TRACT 38783 - Plaquemines 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 and cross hatched on December 13, 2006, situated in Plaquemines Parish, and more particularly described as follows: Beginning at a Louisiana, point having Coordinates of X = 2,535,421.00 and Y = 251,374.00; thence East 13,047.00 feet to a point having Coordinates of X = 2,548,468.00 and Y = 251,374.00; thence South approximately 6,910 feet to a point on the North boundary of State Lease No. 2651 having a Coordinate of X =2,548,468.00; thence along the boundaries of said State Lease No. 2651 the following courses: Westerly approximately 3,388 feet and Southerly approximately 1,603 feet to a point on the boundary of State Lease No. 15280, as amended, having Coordinates of X = 2,545,103.77 and Y = 242,811.50; thence along the boundaries of said State Lease No. 15280 the following courses: Southwesterly along an arc to the left with a radius of 1,000.00 feet to a point having Coordinates of X = 2,544,989.43 and Y =242,738.55 and Southwesterly along an arc to the left with a radius of 1,862.36 feet to a point on the Northern boundary of State Lease No. 3010, as amended, having Coordinates of X = 2,544,331.33 and Y = 241,837.29; thence along the boundaries of said State Lease No. 3010 the following courses: Southwesterly, Northwesterly, and Westerly to a point having a Coordinate of X = 2,542,200.00 and Y = 241,835.00, West 6,102.68 feet to a point having Coordinates of X = 2,536,097.32 and Y = 241,835.00 and South 00 degrees 50 minutes 58 seconds East 134.01 feet to a point on its West boundary having Coordinates of X = 2,536,099.31 and Y = 241,701.00; thence West 678.31 feet to a point having Coordinates of X = 2,535,421.00 and Y =241,701.00; thence North 9,673.00 feet to the point of beginning, LESS AND EXCEPT that portion, if any, of State Lease No. 15280, State Lease No. 3010, and State Lease No. 2651 which may lie within the above described tract, 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.

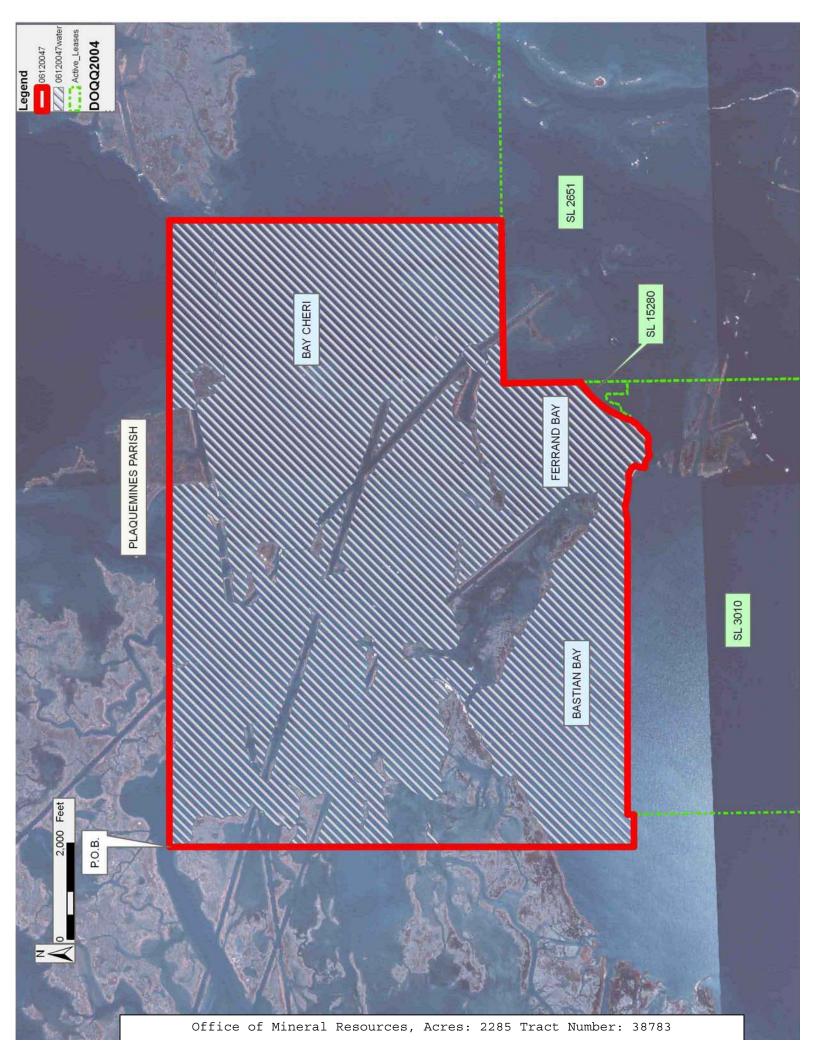
NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, 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 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: SPANDREL RESOURCES

| Bidder | Cash | Price/ | Rental | Oil | Gas | Other |
|--------|---------|--------|--------|-----|-----|-------|
| | Payment | Acre | | | | |
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TRACT 38784 - Plaquemines 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 and cross hatched on December 13, 2006, situated in Plaquemines Parish, and more particularly described as follows: Beginning at a Louisiana, point having Coordinates of X = 2,548,468.00 and Y = 251,374.00; thence East 13,047.00 feet to a point having Coordinates of X = 2,561,515.00 and Y = 251,374.00; thence South 6,957.00 feet to a point having Coordinates of X = 2,561,515.00 and Y = 244,417.00; thence West approximately 593 feet to a point on the Easternmost boundary of State Lease No. 2651 having a Coordinate of Y = 244,417.00; thence along the boundaries of said State Lease No. 2651 the following courses: Northerly approximately 232 feet and Westerly approximately 12,452 feet to a point on its Northern boundary having a Coordinate of X = 2,548,468.00; thence North approximately 6,910 feet to the point of beginning, containing approximately 1,620 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 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 and Commissions, for Offices 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: SPRANDREL RESOURCES

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

