

TRACT 37019 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,583,299.92 and Y = 482,690.69; thence along the boundary of the Biloxi Wildlife Management Area the following courses and distances: North 01 degrees 05 minutes 52 seconds West 461.83 feet, North 01 degrees 00 minutes 18 seconds West 2,134.58 feet, North 01 degrees 38 minutes 25 seconds West 1,007.37 feet, North 02 degrees 10 minutes 58 seconds West 287.35 feet, North 01 degrees 34 minutes 45 seconds West 825.52 feet, North 01 degrees 26 minutes 03 seconds West 352.75 feet, North 02 degrees 58 minutes 47 seconds West 2,114.13 feet, North 02 degrees 30 minutes 16 seconds West 229.18 feet and North 03 degrees 02 minutes 11 seconds West 600.41 feet to a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,583,030.56 and Y = 490,698.43; thence East 9,534.04 feet to a point having Coordinates of X = 2,592,564.60 and Y = 490,698.43; thence North 470.84 feet to the Southwest corner of State Lease No. 18157 having Coordinates of X = 2,592,564.60 and Y = 491,169.27; thence North 89 degrees 59 minutes 59 seconds East 1,111.25 feet along the South line of State Lease No. 18157 to a point, also being a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,593,675.85 and Y = 491,169.27; thence along the boundary of the Biloxi Wildlife Management Area the following courses and distances: South 00 degrees 49 minutes 40 seconds East 1,643.66 feet and South 00 degrees 20 minutes 35 seconds East 1,060.72 feet to a point on the boundary of the Biloxi Wildlife Management Area, also being the Northeast corner of State Lease No. 17951 having Coordinates of X = 2,593,705.94 and Y = 488,465.08; thence along the boundary of State Lease No. 17951 the following courses and distances: West 5,254.68 feet and South 2,999.96 feet to the Southwest corner of State Lease No. 17951, the Northwest corner of State Lease No. 17976 and a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,588,451.26 and Y = 485,465.12; thence South 01 degrees 34 minutes 10 seconds East 999.43 feet along the West line of State Lease No. 17976 to its Southwest corner, the Northwest corner of State Lease No. 18273, and being a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,588,478.63 and Y = 484,466.06; thence South 01 degrees 53 minutes 56 seconds East 1,635.42 feet along the West line of State Lease No. 18273 to its Southwest corner, also being a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,588,532.82 and Y = 482,831.54; thence along the boundary of Biloxi Wildlife Management Area the following courses and distances: South 88 degrees 25 minutes 43 seconds West 1,307.65 feet, South 88 degrees 28 minutes 04 seconds West 1,308.47 feet, South 88 degrees 28 minutes 04 seconds West 1,308.47 feet and South 88 degrees 28

minutes 06 seconds West 1,310.20 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 and portion of the above described tract which may lie within State Lease No. 17976, containing approximately **654 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.

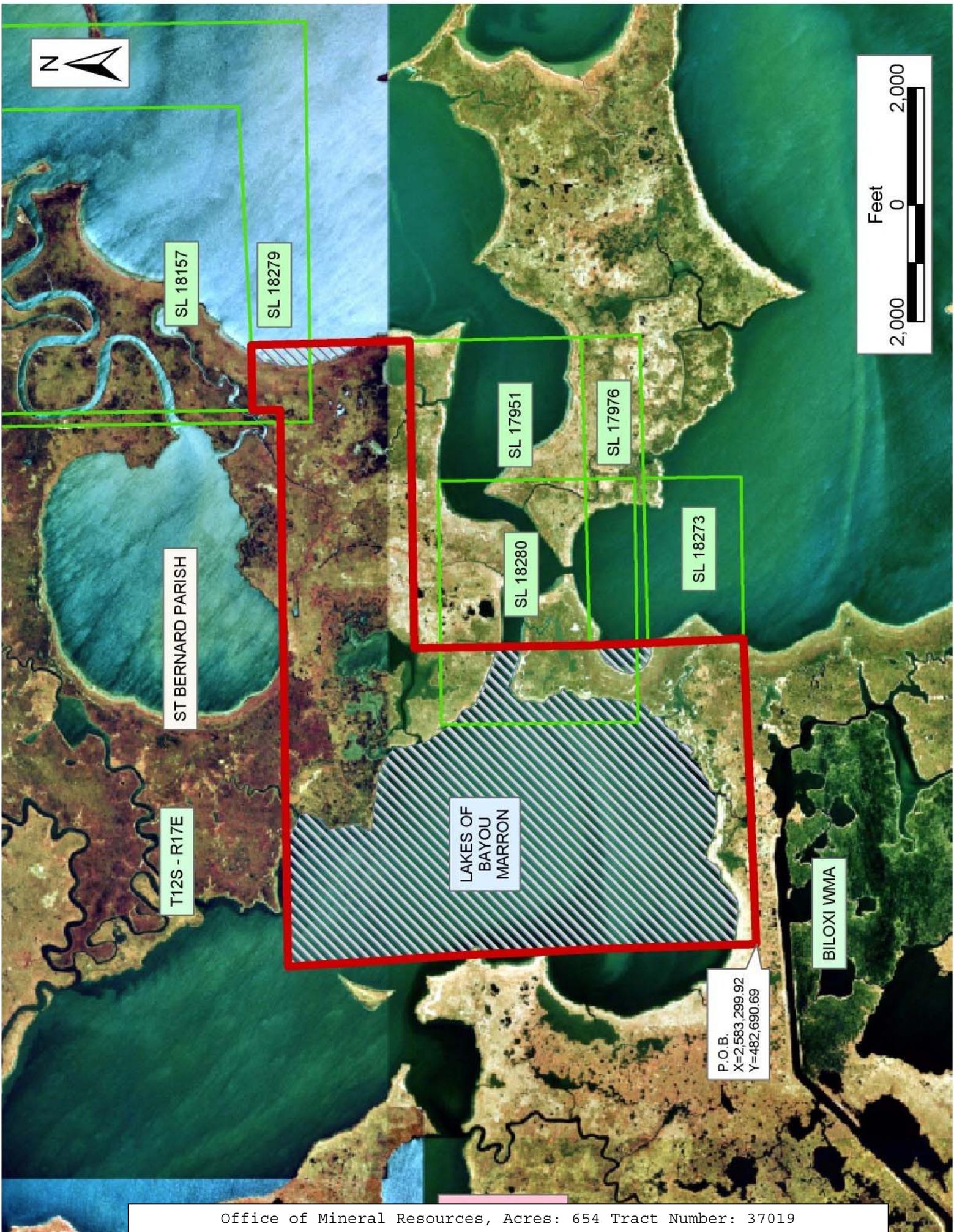
NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

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



SL 18157

SL 18279

ST BERNARD PARISH

T12S - R17E

SL 17951

SL 17976

SL 18280

SL 18273

LAKES OF
BAYOU
MARRON

BILOXI WMA

P.O.B.
X=2,583,299.92
Y=482,690.69

TRACT 37020 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,610,842.98 and Y = 439,624.17; thence South 87 degrees 49 minutes 10 seconds West 12,093.74 feet to a point on the East line of State Lease No. 17959 having Coordinates of X = 2,598,758.00 and Y = 439,164.03; thence North 4,992.24 feet on the East line of said State Lease No. 17959 to its Northeast corner, and a point on the South line of State Lease No. 17980, and the a point the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,598,758.00 and Y = 444,156.27; thence along the boundaries of said State Lease No. 17980 and said Biloxi Wildlife Management Area the following courses: North 88 degrees 01 minutes 42 seconds East 1,760.20 feet, North 01 degrees 52 minutes 09 seconds West 3,935.06 feet, North 01 degrees 59 minutes 37 seconds West 520.09 feet, North 01 degrees 43 minutes 13 seconds West 469.13 feet, and North 01 degrees 43 minutes 35 seconds West 79.54 feet to a point having Coordinates of X = 2,600,354.22 and Y = 449,218.00; thence East 10,488.76 feet to a point having Coordinates of X = 2,610,842.98 and Y = 449,218.00; thence South 9,593.83 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 **1,043 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: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the 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: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other

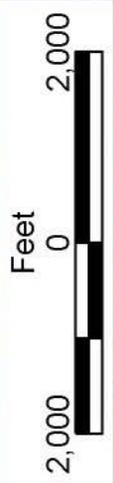


T13S - R18E

ST BERNARD PARISH

P.O.B.
X=2,610,842.98
Y=439,624.17

T14S - R18E



CROOKED BAYOU

T13S - R17E

BILOXI WMA

SL 17980

SL 17959

T14S - R17E

TRACT 37021 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point on the West boundary line of State Lease No. 17958 having Coordinates of X = 2,567,242.00 and Y = 440,900.00; thence West 4,156.58 feet to a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,563,085.42 and Y = 440,900.00; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: North 02 degrees 12 minutes 43 seconds West 2,350.37 feet, North 87 degrees 59 minutes 04 seconds East 1,258.52 feet, North 04 degrees 09 minutes 00 seconds West 1,344.18 feet, North 04 degrees 08 minutes 59 seconds West 1,344.18 feet, North 87 degrees 11 minutes 37 seconds East 1,294.56 feet, North 03 degrees 22 minutes 30 seconds West 1,352.56 feet, North 03 degrees 22 minutes 29 seconds West 1,352.56 feet and North 86 degrees 26 minutes 46 seconds East 2,054.28 feet to the Northwest corner of said State Lease No. 17958, also being the Southwest corner of State Lease No. 18175, having Coordinates of X = 2,567,242.00 and Y = 448,865.36; thence South 7,965.36 feet along the West line of said State Lease No. 17958 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 **102 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: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

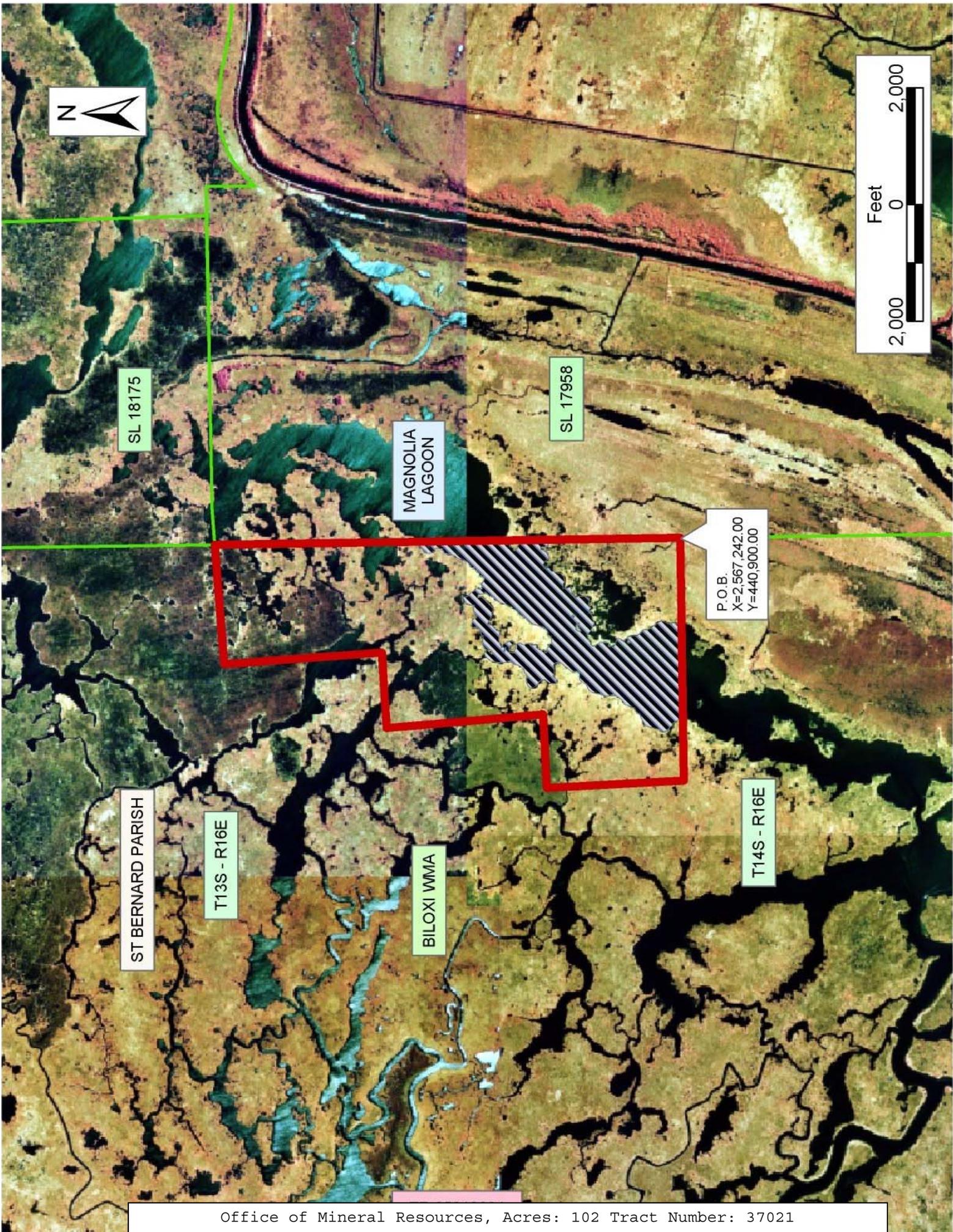
1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the 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: Kare-Sue Energy, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



TRACT 37022 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,550,158.00 and Y = 440,900.00; thence North 3,855.00 feet to a point having Coordinates of X = 2,550,158.00 and Y = 444,755.00; thence East 2,085.58 feet to a point having Coordinates of X = 2,552,243.58 and Y = 444,755.00; thence North 3,175.89 feet to a point on the boundary of the Biloxi Wildlife Management Area and the South line of State Lease No. 18184 having Coordinates of X = 2,552,243.58 and Y = 447,930.89; thence North 88 degrees 08 minutes 29 seconds East 5,394.40 feet along the boundary of said Biloxi Wildlife Management Area to the Southeast corner of State Lease No. 18184, having Coordinates of X = 2,557,635.14 and Y = 448,105.84; thence along the boundary of said Biloxi Wildlife Management Area the following courses: South 01 degrees 51 minutes 50 seconds East 1,710.50 feet, South 02 degrees 09 minutes 33 seconds East 141.85 feet, South 01 degrees 40 minutes 40 seconds East 454.59 feet, South 02 degrees 15 minutes 57 seconds East 130.95 feet, South 01 degrees 51 minutes 44 seconds East 2,585.82 feet, South 88 degrees 40 minutes 38 seconds West 1,296.36 feet, South 44 degrees 52 minutes 12 seconds West 5.23 feet, South 88 degrees 40 minutes 02 seconds West 994.30 feet, Southerly, Southwesterly, Northwesterly, Southwesterly, Northwesterly and Southerly to a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,553,171.20 and Y = 440,900.00; thence West 3,013.20 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 **69 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: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the 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.

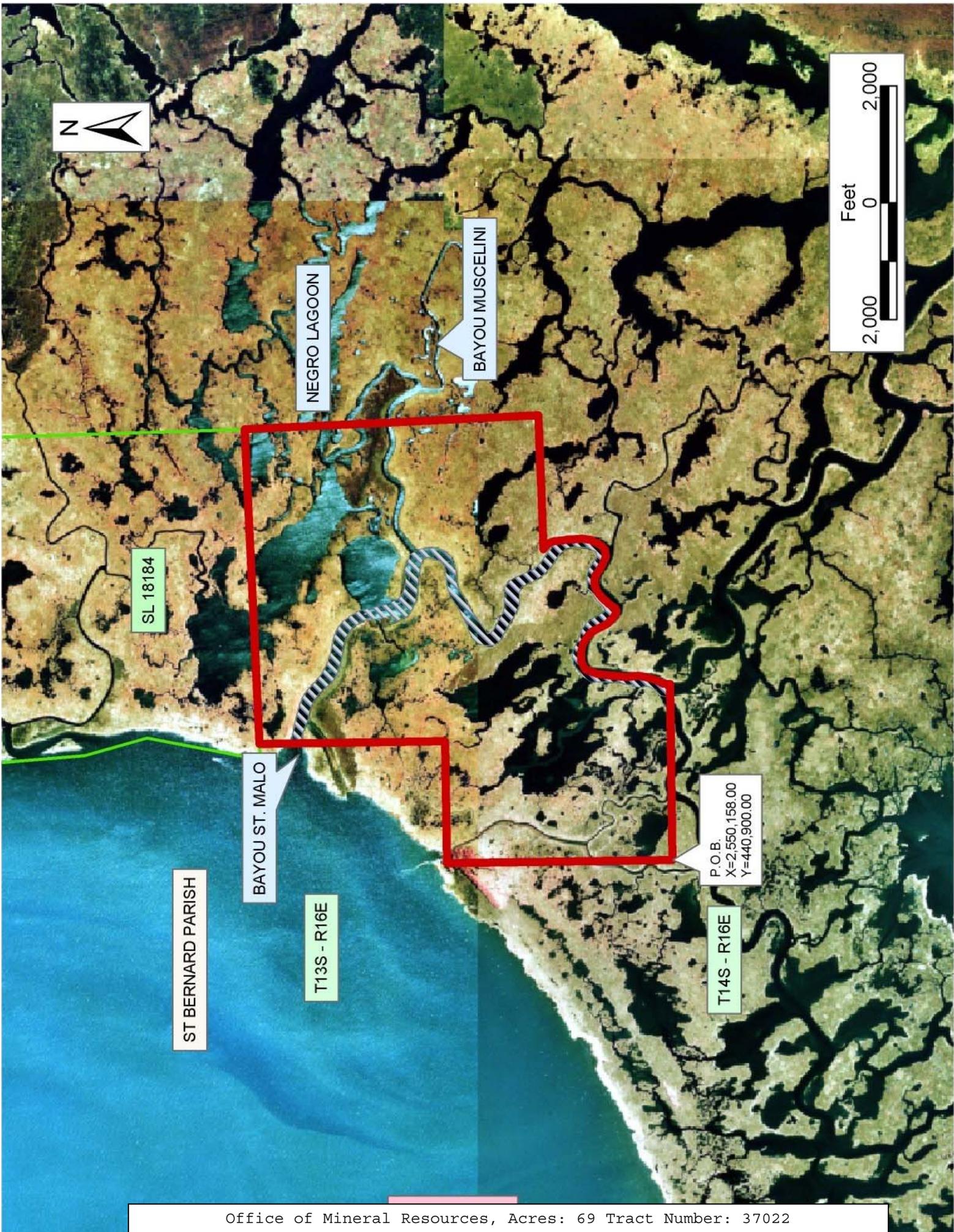
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



TRACT 37023 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,583,000.00 and Y = 428,001.39; thence North 7,155.61 feet to the Southeast corner of State Lease No. 17958 having Coordinates of X = 2,583,000.00 and Y = 435,157.00; thence North 10,904.73 feet on the East line of said State Lease No. 17958 to its Northeast corner and a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,583,000.00 and Y = 446,061.73; thence along the boundary of said Biloxi Wildlife Management Area the following courses: South 45 degrees 06 minutes 44 seconds East 269.82 feet, South 40 degrees 48 minutes 24 seconds East 566.82 feet, and South 42 degrees 49 minutes 12 seconds East 497.55 feet to the most Northerly Southwest corner of State Lease No. 17980 having Coordinates of X = 2,583,899.77 and Y = 445,077.32; thence along the boundary of said State Lease No. 17980 and said Biloxi Wildlife Management Area the following courses: South 42 degrees 49 minutes 12 seconds East 30.99 feet, South 40 degrees 33 minutes 53 seconds East 462.74 feet, South 41 degrees 02 minutes 29 seconds East 255.67 feet, South 38 degrees 30 minutes 49 seconds East 265.18 feet, South 36 degrees 32 minutes 23 seconds East 233.19 feet, South 38 degrees 47 minutes 02 seconds East 253.69 feet, South 34 degrees 13 minutes 21 seconds East 186.20 feet, North 88 degrees 23 minutes 16 seconds East 4,798.83 feet, and North 88 degrees 34 minutes 24 seconds East 4,007.62 feet to the Northwest corner of State Lease No. 17959 having Coordinates of X = 2,593,760.52 and Y = 443,998.46; thence along the boundary of said State Lease No. 17959 the following courses: South 01 degrees 13 minutes 28 seconds East 5,432.56 feet and North 87 degrees 51 minutes 17 seconds East 1,056.02 feet to a point having Coordinates of X = 2,594,931.89 and Y = 438,606.67; thence South 02 degrees 11 minutes 12 seconds East 10,147.87 feet to a point having Coordinates of X = 2,595,319.09 and Y = 428,466.19; thence South 87 degrees 50 minutes 21 seconds West 12,327.86 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 **510 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: This tract is located within the boundaries of a wildlife management area or refuge and any operations conducted thereon in conjunction with this mineral lease may be subject to rules and regulations promulgated by the Department of Wildlife and Fisheries for the protection of fish, birds and other wildlife including, but not necessarily limited to, the following:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the appropriate WMA Supervisor prior to any activities on the wildlife management area.
2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures required by the Louisiana Department of Wildlife and Fisheries.
3. Compensatory mitigation will be required to offset unavoidable wetland impacts.
4. Removal of all structures, facilities, and equipment will be required within 120 days of abandonment unless otherwise agreed to by the 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.

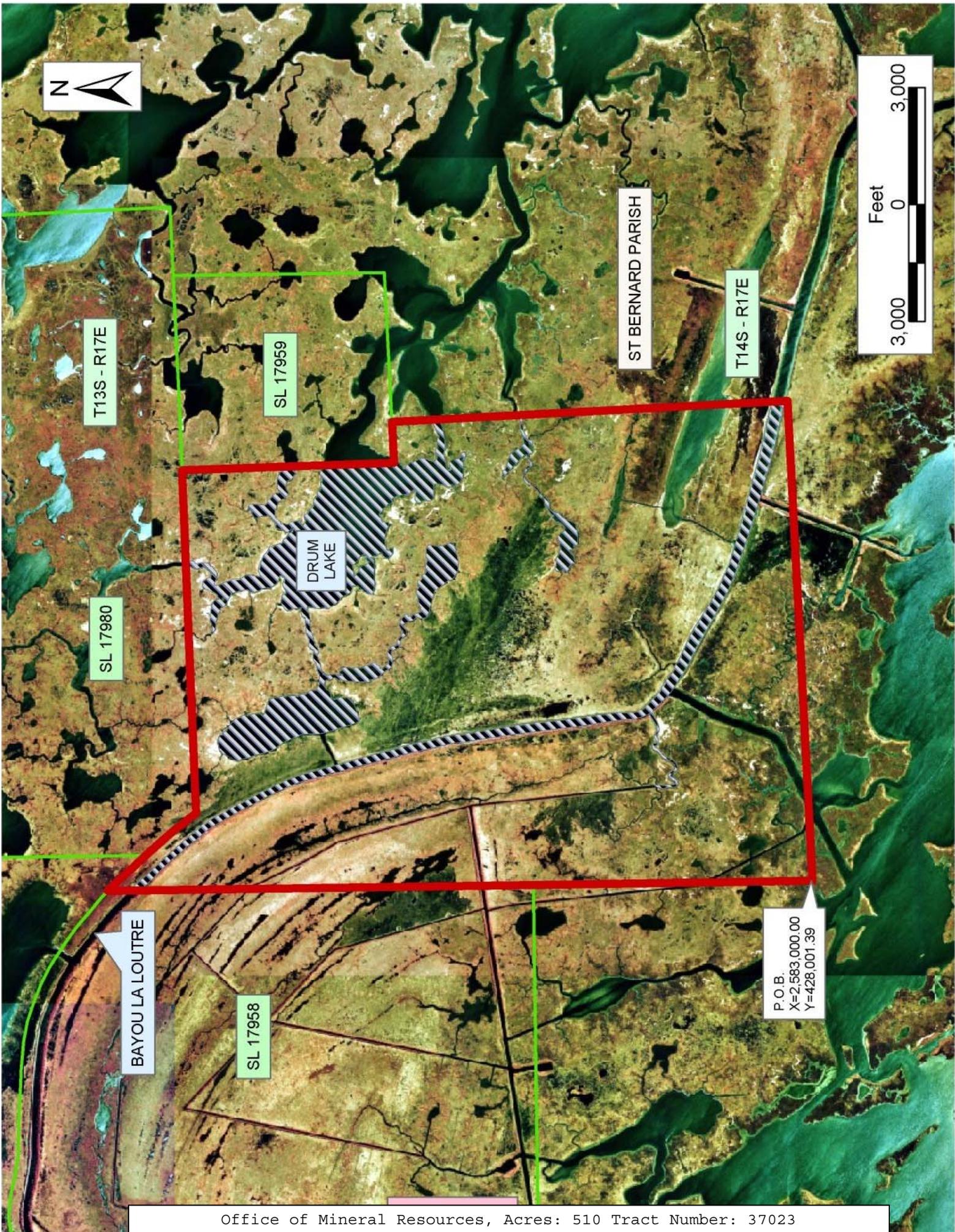
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



TRACT 37024 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,610,842.98 and Y = 439,624.17; thence South 10,566.86 feet to a point having Coordinates of X = 2,610,842.98 and Y = 429,057.30; thence South 87 degrees 49 minutes 10 seconds West 15,535.14 feet to a point having Coordinates of X = 2,595,319.09 and Y = 428,466.19; thence North 02 degrees 11 minutes 12 seconds West 10,147.87 feet to a point on the South line of State Lease No. 17959 having Coordinates of X = 2,594,931.89 and Y = 438,606.67; thence along the boundary of said State Lease No. 17959 the following courses: North 87 degrees 51 minutes 17 seconds East 3,828.79 feet and North 414.03 feet to a point having Coordinates of X = 2,598,758.00 and Y = 439,164.03; thence North 87 degrees 49 minutes 10 seconds East 12,093.74 feet to the point of beginning, containing approximately **1,450 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



P.O.B.
X=2,610,842.98
Y=439,624.17

T14S - R18E

ST BERNARD PARISH

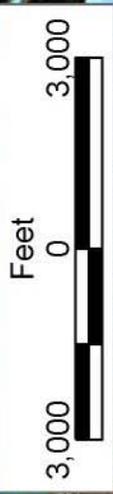
SL 17959

T14S - R17E

FLAT BAY

BAYOU RAMON

T14S - R18E



TRACT 37025 - 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 January 12, 2005, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,583,000.00 and Y = 428,001.39; thence South 87 degrees 50 minutes 21 seconds West 15,769.21 feet to a point having Coordinates of X = 2,567,242.00 and Y = 427,406.85; thence North 7,750.15 feet to the Southwest corner of State Lease No. 17958 having Coordinates of X = 2,567,242.00 and Y = 435,157.00; thence East 15,758.00 feet on the South line of said State Lease No. 17958 to its Southeast corner having Coordinates of X = 2,583,000.00 and Y = 435,157.00; thence South 7,155.61 feet to the point of beginning, containing approximately **341 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%.

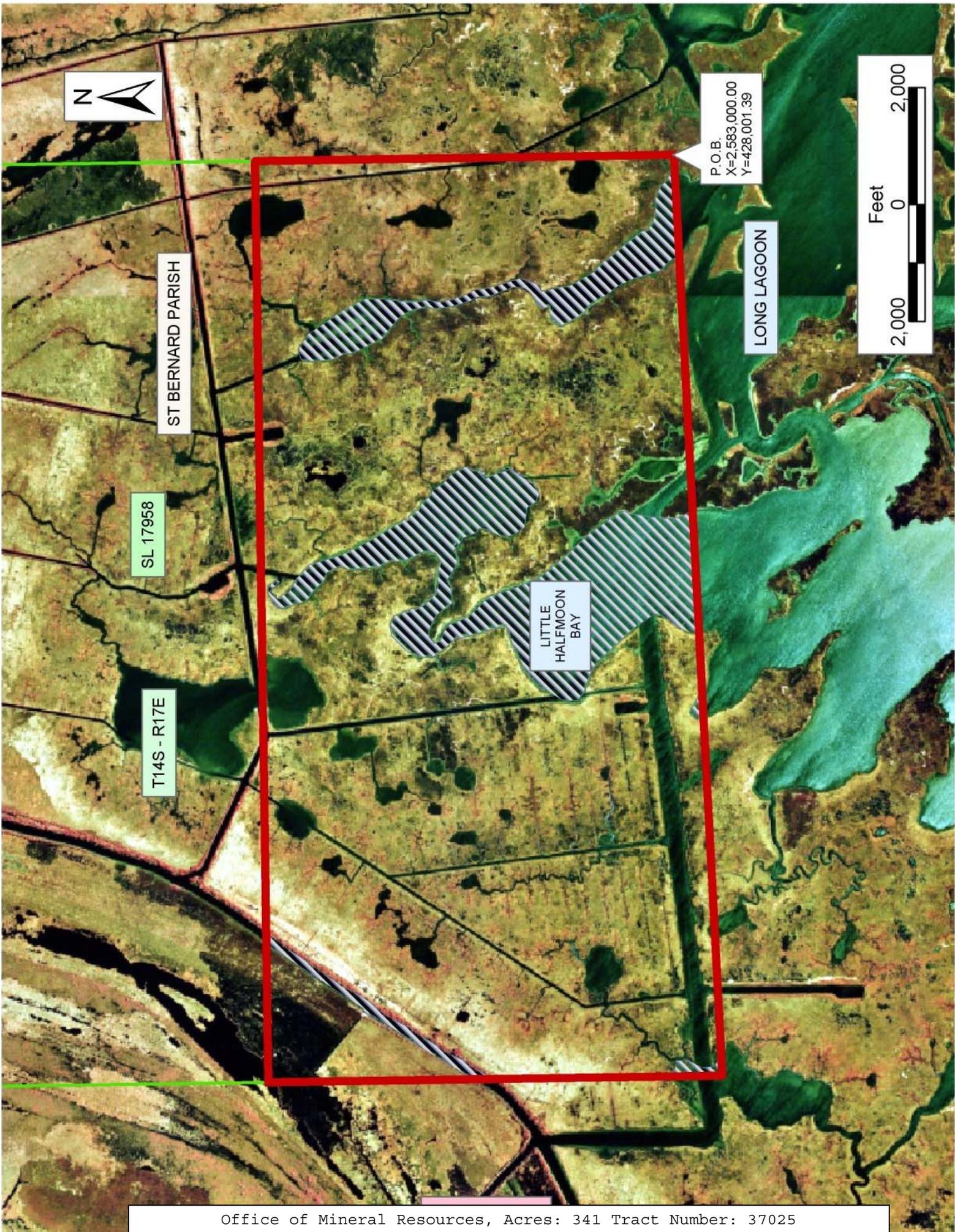
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing 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 37026 - St. Mary 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 January 12, 2005, situated in St. Mary Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 1,967,620.22 and Y = 359,243.98; Thence South 12,493.98 feet to a point having Coordinates of X = 1,967,620.22 and Y = 346,750.00; Thence West approximately 14,971 feet to a point on the East boundary of Operating Agreement 0241 having a coordinate of Y = 346,750.00; Thence along the boundaries of said Operating Agreement 0241 the following courses: Northerly along its East boundary to its Northeast corner; Southwesterly along its Northern boundaries to its Northwest corner; Thence Westerly approximately 677 feet to a point having Coordinates of X = 1,949,140.22 and Y = 348,311.02; Thence North 10,932.96 feet to a point having Coordinates of X = 1,949,140.22 and Y = 359,243.98; Thence East 18,480.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of Operating Agreement 0241 and Operating Agreement 043, which may lie within the above described tract, containing approximately **159 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.

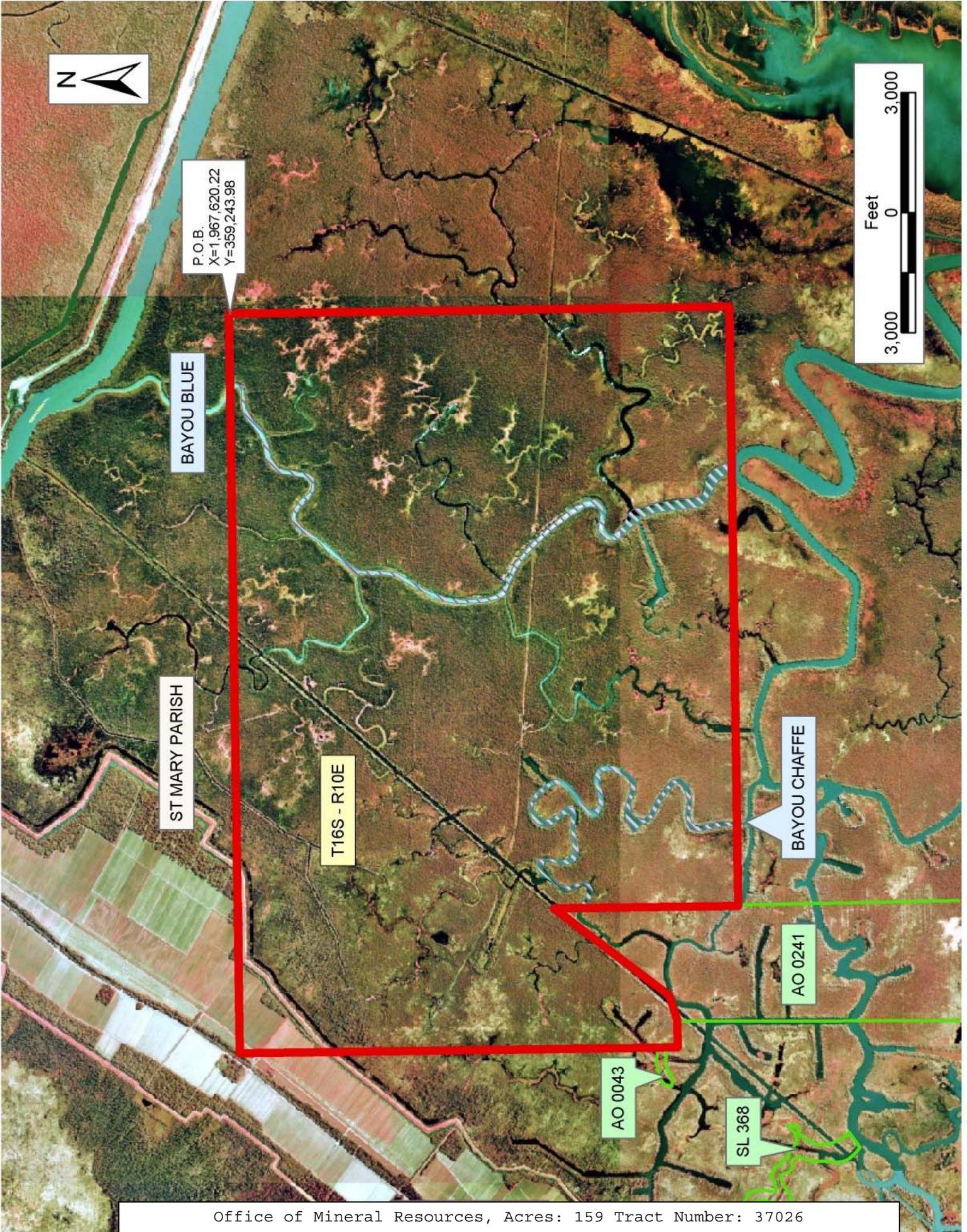
NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied,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

Applicant: Jerel Exploration, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



TRACT 37027 - St. Mary 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 January 12, 2005, situated in St. Mary Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 1,926,130.22 and Y = 359,243.98; Thence South approximately 5,849 feet to a point on the Northern boundary of State Lease No. 340, as amended, having a coordinate of X = 1,926,130.22; Thence Southwesterly along the Northern boundary of said State Lease No. 340 to its Northwest corner; Thence Southerly approximately 3,552 feet along the West boundary of said State Lease No. 340 to the Northwest corner of State Lease No. 17926; Thence Southerly approximately 4,499 feet along the West boundary of said State Lease No. 17926 to the Northeast corner of State Lease No. 16381 having a coordinate of Y = 342,500.00; Thence West approximately 1,233 feet along the North boundary of said State Lease No. 16381 to a point having Coordinates of X = 1,912,180.22 and Y = 342,500.00; Thence North 16,743.98 feet to a point having Coordinates of X = 1,912,180.22 and Y = 359,243.98; Thence East 13,950.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of State Lease No. 340, as amended, State Lease No. 368, as amended, State Lease No. 17926 and State Lease No. 16381, which may lie within the above described tract, containing approximately **404 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: Jerel Exploration, Inc.

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



P.O.B.
X=1,926,130.22
Y=359,243.98

T16S - R9E

SL 368

APPROX. 1935
SHORELINE

SL 340

EAST COTE BLANCHE BAY

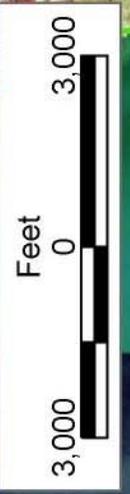
SL 17926

SL 16381

SL 18264

ST MARY PARISH

BAYOU CARLIN



TRACT 37028 - Jefferson 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 January 12, 2005, situated in Jefferson Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,405,630.00 and Y = 319,350.00; thence North 01 degrees 02 minutes 22 seconds West 1,819.30 feet to a point having Coordinates of X = 2,405,597.00 and Y = 321,169.00; thence East 4,323.00 feet to a point having Coordinates of X = 2,409,920.00 and Y = 321,169.00; thence South 1,819.00 feet to a point having Coordinates of X = 2,409,920.00 and Y = 319,350.00; thence West approximately 4,290.00 feet to the point of beginning, containing approximately **128 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.

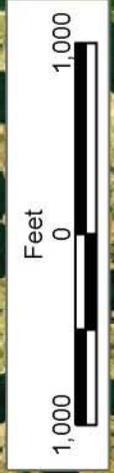
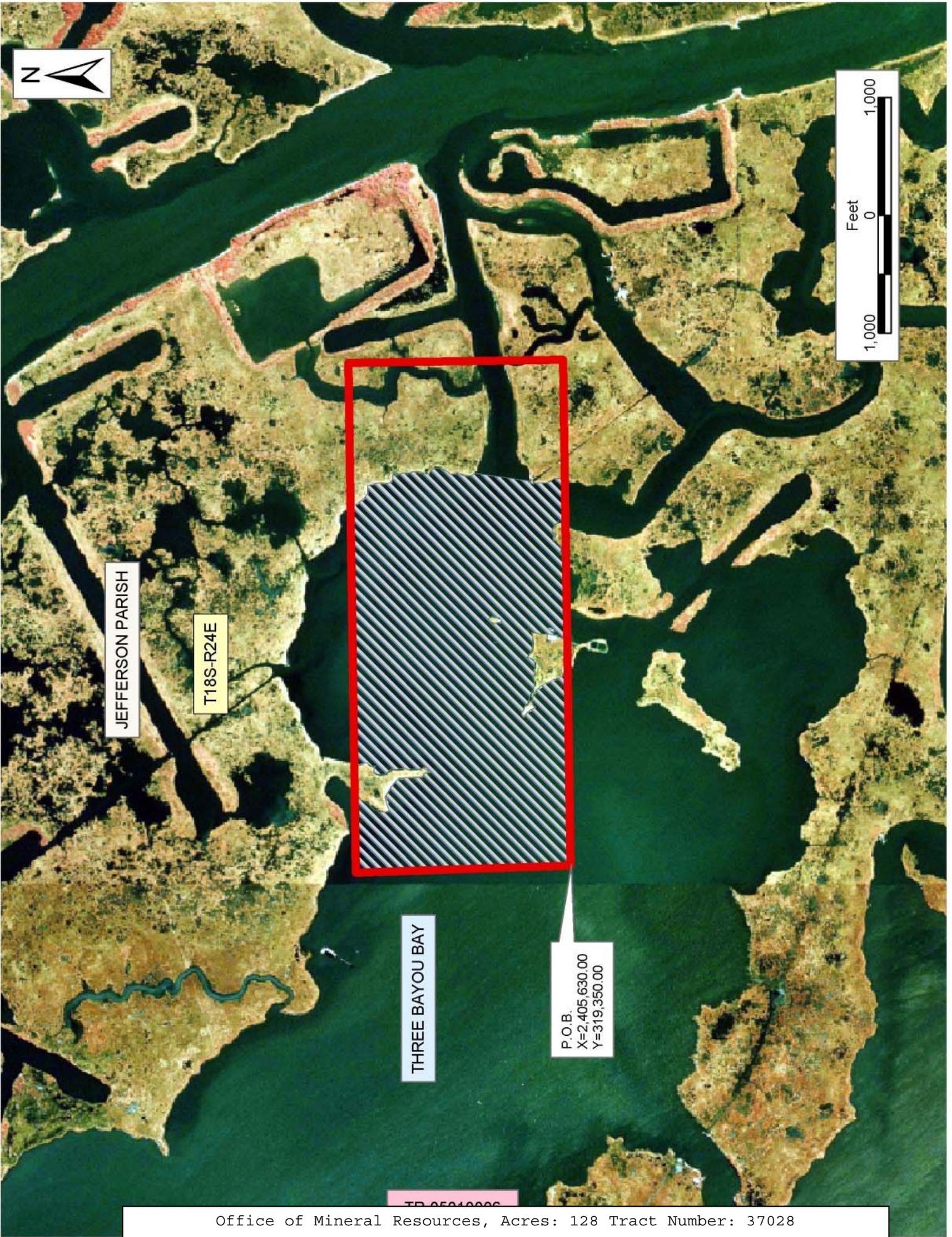
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing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

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



JEFFERSON PARISH

T18S-R24E



THREE BAYOU BAY

P.O.B.
X=2,405,630.00
Y=3,19,350.00

TR 05010000