

SPECIAL NOTICE

On Wednesday, September 15, 2004 the Office of Mineral Resources on behalf of the State Mineral Board advertised in Notice of Publication for receipt of sealed bids on or before **12:00 o'clock noon on Tuesday, November 9 2004**, for State Leases to be awarded upon **Tract Nos. 36855 through 36928**, inclusive at its **November 10, 2004** Lease Sale. Within said advertisement was an incorrect description for **Tract No. 36927, Plaquemines Parish**. By virtue of this public notice, **Tract No. 36927** in Plaquemines Parish, Louisiana is hereby corrected as follows:

TRACT 36927 - Plaquemines Parish, Louisiana

All State owned lands and water bottoms located within the boundaries of the Pass-A-Loutre Wildlife Management Area as defined by the Department of Wildlife and Fisheries incorporating a title opinion from the Office of the Governor dated August 3, 1998, not presently under mineral lease by the State of Louisiana on November 10, 2004, all as set forth following: Beginning at a point having Coordinates of X = 2,700,812.26 and Y = 182,400.00; thence East 9,237.74 feet to a point having Coordinates of X = 2,710,050.00 and Y = 182,400.00; thence South 5,480.00 feet to the Northwest corner of State Lease No. 5003, as amended, having Coordinates of X = 2,710,050.00 and Y = 176,920.00; thence South 3,771.56 feet along the West line of said State Lease No. 5003 or a projection thereof to a point having Coordinates of X = 2,710,050.00 and Y = 173,148.44; thence West 17,367.52 feet to a point having Coordinates of X = 2,692,682.48 and Y = 173,148.44; thence North 1,162.17 feet to a point having Coordinates of X = 2,692,682.48 and Y = 174,310.61; thence North 68 degrees 18 minutes 00 seconds East 8,749.86 feet to a point having Coordinates of X = 2,700,812.26 and Y = 177,545.84; thence North 4,854.16 feet to the point of beginning, **LESS AND EXCEPT** all privately owned land that lies within the above described tract, containing approximately 2,481 gross acres and containing approximately **1,960 net acres**, **LESS AND EXCEPT** any privately owned land that may be located within the above described Tract, if any, comprising approximately acres, leaving a total of net acres of State owned land and water bottoms within the above described Tract, 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, (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 Office of Mineral Resources will require a minimum bonus of \$350 per acre and a minimum royalty of 25%.

NOTE: The mineral lease is located within the Pass A Loutre WMA under the jurisdiction of the Louisiana Department of Wildlife and Fisheries which has promulgated rules and regulations for the protection of game and wildlife on the aforesaid Tract and, therefore, shall be subject to said rules and regulations, a copy of which shall be attached to the mineral lease. In addition to the specific rules and regulations applicable, the following shall apply regarding operations under this mineral lease:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries.
2. Projects will be evaluated on a case by case basis. Modifications to projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures.
3. Mitigation will be required to offset avoidable wetland impacts.
4. Removal of all structures, facilities and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Louisiana Department of Wildlife and Fisheries.
5. No activities will be allowed during the hunting season unless approved by the Department.
6. Compliance with the said WMA regulations will be required unless otherwise specified by the Department.
7. Prior to submitting applications for wetland permits to Federal and State permitting agencies the lease holder shall coordinate project details with the Louisiana Department of Wildlife and Fisheries, Fur and Refuge Division. Contact person for the Department will be Mike Windham at (504) 568-5886.

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: Peleton Energy Investors

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

