

TRACT 40053 - St. Mary Parish, Louisiana

A portion of all lands located above the mean high water mark, together with lands now or formerly constituting the beds and bottoms of any water body of whatever description or nature belonging to the State of Louisiana which is now located within the boundaries of the Atchafalaya Delta Wildlife Management Area and not presently under mineral lease by the State of Louisiana on August 13, 2008, and more particularly located as follows: Beginning at a point on the Western boundary of the Atchafalaya Delta Wildlife Management Area, also being the Northwest corner of State Lease No. 19319 having Coordinates of X = 1,930,619.00 and Y = 309,420.36; thence along the boundary of said Atchafalaya Delta Wildlife Management Area the following courses: North 342.64 feet to a point the having Coordinates of X = 1,930,619.00 and Y = 309,763.00 and Northeasterly to the Northwest corner of State Lease No. 18349; thence South 15 degrees 00 minutes 00 seconds East approximately 3,165 feet along the boundary of said State Lease No. 18349 to its Southwest corner having Coordinates of X = 1,935,617.36 and Y = 309,537.38; thence North 84 degrees 15 minutes 15 seconds West 615.45 feet to the Northeast corner of said State Lease No. 19319 having Coordinates of X = 1,935,005.00 and Y = 309,599.00; thence along the boundary of said State Lease No. 19319 the following courses: West 3,990.00 feet and South 65 degrees 43 minutes 10 seconds West 434.43 feet to the point of beginning, containing approximately **198 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, (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 Office of Mineral Resources will require a minimum bonus of \$350 per acre and a minimum royalty of 25%.

NOTE: The mineral lease is located within the Atchafalaya Delta WMA under the jurisdiction of the Louisiana Department of Wildlife and Fisheries which has promulgated rules and regulations for the protection of game and

wildlife on the aforesaid Tract and, therefore, shall be subject to said rules and regulations, a copy of which shall be attached to the mineral lease. In addition to the specific rules and regulations applicable, the following shall apply regarding operations under this mineral lease:

1. No activities will be allowed without written authorization from the Louisiana Department of Wildlife and Fisheries.
2. Projects will be evaluated on a case by case basis. Modifications to projects may be required including, but not limited to, access routes, spoil placement, well sites, flow lines and other appurtenant structures.
3. Mitigation will be required to offset avoidable wetland impacts.
4. Removal of all structures, facilities and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Louisiana 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: CYPRESS ENERGY CORPORATION

Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other

Legend

-  08080076
-  Wildlife
-  Active_Leases

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