

STATE OF ALABAMA  
SHELBY COUNTY

MEMORANDUM OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that MCKENZIE METHANE CORPORATION ("McKenzie"), a Texas corporation, by virtue of a Coal Seam Gas Lease dated September 30, 1988 (the "Lease"), did lease for five years from said date from USX CORPORATION ("USX"), formerly known as United States Steel Corporation, and for so long thereafter as coal seam gas is produced, certain interests in lands owned by USX located in Shelby County, Alabama, consisting of 2,520 acres, more or less, as described on Exhibit "A" and shown on map marked 3-973-LD, both of which are attached hereto and made a part of this Memorandum of Lease. Under said Lease for a period of six months from said date of execution, McKenzie is granted an option to lease additional lands of USX, which additional lands, if said option is exercised by McKenzie, will be filed of record by an Amendment to this Memorandum of Lease.

This Memorandum of Lease is to be placed of record to serve as notice of the execution and existence of said Lease, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Lease. The terms and conditions of said Lease are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein.

This is the 20<sup>th</sup> day of NOVEMBER, 1988.

ATTEST:

R. M. Stanton  
Assistant Secretary

USX CORPORATION

By:

E. F. Gunn  
Its General Manager-Administration  
and Group Comptroller



ATTEST:

W. D. M. Jr.

MCKENZIE METHANE CORPORATION

By:

Its

W. D. M. Jr.  
President

McKenzie Methane

STATE OF Alabama  
COUNTY OF Jefferson

I, the undersigned authority in and for said County in said State, hereby certify that Michael McKenzie, whose name as President of MCKENZIE METHANE CORPORATION, is signed to the foregoing Memorandum of Lease and who is known to me, acknowledged before me on this day that being informed of the contents of said Memorandum of Lease, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 30th day of November, 1988.

Bette J. Vernon  
Notary Public

My Commission Expires 3-16-92

STATE OF PENNSYLVANIA  
ALLEGHENY COUNTY

I, the undersigned authority in and for said County in said State, hereby certify that E. F. Guna, whose name as Gen. Mgr. - Adm. & Comptroller of USX CORPORATION, a corporation, is signed to the foregoing Memorandum of Lease and who is known to me, acknowledged before me on this day that being informed of the contents of the Memorandum of Lease, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 15th day of November, 1988.

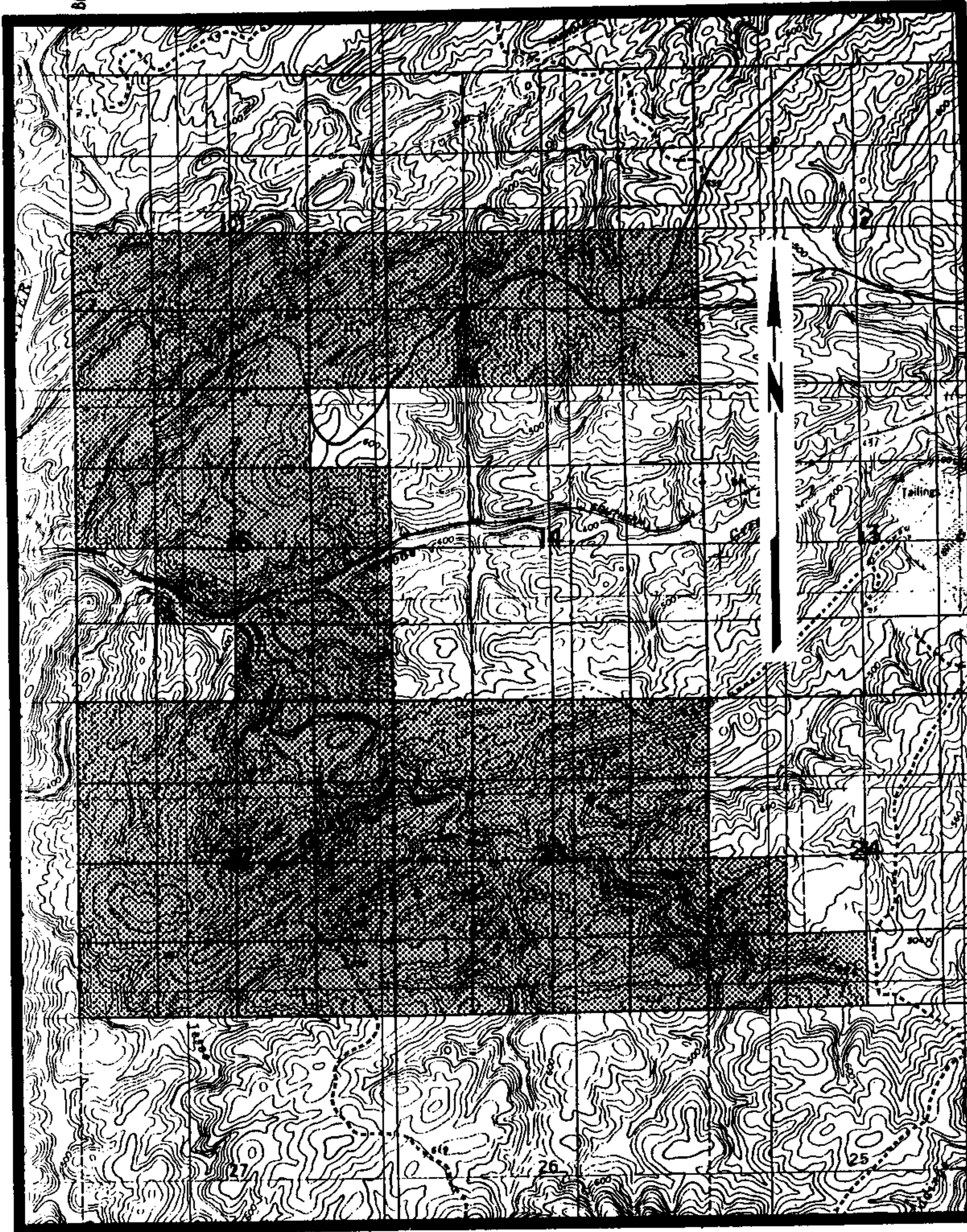
Lois A. Witt  
Notary Public

My Commission Expires

NOTARIAL SEAL  
LOIS A. WITT, Notary Public  
Pittsburgh, Allegheny County, PA  
My Commission Expires October 18, 1990

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TOWNSHIP 21 SOUTH - RANGE 4 WEST  
SHELBY COUNTY



LANDS IN WHICH USX CORPORATION OWNS ALL INTERESTS AND IN WHICH MCKENZIE METHANE CORPORATION IS GRANTED THE RIGHT TO PRODUCE COAL SEAM GAS BY DOCUMENT HERETO ATTACHED.

# EXHIBIT A

## LEGAL DESCRIPTION

The following described lands located in Township 21 South, Range 4 West of the Huntsville Principal Meridian, Shelby County, Alabama are lands in which USX Corporation owns all interests and grants McKenzie Methane Corporation the right to produce coal seam gas as detailed in the document hereto attached.

SECTION	DESCRIPTION	ACRES
10	The South half of Section	320.00
11	The South half of Section	320.00
15	The North-West quarter of North-East quarter; the South half of North-East quarter; the North-West quarter; the North-East quarter of South-West quarter; the South-East quarter	480.00
22	The entire Section	640.00
23	The entire Section	640.00
24	The West half of South-West quarter; the South-East quarter of South-West quarter	120.00
TOTAL ACRES		2,520.00

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STATE OF ALABAMA  
I CERTIFY THIS  
INSTRUMENT WAS FILED

89 JAN 16 PM 12:23

*Thomas H. McNamee, Jr.*  
JUDGE OF PROBATE

Mineral ~~60~~ 126.00  
1. Deed Tax \$ 11.00  
2. Mtg. Tax \_\_\_\_\_  
3. Recording Fee 30.00  
4. Indexing Fee 1.00  
TOTAL 168.00

EXHIBIT A