Value $ 1,371.00

This Instrument Prepared By: George W. Murphy as Agent, CDX Gas, LLC, 200 Chase Park. S., Suite 100, Birmingham, AL 35244

Source Deed: Instrument No. 1995-34148

20050425000195420 1/2 $15.50
Shelby Cnty Judge of Probate,AL
04/25/2005 09:55:29AM FILED/CERT

**STATE OF ALABAMA**
**COUNTY OF SHELBY**

# RIGHT-OF-WAY AGREEMENT

**KNOW ALL MEN BY THESE PRESENTS**: For and in consideration of Ten and No/100 ($10.00) Dollars and other good and valuable consideration, receipt of which is hereby acknowledged, **BRUCE E. COSHATT an unmarried man and DENNIS C. COSHATT a married man**, (hereinafter referred to as "GRANTOR'), whose address is 1453 Highway 54, Montevallo, Alabama 35115, do hereby, release, remise, and quit claim unto **CDX SEQUOYA, LLC, a Texas limited liability company,** whose mailing address is 5485 Beltline Road, Suite 190, Dallas, Texas 75254-7656 (hereinafter referred to as "GRANTEE"), the rights hereinafter described on the below lands lying and being in Shelby County, Alabama, to wit:

**Township 22 South, Range 4 West**

**Section 10: All that portion of the Southeast ¼ of the Northwest ¼ of Section 10, Township 22 South, Range 4 west, which lies North and West of Highway 54 and situated in Shelby County, Alabama, containing 23.0 acres, more or less.**

(hereinafter referred to as the "Premises"), See "Exhibit A" attached hereto and made a part hereof by reference.

1) A right-of-way and access easement not to exceed two hundred feet (200.0') by two hundred feet (200.0') for SEGCO-KCB 10-16-18 well, located in the SE ¼ of the NW ¼ of Section 10, Township 22 South, Range 4 West, to use as a drill site pad (see Exhibit "A") for the purpose of conducting coalbed methane gas drilling and production operations, including, but not limited to pits, pumps, compressors, tanks, separators, treaters, etc. Grantee is also granted the right to lay, construct, and install electrical and other utility lines within, over and under the drillsite pads; and

2) A right-of-way and access easement fifty-five feet (55') in width for a distance of approximately Two hundred thirty-one (231.0), following the route as shown on Exhibit "A" attached, for the purpose of constructing, maintaining, operating, repairing, altering, replacing and removing a road, for ingress and egress, and pipelines for transferring water and/or gas in connection with coalbed methane exploration, development and production, with appurtenances thereto, including, but not limited to, valves, metering equipment, and cathodic equipment. All pipelines are to be buried below plow depth (three feet minimum) and constructed, installed, and maintained in conformity with all applicable governmental laws, rules, regulations, and ordinances now or hereafter in effect. Grantee is also granted the right to construct and install electrical and other utility lines within this right-of-way and

3) A right-of-way and access easement thirty feet (30') in width for a distance of approximately One thousand three hundred seventy-one feet (1,371'), following the route as shown on Exhibit "A" attached, for the purpose of constructing, maintaining, operating, repairing, altering, replacing and removing a road, for ingress and egress, and pipelines for transferring water and/or gas in connection with coalbed methane exploration, development and production, with appurtenances thereto, including, but not limited to, valves, metering equipment, and cathodic equipment. All pipelines are to be buried below plow depth (three feet minimum) and constructed, installed, and maintained in conformity with all applicable governmental laws, rules, regulations, and ordinances now or hereafter in effect. Grantee is also granted the right to construct and install electrical and other utility lines within this right-of-way and

The rights herein granted shall include the right and the responsibility for the Grantee to remove all obstructions that may injure, endanger, or interfere with the use of said rights-of-way, subject to the conditions below. Said rights-of-way not to exceed the above stated widths or lengths unless Grantor's written permission is first obtained and damages reasonably satisfactory to the Grantor have been paid.

The wellsites, pipelines, road, electric power, and any other facilities of Grantee located on the rights-of-way herein granted shall be constructed, maintained and operated in such a manner as to prevent the ponding of water and any material interference with the natural drainage and flow of surface waters. Within ninety (90) days of permanent abandonment of the wellsite, and/or rights-of-way granted herein, Grantee will level all ruts, backfill and compact all pits, remove all surface equipment installed on said land and insofar as is reasonably practicable, restore the surface of said land (excluding roads) to its former condition, insofar as reasonably practicable, which existed before Grantee commenced operations on said land.

For the consideration stated above, Grantor does hereby agree that every claim or cause of action that Grantor has now or may have in the future which is attributable to the above described operations is hereby fully satisfied, released and discharged. Grantor hereby further agrees that this release shall run with the land and be binding upon the heirs, assigns, successors and legal representatives of Grantor.

Grantor covenants and warrants that Grantor has ownership of the land and property located thereon and has the authority to settle any claims associated therewith, and that Grantor has the authority to execute this Right of Way Agreement.

Grantee has the right to assign and convey any or all of its rights in this Right-of-Way Agreement, and thereby be relieved of all future obligations herein as to the extent of the rights so assigned and conveyed.



Shelby County, AL 04/25/2005
State of Alabama

Deed Tax:$1.50

Grantee agrees to defend, protect, indemnify, and hold harmless Grantor from any and all liability, claims, damages and losses, including attorneys' fees and cost of court, resulting from or arising out of any operations, activities or omissions of Grantee, its agents and employees in the construction, exercise or use of the rights–of-way herein granted. To have and to hold the above described right-of-way, and rights appurtenant thereto, unto Grantee, its successors and assigns, until all operations of Grantee on the premises shall have permanently ceased or are permanently abandoned, in which event, said right-of-way, and rights appurtenant thereto, shall cease and terminate and revert to Grantor and Grantor's heirs, executors, administrators, successors and assigns.

**EXECUTED AND DELIVERED** this 9TH day of APRIL, 2005.

BRUCE E. COSHATT

DENNIS C. COSHATT

Social Security Number

Social Security Number

20050425000195420 2/2 $15.50
Shelby Cnty Judge of Probate, AL
04/25/2005 09:55:29AM FILED/CERT

ACKNOWLEDGEMENT

STATE OF ALABAMA §
§
COUNTY OF SHELBY §

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that BRUCE E. COSHATT, whose name 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 executed the same voluntarily on the day the same bears date.

GIVEN UNDER my hand and official seal, this the 9TH day of APRIL, 2005.

My Commission Expires: 9/10/05

Notary Public in and for the State of Alabama

ACKNOWLEDGEMENT

STATE OF ALABAMA §
§
COUNTY OF SHELBY §

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that DENNIS C. COSHATT, whose name 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 executed the same voluntarily on the day the same bears date.

GIVEN UNDER my hand and official seal, this the 9TH day of APRIL, 2005.

My Commission Expires: 9/10/05

Notary Public in and for the State of Alabama