

**TRACT 40892 - Portion of Blocks 18, 19, 2, and 3, Vermilion Area, Revised, Vermilion Parish, Louisiana**

The beds and bottoms of all water bodies belonging to the State of Louisiana located in Blocks 18, 19, 2, and 3, Vermilion Area, Revised, together with any present lands formed by accretion to the shoreline or islands formed therein, located in Vermilion Parish, Louisiana, owned by and not presently under mineral lease as of April 8, 2009, from the State of Louisiana, the geographical area of which is more fully described as follows: Beginning at a point in Block 2, Vermilion Area, having Coordinates of X = 1,615,651.44 and Y = 319,452.69; thence South 83 degrees 42 minutes 47 seconds East 12,889.57 feet to a point having Coordinates of X = 1,628,463.49 and Y = 318,041.19, being a point in Block 3, Vermilion Area; thence South 00 degrees 37 minutes 54 seconds East 8,421.52 feet to a point of intersection with the Three Mile Line, as decreed by the Supreme Court of the United States, as determined by a Special Master appointed therein, in litigation styled *United States v. State of Louisiana et al No. 9 Original*, in 1975, having Coordinates of X = 1,628,556.32 and Y = 309,620.19, also being a point in Block 18, Vermilion Area; thence on a straight line to a point having Coordinates of X = 1,627,130 and Y = 309,807; thence on a straight line to a point having Coordinates of X = 1,620,757 and Y = 310,390; thence along an arc having a radius of 18,240.60 feet and a center at X = 1,622,420 and Y = 328,555 to a point having Coordinates of X = 1,619,895 and Y = 310,490; thence on a straight line to a point having Coordinates of X = 1,615,743.85 and Y = 311,070.23, also being a point in Block 19, Vermilion Area; thence North 00 degrees 37 minutes 54 seconds West 8,382.97 feet to the Point of Beginning, containing approximately **2481.67 acres, LESS AND EXCEPT** that portion thereof, if any, lying seaward of the line three nautical miles from the coast line of Louisiana, as said three mile line has been decreed by the Supreme Court of the United States, as determined by a Special Master appointed therein, in litigation styled **United States v. State of Louisiana et al No. 9 Original**, in 1975, all as more particularly outlined on a plat in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on the Louisiana Coordinate System of 1927, (South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration

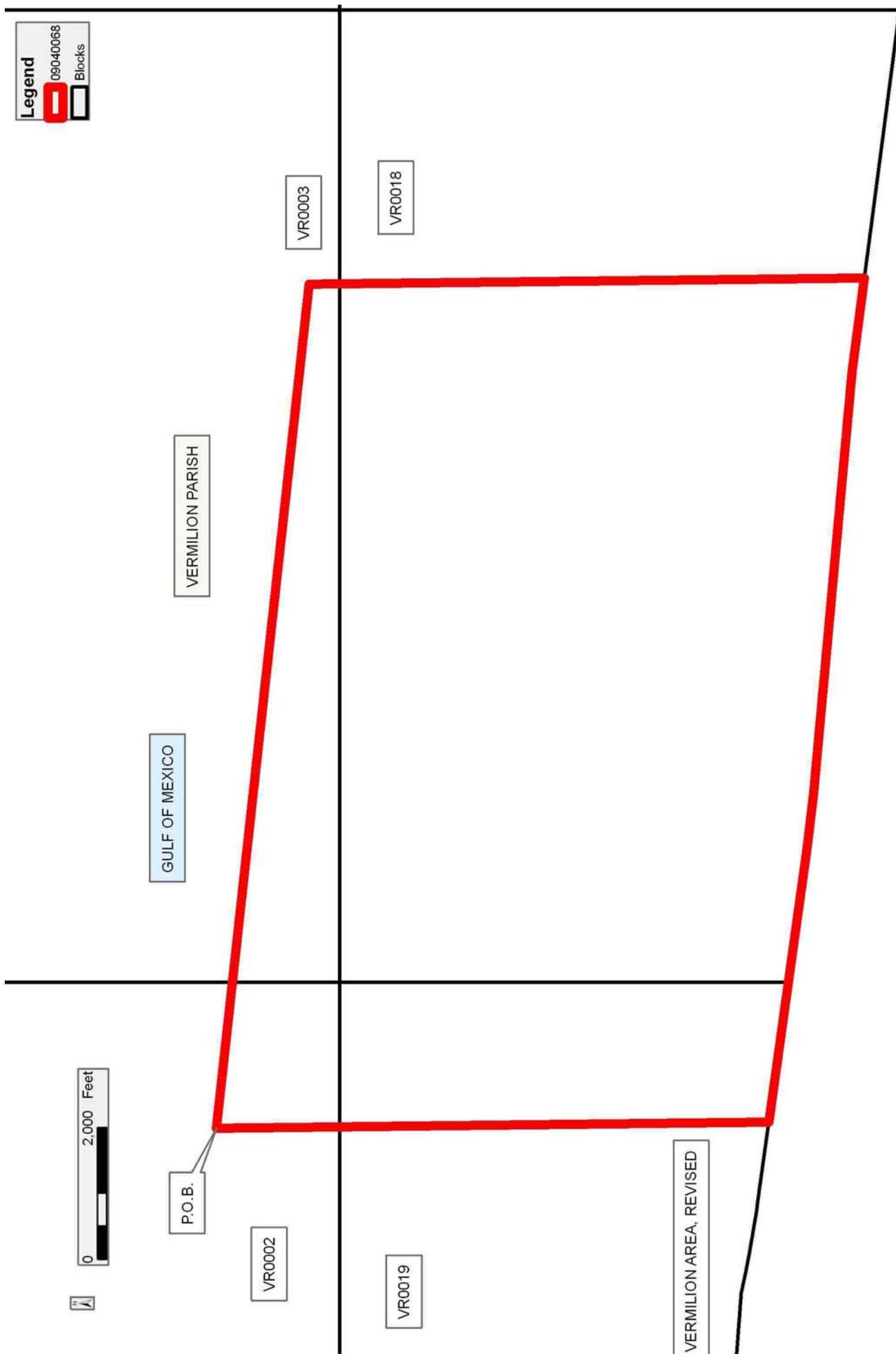
paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The 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: CYPRESS ENERGY CORPORATION

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other

**Legend**  
09040068  
Blocks



**TRACT 40893 - Portion of Blocks 17, 18, and 3, Vermilion Area, Revised, Vermilion Parish, Louisiana**

The beds and bottoms of all water bodies belonging to the State of Louisiana located in Blocks 17, 18, and 3, Vermilion Area, Revised, together with any present lands formed by accretion to the shoreline or islands formed therein, located in Vermilion Parish, Louisiana, owned by and not presently under mineral lease as of April 8, 2009, from the State of Louisiana, the geographical area of which is more fully described as follows: Beginning at a point in Block 3, Vermilion Area, having Coordinates of X = 1,628,463.49 and Y = 318,041.19; thence South 83 degrees 19 minutes 32 seconds East 13,190.10 feet to a point having Coordinates of X = 1,641,564.20 and Y = 316,508.15, being a point in Block 17, Vermilion Area; thence South 666.05 feet to a point on the North line of State Lease No. 17156 having Coordinates of X = 1,641,564.20 and Y = 315,842.10; thence along the boundary of said State Lease No. 17156 the following courses: North 89 degrees 16 minutes 38 seconds West 1,092.60 feet to a point having Coordinates of X = 1,640,471.68 and Y = 315,855.88, South 06 degrees 55 minutes 12 seconds West 303.86 feet to a point having Coordinates of X = 1,640,435.07 and Y = 315,554.23, South 11 degrees 08 minutes 33 seconds West 369.26 feet to a point having Coordinates of X = 1,640,363.71 and Y = 315,191.93, South 19 degrees 26 minutes 17 seconds West 413.81 feet to a point having Coordinates of X = 1,640,226.00 and Y = 314,801.71, South 24 degrees 11 minutes 25 seconds West 173.66 feet to a point having Coordinates of X = 1,640,154.84 and Y = 314,643.30, South 27 degrees 19 minutes 09 seconds West 398.94 feet to a point having Coordinates of X = 1,639,971.75 and Y = 314,288.86, and South 33 degrees 56 minutes 36 seconds West 463.79 feet to the Southeast corner of State Lease No. 19969 having Coordinates of X = 1,639,712.78 and Y = 313,904.10; thence along the boundary of said State Lease No. 19969 the following courses: North 49 degrees 30 minutes 17 seconds West 1,788.78 feet to a point having Coordinates of X = 1,638,352.48 and Y = 315,065.71, and West 1,328.36 feet to a point having Coordinates of X = 1,637,024.12 and Y = 315,065.71 to its Northwest corner also being the Northeast corner of State Lease No. 19971; thence along the boundary of said State Lease No. 19971 the following courses: West 450.11 feet to a point having Coordinates of X = 1,636,574.01 and Y = 315,065.71 and South 65 degrees 55 minutes 50 seconds West 3,471.21 feet to its Southwest corner having Coordinates of X = 1,633,404.62 and Y = 313,650.01, also being a point on the North boundary of said State Lease No. 17156; thence along the boundary of said State Lease No. 17156 the following courses: West 780.50 feet to a point having Coordinates of X = 1,632,624.12 and Y = 313,650.01, South 2,700.00 feet to a point having Coordinates of X = 1,632,624.12 and Y = 310,950.01, and East 7,200.00 feet to a point having Coordinates of X = 1,639,824.12 and Y = 310,950.01, and South 1,189.51 feet to a point having Coordinates of X = 1,639,824.12 and Y = 309,760.50; thence continue South 1,762.50 feet to a point of intersection with the Three Mile Line, as decreed by the Supreme Court of the United States, as determined by a Special Master appointed therein, in litigation styled *United States v. State of Louisiana et al No. 9 Original*, in 1975, having Coordinates of X

= 1,639,824.12 and Y = 307,998.00; thence on a straight line to a point having Coordinates of X = 1,636,292 and Y = 308,607; thence on a straight line to a point having Coordinates of X = 1,628,556.32 and Y = 309,620.19, being a point in Block 18, Vermilion Area; thence North 00 degrees 37 minutes 54 seconds West 8,421.52 feet to the Point of Beginning, containing approximately **1,675.50 acres, LESS AND EXCEPT** that portion thereof, if any, lying seaward of the line three nautical miles from the coast line of Louisiana, as said three mile line has been decreed by the Supreme Court of the United States, as determined by a Special Master appointed therein, in litigation styled **United States v. State of Louisiana et al No. 9 Original**, in 1975, all as more particularly outlined on a plat in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on the Louisiana Coordinate System of 1927, (South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The 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: CYPRESS ENERGY CORPORATION

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other

**Legend**

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Blocks

