

TRACT 37851 - De Soto and Red River Parishes, LOUISIANA

All land, LESS AND EXCEPT land now or formerly constituting the beds and bottoms of any water body of whatever description and nature, all belonging to the State of Louisiana located within the geographical boundaries of the Bayou Pierre WMA and not presently under mineral lease by the State of Louisiana as of September 14, 2005, the area of which is set forth as follows: Beginning at a point having Coordinates of X = 1,662,100.00 and Y = 562,900.00; thence West 2,640.00 feet to a point; thence North 2,800.00 feet to a point; East 2,640.00 feet to a point; and South 2,800.00 feet to the point of beginning, lying East of Bayou Pierre, LESS AND EXCEPT all that portion of the above described tract lying outside of the Bayou Pierre WMA, containing approximately **92.00 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).

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 \$150 per acre and a minimum royalty of 25%.

NOTE: The mineral lease is located within the Bayou Pierre 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.

Applicant: CYPRESS ENERGY CORPORATION

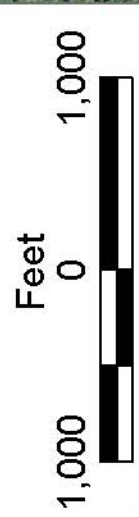
Bidder	Cash Payment	Price/Acre	Rental	Oil	Gas	Other



SL 18605

RED RIVER PARISH

BAYOU PIERRE WMA



P.O.B.
X=1,662,100.00
Y=562,900.00



SL 17216

T14N - R12W

DE SOTO PARISH

SL 9312