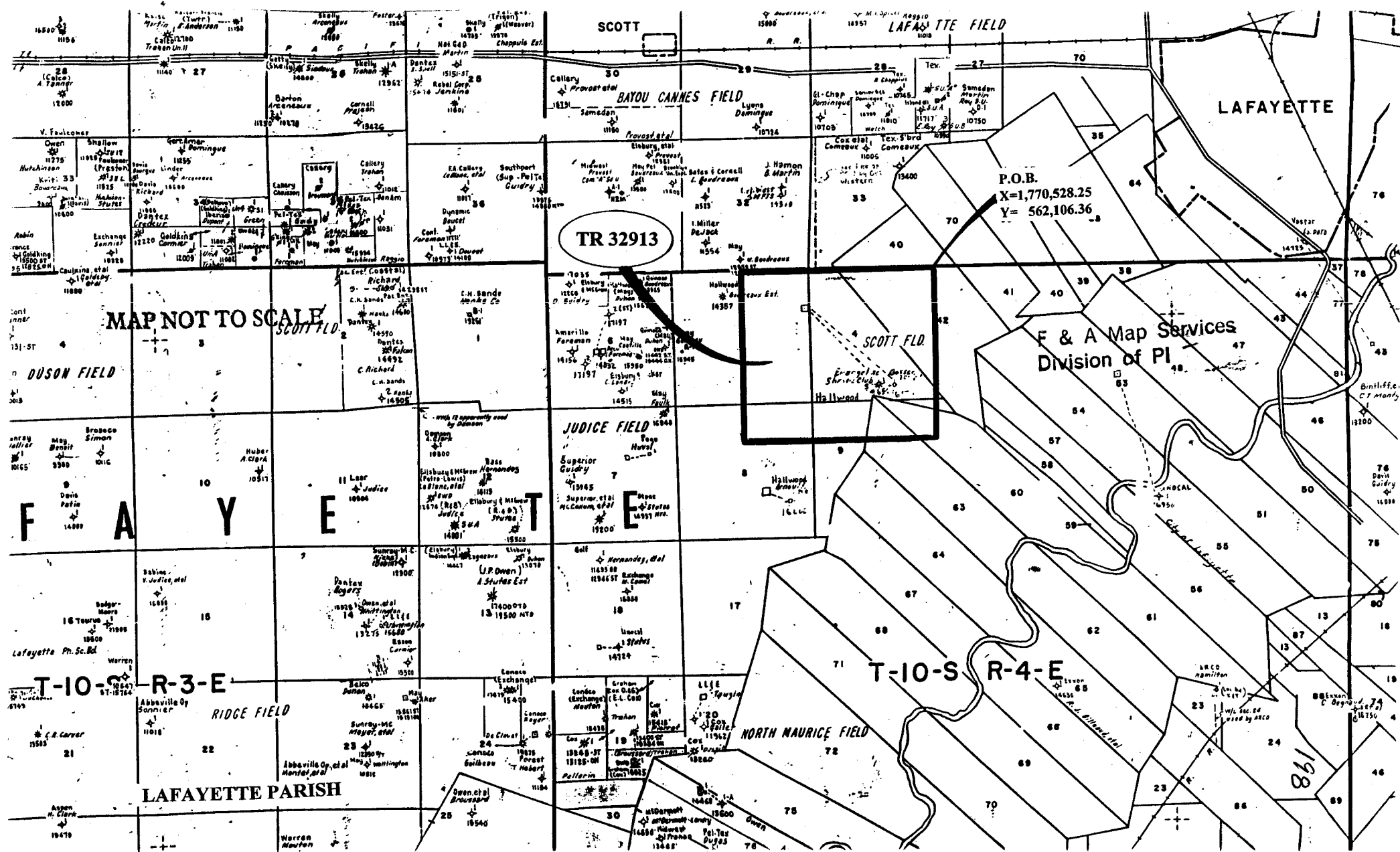


NOT TO BE USED WITH A PORTION BID
FOR INFORMATIONAL PURPOSES ONLY!



TRACT 32913 - STATE AGENCY - Lafayette Parish, Louisiana

A certain tract of land belonging to and not under mineral lease from the Lafayette City-Parish Consolidated Government, on November 8, 2000, being more fully described as follows: Beginning at a point having Coordinates of X = 1,770,528.25 and Y = 562,106.36; thence South 6,650.00 feet to a point having Coordinates of X = 1,770,528.25 and Y = 555,456.36; thence West 7,500.00 feet to a point having Coordinates of X = 1,763,028.25 and Y = 555,456.36; thence North 6,650.00 feet to a point having Coordinates of X = 1,763,028.25 and Y = 555,456.36; thence East 7,500.00 feet to the point of beginning, **LESS AND EXCEPT** that portion lying within the Office of Conservation, geological units: BM3 RB SUA and SUB; BM3 RA SUA, as per Order No. 335-F-4; BM4 RC SUA as per Order No. 335-J-3, and State Agency Lease No. 16554, excluding beds and bottoms of all navigable waters, containing approximately **67.03 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: Lease must be subject to the provision that there shall be no drilling or surface operations on the lands vested in the Lafayette City-Parish Consolidated Government.

NOTE: Lease must further provide that the lessee, or any assignee, shall be required to obtain consent from the Lafayette City-Parish Consolidated Government prior to the execution of any assignment.

Applicant: B.K. Mills to Agency and by Resolution from the Lafayette City-Parish Consolidated Government authorizing the Mineral Board to act in its behalf.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

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T9S-R4E

T10S-R4E

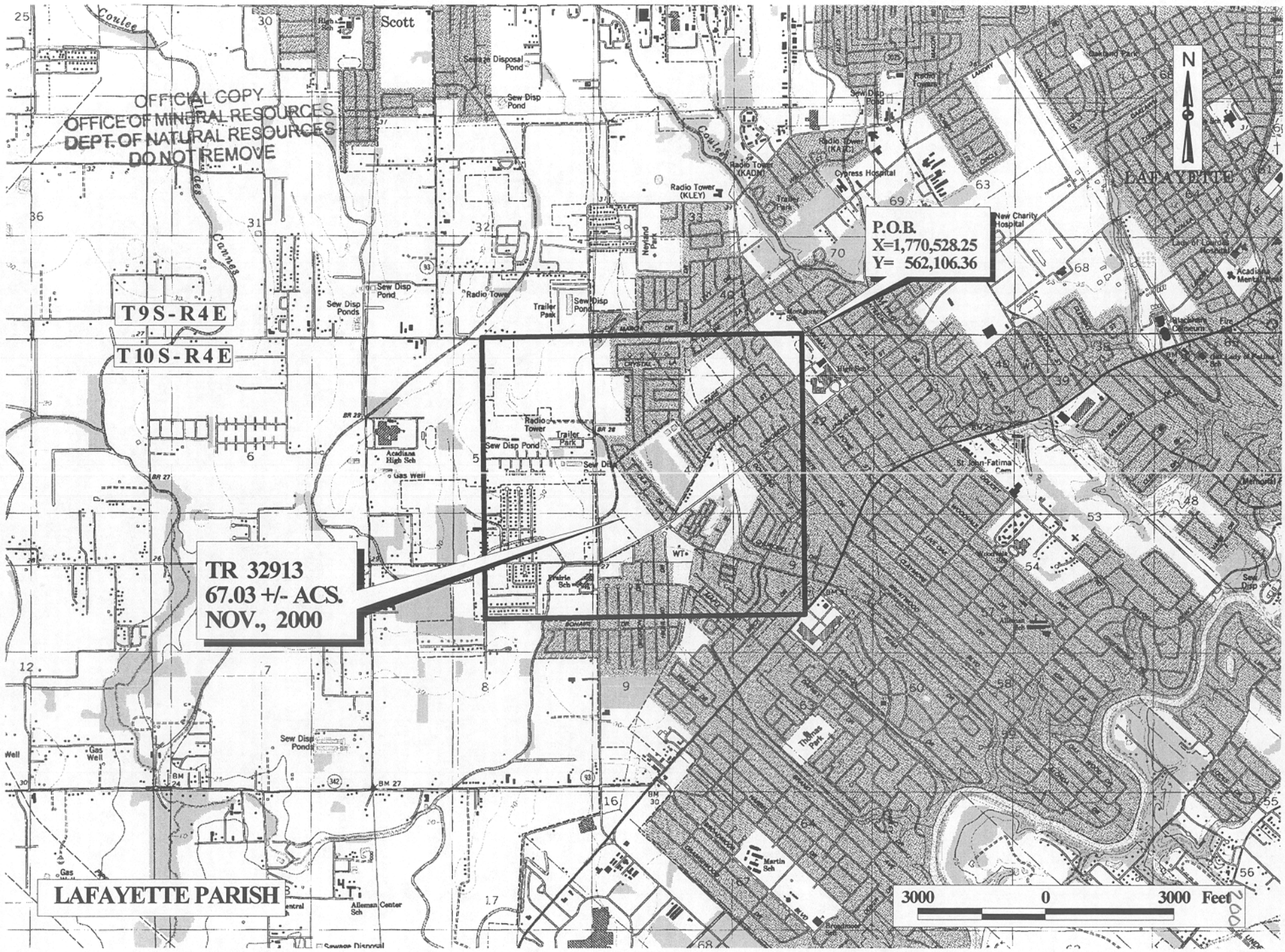
TR 32913
67.03 +/- ACS.
NOV., 2000

P.O.B.
X=1,770,528.25
Y= 562,106.36

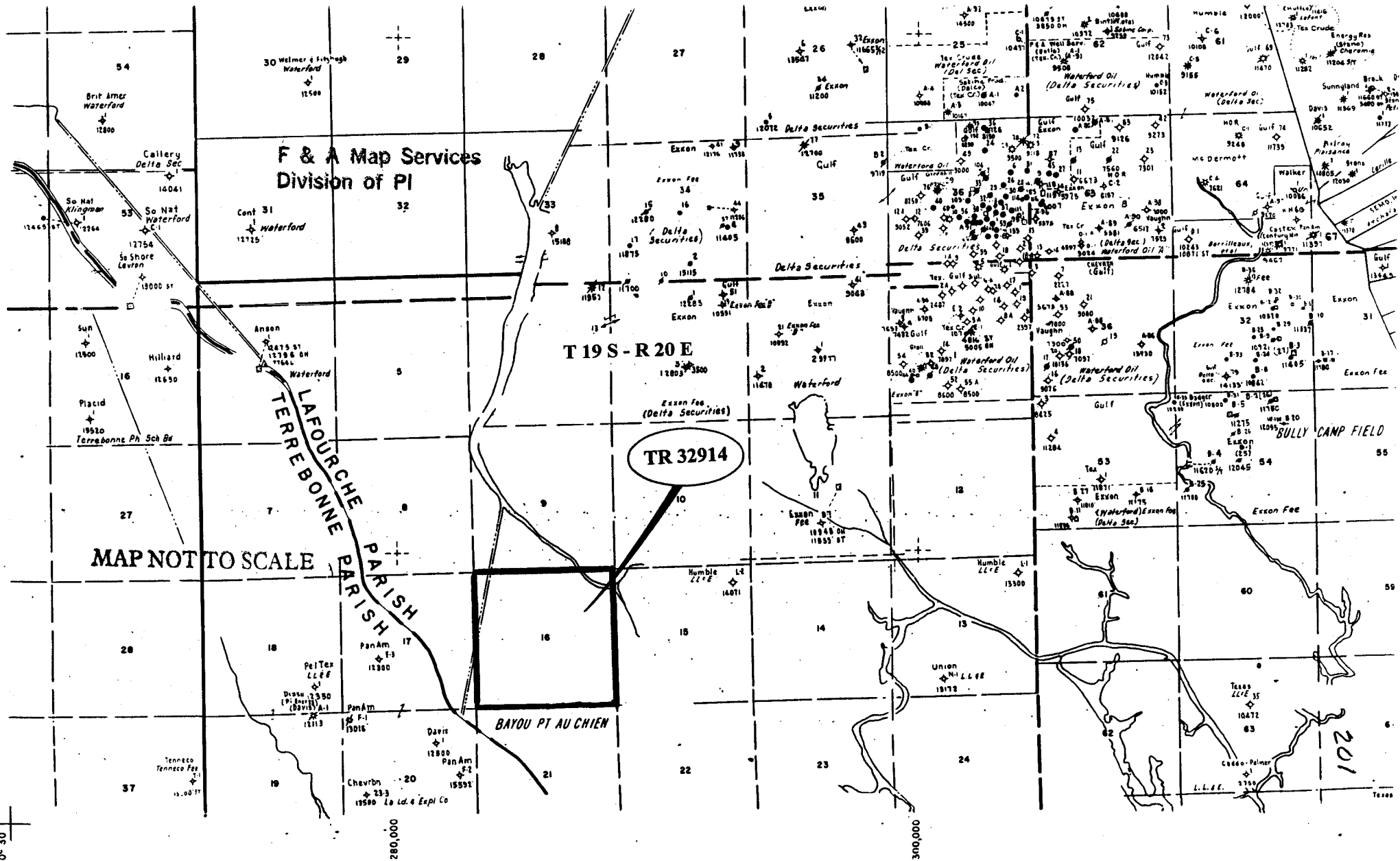


LAFAYETTE

LAFAYETTE PARISH



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TRACT 32914 - STATE AGENCY - Lafourche and Terrebonne Parishes, Louisiana

The State Mineral Board acting on behalf of the Lafourche Parish School Board and the Terrebonne Parish School Board, pursuant to Resolutions adopted by those bodies and in accordance with Louisiana Revised Statutes 30:121-136 and 151-156, as amended, and Article 12, Section 18 of the Louisiana Constitution of 1921, as amended, which by Section 16 (A) 9, and 16 (B) of Article XIV of the 1974 Constitution is continued as a statute subject to arrangement in proper statutory form or modification provided by law, advertises the following described lands not under mineral lease on November 8, 2000: All of Section 16, Township 19 South, Range 20 East, Lafourche Parish, Louisiana, said township situated in Lafourche and Terrebonne Parishes, Louisiana, excluding beds and bottoms of all navigable waters located in said section, containing approximately 640 acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources.

NOTE: "Lessors acknowledge that said Township 19 South, Range 20 East, is located 62.75% in the Parish of Lafourche and 37.25% in the Parish of Terrebonne; and Lessee is authorized and directed to pay any and all rentals and royalties which may accrue under the terms of this lease to Lessors separately and in the following proportions: Lafourche Parish School Board - 62.75% and Terrebonne Parish School Board - 37.25%" and "prospective bidders are hereby placed on notice that execution by the State Mineral Board of oil, gas and mineral lease on behalf of the Lafourche Parish School Board and the Terrebonne Parish School Board on the above described portion of section shall not be construed as a waiver by the State Mineral Board of any rights that it may have to lease for and on behalf of the State of Louisiana any navigable water bottoms that might be included within said portion of said section."

NOTE: The above tract is located in or near an oyster restricted area and all operations in such area must be conducted in strict conformity with the stipulations and/or regulations of the Louisiana Department of Wildlife and Fisheries.

NOTE: This tract may be 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: Lessor will accept not less than one-fourth royalties on all oil, gas and/or other liquid or gaseous hydrocarbon minerals.

NOTE: Paragraph 8 of the State Lease form used by the Terrebonne Parish School Board, to Lease oil, gas and other mineral rights be amended to include the following provisions: "The failure of the Lessee to

submit to the Lessor(s), at the office of the Terrebonne Parish School Board, for approval, the document intended to transfer, sublease, or assign any right or obligation of the Lessee under this lease, within sixty (60) days after the effective date of any such transfer, sublease or assignment, shall subject the Lessee to pay to the Lessor(s) any damages the Lessor(s) may suffer, but in no event shall such damages be deemed to be less than \$100.00 per day for each day the Lessee fails to submit any such document to the Lessor(s) for approval."

NOTE: The lease shall contain a Favored Nations Clause as follows: It is understood and agreed that if Lessee(s) or its successor or assigns enters into and consummates an agreement to acquire, and does acquire, the oil and gas rights from owners or holders of a mineral interest in land exceeding ten (10) contiguous acres in area and located within one (1) mile of the external boundaries of this Lease during a period of time commencing 180 days prior to the date of this lease and ending (a) ninety (90) days after the completion of a producing well on the leased premises or within one mile of the external boundary of the leased premises, or (b) the end of the primary term, whichever occurs first (hereinafter "Third Party Lease"), then it is agreed that Lessor(s) herein shall be entitled to the same bonus, and/or rental and/or royalty as is paid to any other mineral owner under a Third Party Lease which is higher than the bonus, and/or rental and/or royalty (each to be compared individually and not collectively) paid or to be paid to the Lessor(s) in accordance with those terms contained in this Lease. It is the intent of this Favored Nations Clause to ensure and require that Lessor(s) receives a bonus and/or rental and/or royalty that is commensurate with the highest of any bonus, rental or royalty which is paid by Lessee or its successors under any Third Party Lease, irrespective of whether some or all of said terms of the Third Party Lease may be less favorable than those provided in the Lease. Rather, Lessor(s) may obtain the benefit of some or all of those terms under the Third Party Lease which Lessor(s), at its sole discretion, deems more favorable.

Within sixty (60) days of acquiring a Third Party Lease, Lessee shall notify Lessor(s) in writing of each such lease and the terms thereof. At the option of Lessor(s), Lessee shall have thirty (30) days after receipt of such notice within which to execute a lease amendment, retroactive to the date of this Lease, in which Lessor(s) and Lessee agree to any higher bonus and/or rental and/or royalty contained in a Third Party Lease. Lessee agrees to pay Lessor(s) any higher bonus and/or rental and/or royalty contained in a Third Party Lease. Lessee agrees to pay Lessor(s) any higher bonus and/or rental and/or royalty, retroactive to the date of this Lease, within thirty (30) days after the execution of the lease amendment, but in no event later than 45 days after Lessor(s) receipt of Lessee's notice of the Third Party Lease.

NOTE: Lessor will require all royalties to be paid on "current market value" for all hydrocarbons.

NOTE: The Lessee shall conduct its operations in such a manner as to reasonably minimize any interference with or disruption of Lessor's use of the surface of the leased property or its use by Lessor's Lessees of hunting, trapping and/or pasturage rights.

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. to Agency and by Resolutions from the Lafourche Parish School Board and the Terrebonne Parish School Board authorizing the Mineral Board to act in its behalf.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

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T 19 S - R 20 E

LAFOURCHE PARISH

TR 32914
640 ± ACS.
NOV., 2000

SEC. 16

Pumping
Station
Grid
Tower

Old Oak
Ch

Wildlife Management Area
Headquarters

TERREBONNE PARISH

2000 0 2000 Feet

