

TRACT 35780 - Portion of Block 47, Chandeleur Sound Add Area, 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 47, Chandeleur Sound Area Addition, Revised, having Coordinates of X = 2,630,274.00 and Y = 479,869.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,630,274.00 and Y = 474,280.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 474,280.00; thence North 5,589.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 479,869.00; thence East 15,758.00 feet to the point of beginning, containing approximately **1,759 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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.

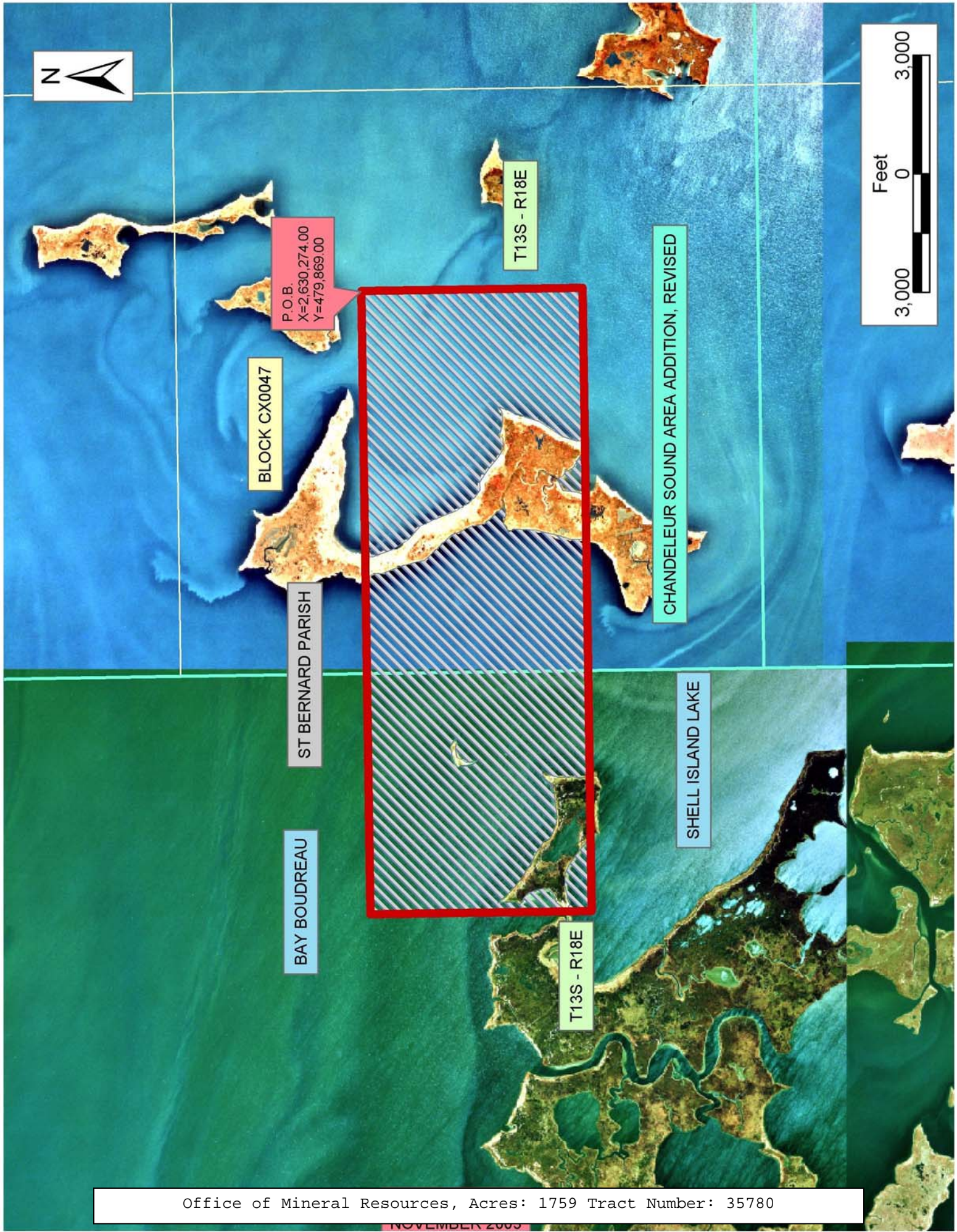
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



TRACT 35781 - 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,557,555.76 and Y = 477,886.40, thence South 586.40 feet, to a point on the Northern boundary of State Lease No. 17088, having Coordinates of X = 2,557,555.76 and Y = 477,300.00, thence South 806.80 feet, to the Northwest corner of State Lease No. 17086, having Coordinates of X = 2,557,555.76 and Y = 476,493.20, thence South 4,000.00 feet along the West line of said State Lease No. 17086, to its Southwest corner, having Coordinates of X = 2,557,555.76 and Y = 472,493.20, thence South 1,393.20 feet, to a point having Coordinates of X = 2,557,555.76 and Y = 471,100.00, thence West 3,305.76 feet, to a point on the West line of said State Lease No. 17088, having Coordinates of X = 2,554,250.00 and Y = 471,100.00, thence West 11,844.39 feet, to a point having Coordinates of X = 2,542,405.61 and Y = 471,100.00, thence North 3,469.90 feet, to the Southwest corner of State Lease No. 17081, having Coordinates of X = 2,542,405.61 and Y = 474,569.90, thence East 4,465.37 feet, along the South line of said State Lease No. 17081 to its Southeast corner, having Coordinates of X = 2,546,870.98 and Y = 474,569.90, thence North 2,114.66 feet, to the Northeast corner of said State Lease No. 17081 and the Southeast corner of State Lease No. 17079, having Coordinates of X = 2,546,870.98 and Y = 476,684.56, thence North 1,201.84 feet along the East boundary of said State Lease No. 17079, to a point having Coordinates of X = 2,546,870.98 and Y = 477,886.40, thence East 10,684.78 feet, to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **1,940 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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

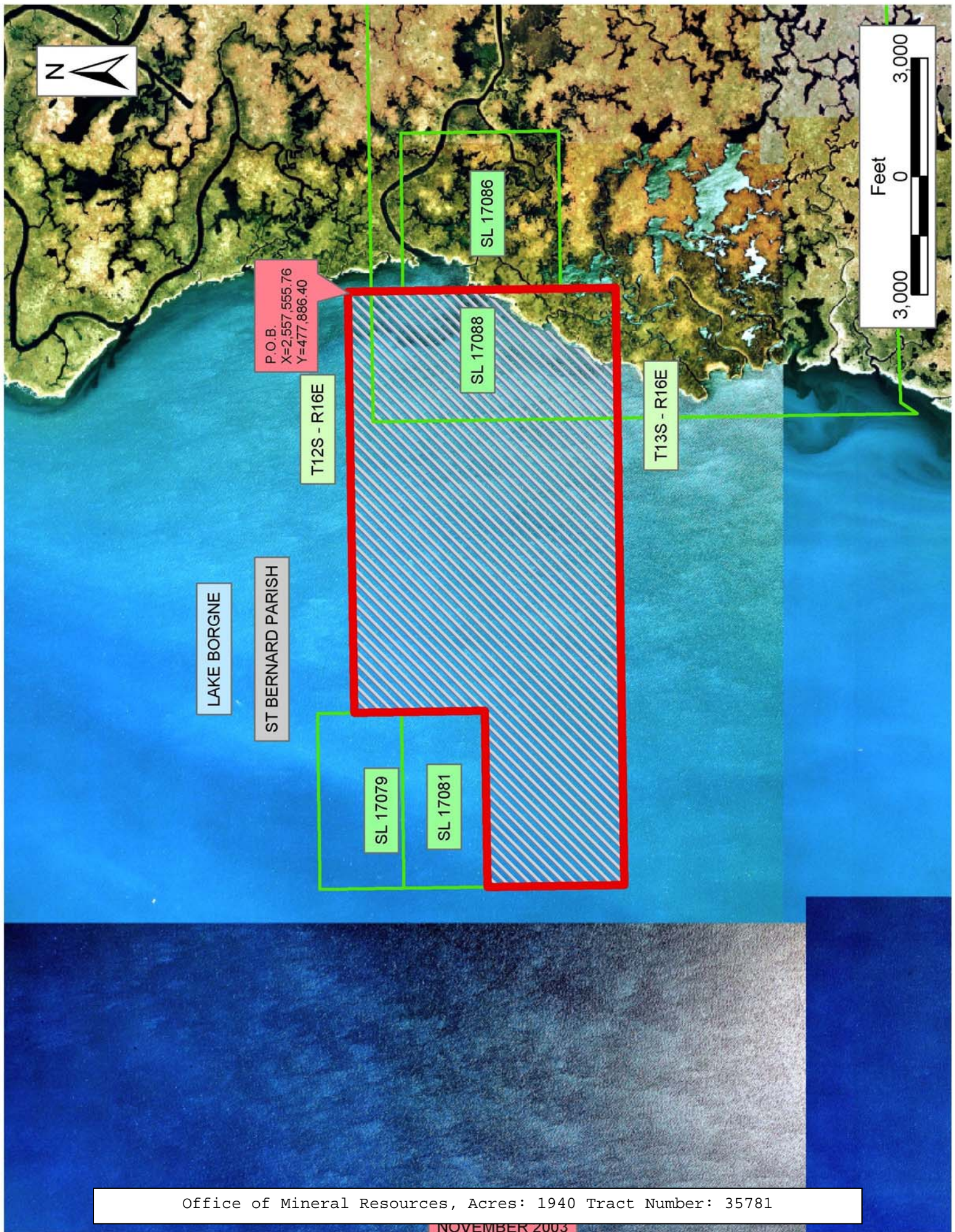
of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The 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: Acadian Land Services, L.L.C.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other



TRACT 35782 - Portion of Block 1, Chandeleur Sound Area, and Block 47, Chandeleur Sound Area Add, 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 1, Chandeleur Sound Area, having Coordinates of X = 2,630,274.00 and Y = 468,691.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 468,691.00; thence North 5,589.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 474,280.00; thence East 15,758.00 feet to a point, within Block 47, Chandeleur Sound Area Addition, Revised, having Coordinates of X = 2,630,274.00 and Y = 474,280.00; thence South 5,589.00 feet to the point of beginning, containing approximately **1,801 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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.

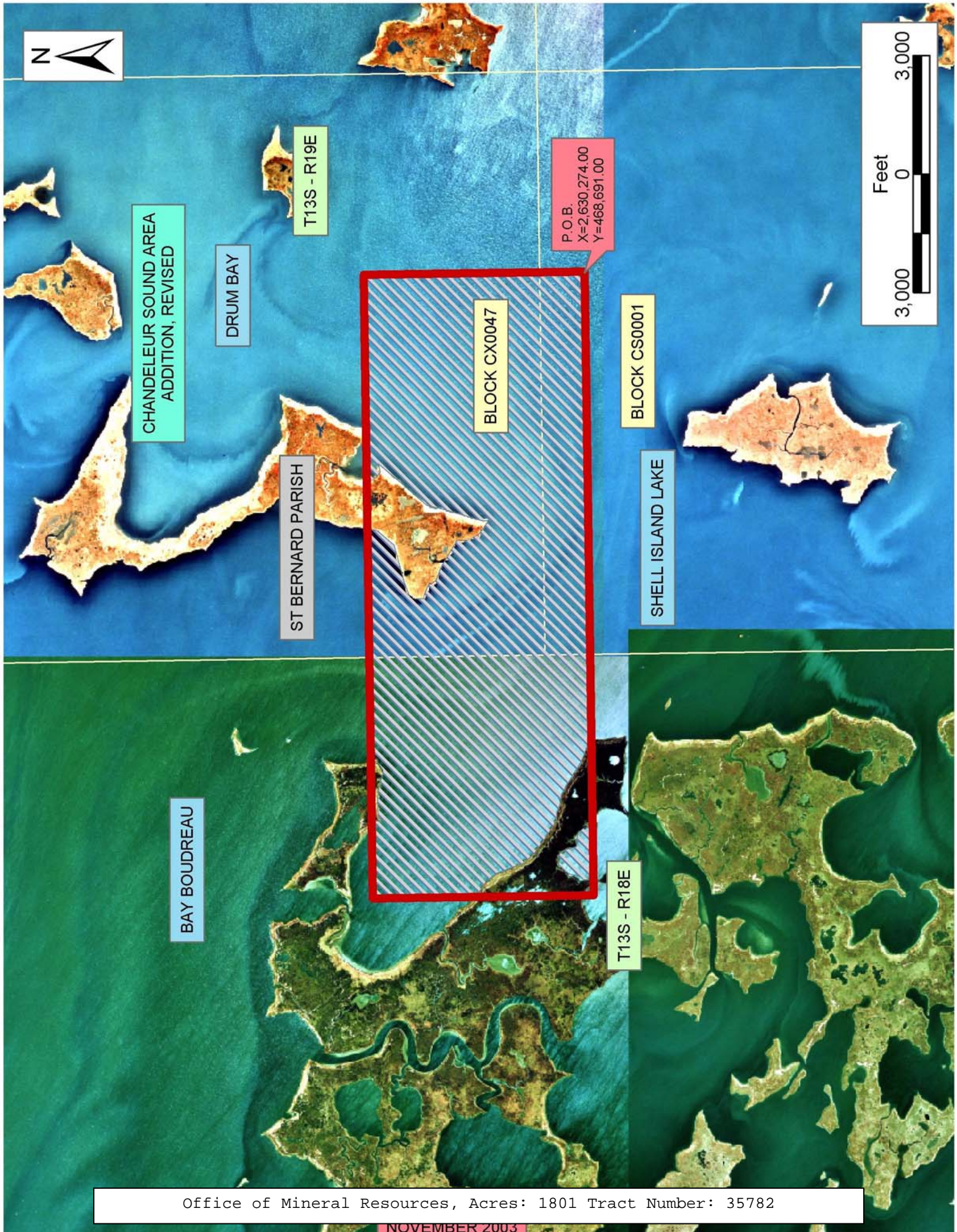
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



TRACT 35783 - 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,583,678.60 and Y = 469,476.73; thence North 89 degrees 13 minutes 50 seconds East 5,349.52 feet to a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,589,027.63 and Y = 469,548.58; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: South 01 degrees 27 minutes 49 seconds East 1,018.24 feet, South 02 degrees 18 minutes 54 seconds East 130.95 feet, South 01 degrees 25 minutes 54 seconds East 3,971.09 feet, South 89 degrees 57 minutes 01 seconds West 2,135.28 feet, South 89 degrees 58 minutes 45 seconds West 3,231.45 feet, South 01 degrees 17 minutes 45 seconds East 483.65 feet, South 01 degrees 14 minutes 39 seconds East 2,163.90 feet, South 01 degrees 14 minutes 39 seconds East 2,323.47 feet, North 89 degrees 23 minutes 58 seconds West 5,216.55 feet, and North 01 degrees 08 minutes 45 seconds West 4,661.88 feet to a point on the boundary of said Biloxi Wildlife Management Area, also being the Southeast corner of State Lease No. 17772 having Coordinates of X = 2,578,590.28 and Y = 464,172.74; thence North 00 degrees 50 minutes 30 seconds West 5,145.50 on the East line of said State Lease No. 17772 to a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,578,514.69 and Y = 469,317.68; thence North 88 degrees 14 minutes 09 seconds East 5,166.36 feet along the boundary of said Biloxi Wildlife Management Area to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **462 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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

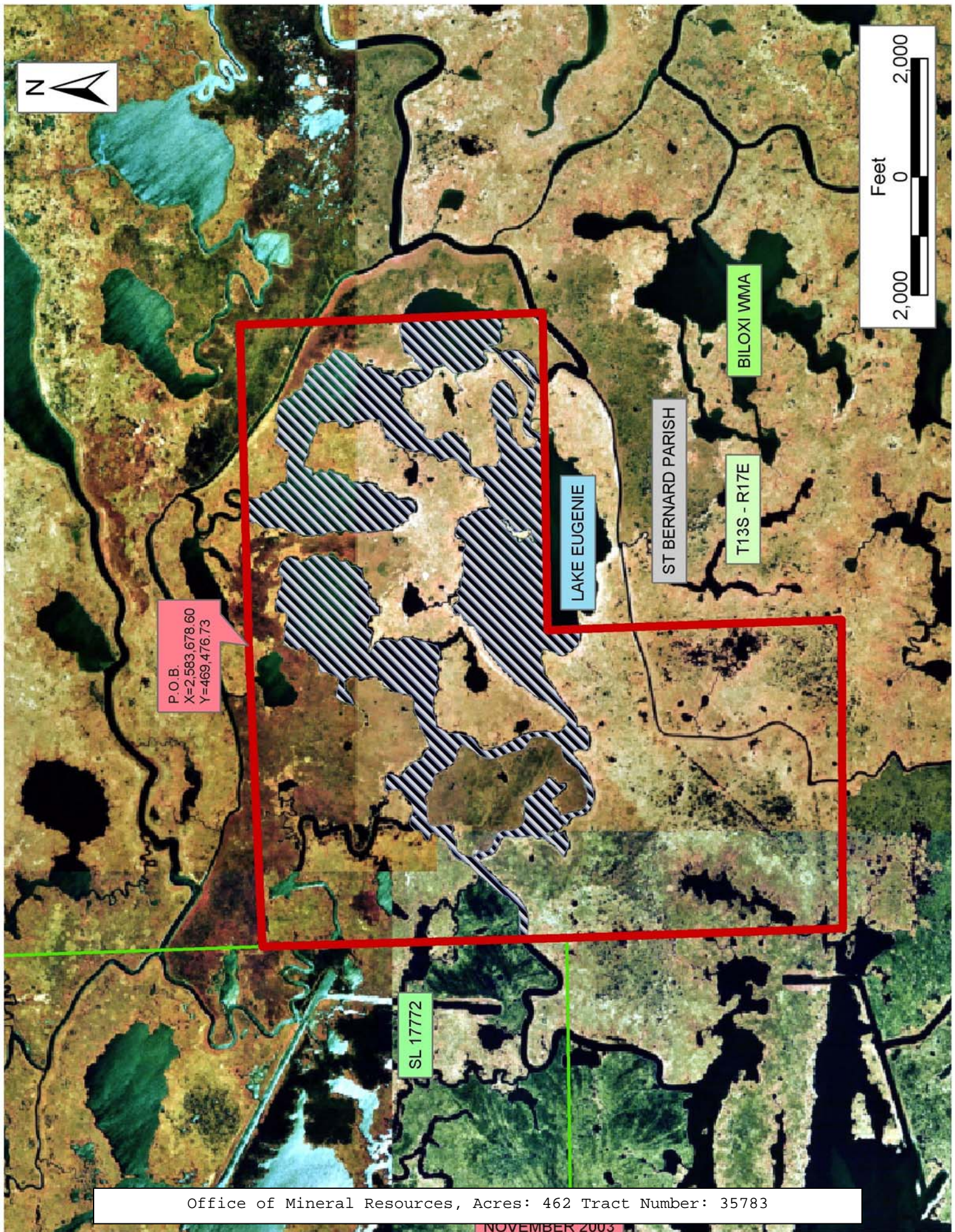
other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The 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=2,583,678.60
Y=469,476.73

LAKE EUGENIE

ST BERNARD PARISH

BILOXI WMA

T13S - R17E

SL 17772

TRACT 35784 - 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 November 12, 2003, 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 = 460,307.00; thence West 14,441.61 feet to a point on the East boundary line of the Biloxi Wildlife Management Area having Coordinates of X = 2,600,074.39 and Y = 460,307.00; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: North 02 degrees 47 minutes 17 seconds West 1,552.28 feet, North 02 degrees 47 minutes 17 seconds West 2,798.40 feet, North 01 degrees 32 minutes 12 seconds East 804.40 feet, North 01 degrees 11 minutes 32 seconds East 254.72 feet, North 01 degrees 33 minutes 49 seconds East 578.74 feet and North 01 degrees 25 minutes 01 seconds East 2,401.90 feet to a point on the East line of said Biloxi Wildlife Management Area having Coordinates of X = 2,599,964.83 and Y = 468,691.00; thence East 14,551.17 feet to a point having Coordinates of X = 2,614,516.00 and Y = 468,691.00; thence South 8,384.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **1,802 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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 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



TRACT 35785 - Portion of Block 1, Chandeleur Sound 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 1, Chandeleur Sound Area, having Coordinates of X = 2,630,274.00 and Y = 468,691.00; thence South 8,384.00 feet to a point having Coordinates of X = 2,630,274.00 and Y = 460,307.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 460,307.00; thence North 8,384.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 468,691.00; thence East 15,758.00 feet to the point of beginning, containing approximately **2,331 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

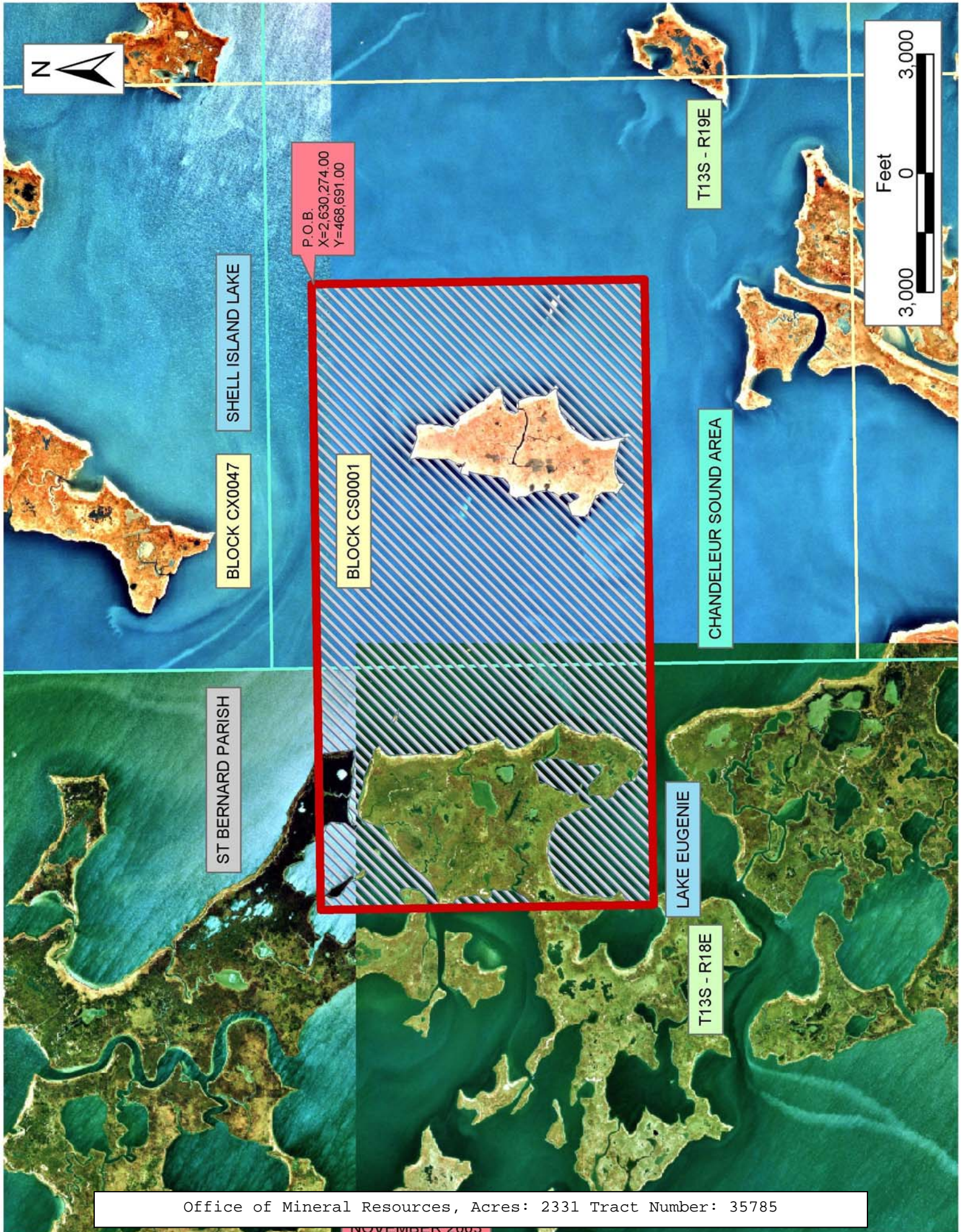
NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, 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 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



TRACT 35786 - 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 November 12, 2003, 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 = 460,307.00; thence South 8,383.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 451,924.00; thence West 14,221.10 feet to a point on the East boundary line of the Biloxi Wildlife Management Area having Coordinates of X = 2,600,294.90 and Y = 451,924.00; thence along the boundary of the said Biloxi Wildlife Management Area the following courses and distances: North 01 degrees 12 minutes 37 seconds West 2,777.54 feet, North 01 degrees 37 minutes 40 seconds West 1,065.53 feet, North 01 degrees 48 minutes 11 seconds West 847.37 feet, North 01 degrees 33 minutes 27 seconds West 1,781.93 feet, North 01 degrees 38 minutes 27 seconds West 1,829.24 feet and North 02 degrees 47 minutes 17 seconds West 84.37 feet to a point on the East line of said Biloxi Wildlife Management Area having Coordinates of X = 2,600,074.39 and Y = 460,307.00; thence East 14,441.61 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **2,005 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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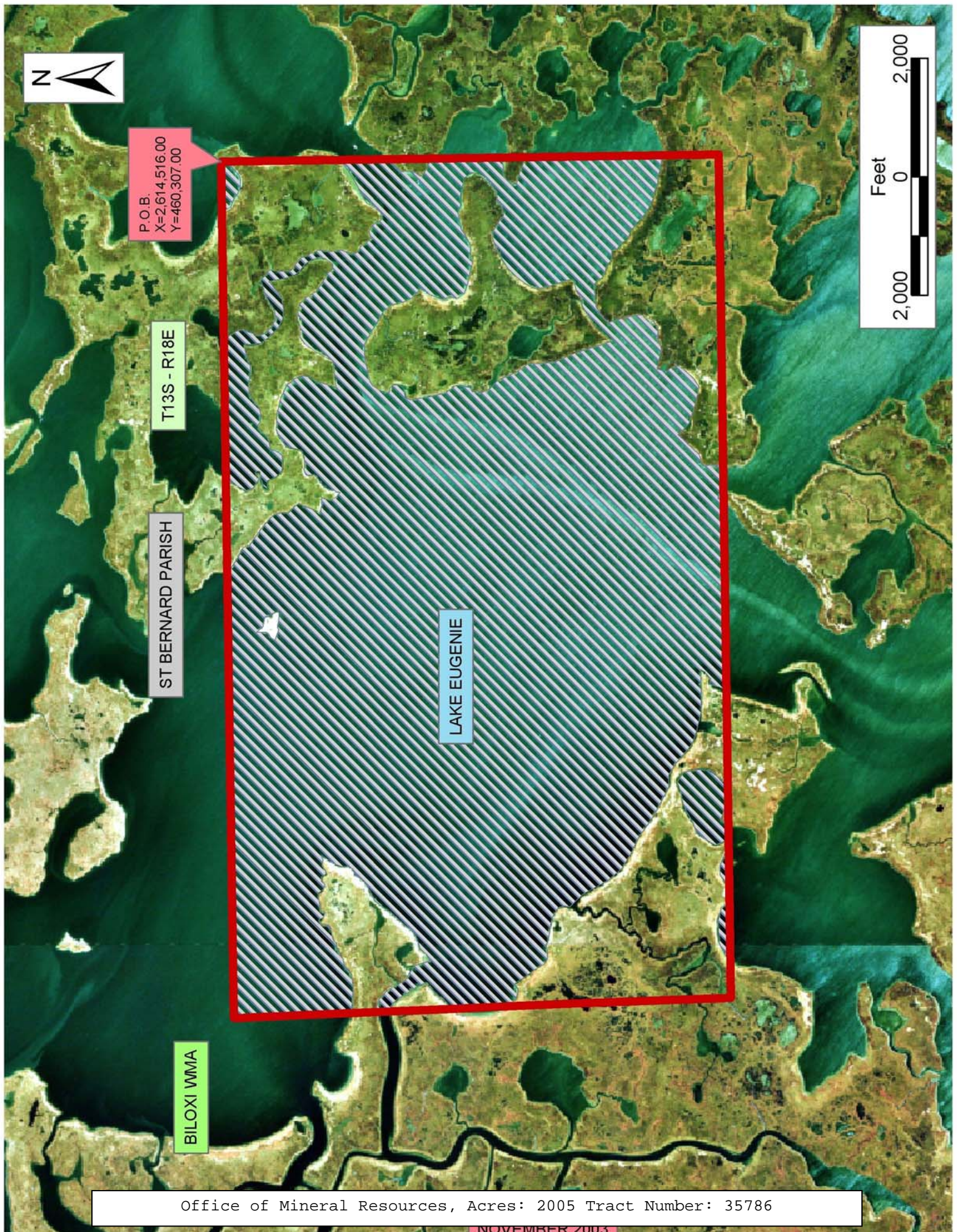
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servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization 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



TRACT 35787 - Portion of Blocks 1, and 22, Chandeleur Sound 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,630,274.00 and Y = 451,924.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 451,924.00; thence North 8,383.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 460,307.00; thence East 15,758.00 feet to a point having Coordinates of X = 2,630,274.00 and Y = 460,307.00; thence South 8,383.00 feet to the point of beginning, containing approximately **1,805 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

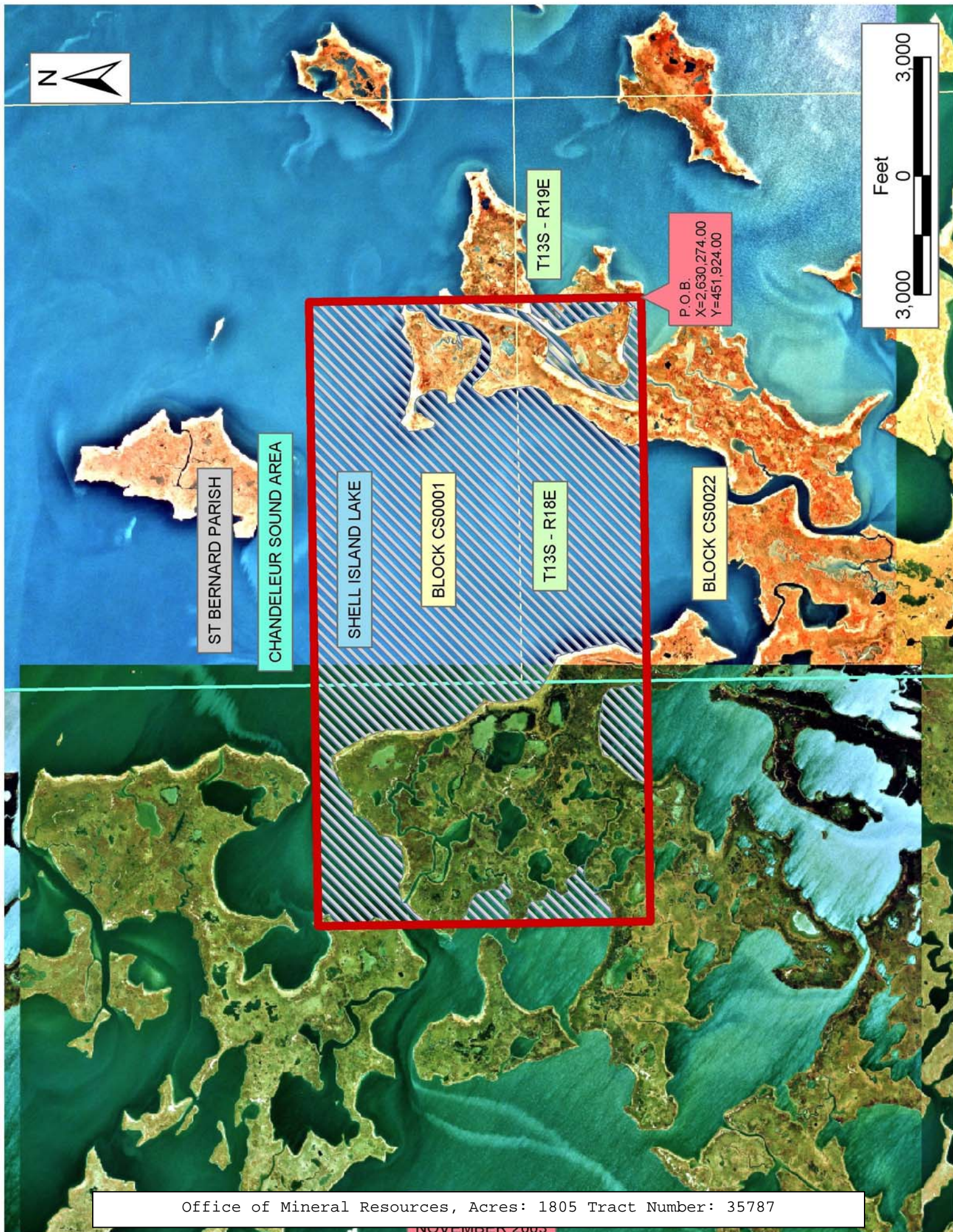
NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, 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.

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Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other



TRACT 35788 - 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 November 12, 2003, 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 = 443,540.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,598,758.00 and Y = 443,540.00; thence North 616.27 feet to a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,598,758.00 and Y = 444,156.27; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: North 88 degrees 01 minutes 42 seconds East 1,760.20 feet, North 01 degrees 52 minutes 09 seconds West 3,935.06 feet, North 01 degrees 59 minutes 37 seconds West 520.09 feet, North 01 degrees 43 minutes 13 seconds West 469.13 feet, North 01 degrees 43 minutes 35 seconds West 232.75 feet, North 00 degrees 56 minutes 46 seconds West 254.55 feet, North 01 degrees 47 minutes 33 seconds West 214.57 feet, North 01 degrees 11 minutes 32 seconds West 738.19 feet and North 01 degrees 12 minutes 37 seconds West 1,346.16 feet to a point on the East line of said Biloxi Wildlife Management Area having Coordinates of X = 2,600,294.90 and Y = 451,924.00; thence East 14,221.10 feet to a point having Coordinates of X = 2,614,516.00 and Y = 451,924.00; thence South 8,384.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **1,448 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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

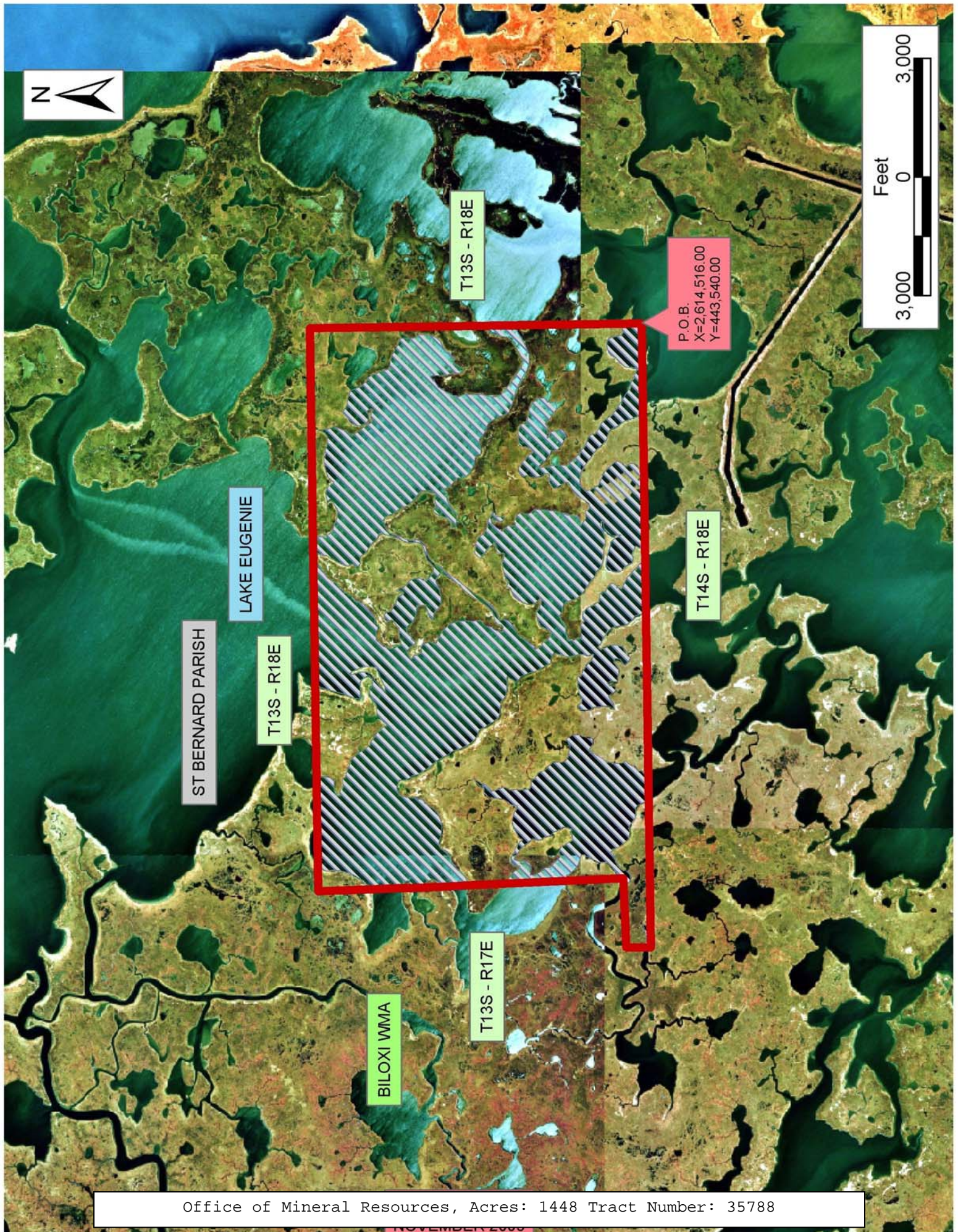
paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The 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



TRACT 35789 - Portion of Block 22, Chandeleur Sound 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 November 12, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,630,274.00 and Y = 451,924.00; thence South 8,384.00 feet to a point having Coordinates of X = 2,630,274.00 and Y = 443,540.00; thence West 15,758.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 443,540.00; thence North 8,384.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 451,924.00; thence East 15,758.00 feet to the point of beginning, containing approximately **1,216 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 Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

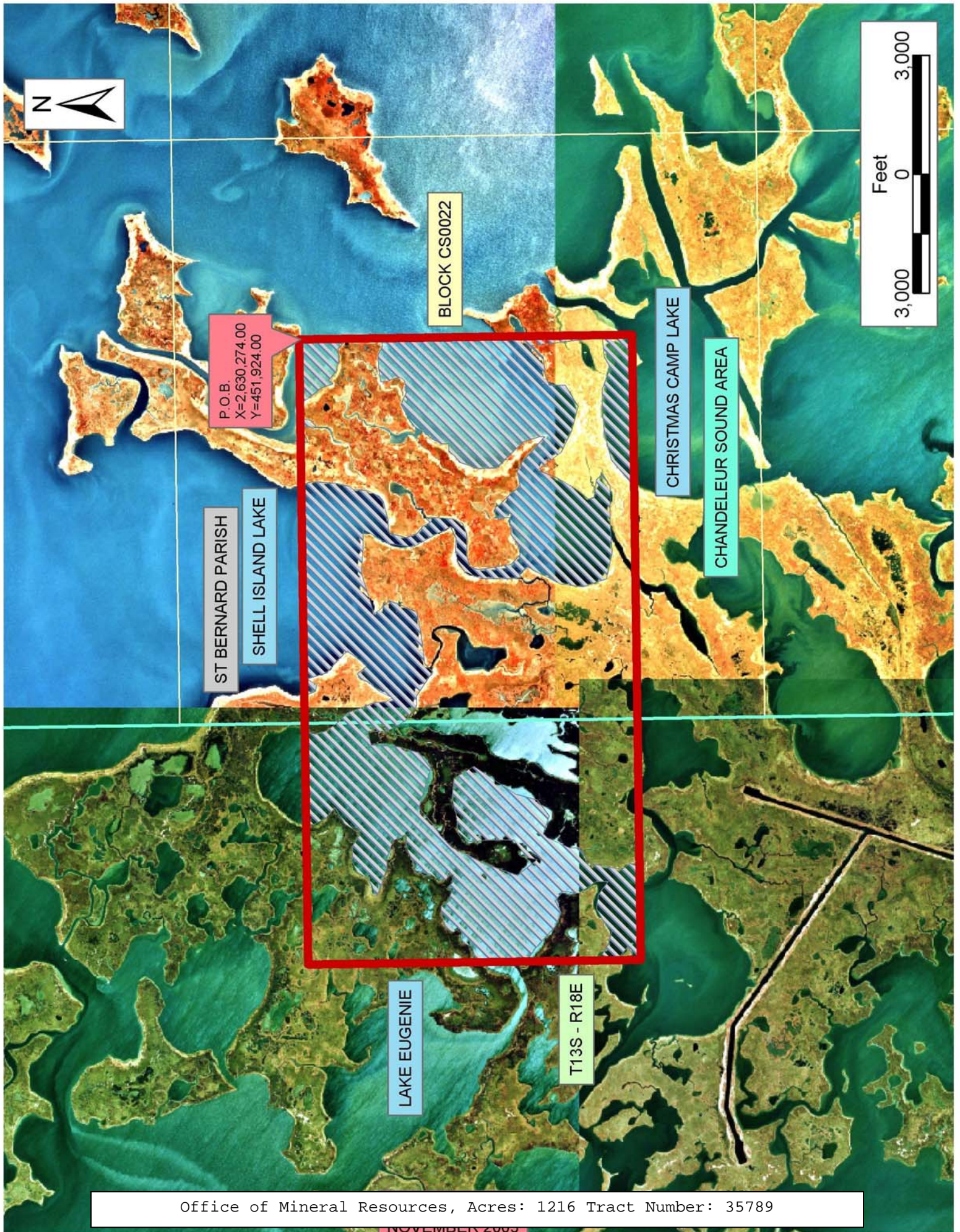
NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, 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 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=2,630,274.00
Y=451,924.00

ST BERNARD PARISH

SHELL ISLAND LAKE

BLOCK CS0022

CHRISTMAS CAMP LAKE

CHANDELEUR SOUND AREA

LAKE EUGENIE

T13S - R18E