

TRACT 36600 - Portion of Block 20, North Lake Borgne Area, 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point on the North line of Block 20, North Lake Borgne Area, having Coordinates of X = 2,637,250.00 and Y = 529,958.70; thence South 9,000.00 feet to a point on the South line of said Block 20 having Coordinates of X = 2,637,250.00 and Y = 520,958.70; thence West 12,000.00 feet on the South line of said Block 20 to its Southwest corner having Coordinates of X = 2,625,250.00 and Y = 520,958.70; thence North 9,000.00 feet on the West line of said Block 20 to its Northwest corner having Coordinates of X = 2,625,250.00 and Y = 529,958.70; thence East 12,000.00 feet on the North line of said Block 20 to the point of beginning, containing approximately **2,479.34 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 Office of Mineral Resources will require a minimum bonus of \$130 per acre and a minimum royalty of 21%.

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: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



P.O.B.
X=2,637,250.00
Y=529,968.70

ST BERNARD PARISH

NORTH LAKE BORGNE AREA

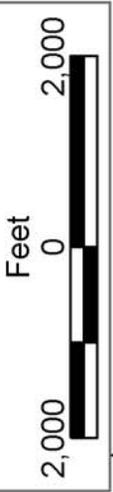
CHANDELEUR SOUND AREA ADDITION, REVISED

BLOCK LB0019

BLOCK LB0020

BLOCK CX0022

BLOCK LB0013



TRACT 36601 - Portion of Block 7, North Lake Borgne Area, 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northeast corner of Block 7, North Lake Borgne Area, having Coordinates of X = 2,589,250.00 and Y = 529,958.70; thence South 9,000.00 feet on the East line of said Block 7 to its Southeast corner having Coordinates of X = 2,589,250.00 and Y = 520,958.70; thence West 11,039.85 feet on the South line of said Block 7 to a point having Coordinates of X = 2,578,210.15 and Y = 520,958.70; thence North 9,000.00 feet to a point on the North line of said Block 7 having Coordinates of X = 2,578,210.15 and Y = 529,958.70; thence East 11,039.85 feet on the South line of said Block 7 to the point of beginning, containing approximately **2,280.96 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 Office of Mineral Resources will require a minimum bonus of \$150 per acre and a minimum royalty of 21%.

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



P.O.B.
X=2,589,250.00
Y=529,958.70

BLOCK LB0012

ST BERNARD PARISH

NORTH LAKE BORGNE AREA

BLOCK LB0007



TRACT 36602 - Portion of Block 12, North Lake Borgne Area, 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northwest corner of Block 12, North Lake Borgne Area, having Coordinates of X = 2,589,250.00 and Y = 529,958.70; thence East 12,000.00 feet on the North line of said Block 12 to a point having Coordinates of X = 2,601,250.00 and Y = 529,958.70; thence South 9,000.00 feet to a point on the South line of said Block 12 having Coordinates of X = 2,601,250.00 and Y = 520,958.70; thence West 12,000.00 feet on the South line of said Block 12 to its Southwest corner having Coordinates of X = 2,589,250.00 and Y = 520,958.70; thence North 9,000.00 feet on the West line of said Block 12 to the point of beginning, containing approximately **2,479.34 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 Office of Mineral Resources will require a minimum bonus of \$130 per acre and a minimum royalty of 21%.

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: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



ST BERNARD PARISH

BLOCK LB0011

NORTH LAKE BORGNE AREA

BLOCK LB0012

P.O.B.
X=2,589,250.00
Y=529,958.70

BLOCK LB0007



TRACT 36603 - Portion of Blocks 12, and 13, North Lake Borgne Area, 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point on the North line of Block 13, North Lake Borgne Area, having Coordinates of X = 2,613,250.00 and Y = 529,958.70; thence South 9,000.00 feet to a point on the South line of said Block 13 having Coordinates of X = 2,613,250.00 and Y = 520,958.70; thence West 6,000.00 feet on the South line of said Block 13 to its Southwest corner and the Southeast corner of Block 12, North Lake Borgne Area having Coordinates of X = 2,607,250.00 and Y = 520,958.70; thence West 6,000.00 feet on the South line of said Block 12 to a point having Coordinates of X = 2,601,250.00 and Y = 520,958.70; thence North 9,000.00 feet to a point on the North line of said Block 12 having Coordinates of X = 2,601,250.00 and Y = 529,958.70; thence East 6,000.00 feet on the North line of said Block 12 to its Northeast corner and the Northwest corner of said Block 13 having Coordinates of X = 2,607,250.00 and Y = 529,958.70; thence East 6,000.00 feet on the North line of said Block 13 to the point of beginning, containing approximately **2,479.34 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 Office of Mineral Resources will require a minimum bonus of \$130 per acre and a minimum royalty of 21%.

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: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



NORTH LAKE BORGNE AREA

ST BERNARD PARISH

P.O.B.
X=2,613,250.00
Y=529,958.70

BLOCK LB0012

BLOCK LB0013



TRACT 36604 - Portion of Block 22, Chandeleur Sound Area Addition, 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,614,516.00 and Y = 514,394.00; thence North 6,564.70 feet to a point having Coordinates of X = 2,614,516.00 and Y = 520,958.70; thence East 15,758.00 feet to a point having Coordinates of X = 2,630,274.00 and Y = 520,958.70; thence South 6,564.70 feet to a point having Coordinates of X = 2,630,274.00 and Y = 514,394.00; thence West 15,758.00 feet to the point of beginning, containing approximately **2,374.81 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 Office of Mineral Resources will require a minimum bonus of \$130 per acre and a minimum royalty of 21%.

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



NORTH LAKE BORGNE AREA

BLOCK LB0020

ST BERNARD PARISH

BLOCK LB0013

CHANDELEUR SOUND AREA ADDITION, REVISED

BLOCK CX0022

BLOCK CX0023

P.O.B.
X=2,614,516.00
Y=514,394.00



TRACT 36605 - 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,587,080.00 and Y = 520,958.70; thence South 7,988.70 feet to a point having Coordinates of X = 2,587,080.00 and Y = 512,970.00; thence West 10,870.00 feet to a point having Coordinates of X = 2,576,210.00 and Y = 512,970.00; thence North 7,988.70 feet to a point having Coordinates of X = 2,576,210.00 and Y = 520,958.70; thence East 10,870.00 feet to the point of beginning, containing approximately **1,606 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 Office of Mineral Resources will require a minimum bonus of \$150 per acre and a minimum royalty of 21%.

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

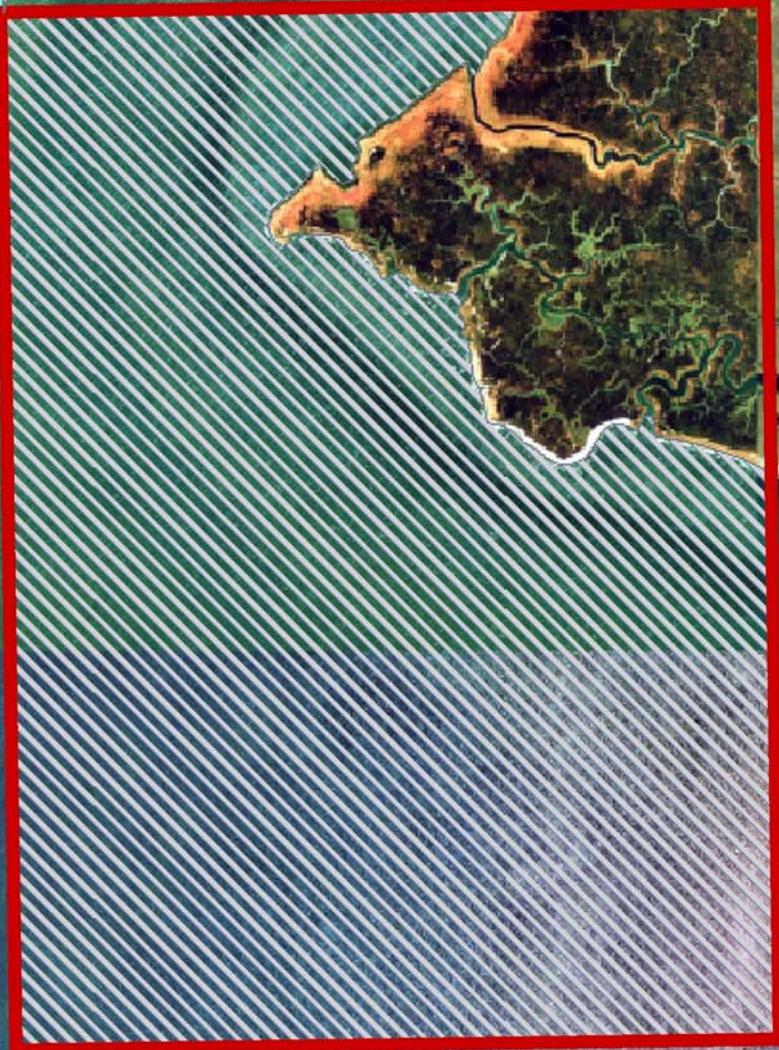


BLOCK LB0007

ST BERNARD PARISH

NORTH LAKE BORGNE AREA

P.O.B.
X=2,587,080.00
Y=520,958.70



T11S - R17E



TRACT 36606 - 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,587,080.00 and Y = 520,958.70; thence East 10,854.00 feet to a point having Coordinates of X = 2,597,934.00 and Y = 520,958.70; thence South 6,564.70 feet to a point having Coordinates of X = 2,597,934.00 and Y = 514,394.00; thence West 50.00 feet to a point having Coordinates of X = 2,597,884.00 and Y = 514,394.00; thence South 6,882.00 feet to a point having Coordinates of X = 2,597,884.00 and Y = 507,512.00; thence South 85 degrees 42 minutes 30 seconds West 5,585.66 feet to a point having Coordinates of X = 2,592,314.00 and Y = 507,094.00; thence South 88 degrees 39 minutes 15 seconds West 5,235.44 feet to a point having Coordinates of X = 2,587,080.00 and Y = 506,971.02; thence North 13,987.68 feet to the point of beginning, containing approximately **2,166 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 Office of Mineral Resources will require a minimum bonus of \$130 per acre and a minimum royalty of 21%.

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



NORTH LAKE BORGNE AREA

ST BERNARD PARISH



BLOCK LB0012



FALSE MOUTH BAY

BLOCK LB0007

P.O.B.
X=2,587,080.00
Y=520,958.70

T11S - R17E

T12S - R17E

TRACT 36607 - 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,614,516.00 and Y = 514,394.00; thence West 16,582.00 feet to a point having Coordinates of X = 2,597,934.00 and Y = 514,394.00; thence North 6,564.70 feet to a point having Coordinates of X = 2,597,934.00 and Y = 520,958.70; thence East 16,582.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 520,958.70; thence South 6,564.70 feet to the point of beginning, containing approximately **2,498.99 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 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



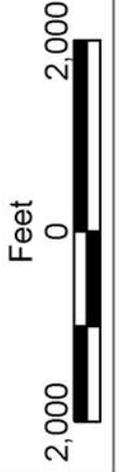
BLOCK LB0013

NORTH LAKE BORGNE AREA

BLOCK LB0012

ST BERNARD PARISH

P.O.B.
X=2,614,516.00
Y=514,394.00



TRACT 36608 - 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,614,516.00 and Y = 514,394.00; thence South 6,882.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 507,512.00; thence West 16,632.00 feet to a point having Coordinates of X = 2,597,884.00 and Y = 507,512.00; thence North 6,882.00 feet to a point having Coordinates of X = 2,597,884.00 and Y = 514,394.00; thence East 16,632.00 feet to the point of beginning, containing approximately **2,427 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 Office of Mineral Resources will require a minimum bonus of \$130 per acre and a minimum royalty of 21%.

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.

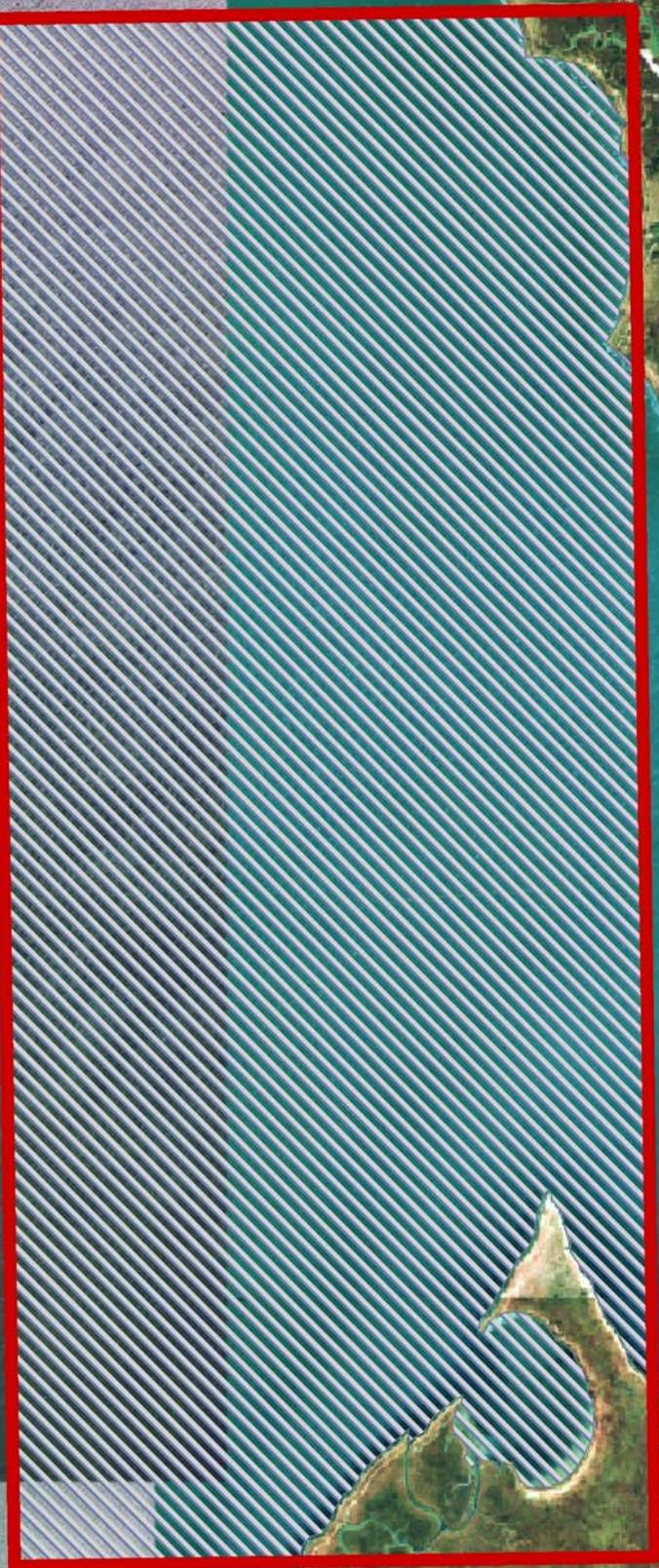
Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



P.O.B.
X=2,614,516.00
Y=514,394.00

ST BERNARD PARISH



T11S - R18E

BAY BOUDREAU

FALSE MOUTH BAY



TRACT 36609 - Portion of Blocks 22, and 23, Chandeleur Sound Area, Addition, 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 September 8, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,614,516.00 and Y = 514,394.00; thence East 15,758.00 feet to a point within Block 22, Chandeleur Sound Area, Addition, Revised, having Coordinates of X = 2,630,274.00 and Y = 514,394.00; thence South 6,882.00 feet to a point within Block 23, having Coordinates of X = 2,630,274.00 and Y = 507,512.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 507,512.00; thence North 6,882.00 feet to the point of beginning, containing approximately **2,351 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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



BLOCK CX0022

CHANDELEUR SOUND AREA ADDITION, REVISED

BLOCK CX0023

BAY BOUDREAU



ST BERNARD PARISH

T12S - R18E

P.O.B.
X=2,614,516.00
Y=514,394.00