## TRACT 40435 - Portion of Block 5, Bay Marchand Area, Lafourche Parish, Louisiana

The beds and bottoms of all water bodies belonging to the State of Louisiana located in Block 5, Bay Marchand Area, together with any present lands formed by accretion to the shoreline or islands formed therein, located in Lafourche Parish, Louisiana, owned by and not presently under mineral lease as of November 12, 2008, from the State of Louisiana, the geographical area of which is more fully described as follows: Beginning the Southeast corner of State Lease No. 192, Lafourche Parish, Louisiana, having Coordinates of X = 2,342,204.87 and Y = 147,931.45; thence North 21 degrees 37 minutes 47 seconds West 3,397.37 feet along the East boundary of said State Lease No. 192, to a point on the Louisiana Coastline, as decreed by the Supreme Court of the United States, determined by a Special Master appointed therein, in litigation styled United States v. State of Louisiana et al No. 9 Original, in 1975, having Coordinates of X = 2,340,952.57 and Y = 151,089.60; thence along said Louisiana Coastline the following courses: Northeasterly on a straight line to a point having Coordinates of X = 2,342,108 and Y = 151,526, Northeasterly on a straight line to a point having Coordinates of X = 2,346,730.44 and Y = 153,160.66; thence South 22 degrees 32 minutes 53 seconds East 271.76 feet to a point on the West boundary of State Lease No. 6748, as amended, having Coordinates of X = 2,346,834.65 and Y =152,909.67; thence South 22 degrees 32 minutes 13 seconds East 34.13 feet to its most Southwesterly corner, also being the most Northwesterly corner State Lease No. 6430, as amended, having Coordinates of 2,346,847.70 and Y = 152,878.15; thence South 22 degrees 32 minutes 06 seconds East 3,153.18 feet along the West boundary of said State Lease No. 6430, as amended, having Coordinates of X = 2,348,056.18 and Y =149,965.73; thence South 4,227.20 feet to the Southwest corner of said State Lease No. 6430, as amended, having Coordinates of X = 2,348,056.18and Y = 145,738.53; thence South 2,152.53 feet to a point within Block 5, Bay Marchand Area, having Coordinates of X = 2,348,056.18 and Y =143,586.00; Thence West 4,128.21 feet to a point on the West boundary of Block 5, Bay Marchand Area, having Coordinates of X = 2,343,927.97 and Y =143,586.00; Thence North 21 degrees 37 minutes 47 seconds West 4,674.61 feet along the West boundary of Block 5 Bay Marchand Area, to the point of beginning, containing approximately 1,120.64 acres, all 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).

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: It appears, according to our records, that a portion of this Tract is located within the restrictive safety fairway area as set out by the Corps of Engineers, U.S. Army and/or the restrictive anchorage area as set out by the U.S. Coast Guard.

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: AUDUBON OIL AND GAS CORPORATION

Bidder	Cash	Price/	Rental	Oil	Gas	Other
	Payment	Acre				

