TRACT 32878 - 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 and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on November 8, 2000, situated in St. Mary Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 1,960,050.00 and Y =315,600.00; thence North 11,000.00 feet to a point having Coordinates of X = 1,960,050.00 and Y = 326,600.00; thence East approximately 11,820 feet to a point on the West boundary of State Lease No. 3586; thence Southwesterly along the West boundary of said State Lease No. 3586 to a point of intersection with the North boundary of State Lease No. 3909; thence Southwesterly and Southerly along the boundary of said State Lease No. 3909 to a point of intersection with the Northern boundary of State Lease No. 340, Belle Island Dome Area, as amended; thence Westerly along the Northern boundary of said State Lease No. 340 to its Northwest corner; thence Southerly along the West boundary of said State Lease No. 340 to intersection with an East-West line having a Coordinate of Y = 315,600.00; thence West approximately 5,700 feet to the point of beginning, LESS AND EXCEPT that portion of Sections 2, 3, 4, 5, 14, 15, 17, 20 and 21 of Township 17 South, Range 10 East, St. Mary Parish, that lies within the above described tract, containing approximately 497 acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

Parcel B:

An undivided 15% interest in and to the following: That portion of Sections 2, 3, 4, 5, 14, 15, 17, 20 and 21 of Township 17 South, Range 10 East, St. Mary Parish, as located and shown in the above described "Parcel A", containing approximately 100 gross acres and 15 net acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources.

NOTE: The State's ownership in the above described "Parcel B" is limited to an <u>undivided fifteen percent (15%)</u> interest in the minerals and mineral rights in accordance with that certain compromise agreement dated, June 14, 1965, between the St. Mary Parish Land Company, Sun Oil Company, the State of Louisiana and the Louisiana State Mineral Board.

The above described two parcels are estimated to contain in the aggregate approximately **597 gross acres and 512 net acres**.

NOTE: The above described tract is 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: This tract is located within the Atchafalaya Wildlife Management Area. Any operations on said tract shall be coordinated with the Louisiana Department of Wildlife and Fisheries. Special Rules and

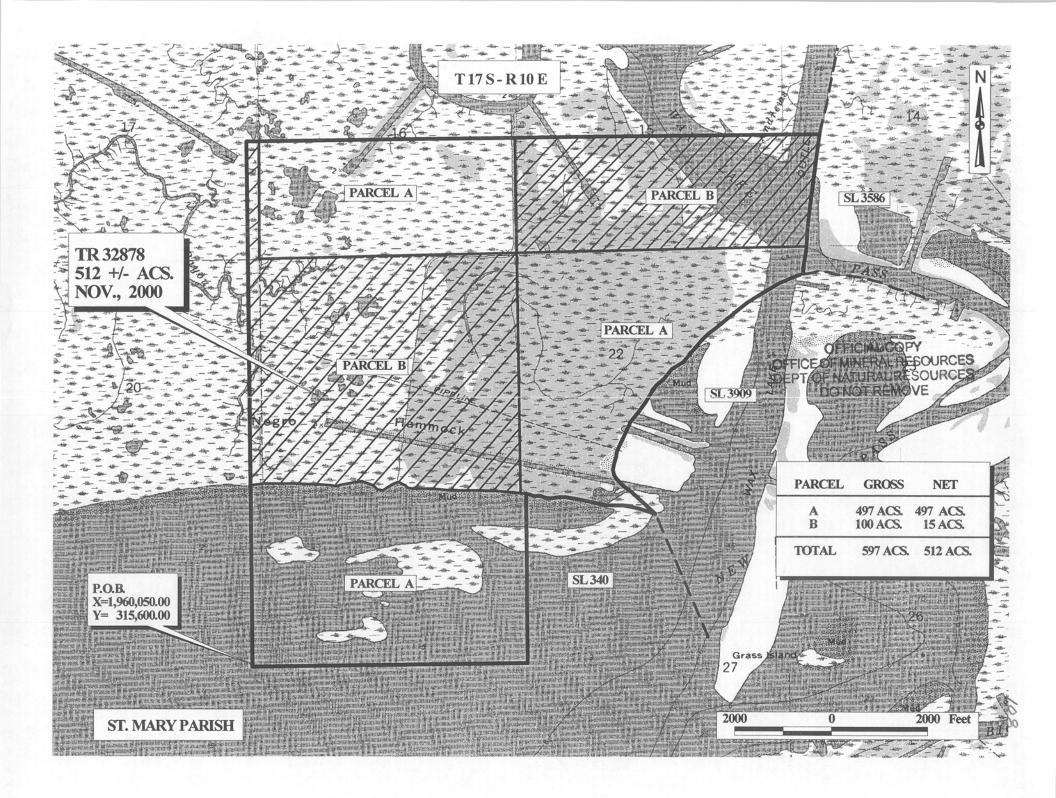
Regulations have been promulgated by the Louisiana Department of Wildlife and Fisheries for the protection of the game and wildlife for some management areas. Any lease awarded by the Board on said tract shall be subject to any applicable Rules and Regulations of said management area. Copies of these Rules and Regulations may be obtained from the Louisiana Department of Wildlife and Fisheries through the Assistant Secretary, Office of Wildlife, upon request.

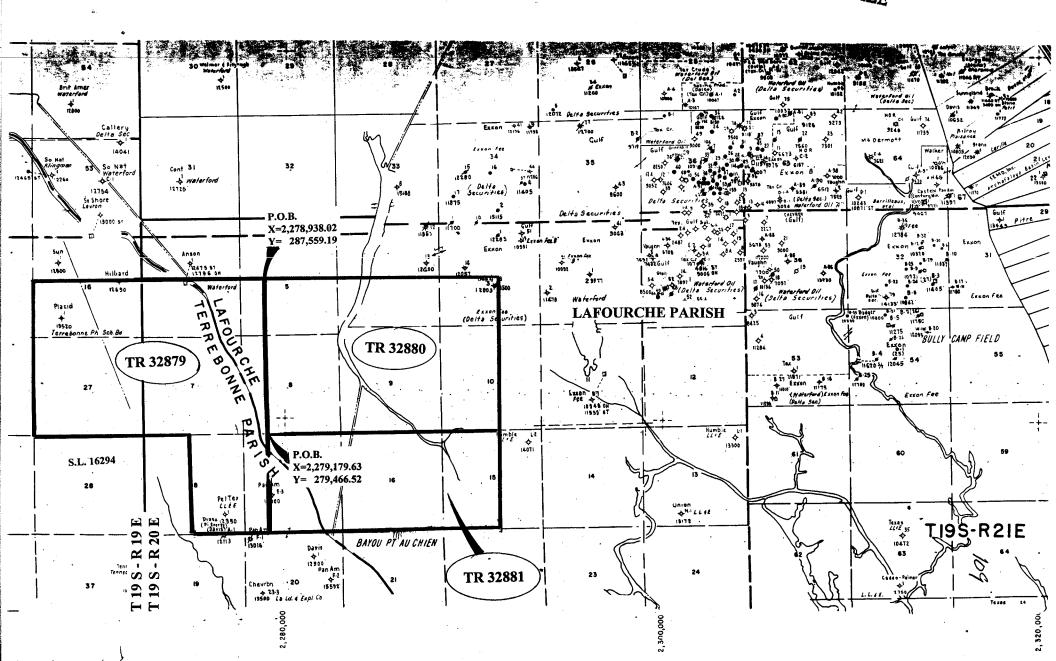
NOTE:

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: Kenneth S. Hill Properties, Inc.

Bidde	r	Cash Payment	Price / Acre	Rental	Oil	Gas	Other
						/	





TRACT 32879 - Lafourche and Terrebonne Parishes, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on November 8, 2000, situated in Lafourche and Terrebonne Parishes, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 2,278,938.02 and Y = 287,559.19; thence South 01 degrees 42 minutes 36 seconds East 13,492.90 feet to a point having Coordinates of X = 2,279,340.67 and Y = 274,072.30; thence South 88 degrees 35 minutes 00 seconds West 4,004.66 feet to a point on the East line of State Lease No. 16294 having Coordinates of X =2,275,337.23 and Y = 273,973.29; thence North 01 degrees 52 minutes 13 seconds West 5,303.86 feet on the East line of said State Lease No. 16294 to it's Northeast corner having Coordinates of X = 2,275,164.13 and Y =279,274.32; thence South 88 degrees 50 minutes 30 seconds West 8,002.43 feet on the North line of said State Lease No. 16294 to a point having Coordinates of X = 2,267,163.33 and Y = 279,112.55; thence North 01 degrees 32 minutes 32 seconds West 8,151.83 feet to a point having Coordinates of X = 2,266,943.93and Y = 287,261.43; thence North 88 degrees 34 minutes 40 seconds East 11,997.79 feet to the point of beginning, containing approximately 23 acres, as shown outlined in red 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 (South Zone).

NOTE: This tract is located within the Point Au Chien Wildlife Management Area. Any operations on said tract shall be coordinated with the Louisiana Department of Wildlife and Fisheries. Special Rules and Regulations have been promulgated by the Louisiana Department of Wildlife and Fisheries for the protection of the game and wildlife for some management areas. Any lease awarded by the Board on said tract shall be subject to any applicable Rules and Regulations of said management area. Copies of these Rules and Regulations may be obtained from the Louisiana Department of Wildlife and Fisheries through the Assistant Secretary, Office of Wildlife, upon request.

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: King Energy Resources, Inc.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other
			-			

