

03-14 PM  
SHELBY COUNTY JUDGE OF PROBATE  
024 MCD 169-55

11/12/1992-26594

(A) All of the agreements, contracts, contract rights, instruments and conveyances now or hereafter respecting, relating to, appertaining to, or attributable to the Subject Interest or the lands and interests (herein, collectively, the "Subject Lands") covered by, related to, or unitized, communitized or pooled with the leases, wells and unit areas described on the attached Exhibit

"A," or any part thereof or interest in the Subject Interest or Subject Lands, whether or not recorded (herein, collectively, the "Subject Agreements"), including without limitation those certain Subject Agreements described on the attached Exhibit "B"; and

(B) All unitization, communitization or pooling agreements and all units and pooled or communitized areas created by, attributable to, or associated with the Subject Interest, the Subject Agreements, or the Subject Lands, or any part thereof or interest therein (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency having jurisdiction); and

(C) All oil, gas, distillate, condensate, casinghead gas or other liquid or vaporous hydrocarbons, or other minerals, produced or producible from, attributable to, or associated with the Subject Interest, the Subject Agreements, or the Subject Lands, or any part thereof or interest therein; and

(D) All improvements, easements, surface leases, permits, licenses, servitudes, rights-of-way and other interests appertaining to, attributable to, associated with, related in any way to, or used or usable in connection with the exploration, development or operation of the Subject Interest or the Subject Lands or any part thereof or interest therein; and

(E) All personal and mixed property, fixtures and facilities, located on, appertaining to, attributable to, associated with, or used/or usable in connection with all or any part of the Subject Interest, the Subject Agreements, or the Subject Lands, including without limitation wellhead equipment, improvements and equipment relative to the production, treatment, storage, gathering, transportation, dehydration, treating or disposal of oil, gas, water and saltwater, distillate, condensate, casinghead gas or other liquid or vaporous hydrocarbons or other minerals, and all tanks, boilers, buildings, plants, fixtures, machinery and other equipment, pipelines, power lines, telephone and telegraph lines,



roads and other appurtenances, and all core and other geologic samples, instruments, supplies, equipment and tools; and

(F) All rights attributable to, or arising from, any contracts, agreements, leases and/or other arrangements appertaining to, attributable to, associated with or relating in any way to the Subject Interest, the Subject Agreements, or the Subject Lands, including without limitation oil, casinghead gas or gas sales, purchase, exchange, processing, treating and transportation contracts or agreements, agreements relating to water and saltwater disposal or storage, joint accounts, joint operating agreements and any other types of operation or management contracts, farmout agreements, area of mutual interest agreements, development agreements, participation agreements and other similar agreements and rights including any rights under bottom hole or dry hole letters and including any other contractual or equitable rights to receive, or with respect to, seismic, stratigraphic or structural information, and well logs and other geological and geophysical information and data.

By these presents, and without limiting the generality of the foregoing, Assignor has further BARGAINED, SOLD, CONVEYED, ASSIGNED and TRANSFERRED, and does further BARGAIN, SELL, CONVEY, ASSIGN and TRANSFER unto Assignee, its successors and assigns, the right to inspect and copy, at Assignee's expense and during normal business hours, all records, files, maps, diagrams, studies, reports and any other written materials and materials stored in hard copy or on a computer or on a computer disc or tape appertaining to, attributable to, associated with or relating to the Subject Interest, the Subject Agreements, or the Subject Lands, any part thereof or interest therein, together with all such rights of access as shall appertain thereto, including without limitation lease files, property records, contract files, operation files, maintenance files, contractor files, tax records and files, Federal Energy Regulatory Commission and other regulatory filings and records, environmental filings and records, royalty records, division and transfer order files, ratification files, accounting

files and records, landowner files, governmental files, reports to regulatory agencies, individual well files, maps and formation cross-sections of every type, core and hydrocarbon analyses, well logs of every nature, well histories with completion and recompletion data, casing and tubing data, surface equipment data including flow line and equipment plats, production histories and records, and reservoir pressure records and histories.

By these presents, and without limiting the generality of the foregoing, Assignor has further BARGAINED, SOLD, CONVEYED, ASSIGNED and TRANSFERRED, and does further BARGAIN, SELL, CONVEY, ASSIGN and TRANSFER unto Assignee, its successors and assigns, all warranties, claims and causes of action of whatsoever type or character, in contract or in tort, owned by Assignor, to the extent but only to the extent that such warranties, claims and causes of action appertain to, are attributable to, are associated with, or arise out of, the Subject Interest.

THIS CONVEYANCE SHALL BE SUBJECT IN ALL RESPECTS TO that certain unrecorded Exchange Agreement (referred to herein as the "Exchange Agreement"), dated as of March 23, 1992, by and among Assignor et al. and Assignee et al. (relating inter alia to the Subject Interest and the Subject Agreements), to the warranties, representations, terms and conditions expressed in the Exchange Agreement, and to each of the Subject Agreements identified on the attached Exhibit "B."

ASSIGNOR HEREBY WARRANTS AND SHALL FOREVER DEFEND the title to these premises, to the Subject Interest and the Subject Agreements unto Assignee, its successors and assigns forever, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Assignor, but not otherwise.

ASSIGNOR FURTHER WARRANTS unto Assignee, its successors and assigns forever, that (A) Assignor owns the two percent (2.00%) leasehold interest (the "Working Interest") designated on Part 1 of the attached Exhibit "A"; (B) following this Conveyance, Assignee,



its successors and assigns will only be obligated to bear a percentage of costs and expenses relating to the maintenance, development and operation of the Subject Interests not greater than the Working Interest, except for increases in such costs and expenses that also result in a proportionate increase in Assignee's net revenue interest in the wells and unit areas described on Part 3 of the attached Exhibit "A"; and (C) that the descriptions on the attached Exhibit "A" are true and correct in all material respects and are legally sufficient to transfer title to these premises and to the Subject Interest to Assignee, its successors and assigns.

AFTER THE DELIVERY AND RECORDATION OF THIS CONVEYANCE, Assignor shall execute and deliver to Assignee, its successors and assigns all such instruments, notices, division orders, transfer orders, correction assignments or conveyances, and other documents, and do all such other acts not inconsistent with the Exchange Agreement or this Conveyance as may reasonably be necessary or advisable to carry out its obligations hereunder or thereunder or more fully to assure Assignee, its successors and assigns, the respective rights, titles, interests and estates herein and therein provided to be transferred, assigned or conveyed by Assignor to Assignee, its successors and assigns.

FURTHER, to the extent that all or any part of the Subject Interest or any of these premises shall be subject to any consent or approval requirements that are required to be satisfied prior to making this Conveyance, but that have not been satisfied or waived prior to the date hereof, this Conveyance shall not convey (until the earlier of (i) the time that such consent or approval requirement has been satisfied or waived; or (ii) the time that 1825 days have elapsed following the time this Conveyance becomes effective, as hereinafter provided) any right, title or interest in and to the Subject Interest, these premises, or part thereof or interest therein to which such requirement relates (referred to herein as a "Covered Interest"); however, (A) the full benefits of ownership relating to the Covered Interest are hereby BARGAINED, SOLD, CONVEYED, ASSIGNED and TRANSFERRED unto Assignee, its

successors and assigns hereunder, (B) Assignor shall hold legal title to the Covered Interest as trustee for the benefit of Assignee until such consent or approval requirement has been satisfied or waived, and (C) Assignor shall continue to use its best efforts to procure all required consents and approvals affecting the Covered Interest as soon as reasonably possible after the date hereof.

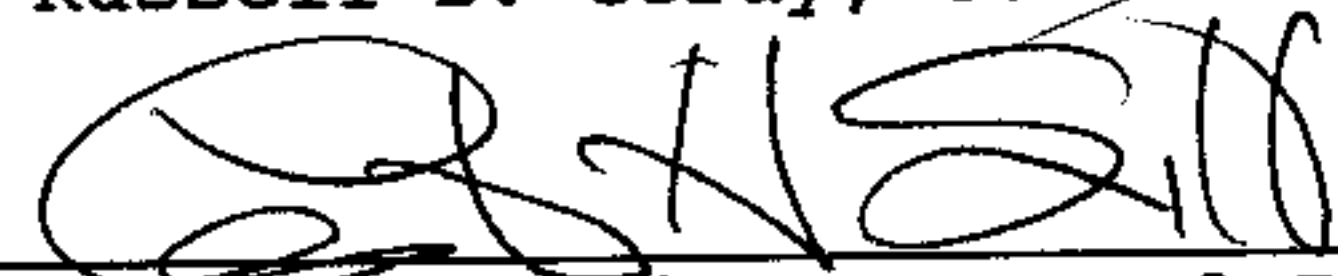
THIS CONVEYANCE shall be binding upon Assignor, its successors and assigns, and shall inure to the benefit of Assignee, its successors and assigns.

IN WITNESS WHEREOF, this Conveyance is executed this 18th day of June, 1992, but shall be effective as of the 23rd day of March, 1992, at 7:00 a.m., in the locality of the lands comprising the Subject Interest, and all oil, gas and other production runs after said effective time shall conform hereto.

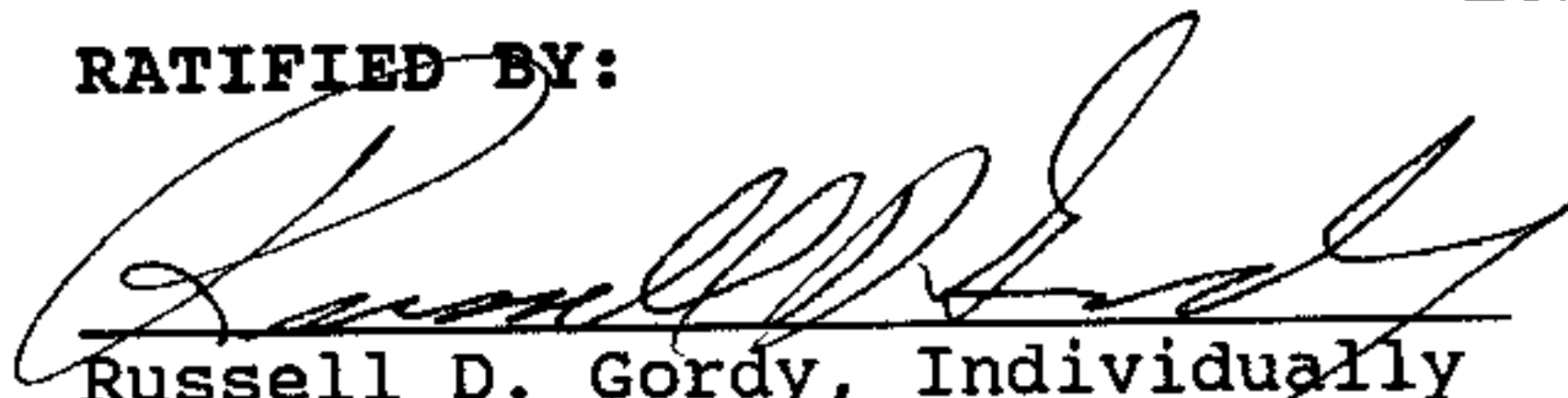
"ASSIGNOR"

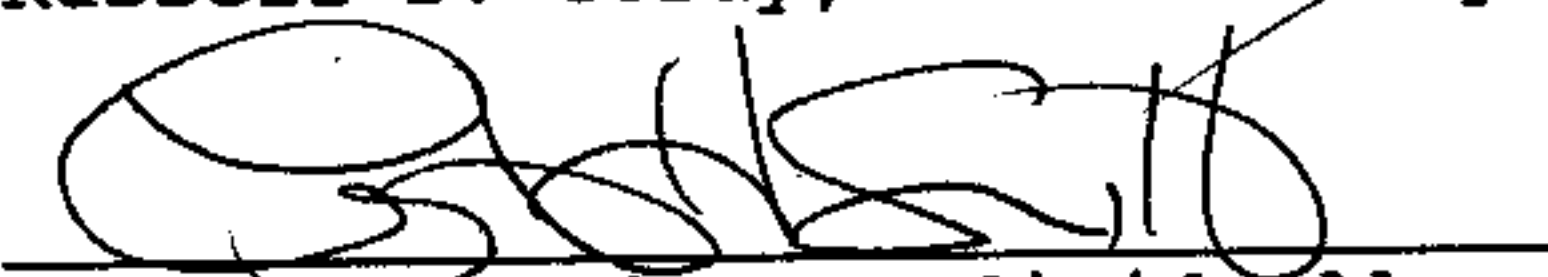
SMITH-GORDY METHANE COMPANY  
a Texas joint venture partnership

By:   
Russell D. Gordy, General Partner

By:   
Lester H. Smith, General Partner


RATIFIED BY:

  
Russell D. Gordy, Individually

  
Lester H. Smith, Individually

**ACCEPTED BY:**

HAK PARTNERS-II  
a Texas general partnership

By:   
Mitchell D. Gilbert, Managing Partner

Prepared by:      Randel R. Young  
                     Young & Handel  
                     808 Travis, 24th Floor  
                     Houston, Texas 77002

For recording purposes only, this conveyance covers 121 net mineral acres.

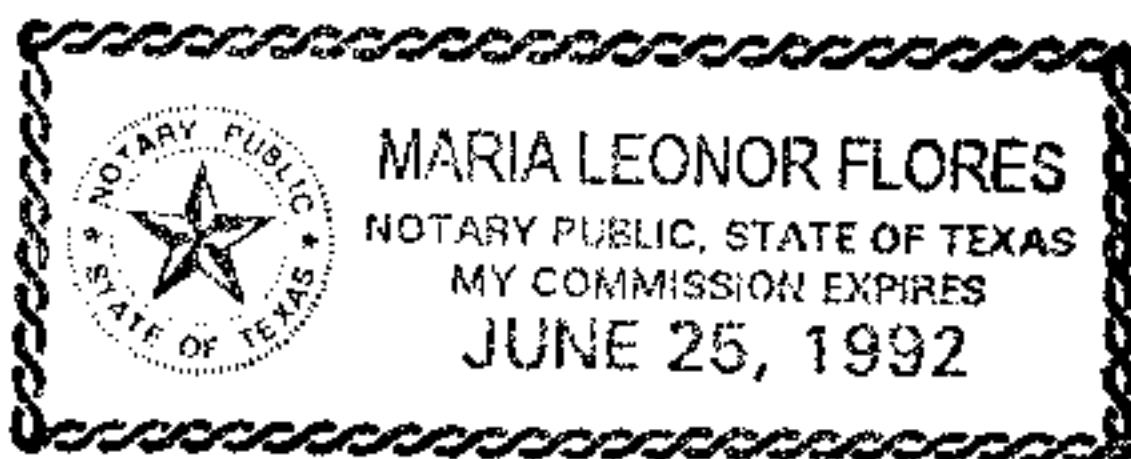


[Alabama Acknowledgement]

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

I, the undersigned authority, a notary public in and for said county in said state, hereby certify that Russell D. Gordy, whose name, as General Partner of SMITH-GORDY METHANE COMPANY, a Texas joint venture, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, in his capacity as General Partner, executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 18th day of June, 1992.



  
Maria Leonor Flores

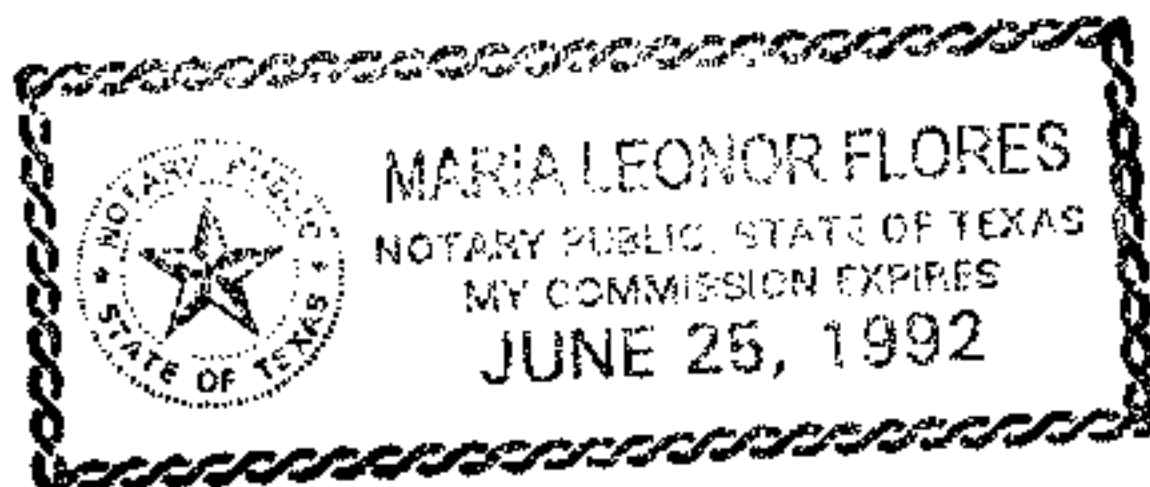
Notary Public in and for the State of Texas


My Commission Expires:  
June 25, 1992

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

I, the undersigned authority, a notary public in and for said county in said state, hereby certify that Lester H. Smith, whose name, as General Partner of SMITH-GORDY METHANE COMPANY, a Texas joint venture, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, in his capacity as General Partner, executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 18th day of June, 1992.



  
Maria Leonor Flores

Notary Public in and for the State of Texas

My Commission Expires:  
June 25, 1992



**EXHIBIT A**

Attached to and made a part of that certain **CONVEYANCE AND ASSIGNMENT** from SMITH-GORDY METHANE COMPANY to HAK PARTNERS-II, dated June 18, 1992 but effective as of March 23, 1992, relative to the so-called "**Cahaba Area, Well Group II,**" and containing a legend to said effect.

This Exhibit A describes the oil, gas and other hydrocarbon leasehold interests and operating rights referred to in the foregoing Conveyance and Assignment (the "Conveyance"). This Exhibit A includes this Preamble, and each capitalized term used in this Preamble shall have the same meaning given to such term in the Conveyance, unless it is defined elsewhere herein.

Part 1 of this Exhibit A describes the undivided percentage interest (the "Working Interest") owned by the Assignor in the leases (the "Leases") conveyed and assigned to Assignee under the Conveyance. Part 2 of this Exhibit A describes the assignments and partial assignments by which the Assignor was assigned the Working Interest. Part 3 of this Exhibit A sets forth the specific tracts, parcels of land and wells covered and affected by the Conveyance. Each tract and parcel of land referenced in Part 3 of this Exhibit A consists of 80 acres, more or less, unless otherwise indicated.

Reference is made herein to the land descriptions contained in each of the Leases and other documents of title recorded as described in this Exhibit A. If the land descriptions in this Exhibit A are incomplete, incorrect, or not legally sufficient, the land descriptions contained in each such Lease or document of title are incorporated herein by reference to the extent necessary to clarify or correct the land descriptions in this Exhibit A.

To the extent instruments on file in the public records are referred to in this Exhibit A, the applicable terms of such instruments are incorporated herein by reference for all purposes. Unless otherwise provided, all recording references in this Exhibit A are to the official real property records of the county or counties in which the Subject Interests are located and in which records of the documents are, or in the past have been, customarily recorded, whether Deed Records, Oil and Gas Records, Oil and Gas Lease Records, Probate Records or other records.

Notwithstanding any contrary implication of the Conveyance, the following rights and interests are excluded from the Conveyance, and no such right or interest shall be bargained, sold, conveyed, assigned or transferred unto Assignee, its successors or assigns thereunder:

Global Special Risks Comprehensive General Liability Policy Number 41602,  
Global Special Risks First Excess Liability "Umbrella" Policy Number 41603,  
Global Special Risks Second Excess Liability Policy Number 41732, Hired and  
Non-owned Auto Liability Policy Number GPP 536509

Trade Names or assumed names used in connection with the Subject Interests

**EXHIBIT A**

**PART 1**

**An undivided 2.00% interest in the following-described leases as assigned pursuant to the assignments described in Part 2, and INSOFAR AND ONLY INSOFAR as said leases, assignments and partial assignments cover the lands described in the following Part 3:**

Coal Seam Gas Agreement and Option dated September 30, 1988, between USX Corporation, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded by a Memorandum of Lease dated November 30, 1988 in Book 222, Page 386, Shelby County, Alabama, Amendment to Memorandum of Lease dated February 19, 1989 in Book 280, Page 47, Shelby County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991 in Book 391, Page 547, Shelby County, Alabama; and Amendment to Memorandum of Lease dated November 14, 1989, in Book 128, Page 953, Bibb County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991 in Deed Book 133, Page 839, Bibb County, Alabama

Coalbed Methane Gas Lease dated June 1, 1989, between Southern Electric Generating Company, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 559 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 116 in the Office of the Judge of Probate of Bibb County, Alabama

Coalbed Methane Gas Lease dated June 1, 1989, between Southern Electric Generating Company and Kimberly-Clark Corporation, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 568 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 106 in the Office of the Judge of Probate of Bibb County, Alabama

Coalbed Methane Gas Lease dated June 1, 1989, between Kimberly-Clark Corporation, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 554, in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989 in Book 128, Page 125 in the Office of the Judge of Probate of Bibb County, Alabama

**CAHABA AREA  
WELL GROUP II**

Oil, Gas and Mineral Lease (Including Coalbed Methane) between Ruth L. Gordon, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded by a Memorandum of Lease dated April 12, 1989, in Book 246, Page 67 in the Office of the Judge of Probate of Shelby County, Alabama



**EXHIBIT A**

**PART 2**

1. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated December 19, 1989, recorded in Book 284, Page 01, Probate Records of Shelby County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Book 374, Page 823, Probate Records of Shelby County, Alabama.
2. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated March 20, 1990, recorded in Deed Book 170, Page 3, Probate Records of Bibb County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Deed Book 133, Page 177, Probate Records of Bibb County, Alabama.
3. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated March 20, 1990, recorded in Book 287, Page 475, Probate Records of Shelby County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Book 374, Page 829, Probate Records of Shelby County, Alabama.
4. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated June 15, 1990, recorded in Book 325, Page 610, Probate Records of Shelby County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Book 374, Page 846, Probate Records of Shelby County, Alabama.
5. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated June 15, 1990, recorded in Deed Book 131, Page 546, Probate Records of Bibb County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Deed Book 133, Page 182, Probate Records of Bibb County, Alabama.

6. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated June 15, 1990, recorded in Book 325, Page 600, Probate Records of Shelby County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Book 374, Page 836, Probate Records of Shelby County, Alabama.
7. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Book 326, Page 379, Probate Records of Shelby County, Alabama, as amended by Amendment to Partial Assignment dated August 1, 1991, recorded in Book 374, Page 850, Probate Records of Shelby County, Alabama.
8. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Book 326, Page 388, Probate Records of Shelby County, Alabama.
9. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Book 326, Page 384, Probate Records of Shelby County, Alabama, as amended by Amendment to Partial Assignment dated August 1, 1991, recorded in Book 374, Page 855, Probate Records of Shelby County, Alabama.
10. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Deed Book 131, Page 707, Probate Records of Bibb County, Alabama.
11. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Deed Book 131, Page 702, Probate Records of Bibb County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, Deed Book 133, Page 189, Probate Records of Bibb County, Alabama.



12. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Deed Book 131, Page 697, Probate Records of Bibb County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Deed Book 133, Page 193, Probate Records of Bibb County, Alabama.
13. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated January 15, 1991, recorded in Deed Book 131, Page 711, Probate Records of Bibb County, Alabama, as amended by Amendment of Partial Assignment dated August 1, 1991, recorded in Book 133, Page 186, Probate Records of Bibb County, Alabama.
14. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Book 374, Page 859, Probate Records of Shelby County, Alabama.
15. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Book 374, Page 863, Probate Records of Shelby County, Alabama.
16. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY and SMITH-GORDY METHANE COMPANY dated August 1, 1991, Deed Book 133, Page 197, Probate Records of Bibb County, Alabama.
17. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Deed Book 133, Page 218, Probate Records of Bibb County, Alabama.
18. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, Deed Book 133, Page 222, Probate Records of Bibb County, Alabama.



19. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Deed Book 133, Page 226, Probate Records of Bibb County, Alabama.
20. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Deed Book 133, Page 230, Probate Records of Bibb County, Alabama.
21. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Deed Book 133, Page 234, Probate Records of Bibb County, Alabama.
22. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Deed Book 133, Page 238, Probate Records of Bibb County, Alabama.
23. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, Deed Book 133, Page 242, Probate Records of Bibb County, Alabama.
24. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Deed Book 133, Page 246, Probate Records of Bibb County, Alabama.
25. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Book 374, Page 885, Probate Records of Shelby County, Alabama.
26. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY, THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Book 374, Page 889, Probate Records of Shelby County, Alabama.

**CAHABA AREA  
WELL GROUP II**

27. Partial Assignment from MCKENZIE METHANE CORPORATION to SG METHANE COMPANY and SMITH-GORDY METHANE COMPANY dated August 1, 1991, recorded in Book 374, Page 893, Probate Records of Shelby County, Alabama.

RRY\BISHOP\CONVEY\CAHHAKII.REV

EXHIBIT A - PART 3  
CAHABA AREA  
WELL GROUP II

WELL NO.	WELL NAME	STATE ID NO.	LEGAL DESCRIPTION	COUNTY	STATE
AL002-0003	USX 13-12-#3	6568-C	SW DIAGONAL HALF OF SW/4 OF SECTION 13 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0036	USX 23-4-#36A	6610-C	W/2 OF NW/4 OF SECTION 23 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0048	USX 24-6-#48	6555-C	E/2 OF NW/4 OF SECTION 24 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0062	USX 27-6-#62	6793-C	E/2 OF NW/4 OF SECTION 27 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0065	USX 27-12-#65	6787-C	W/2 OF SW/4 OF SECTION 27 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0067	USX 27-16-#67	6780-C	E/2 OF SE/4 OF SECTION 27 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0083	USX 33-16-#83	6701-C	E/2 OF SE/4 OF SECTION 33 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0092	USX 35-2-#92	6781-C	N/2 OF NE/4 OF SECTION 35 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0094	USX 35-6-#94	6703-C	SE/4 OF NW/4 OF SECTION 35 TOWNSHIP 21 SOUTH, RANGE 4 WEST (40 ACRES, MORE OR LESS)	SHELBY	AL
AL002-0102	KC/SEGCO 13-6-#102	6717-C	S/2 OF NW/4 OF SECTION 13 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0103	KC/SEGCO 13-2-#103	6704-C	NW/4 OF NE/4 AND NW DIAGONAL 1/4 OF NE/4 OF NE/4 AND NE DIAGONAL 1/2 OF NW/4 OF SW/4 OF SECTION 13 TOWNSHIP 21 SOUTH, RANGE 4 WEST (70 ACRES, MORE OR LESS)	SHELBY	AL
AL002-0104	KC/SEGCO 18-2-#104	6705-C	W/2 OF NE/4 OF SECTION 18 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0107	KC/SEGCO 17-10-#107	6706-C	SW/4 OF NE/4 OF SECTION 17 AND NW/4 OF SE/4 OF SECTION 17 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL



EXHIBIT A - PART 3  
CAHABA AREA  
WELL GROUP 11

WELL NO.	WELL NAME	STATE ID NO.	LEGAL DESCRIPTION	COUNTY	STATE
AL002-0109	KC/SEGCO 20-12-#109	6708-C	N/2 OF SW/4 OF SECTION 20 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0110	SEGCO 30-2-#110	6727-C	N/2 OF NE/4 OF SECTION 30 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0111	KC/SEGCO 29-4-#111	6709-C	N/2 OF NW/4 OF SECTION 29 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0115	KC/SEGCO 30-13-#115	6719-C	SW/4 OF SW/4 OF SECTION 30 TOWNSHIP 21 SOUTH, RANGE 3 WEST AND SE/4 OF SE/4 OF SECTION 25 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0125	SEGCO 14-16-#125	6711-C	E/2 OF SE/4 OF SECTION 14 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0126	SEGCO 24-2-#126	6712-C	W/2 OF NE/4 OF SECTION 24 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0127	SEGCO 24-10-#127	6713-C	W/2 OF SE/4 OF SECTION 24 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0128	SEGCO 25-7-#128	6722-C	W/2 OF NE/4 OF SECTION 25 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0129	SEGCO 30-3-#129	7020-C	E/2 OF NW/4 OF SECTION 30 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0130	SEGCO 30-8-#130	6723-C	S/2 OF NE/4 OF SECTION 30 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0131	SEGCO 29-12-#131	6714-C	N/2 OF SW/4 OF SECTION 29 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0132	SEGCO 13-8-#132	6724-C	SE/4 OF NE/4 OF SECTION 13, TOWNSHIP 21 SOUTH, RANGE 4 WEST, AND SW/4 OF NW/4 OF SECTION 18 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0134	SEGCO 13-16-#134	6725-C	E/2 OF SE/4 OF SECTION 13 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0137	KC/SEGCO 20-4-#137	6899-C	E/2 OF NW/4 OF SECTION 20	SHELBY	AL

EXHIBIT A - PART 3  
CAHABA AREA  
WELL GROUP II

WELL NO.	WELL NAME	STATE ID NO.	LEGAL DESCRIPTION	COUNTY	STATE
			TOWNSHIP 21 SOUTH, RANGE 3 WEST		
AL002-0139	KC/SEGCO 36-1-#139A	7190-C	E/2 OF NE/4 OF SECTION 36 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0140	KC/SEGCO 16-14-#140	6790-C	E/2 OF SW/4 OF SECTION 16 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0141	KC/SEGCO 16-10-#141A	7211-C	W/2 OF SE/4 OF SECTION 16 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0142	KC/SEGCO 16-8-#142	6861-C	E/2 OF NE/4 OF SECTION 16 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0143	KC/SEGCO 16-6-#143	6862-C	E/2 OF NW/4 OF SECTION 16 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0144	USX 1-12-#144A	6935-C	W/2 OF SW/4 OF SECTION 1 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0145	USX 1-6-#145	6816-C	E/2 OF NW/4 OF SECTION 1 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0146	USX 1-4-#146	6817-C	W/2 OF NW/4 OF SECTION 1 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0147	USX 1-2-#147A	6916-C	W/2 OF NE/4 OF SECTION 1 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0149	USX 6-4-#149	6842-C	W/2 OF NW/4 OF SECTION 6 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0150	USX 6-6-#150	6886-C	E/2 OF NW/4 OF SECTION 6 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0151	USX 6-2-#151	6843-C	W/2 OF NE/4 OF SECTION 6 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0152	USX 6-8-#152	6818-C	E/2 OF NE/4 OF SECTION 6 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0159	USX 22-12-#159	6995-C	W/2 OF SW/4 OF SECTION 22 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0162	USX 21-3-#162	6997-C	N/2 OF NW/4 OF SECTION 21 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL

EXHIBIT A - PART 3  
CANABA AREA  
WELL GROUP 11

WELL NO.	WELL NAME	STATE ID NO.	LEGAL DESCRIPTION	COUNTY	STATE
AL002-0166	USX 20-16-#166	6944-C	E/2 OF SE/4 OF SECTION 20 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0168	USX 29-2-#168	6927-C	W/2 OF NE/4 OF SECTION 29 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0171	USX 30-16-#171	6929-C	SE/4 OF SE/4 OF SECTION 30 AND SW/4 OF SW/4 OF SECTION 29 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0172	USX 13-1-#172	6975-C	E/2 OF NE/4 OF SECTION 13 TOWNSHIP 22 SOUTH, RANGE 5 WEST	BIBB	AL
AL002-0223	KC/SEGCO 5-14-#223	7022-C	E/2 OF SW/4 OF SECTION 5 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0224	KC/SEGCO 20-8-#224	7023-C	S/2 OF NE/4 OF SECTION 20 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0225	KC/SEGCO 31-14-#225	7081-C	E/2 OF SW/4 OF SECTION 31 TOWNSHIP 21 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0226	KC/SEGCO 36-9-#226	7082-C	E/2 OF SE/4 OF SECTION 36 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0227	KC/SEGCO 36-11-#227	7216-C	E/2 OF SW/4 OF SECTION 36 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0230	KC/SEGCO 1-2-#230	7083-C	W/2 OF NE/4 OF SECTION 1 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0232	KC/SEGCO 1-10-#232	7085-C	W/2 OF SE/4 OF SECTION 1 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0233	KC/SEGCO 1-14-#233	7105-C	E/2 OF SW/4 OF SECTION 1 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0234	KC/SEGCO 2-14-#234	7106-C	E/2 OF SW/4 OF SECTION 2 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0235	KC/SEGCO 2-16-#235	7107-C	E/2 OF SE/4 OF SECTION 2 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0236	KC/SEGCO 25-14-#236	7115-C	E/2 OF SW/4 OF SECTION 25 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL



EXHIBIT A - PART 3  
CAHABA AREA  
WELL GROUP II

WELL NO.	WELL NAME	STATE ID NO.	LEGAL DESCRIPTION	COUNTY	STATE
AL002-0238	KC/SEGCO 6-5-#238	7125-C	W/2 OF NW/4 OF SECTION 6 TOWNSHIP 22 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0239	KC/SEGCO 6-10-#239	7126-C	SW/4 OF NE/4 OF SECTION 6 AND NW/4 OF SE/4 OF SECTION 6 TOWNSHIP 22 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0240	KC/SEGCO 6-12-#240	7117-C	W/2 OF SW/4 OF SECTION 6 TOWNSHIP 22 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0241	SEGCO 3-16-#241	7108-C	SE/4 OF SE/4 OF SECTION 3 AND SE/4 OF NE/4 OF SECTION 3 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0242	KC/SEGCO 4-2-#242	7109-C	W/2 OF NE/4 OF SECTION 4 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0244	SEGCO 10-10-#244	7102-C	W/2 OF SE/4 OF SECTION 10 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0246	KC/SEGCO 11-4-#246	7104-C	N/2 OF NW/4 OF SECTION 11 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0247	SEGCO 11-12-#247	7152-C	W/2 OF SW/4 OF SECTION 11 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0254	SEGCO 5-16-#254	7184-C	E/2 OF SE/4 OF SECTION 5 TOWNSHIP 22 SOUTH, RANGE 4 WEST	BIBB	AL
AL002-0259	SEGCO 17-6-#259	7187-C	E/2 OF NW/4 OF SECTION 17 TOWNSHIP 22 SOUTH, RANGE 4 WEST	BIBB	AL
AL002-0260	KC/SEGCO 7-4-#260	7219-C	W/2 OF NW/4 OF SECTION 7 TOWNSHIP 22 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0261	KC/SEGCO 7-12-#261	7232-C	N/2 OF SW/4 OF SECTION 7 TOWNSHIP 22 SOUTH, RANGE 3 WEST	SHELBY	AL
AL002-0265	KC/SEGCO 35-16-#265	7278-C	E/2 OF SE/4 OF SECTION 35 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0266	KC/SEGCO 36-7-#266	7279-C	W/2 OF NE/4 OF SECTION 36 TOWNSHIP 21 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0267	KC/SEGCO 36-15-#267	7280-C	W/2 OF SE/4 OF SECTION 36	SHELBY	AL

EXHIBIT A - PART 3  
CAHABA AREA  
WELL GROUP II

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WELL NO. _____	WELL NAME _____	STATE ID NO. _____	LEGAL DESCRIPTION _____	COUNTY _____	STATE _____
			TOWNSHIP 21 SOUTH, RANGE 4 WEST		
AL002-0268	KC/SEGCO 12-4-#268	7220-C	NW/4 OF NW/4, NE/4 OF SW/4 OF NW/4 AND SE/4 OF NW/4 OF SW/4 OF SECTION 12 TOWNSHIP 22 SOUTH, RANGE 4 WEST (60 ACRES, MORE OR LESS)	SHELBY	AL
AL002-0269	KC/SEGCO 12-6-#269	7252-C	E/2 OF NW/4 OF SECTION 12 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0270	KC/SEGCO 12-8-#270	7221-C	E/2 OF NE/4 OF SECTION 12 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL
AL002-0272	KC/SEGCO 12-16-#272	7223-C	E/2 OF SE/4 OF SECTION 12 TOWNSHIP 22 SOUTH, RANGE 4 WEST	SHELBY	AL

EXHIBIT B

All Others

HAK I-IV

SMITH-GORDY (HAK) AGREEMENTS

Development Agreement by and between McKenzie Methane Corporation and Smith-Gordy Methane Company (HAK Partners I-IV), Effective as of March 17, 1989, Dated May 4, 1989

Memorandum of Development Agreement and Financing Statement by and between McKenzie Methane Corporation and Smith-Gordy Methane Company (HAK Partners I-IV), Effective as of March 17, 1989, Dated May 4, 1989

Recording Information

1. La Plata County, Colorado  
Reception #578249  
May 17, 1989
2. Shelby County, Alabama  
Book 239, Page 699  
May 23, 1989
3. Jefferson County, Alabama  
Real 748, Page 332  
June 14, 1989
4. Tuscaloosa, Alabama  
Deed Book 1016, Page 0190  
July 17, 1989

First Amendment to Development Agreement, Effective as of March 17, 1989, Dated September 5, 1989

Second Amendment to Development Agreement, Effective as of March 17, 1989, Dated November 3, 1989

Third Amendment to Development Agreement, Effective as of March 17, 1989, Dated August 7, 1990

Amended by Letter Agreement dated August 14, 1990 from Participant and others addressed to and accepted by McKenzie

Fourth Amendment to Development Agreement, Effective for all purposes as of the commencement of the third Subsequent Program, Dated November 7, 1990

Fifth Amendment to Development Agreement, Effective as of March 17, 1989, Dated January 17, 1991

Participation Agreement by and between Smith-Gordy Methane Company and HAK Partners-I, Effective as of March 17, 1989, Dated May 10, 1989



Memorandum of Participation Agreement and Financing Statement by  
and between Smith-Gordy Methane Company and HAK Partners-I,  
Effective as of March 17, 1989, Dated May 10, 1989

Recording Information

1. La Plata County, Colorado  
Reception #580835  
July 21, 1989
2. Jefferson County, Alabama  
Real 3644, Page 426  
July 21, 1989
3. Tuscaloosa County, Alabama  
Deed Book 1017, Page 0350  
July 25, 1989
4. Shelby County, Alabama  
Book 248, Page 423  
July 28, 1989

Management Contract by and between Smith-Gordy Methane Company and  
HAK Partners-I, Dated May 10, 1989

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Inst # 1992-26591  
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11/12/1992-26591  
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SHELBY COUNTY JUDGE OF PROBATE  
024 MCD 169.55