

PASS-A-LOUTRE TRACTS

TRACT 33606 - Plaquemines Parish, Louisiana

All state owned lands and water bottoms not under mineral lease on June 13, 2001, within the confines of the Pass-A-Loutre Wildlife Management Area as defined by the Department of Wildlife & Fisheries and included in a title opinion from the Office of the Governor, dated August 3, 1998, situated in Plaquemines Parish, Louisiana, within the following boundaries: Beginning at the Southwest corner of Block 13 having Coordinates of X = 2,674,960.00 and Y = 136,424.00; thence North 10,333.39 feet along the West line of said Block 13 to a point having Coordinates of X = 2,674,960.00 and Y = 146,757.39; thence East 2,500.00 feet to a point having Coordinates of X = 2,677,460.00 and Y = 146,757.39; thence South 28 degrees 36 minutes 38 seconds East a distance of 6,264.98 feet to a point having Coordinates of X = 2,680,460.00 and Y = 141,257.39; thence South 4,833.39 feet to a point having Coordinates of X = 2,680,460.00 and Y = 136,424.00; thence West 5,500.00 feet to the point of beginning, **LESS AND EXCEPT** any privately owned land that may be located within the above described tract, containing approximately 1,115.33 acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The boundary description and plat for this tract as shown and as advertised were supplied by the nominating party and have not been checked for accuracy by the staff of the Office of Mineral Resources. Anything which may affect the acreage, the shape or the location of the tract, such as non-closure of or incorrect X, Y coordinates or title disputed acreage, or which may affect the status of the tract for leasing, such as overlap of prior leases or nominated tracts, or which may affect potential operations on leases taken, such as inclusion in areas under the jurisdiction of the Department of Wildlife and Fisheries, will not be specifically determined unless and until a bid on this tract is accepted by the Mineral Board; which bid will be accepted on a per acre basis and which acceptance will be conditional upon such specific determinations being made. Once a bid is conditionally accepted by the Mineral Board, the staff will, within a period following the date of the lease sale, determine the acreage, shape and location of the potential lease area of the tract, the status for leasing of all or any portion thereof, and any conditions which may affect potential operations thereon. These determinations may render all or a portion of the bid area unleaseable or may increase or decrease the State claimed acreage such that the total bonus/rental ultimately required may either exceed the bonus/rental paid at the lease sale, which will require additional payment by the successful bidder, or allow the successful bidder a refund of excessive payment. The successful bidder will be notified of the determinations by the staff and given an opportunity to view the bid area acreage, configuration and location as it has been specifically determined. If all or a portion of the bid area is unleaseable due to overlap of an existing lease, the successful bidder will be given an opportunity to accept or reject a new lease on that portion of the bid area which is not unleaseable. If rejected, the bid and all monies accompanying the bid will be returned to the successful bidder and no lease will be issued. In all other cases

a new lease will be issued and any additional per acre bonus/rental, 10% administration fee or \$10 and \$5 per acre fees due as a result of staff determination of more State acreage in the bid area than determined by the successful bidder will be paid prior to the lease being issued. A determination of less State acreage in the bid area will result in a return to the successful bidder of any overpayment.

- NOTE:
1. No activities will be allowed without written authorization of the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the Pass-A-Loutre State Wildlife Management Area 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 project features including but not limited to access routes, well sites, flowlines and appurtenant structures may be required by the Louisiana Department of Wildlife and Fisheries.
 3. Compliance with the Pass-A-Loutre Wildlife Management Area regulations will be required unless otherwise specified by the Department of Wildlife and Fisheries.
 4. Compensatory mitigation will be required to offset unavoidable habitat impacts.
 5. 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.
 6. No activities will be allowed during the hunting season unless authorized by the Department of Wildlife and Fisheries.
 7. Prior to submitting applications for wetland permits to Federal and State permitting agencies, the leaseholder shall coordinate project details with the Department of Wildlife and Fisheries.

NOTE: The Department will require a minimum bonus of \$350.00 per acre and a minimum royalty of 25%.

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 hereinabove reserved.

Applicant: Cypress Energy Corporation

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

WHALE BAY

light

E
A
S
T

1,115.33 Ac

TR 33606
1,115.33 +/- ACS.
JUNE, 2001

BLOCK 13

POB
X = 2,674,960.00
Y = 136,424.00

INDEFINITE

B

A

L

BOUNDARY

OIL FIELD

SOUTH PASS AREA