

**TRACT 36891 - Portion of Block 51, 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 November 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southwest corner of Block 51, Chandeleur Sound Area Addition, Revised having Coordinates of X = 2,679,600.00 and Y = 469,830.00; thence North 6,375.00 feet along the West line of said Block 51 to a point having Coordinates of X = 2,679,600.00 and Y = 476,205.00; thence East 14,750.00 feet to a point on the East line of said Block 51 having Coordinates of X = 2,694,350.00 and Y = 476,205.00; thence South 6,375.00 feet along the East line of said Block 51 to its Southeast corner having Coordinates of X = 2,694,350.00 and Y = 469,830.00; thence West 14,750.00 feet along the South line of said Block 51 to the point of beginning, containing approximately **2,158.66 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%.

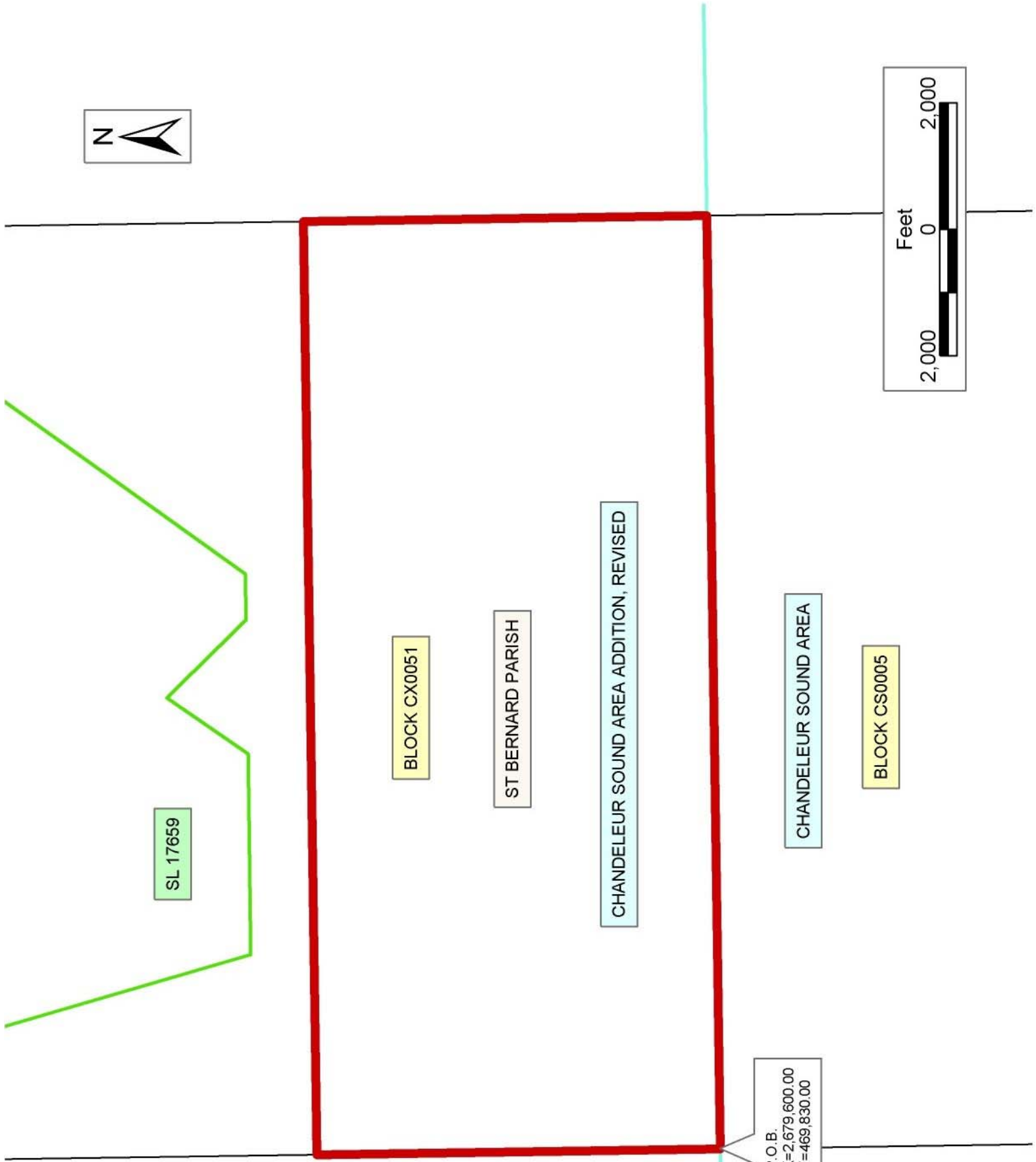
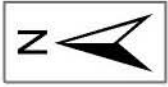
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



**TRACT 36892 - 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,547,298.00 and Y = 472,900.00; thence North 4,400.00 feet to a point having Coordinates of X = 2,547,298.00 and Y = 477,300.00; thence East approximately 10,740 feet to a point on the boundary of the Biloxi Wildlife Management Area having a Coordinate of Y = 477,300.00; thence Southerly along the boundary of said Biloxi Wildlife Management Area to a point on the North line of State Lease No. 17086, having a Coordinate of Y = 476,493.20; thence along the boundary of State Lease No. 17086 the following courses: West approximately 694 feet to its Northwest corner, having Coordinates of X = 2,557,555.76 and Y = 476,493.20, and South approximately 1,895 feet to a point on the boundary of said Biloxi Wildlife Management Area having a Coordinate of X = 2,557,555.76; thence Southwesterly along the boundary of said Biloxi Wildlife Management Area to the point of intersection with an East West line having a Coordinate of Y = 472,900.00; thence West approximately 9,343 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area and State Lease No. 17088 that may lie within the above described tract, containing approximately **1,027 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.

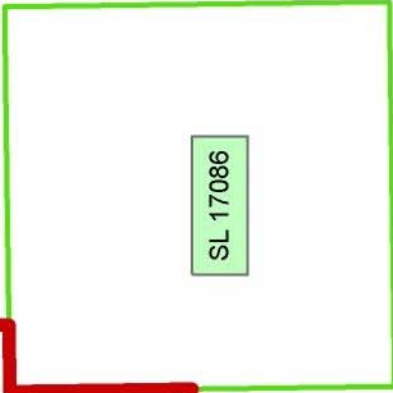
NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from 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



SL 17768



SL 17086

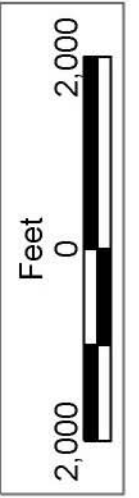
BILOXI WMA

SL 17088

ST BERNARD PARISH

LAKE BORGNE

P.O.B.  
X=2,547,298.00  
Y=472,900.00



**TRACT 36893 - 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,547,298.00 and Y = 472,900.00; thence East approximately 9,343 feet to a point on the boundary of the Biloxi Wildlife Management Area having a Coordinate of Y = 472,900.00; thence Southwesterly along the boundary of said Biloxi Wildlife Management Area to the point of intersection with an East West line having a Coordinate of Y = 468,500.00; thence West approximately 8,102 feet to a point having Coordinates of X = 2,547,298.00 and Y = 468,500.00; thence North 4,400.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area and State Lease No. 17088 that may lie within the above described tract, containing approximately **823 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 \$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

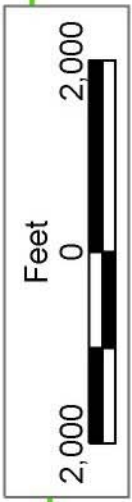




SL 17086

SL 17088

BILOXI WMA



ST BERNARD PARISH

P.O.B.  
X=2,547,298.00  
Y=472,900.00

LAKE BORGNE

**TRACT 36894 - Portion of Block 5, 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northwest corner of Block 5, Chandeleur Sound Area having Coordinates of X = 2,679,600.00 and Y = 469,830.00; thence East 14,750.00 feet along the North line of said Block 5 to its Northeast corner having Coordinates of X = 2,694,350.00 and Y = 469,830.00; thence South 7,375.00 feet along the East line of said Block 5 to a point having Coordinates of X = 2,694,350.00 and Y = 462,455.00; thence West 14,750.00 feet to a point on the West line of said Block 5 having Coordinates of X = 2,679,600.00 and Y = 462,455.00; thence North 7,375.00 feet along the West line of said Block 5 to the point of beginning, containing approximately **2,497.27 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%.

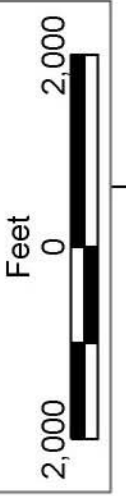
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



ST BERNARD PARISH

BLOCK CX0051

CHANDELEUR SOUND AREA ADDITION, REVISED

BLOCK CS0005

CHANDELEUR SOUND AREA

P.O.B.  
X=2,679,600.00  
Y=469,830.00

**TRACT 36895 - 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,547,298.00 and Y = 464,100.00; thence North 4,400.00 feet to a point having Coordinates of X = 2,547,298.00 and Y = 468,500.00; thence East approximately 8,102 feet to a point on the boundary of the Biloxi Wildlife Management Area having a Coordinate of Y = 468,500.00; thence Southerly along the boundary of said Biloxi Wildlife Management Area to the point of intersection with an East West line having a Coordinate of Y = 464,100.00; thence West approximately 7,689 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area and State Lease No. 17088 that may lie within the above described tract, containing approximately **815 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



BILOXI WMA

SL 17088

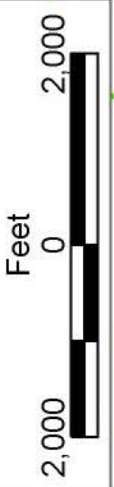
SL 18204

ST BERNARD PARISH

SL 17084

P.O.B.  
X=2,547,298.00  
Y=464,100.00

LAKE BORGNE



**TRACT 36896 - 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,547,298.00 and Y = 464,100.00; thence East approximately 7,689 feet to a point on the boundary of the Biloxi Wildlife Management Area having a Coordinate of Y = 464,100.00; thence Southwesterly along the boundary of said Biloxi Wildlife Management Area to the point of intersection with an East West line having a Coordinate of Y = 459,700.00; thence West approximately 4,566 feet to a point having Coordinates of X = 2,547,298.00 and Y = 459,700.00; thence North 1,029.99 feet to a point on the boundary of State Lease No. 17148 having Coordinates of X = 2,547,298.00 and Y = 460,729.99; thence along the boundary of said State Lease No. 17148 the following courses: South 47 degrees 07 minutes 16 seconds East 1,327.77 feet, East 2,100.00 feet, North 2,100.00 feet, and West 522.76 feet to the Southeast corner of State Lease No. 17084 having Coordinates of X = 2,549,848.22 and Y = 461,926.51; thence along the boundary of said State Lease No. 17084 the following courses: North 1,888.57 feet and West 2,550.22 feet to a point having Coordinates of X = 2,547,298.00 and Y = 463,815.08; thence North 284.92 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area and State Lease No. 17088 and State Lease No. 18204 that may lie within the above described tract, containing approximately **387 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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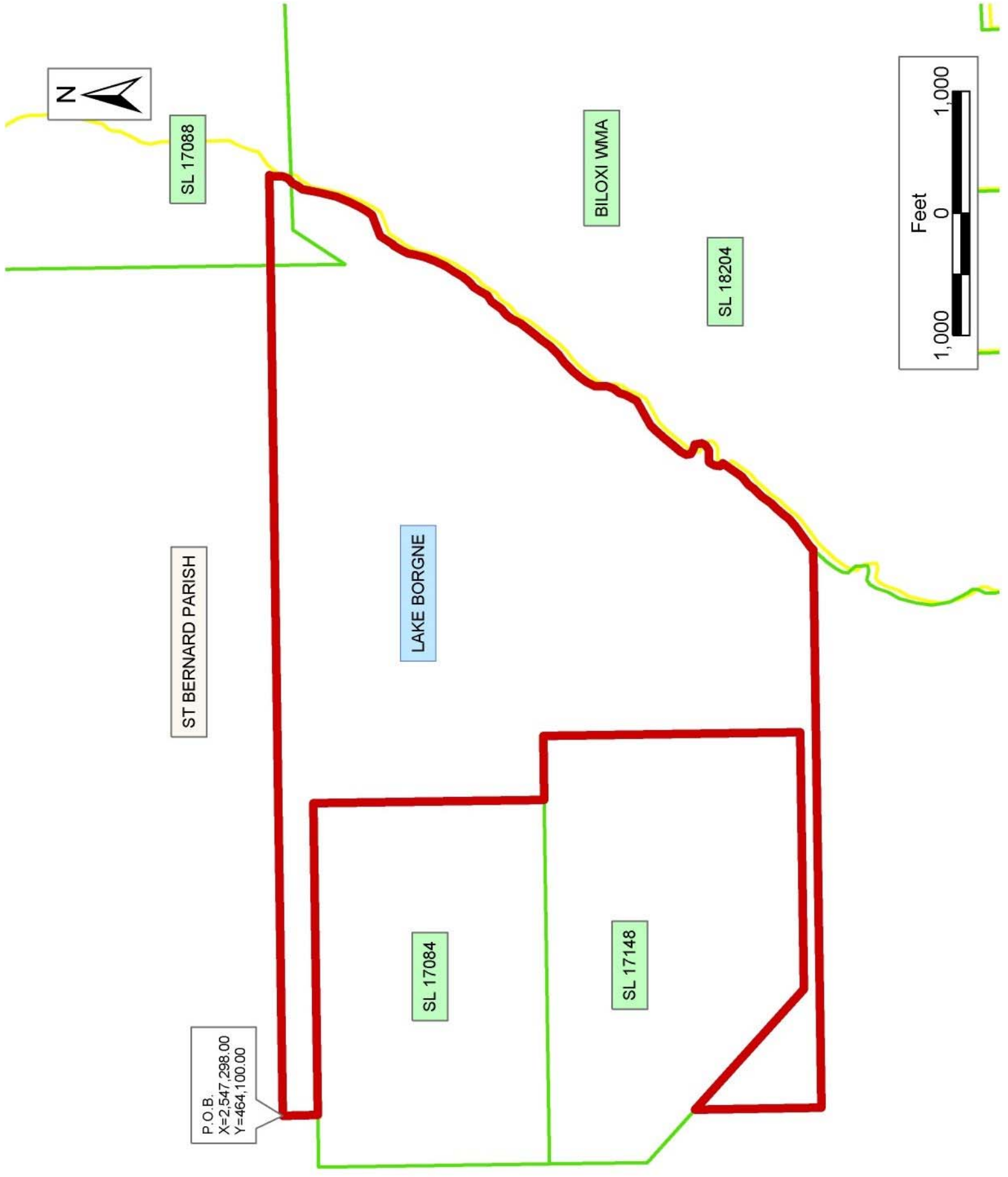
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NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries 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



SL 17088

BILOXI WMA

SL 18204

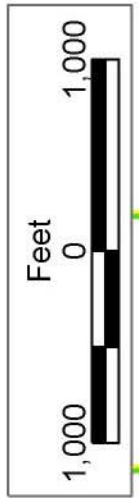
ST BERNARD PARISH

LAKE BORGNE

SL 17084

SL 17148

P.O.B.  
X=2,547,298.00  
Y=464,100.00



**TRACT 36897 - Portion of Block 5, 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southwest corner of Block 5, Chandeleur Sound Area having Coordinates of X = 2,679,600.00 and Y = 455,080.00; thence North 7,375.00 feet along the West line of said Block 5 to a point having Coordinates of X = 2,679,600.00 and Y = 462,455.00; thence East 14,750.00 feet to a point on the East line of said Block 5 having Coordinates of X = 2,694,350.00 and Y = 462,455.00; thence South 7,375.00 feet along the East line of said Block 5 to its Southeast corner having Coordinates of X = 2,694,350.00 and Y = 455,080.00; thence West 14,750.00 feet along the South line of said Block 5 to the point of beginning, containing approximately **2,497.27 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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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



ST BERNARD PARISH

CHANDELEUR SOUND AREA

BLOCK CS0005

BLOCK CS0018

P.O.B.  
X=2,679,600.00  
Y=455,080.00



**TRACT 36898 - 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,547,298.00 and Y = 451,708.00; thence North 7,992.00 feet to a point having Coordinates of X = 2,547,298.00 and Y = 459,700.00; thence East approximately 4,566 feet to a point on the boundary of the Biloxi Wildlife Management Area having a Coordinate of Y = 459,700.00; thence Southerly along the boundary of said Biloxi Wildlife Management Area to the Northwest corner of State Lease No. 18184 having Coordinates of X = 2,551,918.30 and Y = 453,407.33; thence South 03 degrees 56 minutes 56 seconds East 1,703.37 feet on the Western boundary of said State Lease No. 18184 to a point having Coordinates of X = 2,552,035.61 and Y = 451,708.00; thence West 4,737.61 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area and State Lease No. 18184 and State Lease No. 18204 that may lie within the above described tract, containing approximately **812 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



BILOXI WMA

SL 18204

SL 18184

SL 17148

ST BERNARD PARISH

LAKE BORGNE

P.O.B.  
X=2,547,298.00  
Y=451,708.00





**TRACT 36899 - Portion of Block 18, 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northwest corner of Block 18, Chandeleur Sound Area having Coordinates of X = 2,679,600.00 and Y = 455,080.00; thence East 14,750.00 feet along the North line of said Block 18 to its Northeast corner having Coordinates of X = 2,694,350.00 and Y = 455,080.00; thence South 7,375.00 feet along the East line of said Block 18 to a point having Coordinates of X = 2,694,350.00 and Y = 447,705.00; thence West 14,750.00 feet to a point on the West line of said Block 18 having Coordinates of X = 2,679,600.00 and Y = 447,705.00; thence North 7,375.00 feet along the West line of said Block 18 to the point of beginning, containing approximately **2,497.27 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



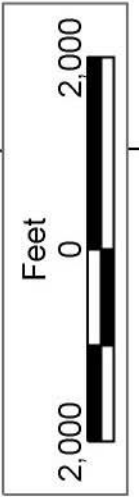
ST BERNARD PARISH

BLOCK CS0005

BLOCK CS0018

CHANDELEUR SOUND AREA

P.O.B.  
X=2,679,600.00  
Y=455,080.00



**TRACT 36900 - 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 10, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,547,298.00 and Y = 451,708.00; thence East 4,737.61 feet to a point on the Western boundary of State Lease No. 18184 having Coordinates of X = 2,552,035.61 and Y = 451,708.00; thence along the boundary of said State Lease No. 18184 the following courses: South 03 degrees 56 minutes 56 seconds East 789.88 feet, South 14 degrees 54 minutes 53 seconds East 1,107.31 feet, South 11 degrees 39 minutes 11 seconds West 1,968.32 feet, and North 88 degrees 08 minutes 29 seconds East 266.29 feet to a point having Coordinates of X = 2,552,243.58 and Y = 447,930.89; thence South 3,175.89 feet to a point having Coordinates of X = 2,552,243.58 and Y = 444,755.00; thence West 2,085.58 feet to a point having Coordinates of X = 2,550,158.00 and Y = 444,755.00; thence South 67 degrees 50 minutes 17 seconds West 3,088.15 feet to a point having Coordinates of X = 2,547,298.00 and Y = 443,590.08; thence North 8,117.92 feet to the point of beginning, **LESS AND EXCEPT** that portion, if any, of State Lease No. 18184 that may lie within the above described tract, containing approximately **821 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%.

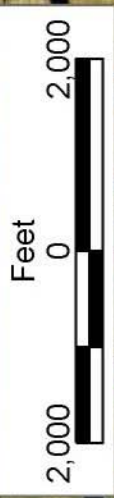
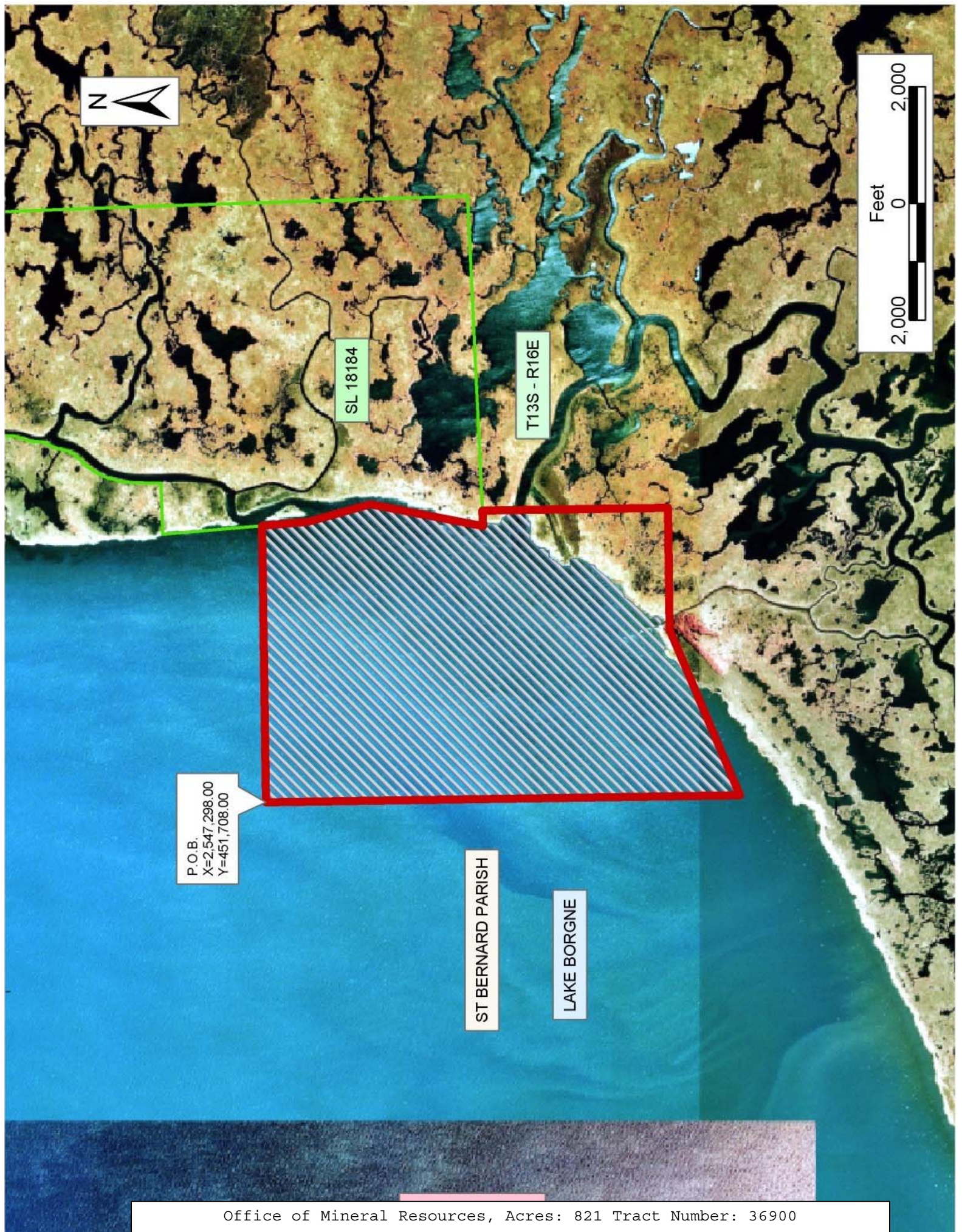
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a

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



SL 18184

T13S - R16E

P.O.I.  
X=2,547,298.00  
Y=451,708.00

ST BERNARD PARISH

LAKE BORGNE