

TRACT 35883 - Portion of Blocks 45, and 46, 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 December 10, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 46, Chandeleur Sound Area, Addition, Revised, having Coordinates of X = 2,630,274.00 and Y = 491,047.00; thence East 17,781.00 feet to a point within Block 45, having Coordinates of X = 2,648,055.00 and Y = 491,047.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,648,055.00 and Y = 485,458.00; thence West 17,781.00 feet to a point within said Block 46, having Coordinates of X = 2,630,274.00 and Y = 485,458.00; thence North 5,589.00 feet to the point of beginning, containing approximately **2,118 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%.

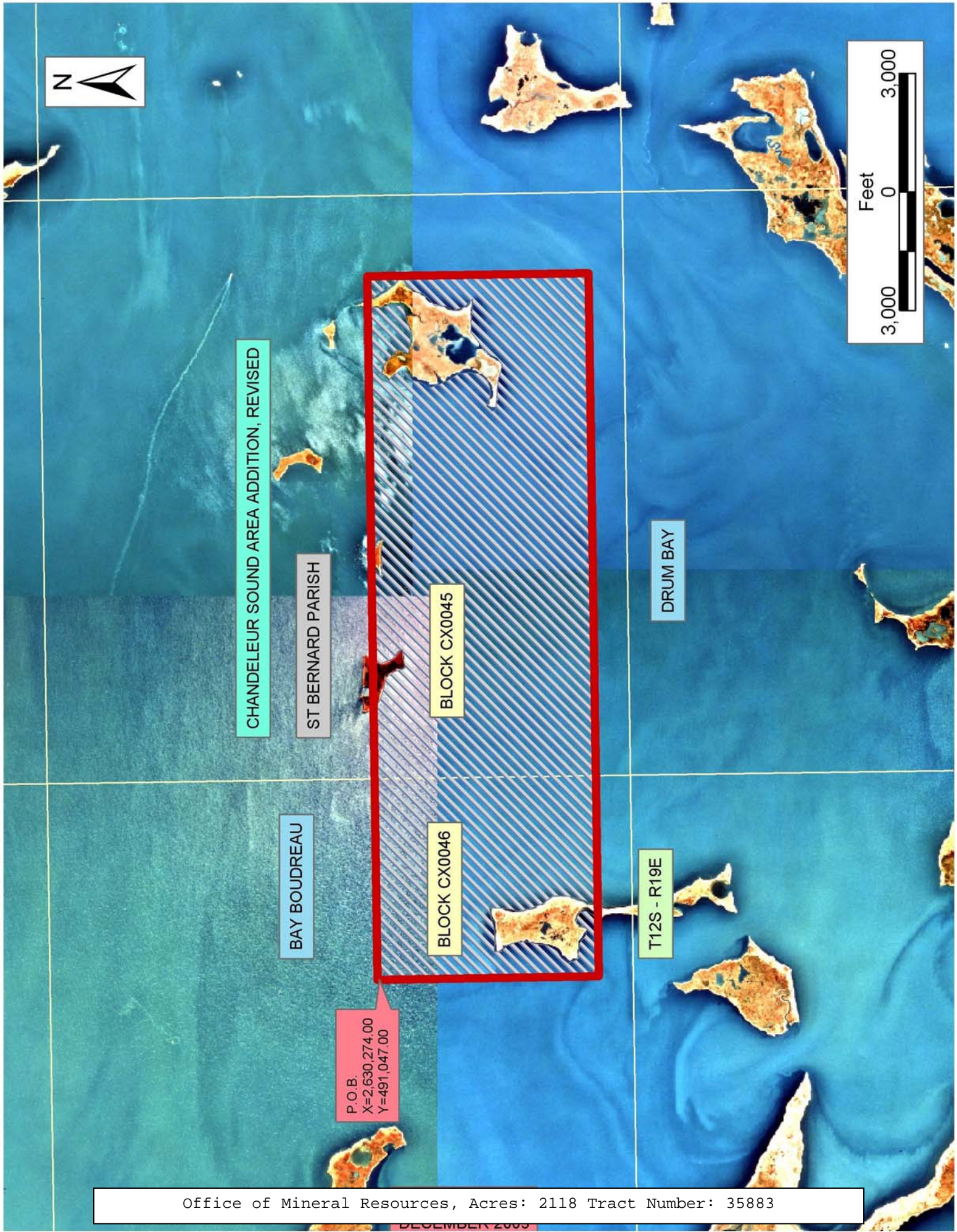
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing 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 35884 - Portion of Blocks 45, 46, 47, and 48, 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 December 10, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within said Block 47, Chandeleur Sound Area Addition, Revised, having Coordinates of X = 2,630,274.00 and Y = 479,869.00; thence North 5,589.00 feet to a point within Block 46, having Coordinates of X = 2,630,274.00 and Y = 485,458.00; thence East 17,781.00 feet to a point within Block 45, having Coordinates of X = 2,648,055.00 and Y = 485,458.00; thence South 5,589.00 feet to a point within Block 48, having Coordinates of X = 2,648,055.00 and Y = 479,869.00; thence West 17,781.00 feet to the point of beginning, containing approximately **2,222 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%.

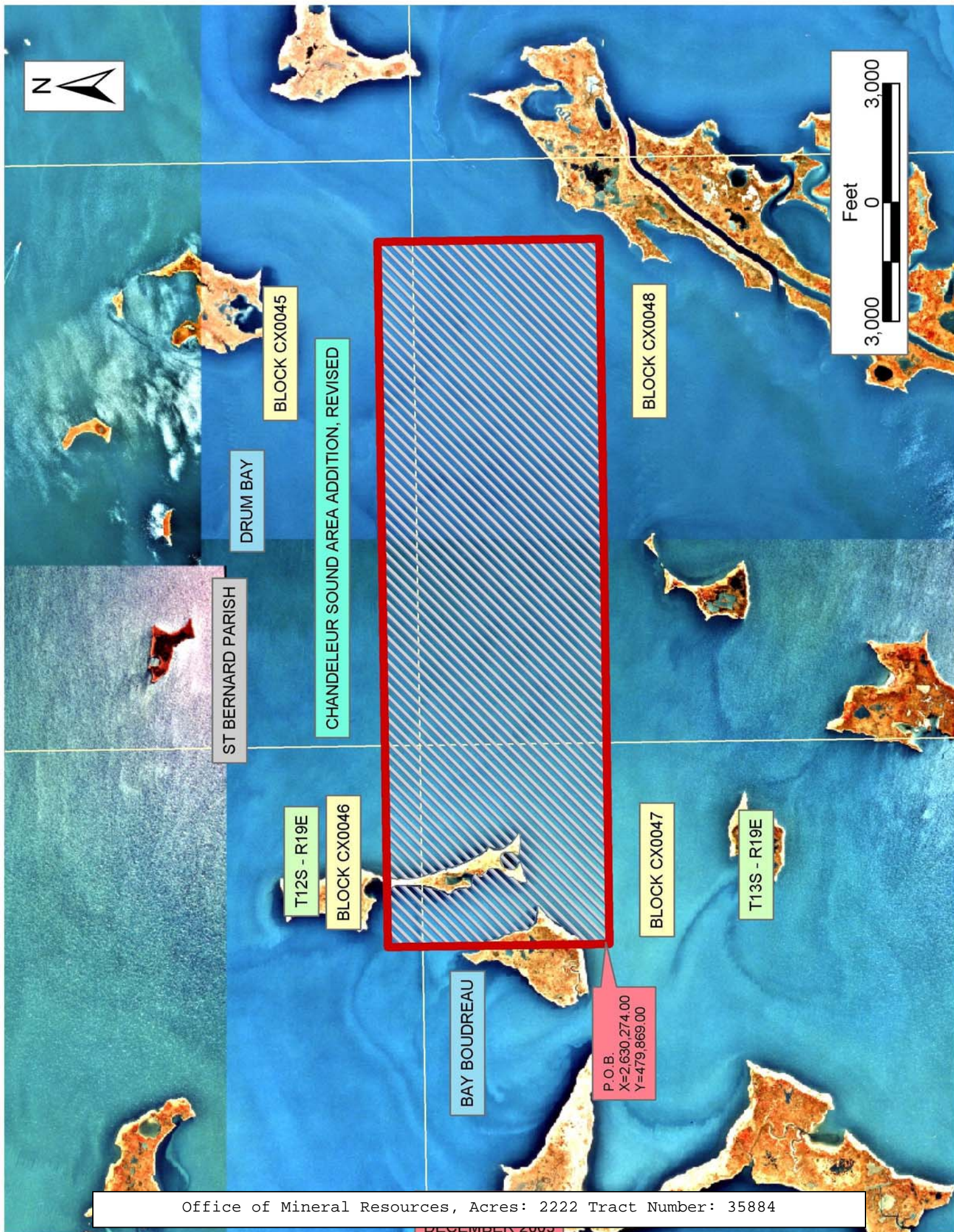
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



TRACT 35885 - Portion of Blocks 47, and 48, 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 December 10, 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 East 17,781.00 feet to a point within Block 48, having Coordinates of X = 2,648,055.00 and Y = 479,869.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,648,055.00 and Y = 474,280.00; thence West 17,781.00 feet to a point within said Block 47, having Coordinates of X = 2,630,274.00 and Y = 474,280.00; thence North 5,589.00 feet to the point of beginning, containing approximately **2,115 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%.

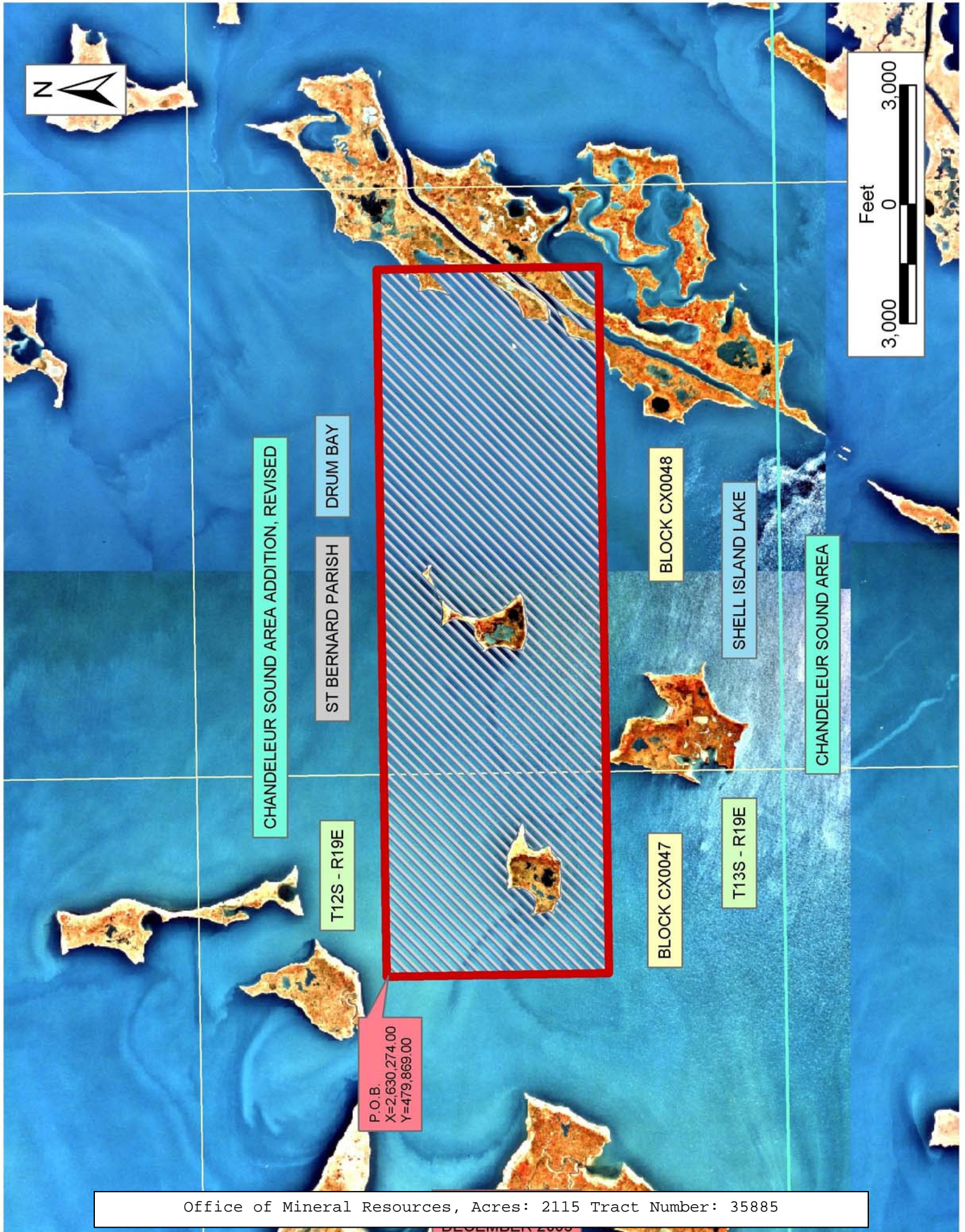
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



P.O.B.
X=2,630,274.00
Y=479,869.00

TRACT 35886 - Portion of Blocks 1 and 2, Chandeleur Sound Area and Blocks 47 and 48, 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 December 10, 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 North 5,589.00 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 East 17,781.00 feet to a point within Block 48, having Coordinates of X = 2,648,055.00 and Y = 474,280.00; thence South 5,589.00 feet to a point within Block 2, Chandeleur Sound Area, having Coordinates of X = 2,648,055.00 and Y = 468,691.00; thence West 17,781.00 feet to the point of beginning, containing approximately **1,942 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%.

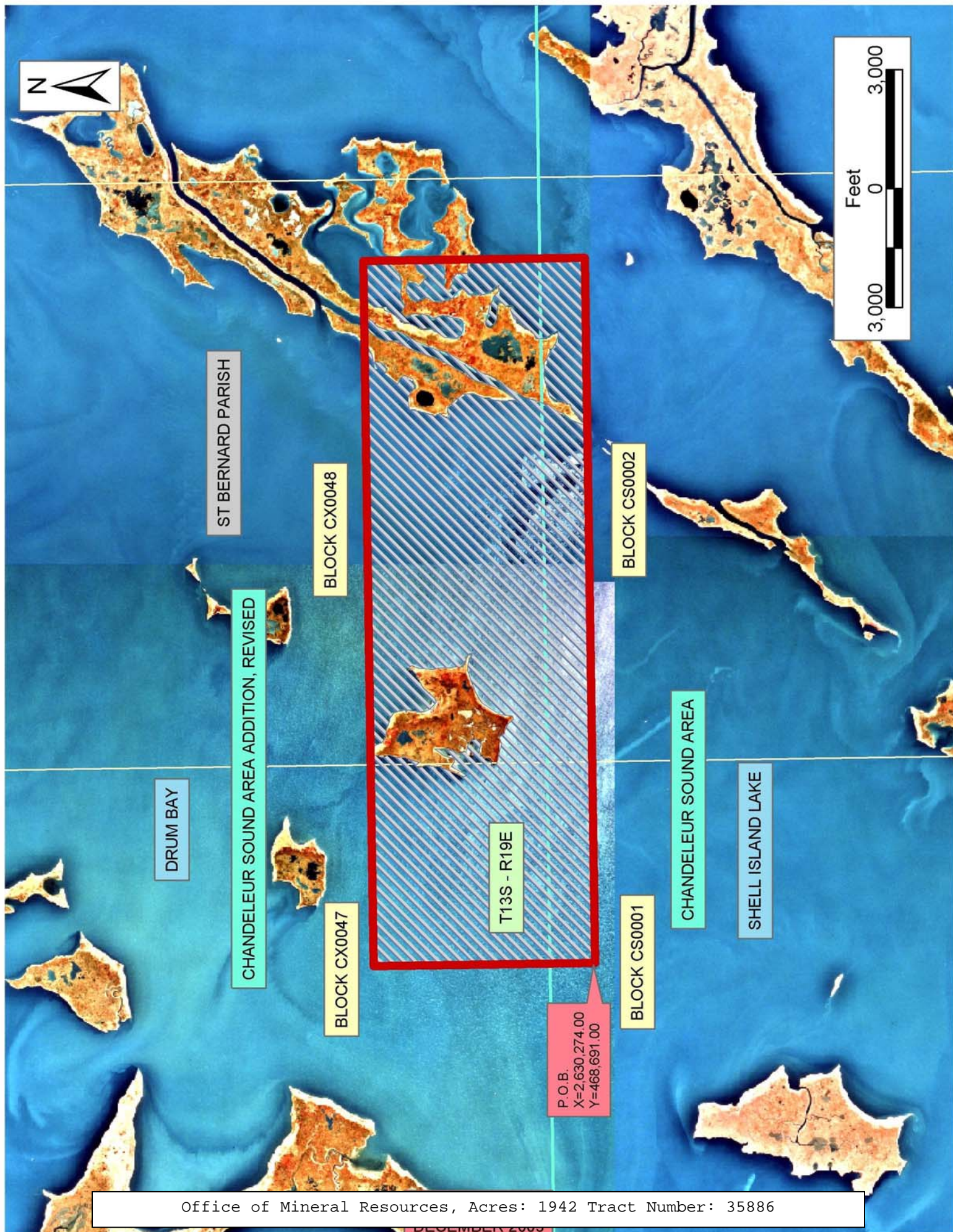
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



TRACT 35887 - Portion of Blocks 1, and 2, 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 December 10, 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 East 17,781.00 feet to a point within Block 2, having Coordinates of X = 2,648,055.00 and Y = 468,691.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,648,055.00 and Y = 463,102.00; thence West 17,781.00 feet to a point within said Block 1, having Coordinates of X = 2,630,274.00 and Y = 463,102.00; thence North 5,589.00 feet to the point of beginning, containing approximately **2,212 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%.

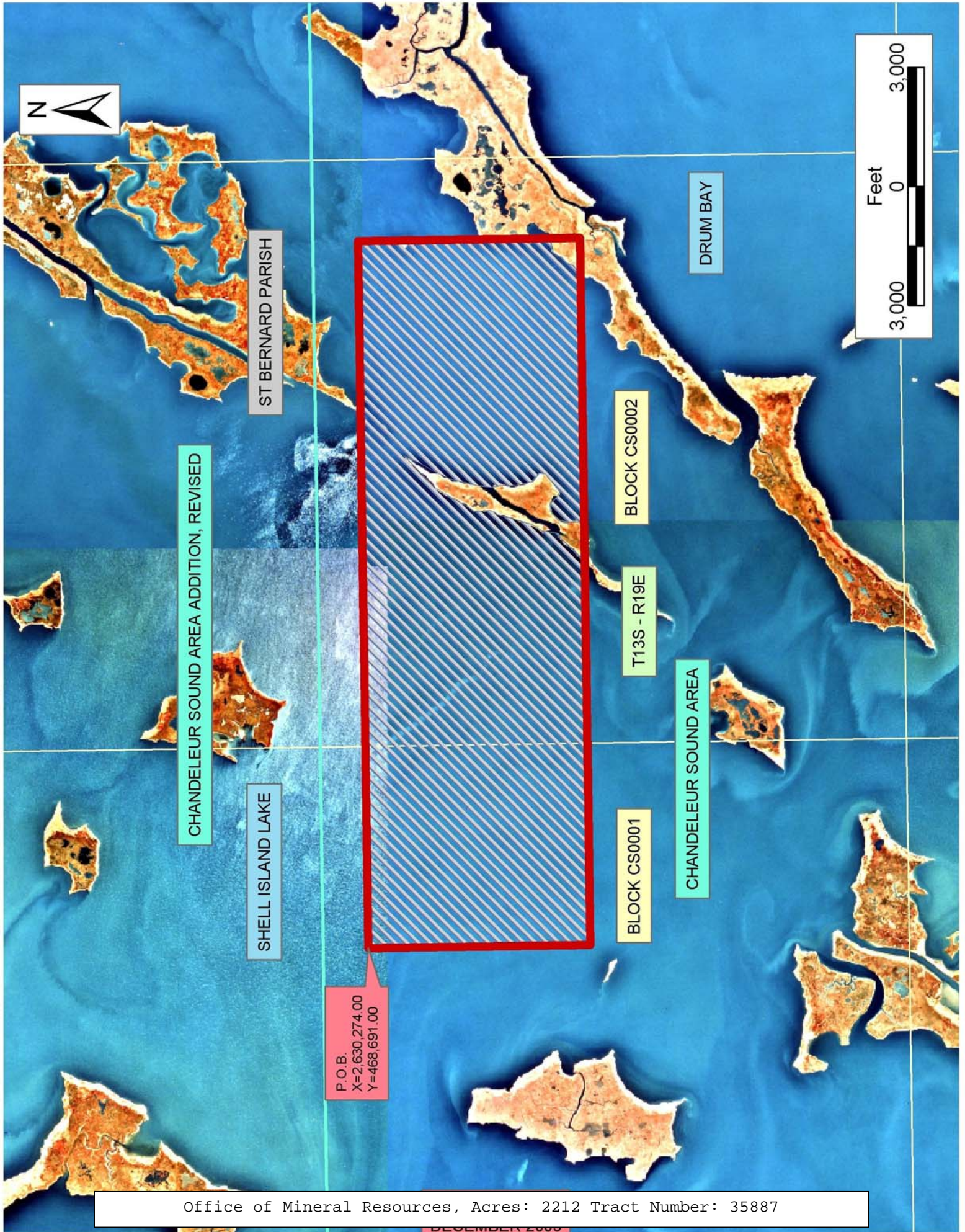
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Applicant: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other



TRACT 35888 - Portion of Blocks 1, and 2, 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 December 10, 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 = 463,102.00; thence East 17,781.00 feet to a point within Block 2, having Coordinates of X = 2,648,055.00 and Y = 463,102.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,648,055.00 and Y = 457,513.00; thence West 17,781.00 feet to a point within said Block 1, having Coordinates of X = 2,630,274.00 and Y = 457,513.00; thence North 5,589.00 feet to the point of beginning, containing approximately **1,983 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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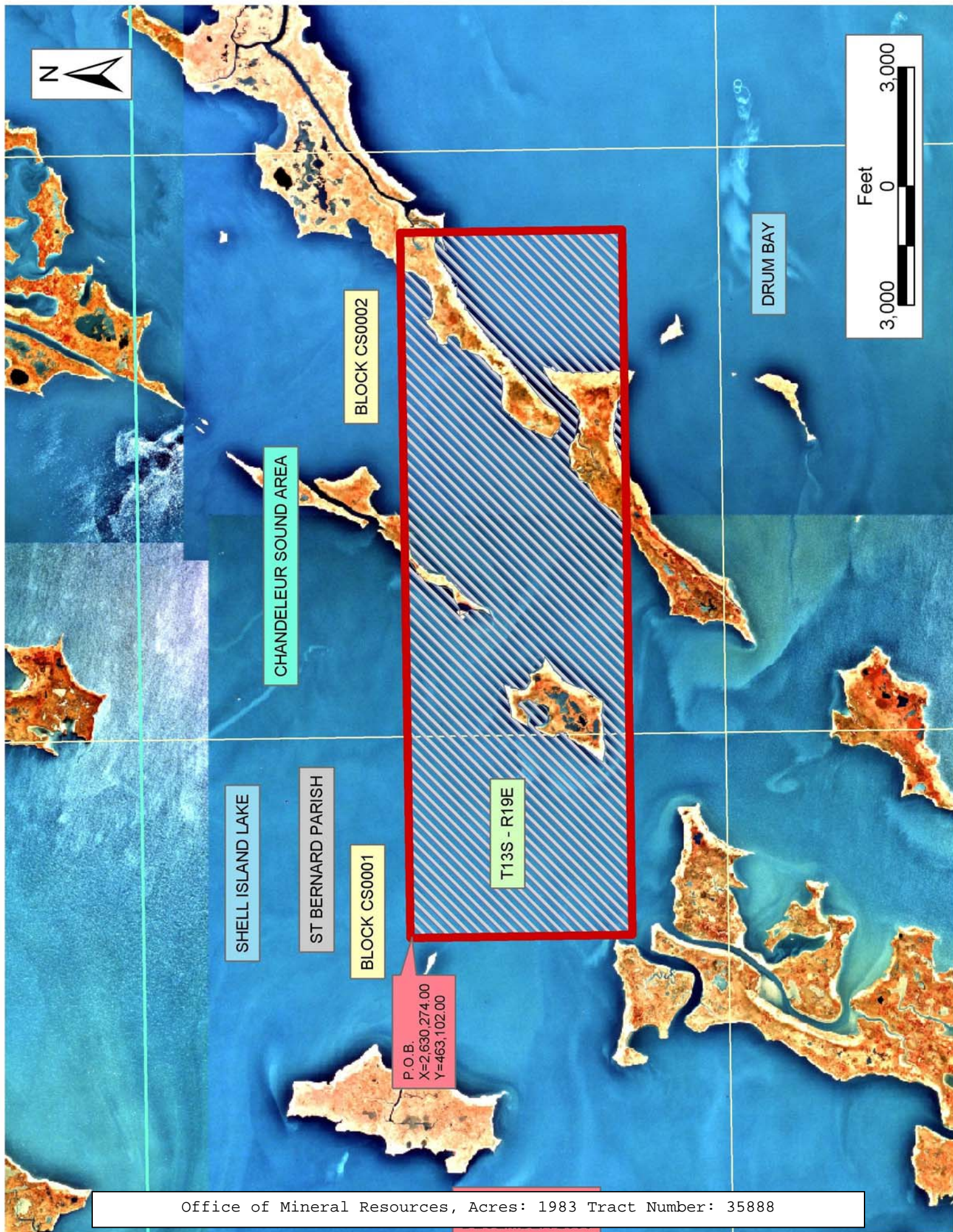
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NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries 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



TRACT 35889 - Portion of Blocks 1, 2, 21, 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 December 10, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 22, Chandeleur Sound Area, having Coordinates of X = 2,630,274.00 and Y = 451,924.00; thence North 5,589.00 feet to a point within Block 1, having Coordinates of X = 2,630,274.00 and Y = 457,513.00; thence East 17,781.00 feet to a point within Block 2, having Coordinates of X = 2,648,055.00 and Y = 457,513.00; thence South 5,589.00 feet to a point within Block 21, having Coordinates of X = 2,648,055.00 and Y = 451,924.00; thence West 17,781.00 feet to the point of beginning, containing approximately **2,050 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%.

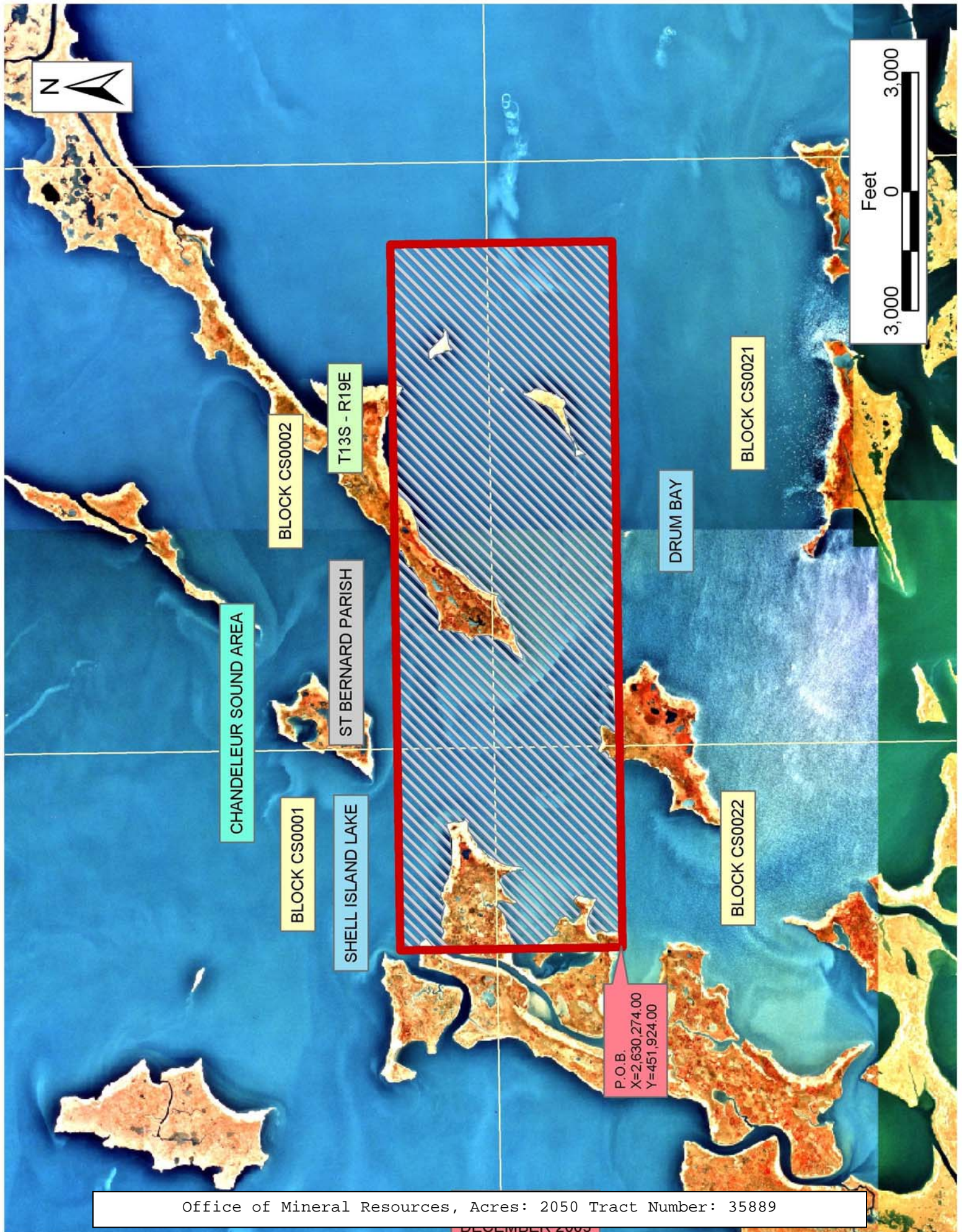
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Department of Natural Resources, its Offices or Commissions, as herein above reserved.

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 35890 - Portion of Blocks 21, 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 December 10, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 22, Chandeleur Sound Area, having Coordinates of X = 2,630,274.00 and Y = 451,924.00; thence East 17,781.00 feet to a point within Block 21, having Coordinates of X = 2,648,055.00 and Y = 451,924.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,648,055.00 and Y = 446,335.00; thence West 17,781.00 feet to a point within said Block 22, having Coordinates of X = 2,630,274.00 and Y = 446,335.00; thence North 5,589.00 feet to the point of beginning, containing approximately **2,117 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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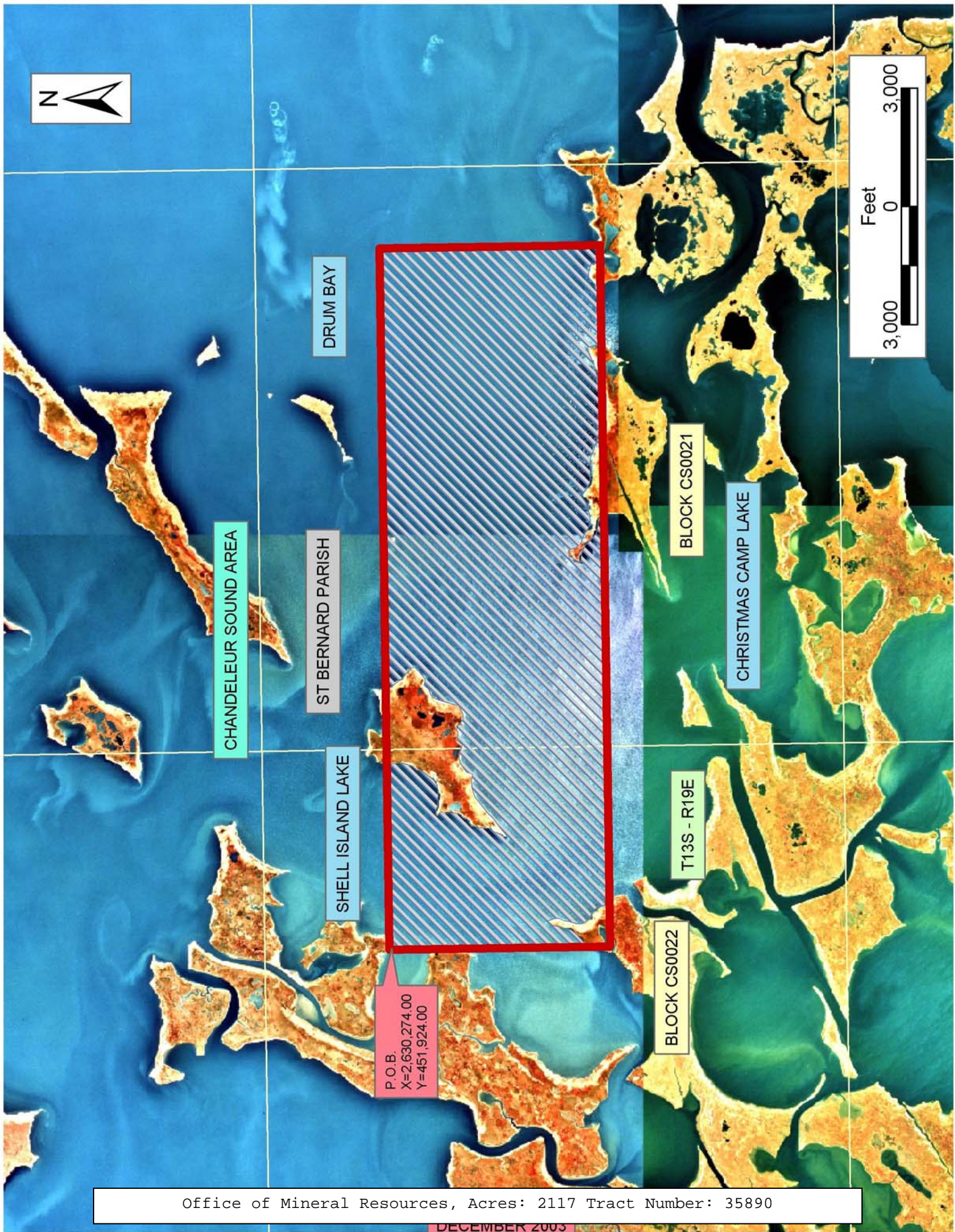
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NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries 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



TRACT 35891 - Portion of Blocks 21, 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 December 10, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 22, Chandeleur Sound Area, having Coordinates of X = 2,630,274.00 and Y = 446,335.00; thence East 17,781.00 feet to a point within Block 21, having Coordinates of X = 2,648,055.00 and Y = 446,335.00; thence South 5,589.00 feet to a point having Coordinates of X = 2,648,055.00 and Y = 440,746.00; thence West 17,781.00 feet to a point within said Block 22, having Coordinates of X = 2,630,274.00 and Y = 440,746.00; thence North 5,589.00 feet to the point of beginning, containing approximately **1,537 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%.

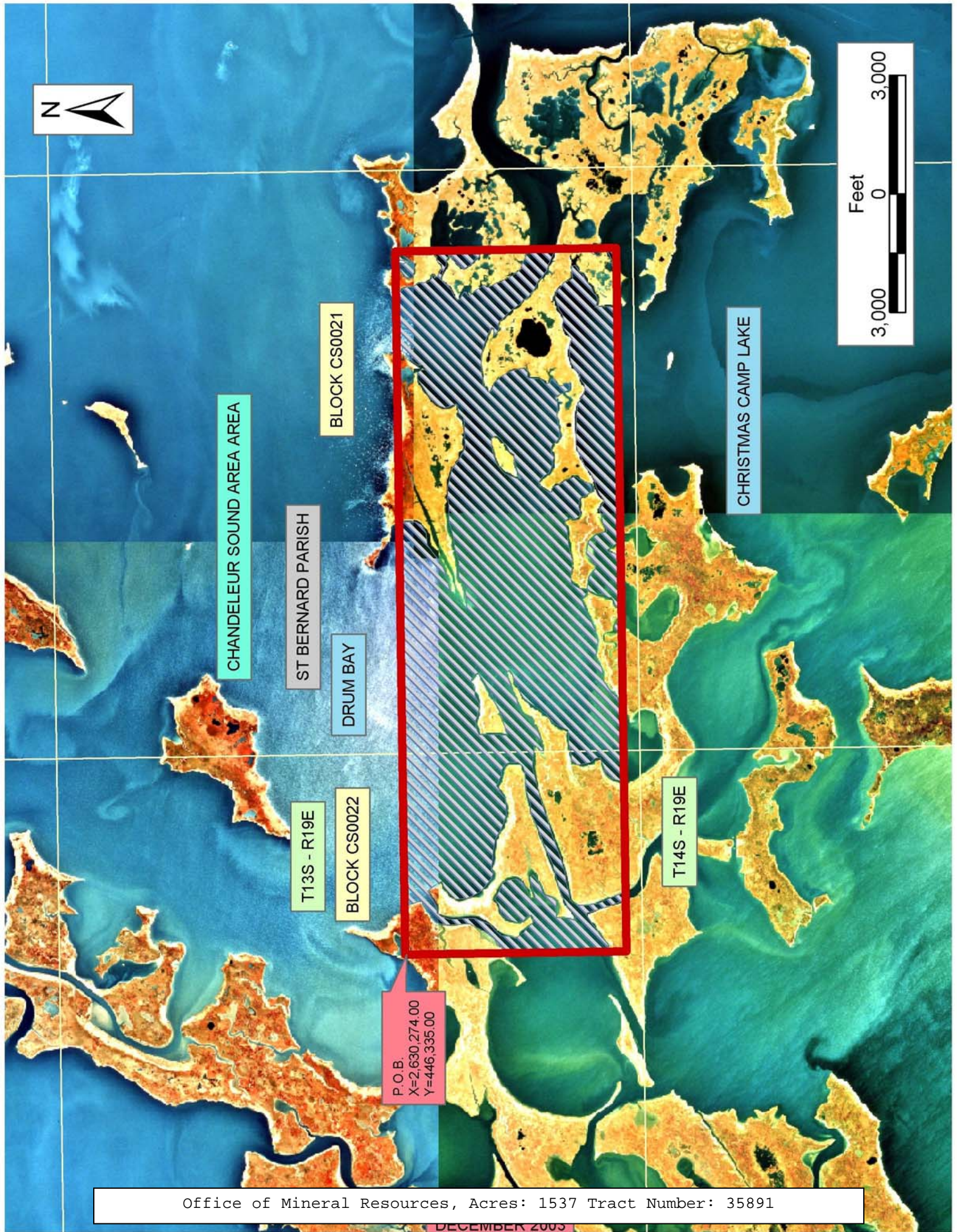
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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



Office of Mineral Resources, Acres: 1537 Tract Number: 35891

DECEMBER 2003

TRACT 35892 - Portion of Blocks 21, 22, 23, and 24, 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 December 10, 2003, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 23, Chandeleur Sound Area, having Coordinates of X = 2,630,274.00 and Y = 435,157.00; thence North 5,589.00 feet to a point within Block 22, having Coordinates of X = 2,630,274.00 and Y = 440,746.00; thence East 17,781.00 feet to a point within Block 21, having Coordinates of X = 2,648,055.00 and Y = 440,746.00; thence South 5,589.00 feet to a point within Block 24, having Coordinates of X = 2,648,055.00 and Y = 435,157.00; thence West 17,781.00 feet to the point of beginning, containing approximately **1,611 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

