

TRACT 34001 - PORTION OF BLOCK 7, SOUTH TIMBALIER AREA, REVISED, Terrebonne Parish, Louisiana

That portion of Block 7, South Timbalier Area, Revised, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on December 12, 2001, described as follows: Beginning at a point at the Southwest corner of Block 7, South Timbalier Area, Revised, having Coordinates of X = 2,186,463.11 and Y = 128,484.76; thence North 00 degrees 17 minutes 31 seconds West along the West line of said Block 7 a distance of 6,980.55 feet to a point having Coordinates of X = 2,186,427.56 and Y = 135,465.22; thence East a distance of 15,618.46 feet to a point on the East line of said Block 7 having Coordinates of X = 2,202,046.02 and Y = 135,465.22; thence South along said East line a distance of 6,980.46 feet to a point on the Southeast corner of Block 7 having Coordinates of X = 2,202,046.02 and Y = 128,484.76; thence West along the South line of said Block 7 a distance of 15,582.91 feet to the point of beginning, containing approximately **2,500.00 acres**, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract 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 or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract 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 existing of 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 Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

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: 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: G.K. Grady

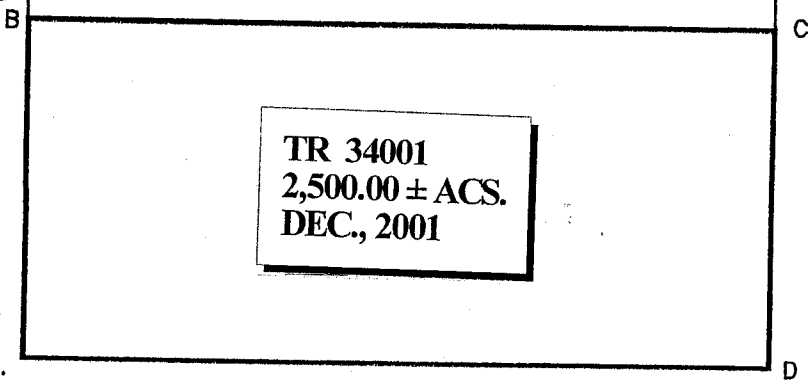
Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

COASTLINE AS USED TO SET
THE THREE MILE LINE IN THE JUNE,
1975, SUPREME COURT DECREE.

LOUISIANA COORDINATE SYSTEM
(1927 SOUTH ZONE)



SOUTH TIMBALIER AREA
BLOCK 7



TR 34001
2,500.00 ± ACS.
DEC., 2001

P.O.B.
A

COURSES:

A-B	N00°17'31"W	6980.55'
B-C	EAST	15618.46'
C-D	SOUTH	6980.46'
D-A	WEST	15582.91'

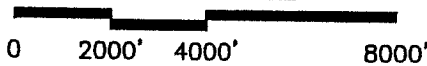
NAD 27

A	X=2186463.11	Y=128484.76
B	X=2186427.56	Y=135465.22
C	X=2202046.02	Y=135465.22
D	X=2202046.02	Y=128484.76

NAD 83

A	X=3467262.61	Y=189190.93
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GRAPHIC SCALE



NOTE: UNLESS OTHERWISE NOTED
COORDINATES ARE BASED ON NAD27.

NOTE:
NAD83 COORDINATES WERE CONVERTED
TO/FROM NAD27 COORDINATES USING THE
CORPSCON SOFTWARE FROM THE U.S.
ARMY TOPOGRAPHIC ENGINEERING CENTER.

2500.00 ACRES; AREA OF INTEREST

BLOCK 7, SOUTH TIMBALIER AREA
GULF OF MEXICO
TERREBONNE PARISH, LOUISIANA

SCALE: 1"=4000'

TRACT 34002 - PORTION OF BLOCK 1, SOUTH PELTO AREA, Terrebonne Parish, Louisiana

That portion of Block 1, South Pelto Area, Terrebonne Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on December 12, 2001, described as follows: Beginning at a point at the Northeast corner of Block 1, South Pelto Area, having Coordinates of X = 2,202,046.02 and Y = 128,484.76; thence South a distance of 1,300.73 feet to a point having Coordinates of X = 2,202,046.02 and Y = 127,184.03; thence West a distance of 11,024.84 feet to a point having Coordinates of X = 2,191,021.18 and Y = 127,184.03; thence North 18 degrees 45 minutes 53 seconds East a distance of 1,373.74 feet to a point having Coordinates of X = 2,191,463.09 and Y = 128,484.76; thence East along the North line of said Block 1 a distance of 10,582.93 feet to the point of beginning, containing approximately **322.61 acres**, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

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Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

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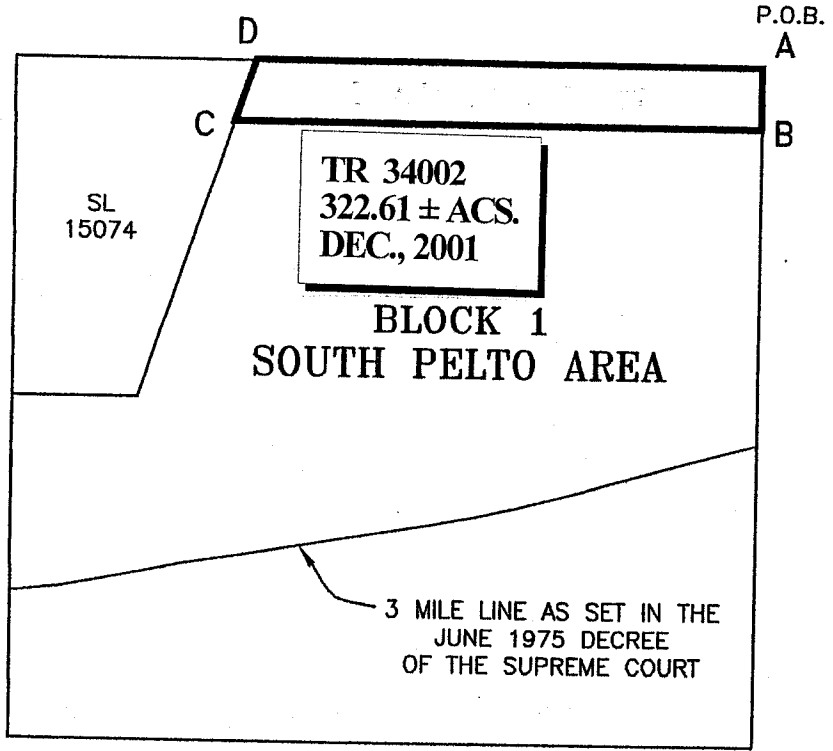
rents and royalties.

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Applicant: G.K. Grady

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

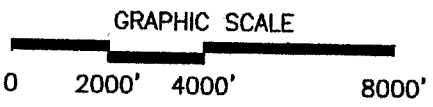
LOUISIANA COORDINATE SYSTEM
(1927 SOUTH ZONE)



- NAD 83
- A- X=3482845.46
- Y= 189190.75
- NAD 27
- A- X=2202046.02
- Y= 128484.76
- B- X=2202046.02
- Y= 127184.03
- C- X=2191021.18
- Y= 127184.03
- D- X=2191463.09
- Y= 128484.76

COURSES

- A-B: SOUTH 1300.73'
- B-C: WEST 11024.84'
- C-D: N18°45'53"E 1373.74'
- D-A: EAST 10582.93'



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COORDINATES ARE BASED ON NAD27.

NOTE:
NAD83 COORDINATES WERE CONVERTED
TO/FROM NAD27 COORDINATES USING THE
CORPSON SOFTWARE FROM THE U.S.
ARMY TOPOGRAPHIC ENGINEERING CENTER.

322.61 ACRES; AREA OF INTEREST
 AND WIRELESS OIL & GAS LEASE
 BLOCK 1, SOUTH PELTO AREA
 GULF OF MEXICO
 TERREBONNE PARISH, LOUISIANA

SCALE: 1" = 4000'