

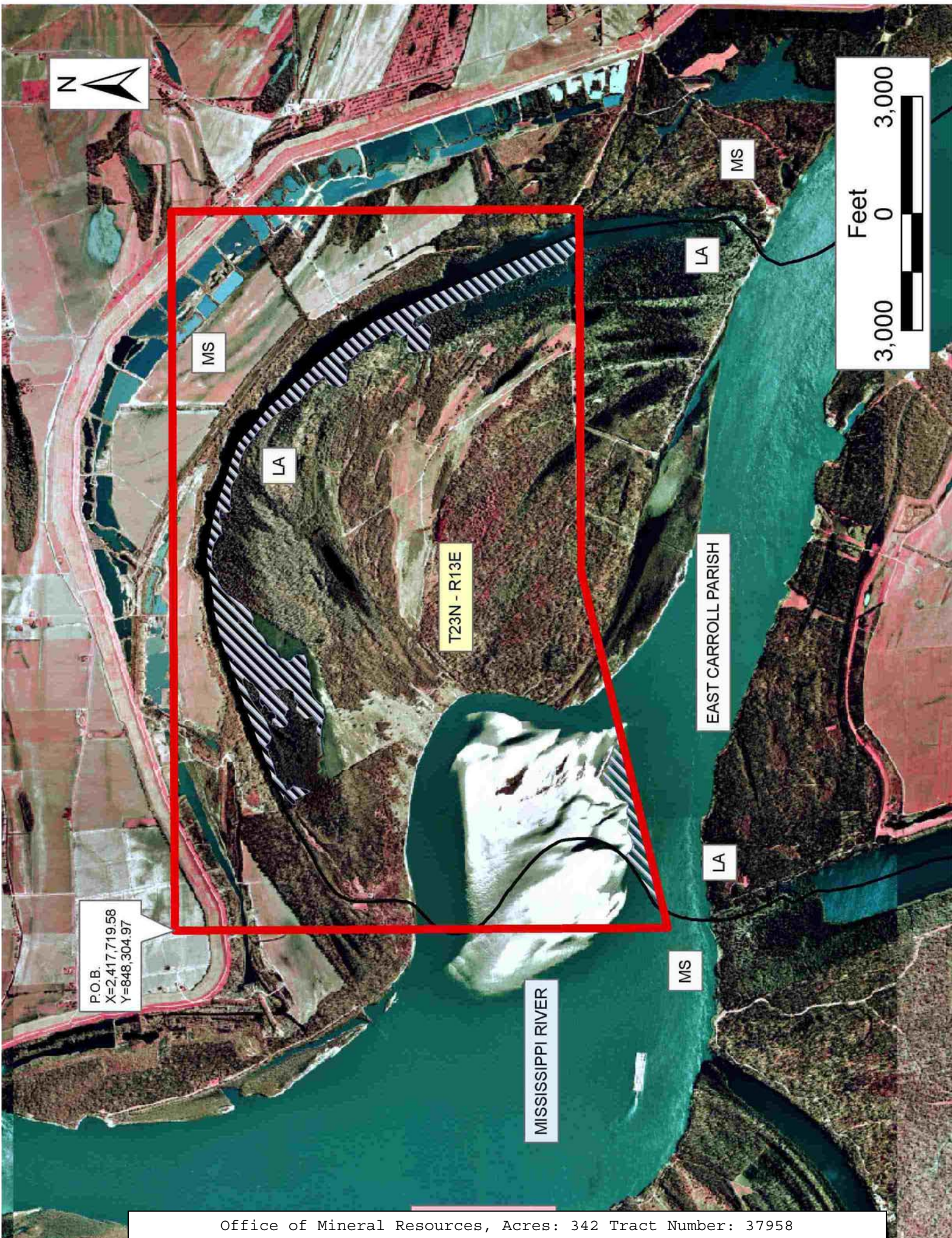
**TRACT 37958 - East Carroll Parish, Louisiana**

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 14, 2005, situated in East Carroll Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,417,719.58 and Y = 848,304.97; thence East 18,480.00 feet to a point having Coordinates of X = 2,436,199.58 and Y = 848,304.97; thence South 10,485.70 feet to a point having Coordinates of X = 2,436,199.58 and Y = 837,819.27; thence West 9,321.90 feet to a point having Coordinates of X = 2,426,877.68 and Y = 837,819.27; thence South 76 degrees 34 minutes 51 seconds West 9,415.15 feet to a point having Coordinates of X = 2,417,719.58 and Y = 835,634.26; thence North 12,670.71 feet to the point of beginning, containing approximately **342.00 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.

Applicant: CYPRESS ENERGY CORPORATION

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |



MS

MS

LA

LA

T23N - R13E

EAST CARROLL PARISH

LA

P.O.B.  
X=2,417,719.58  
Y=848,304.97

MISSISSIPPI RIVER

MS

**TRACT 37959 - Bossier and Caddo Parishes, 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 14, 2005, situated in Bossier and Caddo Parishes, Louisiana, and more particularly described as follows: Beginning at the Northwest corner of State Lease No. 11155, as amended, having Coordinates of X = 1,630,100.00 and Y = 638,800.00; thence North 13,564.67 feet to a point having Coordinates of X = 1,630,100.00 and Y = 652,364.67; thence East 15,628.17 feet to a point having Coordinates of X = 1,645,728.17 and Y = 652,364.67; thence South 13,564.67 feet to a point having Coordinates of X = 1,645,728.17 and Y = 638,800.00; thence West 2,428.17 feet to the Northeast corner of said State Lease No. 11155 having Coordinates of X = 1,643,300.00 and Y = 638,800.00; thence along the Northern boundary of said State Lease No. 11155 the following: West approximately 970 feet to a point having a coordinate of Y = 638,800.00, Southeasterly, Southerly, Southwesterly, Northerly to a point having a Coordinate of Y = 638,800.00, and West approximately 10752 feet to the point of beginning, **LESS AND EXCEPT** any portion of State Lease No. 11155, as amended, that may lie within the above described tract, containing approximately **454.00 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.

Applicant: SKLARCO, L.L.C.

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |



BOSSIER PARISH

T17N - R13W

CADDO PARISH



RED RIVER

SL 11155

P.O.B.  
X = 1,630,100.00  
Y = 638,800.00

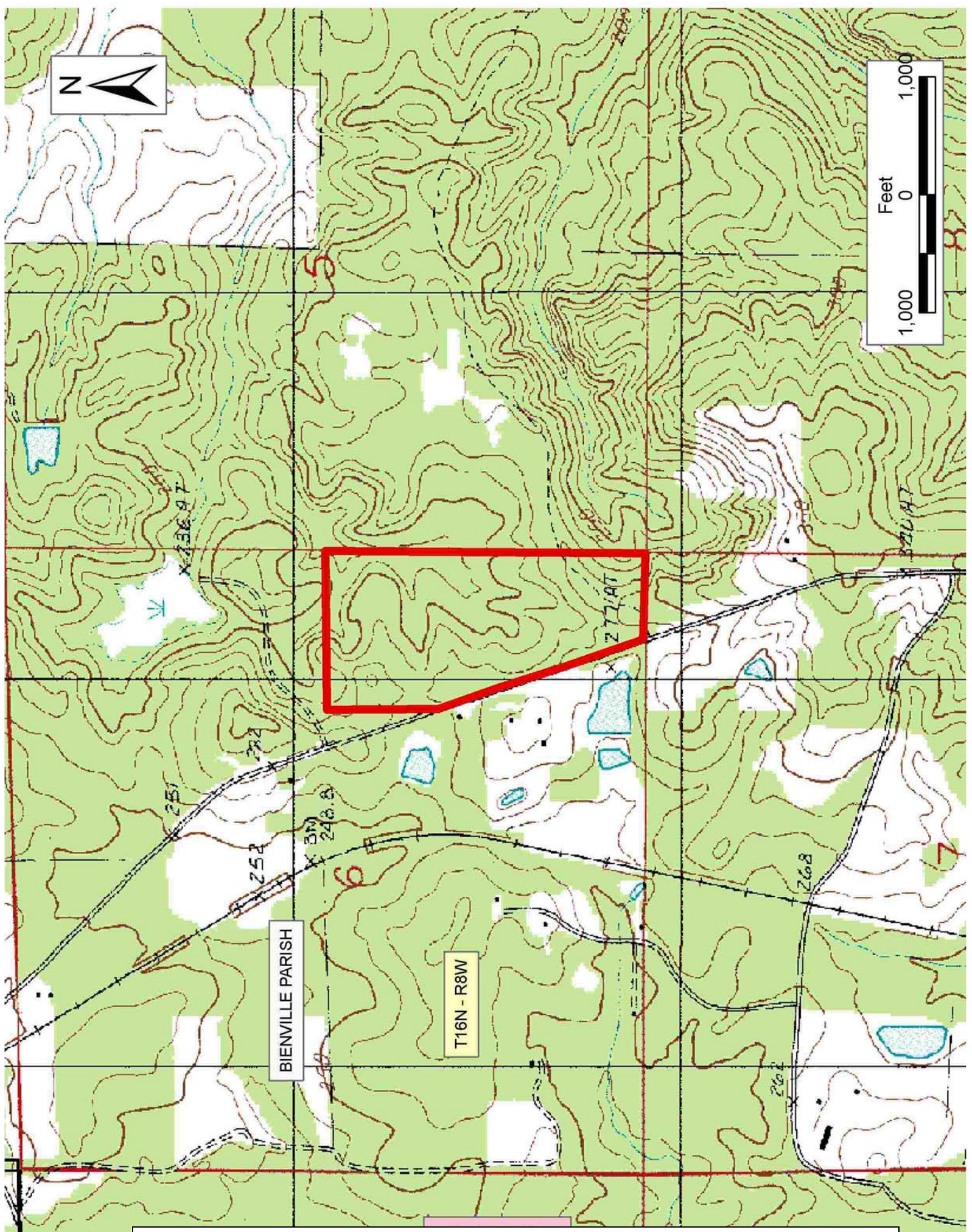
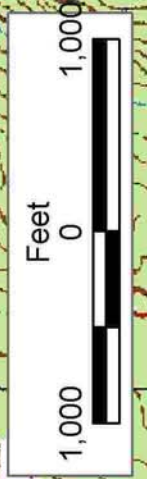
**TRACT 37960 - Bienville Parish, Louisiana**

All of the mineral rights only under land adjudicated to and acquired by the State of Louisiana in and through a proper sale, and subsequently alienated by the State which retained the mineral rights thereto, and which is not under valid mineral lease from the State of Louisiana on December 14, 2005, situated in Bienville Parish, Louisiana, and being more fully described as follows: That certain tract of land being the South 37 acres of all that part of the East Half of the Southeast Quarter, Section 6, Township 16 North, Range 8 West, Bienville Parish, Louisiana, lying East of Hwy 792, **LESS AND EXCEPT** therefrom a 2 acre tract described as follows: Two acres in Section 6, Township 16 North, Range 8 West, beginning at the Southeast corner of the Southeast Quarter of the Southeast Quarter and run West 125 yards, thence run North 70 yards, thence run East 125 yards, thence run South 70 yards to the point of beginning; containing approximately **35.00 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.

Applicant: MADISON EXPLORATION, INC.

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
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|        |              |            |        |     |     |       |
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BIENVILLE PARISH

T16N - R8W

**TRACT 37961 - Ouachita Parish, Louisiana**

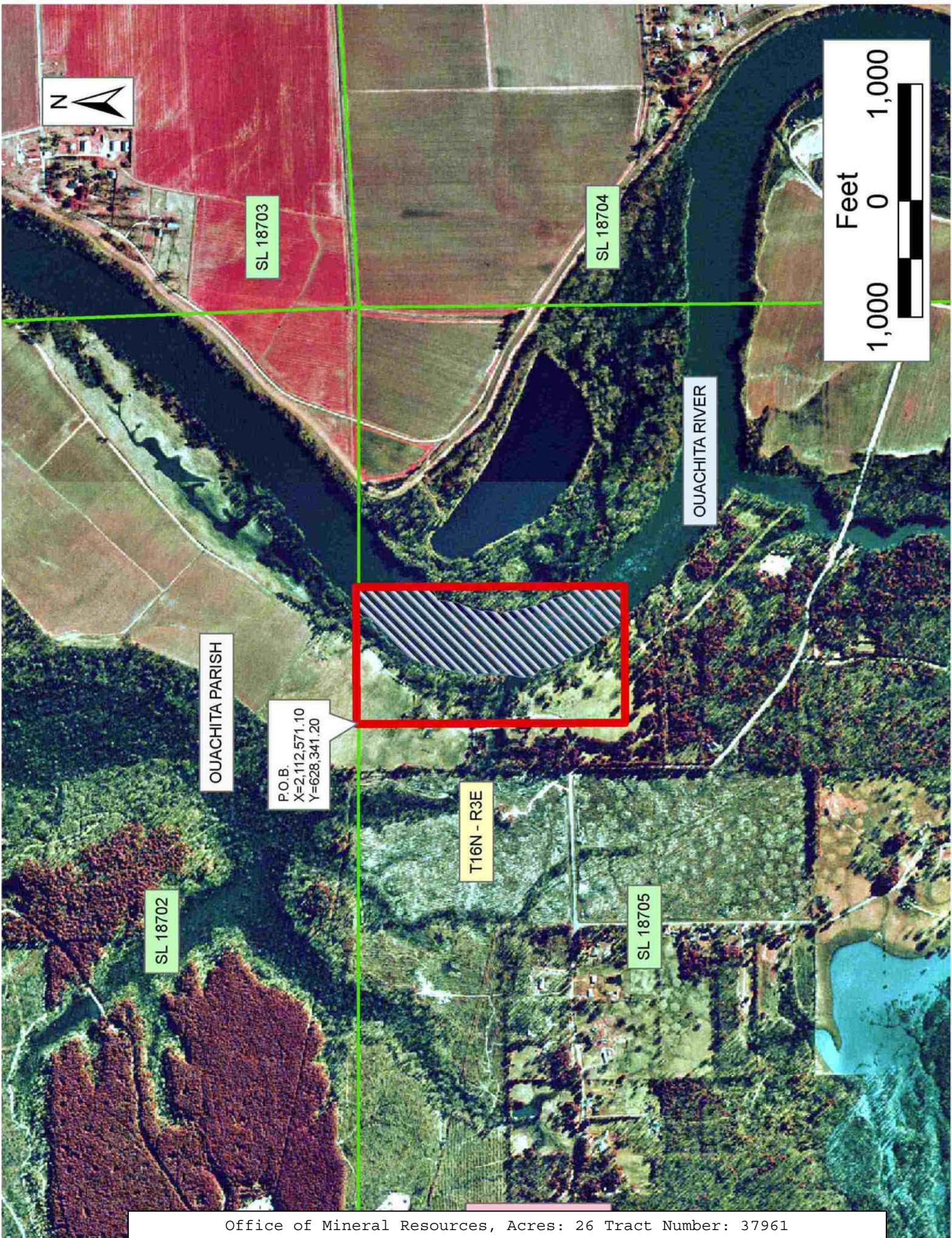
All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on December 14, 2005, situated in Ouachita Parish, Louisiana, and more particularly described as follows: Beginning at an interior corner of State Lease No. 18702 having Coordinates of X = 2,112,571.10 and Y = 628,341.20; thence along the boundary of said State Lease No. 18702 the following courses: East 1,172.90 feet and South 23.76 feet to a corner, also being a corner of State Lease No. 18705 having Coordinates of X = 2,113,744.00 and Y = 628,317.44; thence along the boundary of said State Lease No. 18705 the following courses: South 2,275.74 feet, West 1,172.90 feet, and North 2,281.83 feet to a corner, also being a corner of said State Lease No. 18702 having Coordinates of X = 2,112,571.10 and Y = 628,323.53; thence North 17.67 feet on the boundary of said State Lease No. 18702 to the point of beginning, containing approximately **26 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.



Applicant: LEE ABER

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |



**TRACT 37962 - 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 14, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,593,157.00 and Y = 502,074.00; thence North 8,388.00 feet to the Southeast corner of State Lease No. 18247 having Coordinates of X = 2,593,157.00 and Y = 510,462.00; thence North 4,935.00 feet along the East line of said State Lease No. 18247 to its Northeast corner having Coordinates of X = 2,593,157.00 and Y = 515,397.00; thence East 12,316.00 feet to a point having Coordinates of X = 2,605,473.00 and Y = 515,397.00; thence South 13,323.00 feet to the Northeast corner of State Lease No. 18256 having Coordinates of X = 2,605,473.00 and Y = 502,074.00; thence West 3,147.00 feet along the North line of said State Lease No. 18256 to the Southeast corner of State Lease No. 18251 having Coordinates of X = 2,602,326.00 and Y = 502,074.00; thence along the boundary of said State Lease No. 18251 the following courses: North 5,438.00 feet, West 4,442.00 feet and South 04 degrees 35 minutes 40 seconds East 5,455.53 feet to its Southwest corner having Coordinates of X = 2,598,321.00 and Y = 502,074.00; thence West 5,164.00 feet to the point of beginning, containing approximately **2,279 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%.

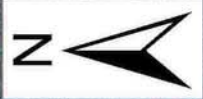
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a

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.

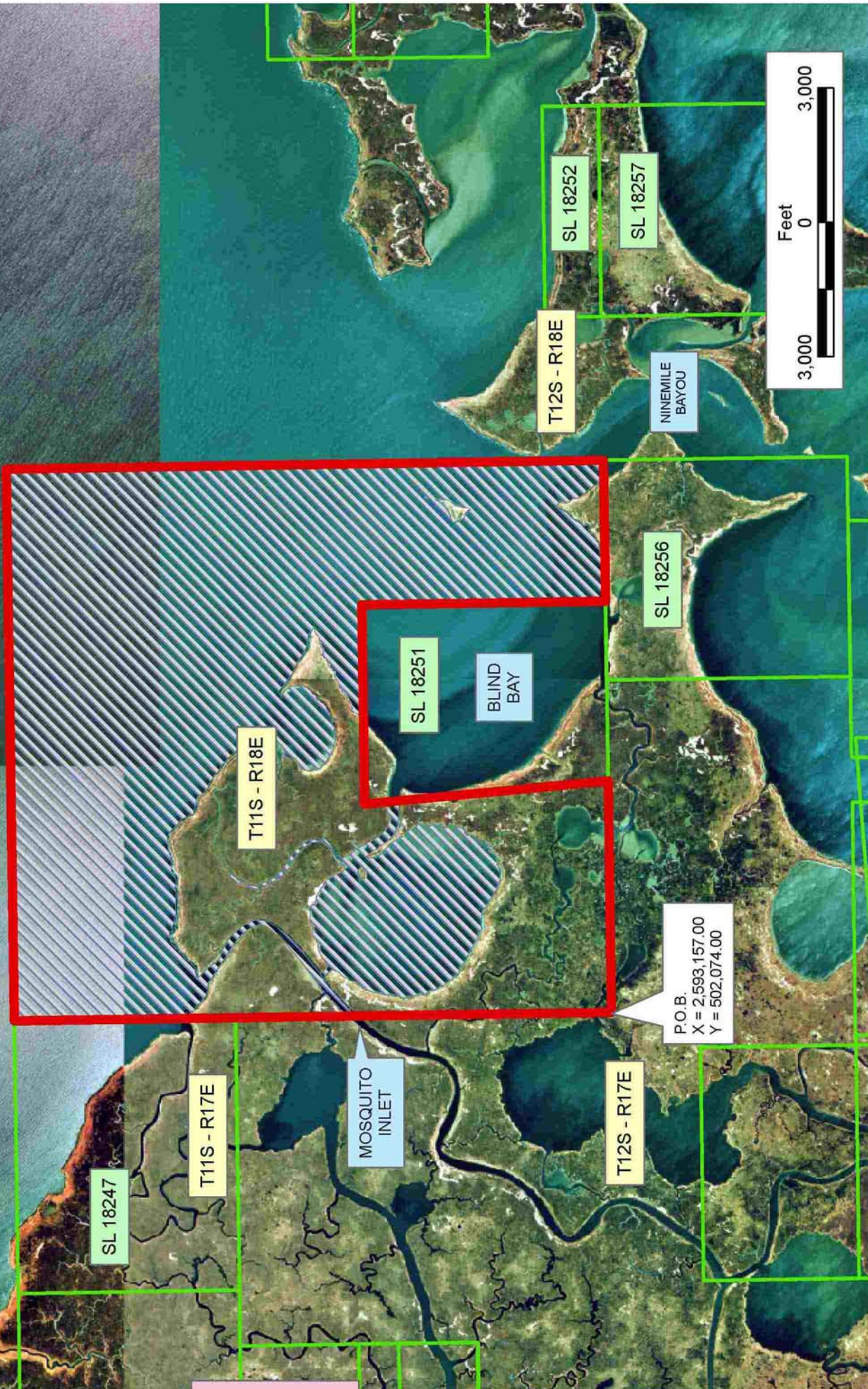
Applicant: KARE-SUE ENERGY, INC.

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |



MISSISSIPPI SOUND

ST BERNARD PARISH



**TRACT 37963 - 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 14, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,614,516.00 and Y = 502,074.00; thence West 1,129.00 feet to the Southeast corner of State Lease No. 18252 having Coordinates of X = 2,613,387.00 and Y = 502,074.00; thence along the boundary of said State Lease No. 18252 the following courses: North 1,257.00 feet, West 4,703.00 feet and South 1,257.00 feet to its Southwest corner having Coordinates of X = 2,608,684.00 and Y = 502,074.00; thence West 3,211.00 feet to the Northeast corner of State Lease No. 18256 having Coordinates of X = 2,605,473.00 and Y = 502,074.00; thence North 13,323.00 feet to a point having Coordinates of X = 2,605,473.00 and Y = 515,397.00; thence East 9,043.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 515,397.00; thence South 5,973.00 feet to the Northwest corner of State Lease No. 18249 having Coordinates of X = 2,614,516.00 and Y = 509,424.00; thence South 1,912.00 feet along the West line of said State Lease No. 18249 to its Southwest corner also being the Northwest corner of State Lease No. 18253 having Coordinates of X = 2,614,516.00 and Y = 507,512.00; thence South 3,000.00 feet along the West line of said State Lease No. 18253 to its Southwest corner having Coordinates of X = 2,614,516.00 and Y = 504,512.00; thence South 2,438.00 feet to the point of beginning, containing approximately **2,285 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.

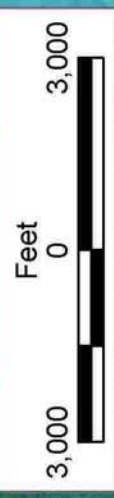
| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |



BLOCK CX0022

CHANDELEUR SOUND AREA  
ADDITION, REVISED

BLOCK CX0023



ST BERNARD PARISH

MISSISSIPPI SOUND



SL 18249

SL 18493

SL 18253

P.O.B.  
X = 2,614,516.00  
Y = 502,074.00

KENNEDY'S LAGOON

SL 18252

T12S - R18E

SL 18257

NINEMILE  
BAYOU

T11S - R18E

SL 18251

SL 18256



**TRACT 37964 - Portion of Blocks 22, and 23, 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 14, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,614,516.00 and Y = 502,074.00; thence North 2,438.00 feet to the Southwest corner of State Lease No. 18253 having Coordinates of X = 2,614,516.00 and Y = 504,512.00; thence along the boundary of said State Lease No. 18253 the following courses: East 4,730.00 feet and North 3,000.00 feet to its Northeast corner and the Southeast corner of State Lease No. 18249 having Coordinates of X = 2,619,246.00 and Y = 507,512.00; thence along the boundary of said State Lease No. 18249 the following courses: North 1,912.00 feet and West 4,730.00 feet to its Northwest corner having Coordinates of X = 2,614,516.00 and Y = 509,424.00; thence North 5,973.00 feet to a point having Coordinates of X = 2,614,516.00 and Y = 515,397.00; thence East 9,878.00 feet to a point on the West line of State Lease No. 18246 having Coordinates of X = 2,624,394.00 and Y = 515,397.00; thence South 1,003.00 feet on the West line of said State Lease No. 18246 to its Southwest corner and the Northwest corner of State Lease No. 18248 having Coordinates of X = 2,624,394.00 and Y = 514,394.00; thence along the boundary of said State Lease No. 18248 the following courses: South 6,882.00 feet and East 1,045.00 feet to a point having Coordinates of X = 2,625,439.00 and Y = 507,512.00; thence South 5,438.00 feet to a point having Coordinates of X = 2,625,439.00 and Y = 502,074.00; thence West 10,923.00 feet to the point of beginning, containing approximately **2,402 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 |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
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BLOCK CX0022

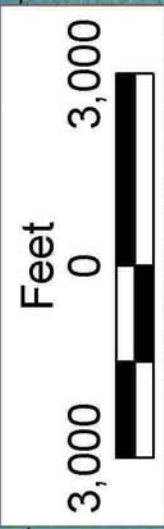
SL 18246  
SL 18248

SL 18298

T11S - R19E

BLOCK CX0023

CHANDELEUR SOUND AREA ADDITION, REVISED



ST BERNARD PARISH

THREE MILE BAY

MISSISSIPPI SOUND

SL 18249  
SL 18493  
SL 18253

T11S - R18E

T12S - R18E

P.O.B.  
X = 2,614,516.00  
Y = 502,074.00

SOUTH BAYOU

KENNEDY'S LAGOON

SL 18252

SL 18257

**TRACT 37965 - Portion of Blocks 5, and 6, North Lake Borgne 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 14, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point within Block 5, North Lake Borgne Area, having Coordinates of X = 2,568,602.00 and Y = 513,810.00; thence South 8,491.00 feet to a point having Coordinates of X = 2,568,602.00 and Y = 505,319.00; thence West 6,929.00 feet to a point having Coordinates of X = 2,561,673.00 and Y = 505,319.00; thence North 2,247.00 feet to a point having Coordinates of X = 2,561,673.00 and Y = 507,566.00; thence West 6,367.00 feet to a point having Coordinates of X = 2,555,306.00 and Y = 507,566.00; thence North 6,244.00 feet to a point having Coordinates of X = 2,555,306.00 and Y = 513,810.00; thence East 13,296.00 feet to the point of beginning, containing approximately **2,263.31 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%.

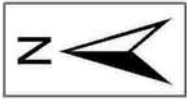
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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

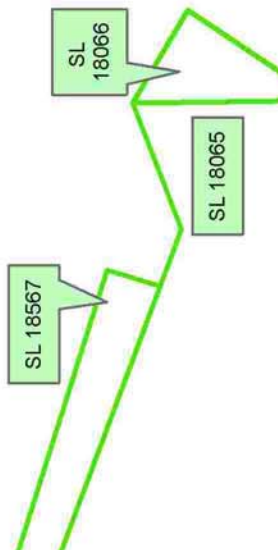
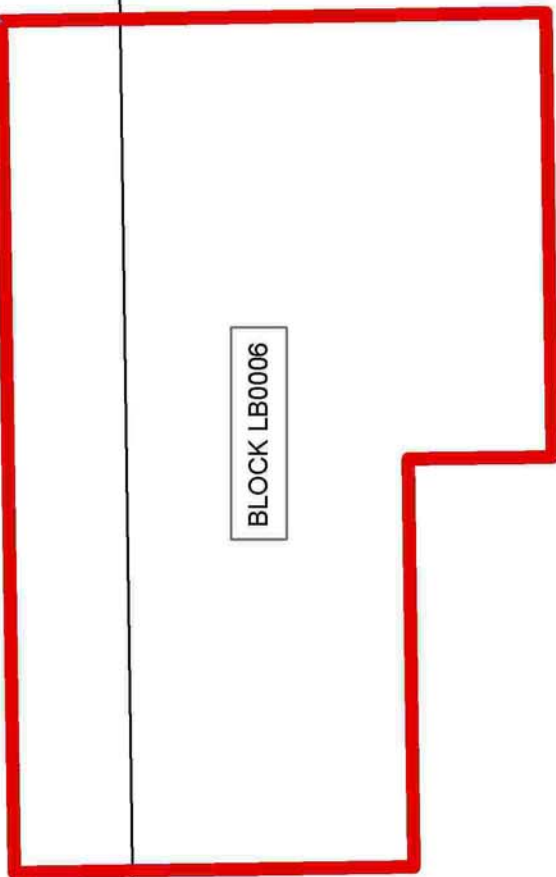
NORTH LAKE BORGNE AREA

BLOCK LB0005

BLOCK LB0006

LAKE BORGNE

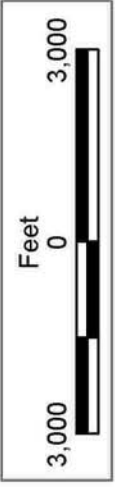
P.O.B.  
X = 2,568,602.00  
Y = 513,810.00



SL 18567

SL 18066

SL 18065



**TRACT 37966 - Portion of Blocks 5, and 6, North Lake Borgne 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 14, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point located within Block 5, North Lake Borgne Area having Coordinates of X = 2,568,602.00 and Y = 513,810.00; thence East 10,122.39 feet to a point having Coordinates of X = 2,578,724.39 and Y = 513,810.00; thence South 11,585.00 feet to a point having Coordinates of X = 2,578,724.39 and Y = 502,225.00; thence West 1,214.39 feet to a point having Coordinates of X = 2,577,510.00 and Y = 502,225.00; thence South approximately 2,976 feet to a point on the boundary of the Biloxi Wildlife Management Area having a Coordinate of X = 2,577,510.00; thence Southwesterly on the boundary of said Biloxi Wildlife Management Area to the point of intersection with a North South line having a Coordinate of X = 2,575,023.00; thence North approximately 7,455 feet to a point having Coordinates of X = 2,575,023.00 and Y = 505,319.00; thence West 6,421.00 feet to a point located within Block 6, North Lake Borgne Area having Coordinates of X = 2,568,602.00 and Y = 505,319.00; thence North 8,491.00 feet to the point of beginning, containing approximately **2,444 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 |
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ST BERNARD PARISH

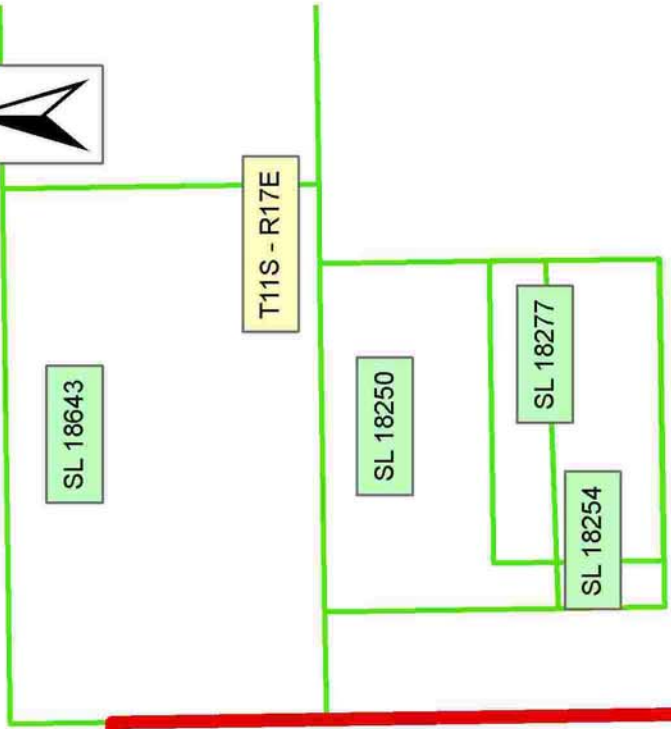
P.O.B.  
X = 2,568,602.00  
Y = 513,810.00

BLOCK LB0005

BLOCK LB0006

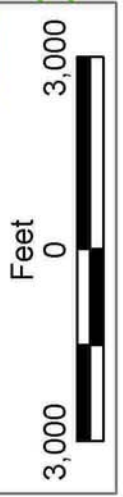
NORTH LAKE BORGNE AREA

LAKE BORGNE



T12S - R17E

BILOXI WMA



SL 17769

SL 17810

**TRACT 37967 - 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 14, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,593,157.00 and Y = 502,074.00; thence West 11,720.14 feet to a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,581,436.86 and Y = 502,074.00; thence along the boundary of said Biloxi Wildlife Management Area the following courses: North 01 degrees 14 minutes 31 seconds West 634.99 feet and Southwesterly to the point of intersection with a North South line having a Coordinate of X = 2,577,510.00; thence North approximately 2,976 feet to a point having Coordinates of X = 2,577,510.00 and Y = 502,225.00; thence East 1,214.39 feet to a point having Coordinates of X = 2,578,724.39 and Y = 502,225.00; thence North 8,237.00 feet to the Southwest corner of State Lease No. 18643 having Coordinates of X = 2,578,724.39 and Y = 510,462.00; thence East 1,679.61 feet along the South line of said State Lease No. 18643 to the Northwest corner of State Lease No. 18250 having Coordinates of X = 2,580,404.00 and Y = 510,462.00; thence South 3,647.84 feet along the West line of said State Lease No. 18250 to its Southwest corner also being the Northwest corner of State Lease No. 18254 having Coordinates of X = 2,580,404.00 and Y = 506,814.16; thence along the boundary of said State Lease No. 18254 the following courses: South 1,658.16 feet, East 5,434.00 feet, and North 1,785.84 feet to its Northeast corner also being the Southeast corner of State Lease No. 18250 having Coordinates of X = 2,585,838.00 and Y = 506,941.84; thence North 3,520.16 feet along the East line of said State Lease No. 18250 to its Northeast corner also being a point on the South line of said State Lease No. 18643 having Coordinates of X = 2,585,838.00 and Y = 510,462.00; thence East 1,242.00 feet along the South line of said State Lease No. 18643 to its Southeast corner also being the Southwest corner of State Lease No. 18247 having Coordinates of X = 2,587,080.00 and Y = 510,462.00; thence East 6,077.00 feet along the South line of said State Lease No. 18247 to its Southeast corner having Coordinates of X = 2,593,157.00 and Y = 510,462.00; thence South 8,388.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **889 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 |
|--------|--------------|------------|--------|-----|-----|-------|
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|        |              |            |        |     |     |       |



P.O.B.  
X = 2,593,157.00  
Y = 502,074.00

ST BERNARD PARISH

T11S - R17E

T12S - R17E

BILOXI WMA

LAKE BORGNE

SL 18643

SL 18247

SL 18250

SL 18277

SL 18254

BAYOU LA FEE

MOSQUITO INLET

SL 18255

SL 18278

SL 18436

SL 18157

SL 18281