence West a distance of 3,189.00 feet to a point on the West line of said Block 65 having Coordinates of X = 2,140,400.00 and Y = 118,035.10; thence North along said West line of Block 65 a distance of 3,916.99 feet to a point at the Southwest corner of State Lease No. 14796, said point having Coordinates of X = 2,140,400.00 and Y = 121,951.99; thence East along the South line of said State Lease No. 14796 a distance of 1,480.00 feet to its Southeast corner having Coordinates of X = 2,141,880.00 and Y = 121,951.99; thence North along the East line of said State Lease No. 14796 a distance of 4,090.00 feet to a point at the Southwest corner of State Lease No. 15067 having Coordinates of X = 2,141,880.00 and Y = 126,041.99; thence East along the South line of said State Lease No. 15067 a distance of 3,525.00 feet to the Southeast corner of said State Lease No. 15067 having Coordinates of X = 2,145,405.00 and Y = 126,041.99; thence North along the East line of said State Lease No. 15067 a distance of 902.67 feet to a point having Coordinates of X = 2,145,405.00 and Y = 126,944.66; thence East a distance of 10,595.00 feet to the point of beginning, containing approximately **2,500.00 acres**, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources, **LESS AND EXCEPT** that portion thereof, if any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme Court, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been

provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

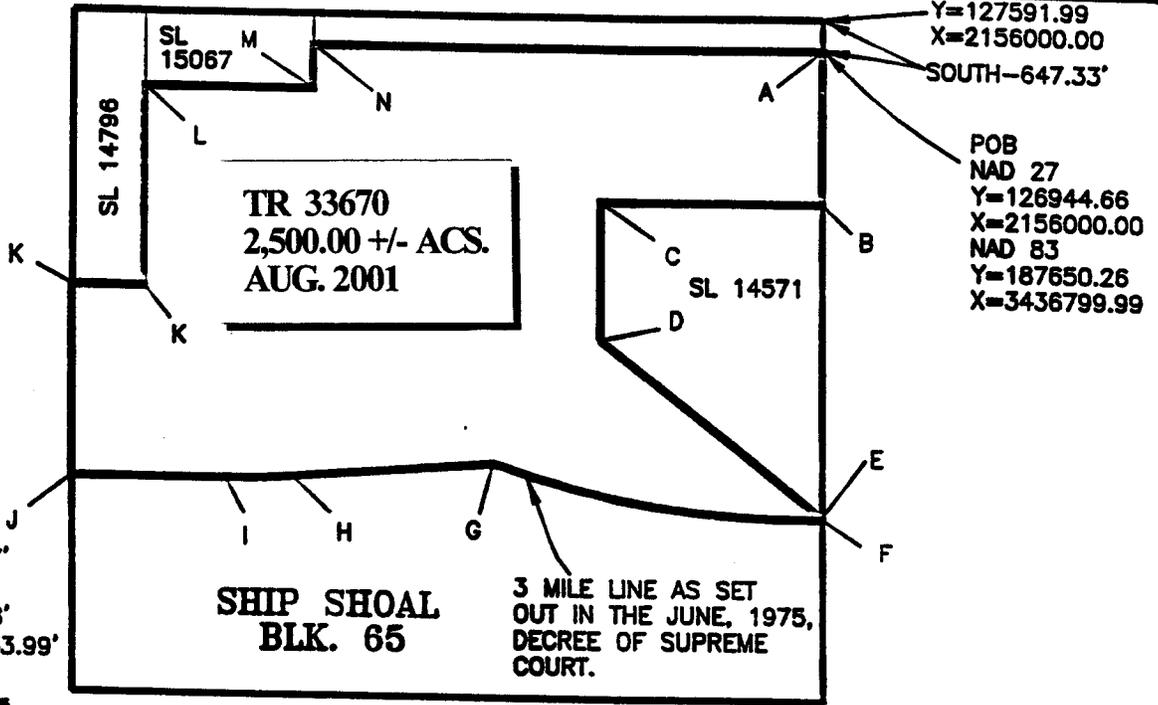
Any mineral lease of the nominated tract by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing or 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents 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 hereinabove reserved.

Applicant: G. K. Grady

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

LOUISIANA COORDINATE SYSTEM
(1927 SOUTH ZONE)



NAD 27

A-B SOUTH 3152.67'
 B-C WEST 4600.00'
 C-D SOUTH 2805.78'
 D-E S51°55'06"E5843.99'
 E-F SOUTH 38.52'
 F-G RADIUS PPOINT=
 Y=135572.20
 X=2155349.20
 R=18240.60

G-H S85°33'44"W 4174.51'
 H-I RADIUS POINT=
 Y=136275.60
 X=2143584.56
 R=18240.60

I-J WEST 3189.00
 J-K NORTH 3918.99'
 K-L EAST 1480.00'
 L-M NORTH 4090.00
 M-N EAST3525.00'
 N-O NORTH 902.67
 O-A EAST 10595.00

A- Y=126944.66
 X=2156000.00

B- Y=123791.99
 X=2156000.00

C- Y=123791.99
 X=2151400.00

D- Y=120986.21
 X=2151400.00

E- Y=117381.73
 X=2156000.00

F- Y=117343.21
 X=2156000.00

G- Y=118413.00
 X=2149162.00

H- Y=118090.00
 X=2145000.00

I- Y=118035.00
 X=2143589.00

J- Y=118035.00
 X=2140400.00

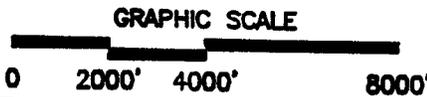
K- Y=121951.99
 X=2140400.00

L- Y=121951.99
 X=2141880.00

M- Y=126041.99
 X=2141880.00

N- Y=126041.99
 X=2145405.00

O- Y=126944.66
 X=2145405.00



NOTE: UNLESS OTHERWISE NOTED
 COORDINATES ARE BASED ON NAD27.

NOTE:
 NAD83 COORDINATES WERE CONVERTED
 TO/FROM NAD27 COORDINATES USING THE
 CORPSCON SOFTWARE FROM THE U.S.
 ARMY TOPOGRAPHIC ENGINEERING CENTER.

NO.	DATE	REVISION

2500.00 ACRES; AREA OF INTEREST
 LOUISIANA STATE MINERAL BOARD OIL & GAS LEASE
 BLOCK 65, SHIP SHOAL AREA
 GULF OF MEXICO
 TERREBONNE PARISH, LOUISIANA

SCALE: 1"=4000'

TRACT 33671 - PORTION OF BLOCK 64, SHIP SHOAL AREA, Terrebonne Parish, Louisiana

That portion of Block 64, Ship Shoal Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on August 8, 2001, described as follows: Beginning at a point on the East line of Block 64, Ship Shoal Area, having Coordinates of X = 2,140,400.00 and Y = 118,035.00; thence Northwesterly the following courses: West a distance of 871.00 feet to a point having Coordinates of X = 2,139,529.00 and Y = 118,035.00; Northwesterly along a curve to the right having a radius of 18,240.60 feet and a radius point Coordinate of X = 2,139,536.99 and Y = 136,275.60 to a point having Coordinates of X = 2,137,975.00 and Y = 118,102.00; North 85 degrees 06 minutes 44 seconds West a distance of 1,302.74 feet to a point having Coordinates of X = 2,136,677.00 and Y = 118,213.00; thence along a curve to the right having a radius of 18,240.60 feet and a radius point Coordinate of X = 2,135,546.54 and Y = 136,418.54 to a point having Coordinates of X = 2,135,601.78 and Y = 118,178.02, said point being at the Southeasterly corner of State Lease No. 14795; thence North 20 degrees 23 minutes 07 seconds East along the Easterly line of said State Lease No. 14795 a distance of 4,026.12 feet to a point at the Southwesterly corner of State Lease No. 14851, said point having Coordinates of X = 2,137,004.20 and Y = 121,951.99; thence East along the Northerly line of said State Lease No. 14851 a distance of 3,395.80 feet to a point on the East line of said Block 64 having Coordinates of X = 2,140,400.00 and Y = 121,951.99; thence South along the East line of said Block 64 a distance of 3,916.99 feet to the point of beginning, containing approximately **362.43 acres**, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources, **LESS AND EXCEPT** that portion thereof, if any, which is more than three nautical miles from the coast line as determined by the Report of the Special Master in the litigation in the Supreme Court of the United States styled United States v. State of Louisiana et al No. 9 Original, said three mile line as set out in the June, 1975, decree of the Supreme Court, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana

State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

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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 hereinabove reserved.

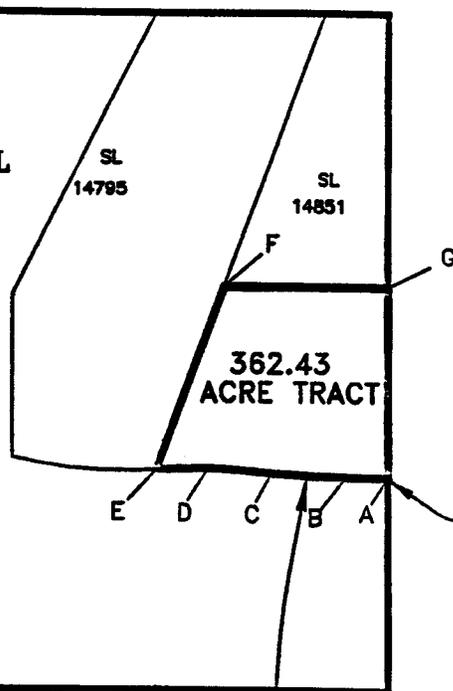
Applicant: G. K. Grady

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

LOUISIANA COORDINATE SYSTEM
(1927 SOUTH ZONE)



**BLK. 64
SHIP SHOAL**



COURSES

- A-B WEST 871.00'
- B-C R=18240.60
RADIUS POINT=
Y=136257.60
X=2139536.99
- C-D N85°06'44"W 1302.74'
- D-E R=18240.60
RADIUS POINT=
Y=136418.54
X=2135546.54
- E-F N20°23'07"E 4026.12'
- F-G EAST 3395.80'
- G-A SOUTH 3916.99'

POB
NAD 27
Y=118035.00
X=2140400.00
NAD 83
Y=178740.30
X=3421200.28

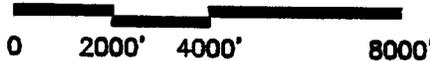
NAD 27

- A-Y=118035.00
X=2140400.00
- B-Y=118035.00
X=2139529.00
- C-Y=118102.00
X=2137975.00
- D-Y=118213.00
X=2136677.00
- E-Y=118178.02
X=2135601.78
- F-Y=121951.99
X=2137004.20
- G-Y=121951.99
X=2140400.00

**TR 33671
362.43 +/- ACS.
AUG. 2001**

3 MILE LINE AS
SET IN THE JUNE
1975, DECREE OF
SUPREME COURT.

GRAPHIC SCALE



NOTE:
NAD83 COORDINATES WERE CONVERTED
TO/FROM NAD27 COORDINATES USING THE
CORPSCON SOFTWARE FROM THE U.S.
ARMY TOPOGRAPHIC ENGINEERING CENTER.

NOTE: UNLESS OTHERWISE NOTED
COORDINATES ARE BASED ON NAD27.

REVISION

**362.43 ACRES; AREA OF INTEREST
LOUISIANA STATE MINERAL BOARD OIL & GAS LEASE
BLOCK, 64 SHIP SHOAL AREA
GULF OF MEXICO
TERREBONNE PARISH, LOUISIANA**

SCALE: 1"=4000'

TRACT 33672 - PORTION OF BLOCK 46, SHIP SHOAL AREA, Terrebonne Parish, Louisiana

That portion of Block 46, Ship Shoal Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on August 8, 2001, described as follows: Beginning at a point on the East line of Block 46, Ship Shoal Area, having Coordinates of X = 2,156,000.00 and Y = 135,764.45; thence South along the East line of said Block 46 a distance of 2,006.46 feet to the Northeast corner of State Lease No. 14157, said point having Coordinates of X = 2,156,000.00 and Y = 133,757.99; thence West along the North line of said State Lease No. 14157 a distance of 2,200.00 feet to a point at the Southeast corner of State Lease No. 14311, said point having Coordinates of X = 2,153,800.00 and Y = 133,757.99; thence North along the East line of said State Lease No. 14311 a distance of 814.77 feet to a point at the Northeast corner of said State Lease No. 14311 and also being the Southeast corner of State Lease No. 14310, said point having Coordinates of X = 2,153,800.00 and Y = 134,572.76; thence North along said East line of State Lease No. 14311 a distance of 1,543.26 to the Northeast corner of said State Lease No. 14310, said point also being on the coastline used to set the 3 Mile Line in the June, 1975, decree of the Supreme Court, having Coordinates of X = 2,153,800.00 and Y = 131,116.02; thence Southeasterly along said coastline the following courses: South 80 degrees 08 minutes 42 seconds East a distance of 1,571.58 feet to a point having Coordinates of X = 2,155,348.39 and Y = 135,847.04; thence South 82 degrees 46 minutes 37 seconds East a distance of 656.82 feet to the point of beginning, containing approximately **109.67 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 above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract 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 or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing or 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

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 nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: G. K. Grady

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

LOUISIANA COORDINATE SYSTEM
(1927 SOUTH ZONE)

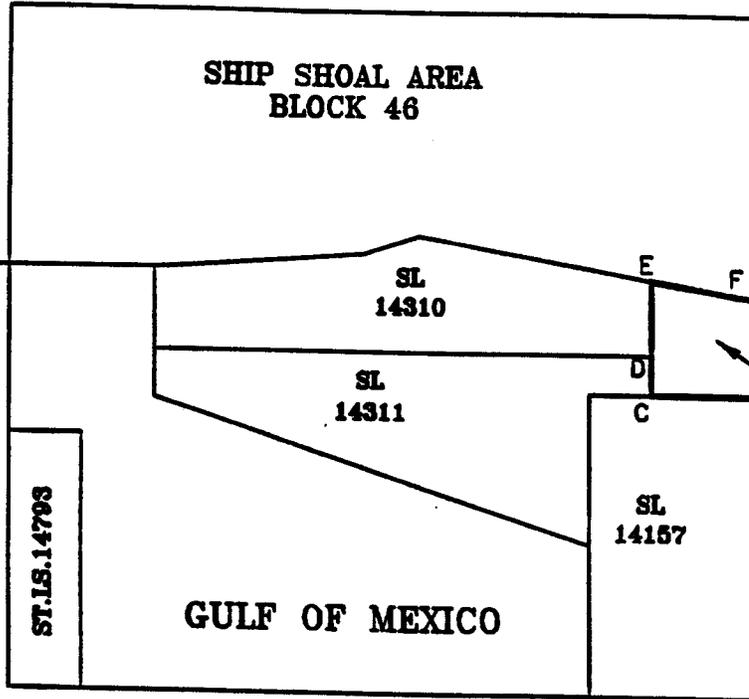


COASTLINE AS USED
TO SET THE 3 MILE
LINE IN THE JUNE
1975 SUPREME
COURT DECREE

ST.L.S.14793

SHIP SHOAL AREA
BLOCK 46

TR 33672
109.67 +/- ACS.
AUG. 2001



P.O.B.
A

109.67 ACRE
TRACT

GULF OF MEXICO

COURSES:

A-B	SOUTH	2006.46'
B-C	WEST	2200.00'
C-D	NORTH	814.77'
D-E	NORTH	1543.26'
E-F	S80°08'42"E	1571.58'
F-A	S82°46'37"E	656.82'

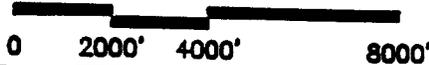
NAD 27

A	X=2156000.00	Y=135764.45
B	X=2156000.00	Y=133757.99
C	X=2153800.00	Y=133757.99
D	X=2153800.00	Y=134572.76
E	X=2153800.00	Y=136116.02
F	X=2155348.39	Y=135847.04

NAD 83

A	X=3436800.03	Y=196469.99
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GRAPHIC SCALE



NOTE: UNLESS OTHERWISE NOTED
COORDINATES ARE BASED ON NAD27.

NOTE:
NAD83 COORDINATES WERE CONVERTED
TO/FROM NAD27 COORDINATES USING THE
CORPSCON SOFTWARE FROM THE U.S.
ARMY TOPOGRAPHIC ENGINEERING CENTER.

NO.	DATE	REVISION
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109.67 ACRE TRACT; AREA OF INTEREST
LOUISIANA STATE MINERAL BOARD OIL & GAS LEASE
BLOCK 46, SHIP SHOAL AREA
GULF OF MEXICO
TERREBONNE PARISH, LOUISIANA

SCALE: 1"=4000'

TRACT 33673 - PORTION OF BLOCK 45, SHIP SHOAL AREA, Terrebonne Parish, Louisiana

That portion of Block 45, Ship Shoal Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on August 8, 2001, described as follows: Beginning at the Southeast corner of Block 45, Ship Shoal Area, having Coordinates of X = 2,171,600.00 and Y = 127,591.99; thence West along the South line of said Block 45 a distance of 12,400.00 feet to a point at the Southeast corner of State Lease No. 14158, said point having Coordinates of X = 2,159,200.00 and Y = 127,591.99; thence North, Northwesterly and West along the border of said State Lease No. 14158 the following courses: North a distance of 4,594.44 feet to a point having Coordinates of X = 2,159,200.00 and Y = 132,186.43; thence North 46 degrees 38 minutes 11 seconds West a distance of 2,288.82 feet to a point having Coordinates of X = 2,157,536.00 and Y = 133,757.99; thence West a distance of 1,536.00 feet to a point at the Northwest corner of said State Lease No. 14158, also being on the West line of said Block 45, having Coordinates of X = 2,156,000.00 and Y = 133,757.99; thence North along the West line of Block 45 a distance of 1,975.01 feet to a point at the intersection with the West line of said Block 45 and the coastline as used to set the 3 Mile Line of the June, 1975, decree of the Supreme Court, said point having Coordinates of X = 2,156,600.00 and Y = 135,733.00; thence Southeasterly and Northeasterly along the said coastline the following courses: South 83 degrees 41 minutes 57 seconds East a distance of 1,932.05 feet to a point having Coordinates of X = 2,157,920.38 and Y = 135,520.96; thence South 84 degrees 49 minutes 06 seconds East a distance of 4,528.13 feet to a point having Coordinates of X = 2,162,430.00 and Y = 135,112.00; thence South 80 degrees 03 minutes 10 seconds East a distance of 2,078.24 feet to a point having Coordinates of X = 2,164,477.00 and Y = 134,753.00; thence North 87 degrees 07 minutes 11 seconds East a distance of 3,363.25 feet to a point having Coordinates of X = 2,167,836.00 and Y = 134,922.00; thence North 77 degrees 58 minutes 08 seconds East a distance of 1,885.41 feet to a point having Coordinates of X = 2,169,680.00 and Y = 135,315.00; thence North 62 degrees 28 minutes 29 seconds East a distance of 400.31 feet to a point having Coordinates of X = 2,170,035.00 and Y = 135,500.00; thence North 88 degrees 52 minutes 18 seconds East a distance of 1,565.30 feet to a point having Coordinates of X = 2,171,600.00 and Y = 135,530.82; thence East a distance of 7,938.83 feet to the point of beginning, **LESS AND EXCEPT** all that portion of State Lease No. 16557 which lies entirely within the above described tract, containing approximately **2,301.61 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 above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings,

distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract 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 or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing or 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents 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 hereinabove reserved.

Applicant: G. K. Grady

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other