

PARTIAL ASSIGNMENT

THE STATE OF ALABAMA

COUNTY OF SHELBY

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration of the sum of ONE HUNDRED DOLLARS (\$100.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, McKenzie Methane Corporation, a Texas Corporation, whose address is 5847 San Felipe, Suite 4300, Houston, Texas 77057 (hereinafter called "Assignor") has BARGAINED, GRANTED, SOLD, TRANSFERRED, ASSIGNED AND CONVEYED and does by these presents BARGAIN, GRANT, SELL, TRANSFER, ASSIGN AND CONVEY unto the parties set forth below (hereinafter collectively called "Assignees", and individually "Assignee") the undivided interests set forth below in and to the leases described on Exhibit "A" attached hereto and made a part hereof and any amendments thereto and ratifications thereof (hereinafter referred to as "said Leases"), insofar and only insofar as said Leases cover the lands described in said Exhibit "A" (hereinafter referred to as "said Lands") together with like undivided interests in the wells and all personal property and equipment situated on said Lands and attributable to said Leases, or used or obtained in connection therewith.

AssigneesUndivided Interests

SG Methane Company,
a Texas Joint Venture
1225 North Loop West, Suite 1050
Houston, TX 77008

1/3

The Northwestern Mutual Life
Insurance Company,
a Wisconsin Corporation
720 East Wisconsin Avenue
Milwaukee, WI 53202

1/5

Smith-Gordy Methane Company,
a Texas Joint Venture
1225 North Loop West, Suite 1050
Houston, TX 77008

7/100

The interests herein assigned are subject to their proportionate share of the royalties, overriding royalties and other burdens against said Leases as of the effective date hereof and the terms, conditions, obligations, and provisions set forth in said Leases. The interests herein assigned are further subject to the provisions of any and all agreements binding on Assignor and the respective Assignees to the extent that the same burden the undivided interest herein assigned to such Assignee and are valid and existing on the effective date hereof, including but not limited to participation agreements, development agreements, operating agreements, gas sales contracts and unitization agreements, and any amendments thereto.

Reference is here made to said Exhibit "A", to all of the instruments and records mentioned or referred to therein or herein and to all of those mentioned in all of said instruments for all purposes in connection herewith.

Assignor hereby binds and obligates itself and its successors and assigns to Warrant and Forever defend title to the respective interests set forth above unto the respective-named Assignees, their respective successors and assigns, against every person or entity whomsoever claiming or to claim the same or any portion thereof by, through or under Assignor, but not otherwise, subject to the burdens against said Leases and the agreements to which this Partial Assignment is expressly made subject, but with full subrogation and substitution to all covenants and warranties by others heretofore given or made with respect to said Leases or any part thereof or interest therein.

This Partial Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

McKenzie Methane Corp.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 19th day of December, 1989, and same shall be effective the sooner of the date hereof or as of the date of the first production from any well situated on said Lands.

WITNESSES:

E. M. Waller

Tommy Nelson

David Mitchell

David Mitchell

Gibby J. Lunsford

David Mitchell

ASSIGNOR:

MCKENZIE METHANE CORPORATION

BY: J. Clyde Haines
J. Clyde Haines, Vice President

ASSIGNEE:

SG METHANE COMPANY

By: Russell D. Gordy
Russell D. Gordy, Partner

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

BY: Willard L. Dennison
Willard L. Dennison, Vice Pres.

SMITH-GORDY METHANE COMPANY

By: Russell D. Gordy
Russell D. Gordy, Partner

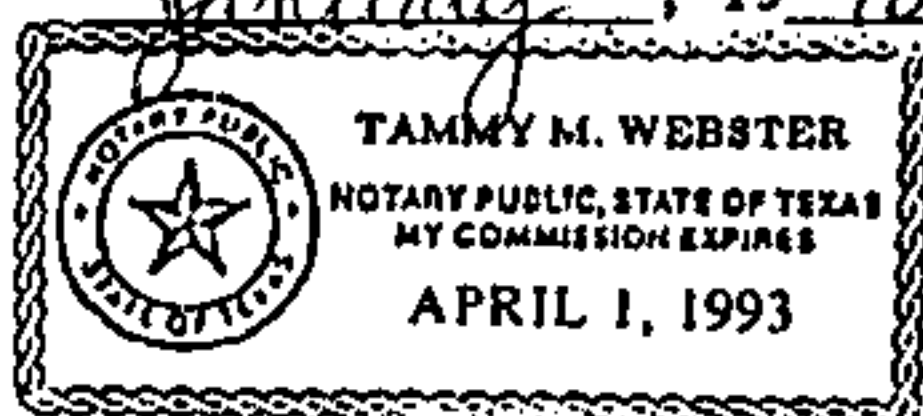
BOOK 284 PAGE 02

STATE OF TEXAS)

COUNTY OF HARRIS)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that J. Clyde Haines, whose name as Vice-President of McKenzie Methane Corporation, a Texas corporation, is signed to the foregoing Partial Assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the date the same bears date.

Given under my hand and official seal this the 17th day of January, 1990.



Tammy M. Webster
Notary Public

My Commission Expires: _____

STATE OF TEXAS)

COUNTY OF HARRIS)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Russell D. Gordy, whose name as Partner of SG Methane Company and Smith-Gordy Company, Texas joint ventures, is signed to the foregoing Partial Assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, he, as Partner and with full authority, executed the same voluntarily for and as the acts of said joint ventures on the date the same bears date.

Given under my hand and official seal this the 12 day of January, 1990.



Melodie I. Thompson
Notary Public

My Commission Expires: _____

STATE OF WISCONSIN)

COUNTY OF MILWAUKEE)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Willard L. Dennison, whose name as Vice-President of The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, is signed to the foregoing Partial Assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the date the same bears date.

Given under my hand and official seal this the 10th day of January, 1989. 90


Notary Public

My Commission Expires: 6-6-93

BOOK 284 PAGE 03

THIS INSTRUMENT PREPARED BY:
S. Lanham Frazier, III
5847 San Felipe, Suite 4300
Houston, TX 77057

EXHIBIT A

Attached to and made a part of Partial Assignment dated December 19, 1989 between McKenzie Methane Corporation, as Assignor, and SG Methane Company, et al, as Assignee.

CAHABA AREA

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, and Amendment to Memorandum of Lease dated 2-19-89, in Book 280, Page 47, Shelby County Alabama. (AL2 001)

INSOFAR AND ONLY INSOFAR as the acreage described in the above lease is included in the tracts described herein below.

All of the following property lies in Shelby County, Alabama. Each tract consists of 80 acres, more or less.

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

BOOK 284 PAGE 04

TRACT 1 (AL2 978)

W/2 of SE/4 of Section 33

TRACT 2 (AL2 979)

E/2 of SE/4 of Section 33

TRACT 3 (AL2 976)

W/2 of NE/4 of Section 33

TRACT 4 (AL2 977)

E/2 of NE/4 of Section 33

TRACT 5 (AL2 1616)

W/2 of SW/4 of Section 34

TRACT 6 (AL2 981)

W/2 of NW/4 of Section 34

TRACT 7 (AL2 982)

SE/4 of NW/4, SW/4 of NE/4 of Section 34

TRACT 8 (AL2 1611)

N/2 of NE/4 of Section 35

Page 2

TRACT 9 (AL2 975)

W/2 of SW/4 of Section 28

TRACT 10 (AL2 1612)

W/2 of SE/4 of Section 28

TRACT 11 (AL2 971)

W/2 of NW/4 of Section 28

TRACT 12 (AL2 972)

E/2 of NW/4 of Section 28

TRACT 13 (AL2 970)

W/2 of NE/4 of Section 28

TRACT 14 (AL2 973)

E/2 of NE/4 of Section 28

TRACT 15 (AL2 1560)

W/2 of NW/4 of Section 27

TRACT 16 (AL2 966)

W/2 of NE/4 of Section 27

TRACT 17 (AL2 968)

E/2 of NE/4 of Section 27

TRACT 18 (AL2 969)

W/2 of SE/4 of Section 27

TRACT 19 (AL2 963)

W/2 of SW/4 of Section 26

TRACT 20 (AL2 964)

E/2 of SW/4 of Section 26

TRACT 21 (AL2 962)

W/2 of SE/4 of Section 26

TRACT 22 (AL2 959)

W/2 of NW/4 of Section 26

TRACT 23 (AL2 960)

E/2 of NW/4 of Section 26

TRACT 24 (AL2 958)

W/2 of NE/4 of Section 26

TRACT 25 (AL2 961)

E/2 of NE/4 of Section 26

TRACT 26 (AL2 940)

E/2 of SW/4 of Section 22

TRACT 27 (AL2 939)

W/2 of SE/4 of Section 22

TRACT 28 (AL2 941)

E/2 of SE/4 of Section 22

TRACT 29 (AL2 952)

SE/4 of NW/4, SW/4 of NE/4 of
Section 22

TRACT 30 (AL2 951)

NE/4 of NW/4, NW/4 of NE/4 of
Section 22

TRACT 31 (AL2 938)

E/2 of NE/4 of Section 22

TRACT 32 (AL2 942)

W/2 of SW/4 of Section 23

TRACT 33 (AL2 955)

E/2 of NW/4 of Section 23

TRACT 34 (AL2 1613)

W/2 of NE/4 of Section 23

Page 3

TRACT 35 (AL2 956)

E/2 of NE/4 of Section 23

TRACT 36 (AL2 928)

W/2 of NW/4 of Section 24

TRACT 37 (AL2 957)

E/2 of NW/4 of Section 24

TRACT 38 (AL2 915)

W/2 of NE/4 of Section 14

TRACT 39 (AL2 934)

N/2 of SE/4 of Section 10

TRACT 40 (AL2 917)

S/2 of SE/4 of Section 10

TRACT 41 (AL2 914)

W/2 of SW/4 of Section 11

TRACT 42 (AL2 948)

E/2 of SW/4 of Section 11

TRACT 43 (AL2 916)

W/2 of NE/4 of Section 11

TRACT 44 (AL2 900)

N/2 of SE/4 of Section 11

TRACT 45 (AL2 913)

S/2 of SE/4 of Section 11

TRACT 46 (AL2 922)

W/2 of SW/4 of Section 12

TRACT 47 (AL2 924)

E/2 of SW/4 of Section 12

TRACT 48 (AL2 925)

E/2 of SE/4 of Section 12

TRACT 49 (AL2 908)

W/2 of NW/4 of Section 12

TRACT 50 (AL2 920)

E/2 of NW/4 of Section 12

TRACT 51 (AL2 919)

W/2 of NE/4 of Section 12

TRACT 52 (AL2 921)

E/2 of NE/4 of Section 12

TRACT 53 (AL2 903)

The SW diagonal half of
the SW/4 of Section 13

TRACT 54 (AL2 1502)

E/2 of SW/4 of Section 1

TRACT 55 (AL2 1501)

W/2 of SE/4 of Section 1

TRACT 56 (AL2 1503)

E/2 of SE/4 of Section 1

TRACT 57 (AL2 1519)

E/2 of NE/4 of Section 1

TOWNSHIP - 21 SOUTH, RANGE 3 WEST

TRACT 58 (AL2 930)

W/2 of SW/4 of Section 7

TRACT 59 (AL2 932)

E/2 of SW/4 of Section 7

Page 4

TRACT 60 (AL2 933)

E/2 of SE/4 of Section 7

TRACT 61 (AL2 926)

W/2 of NW/4 of Section 7

TRACT 62 (AL2 927)

W/2 of NE/4 of Section 7

TRACT 63 (AL2 946)

W/2 of SW/4 of Section 8

TRACT 64 (AL2 945)

W/2 of NW/4 of Section 8

TRACT 65 (AL2 1504)

W/2 of SW/4 of Section 6

TRACT 66 (AL2 1505)

E/2 of SW/4 of Section 6

TRACT 67 (AL2 1507)

E/2 of SE/4 of Section 6

END OF EXHIBIT A

BOOK 284 PAGE 07

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

90 MAR 26 AM 9:04

Thomas P. [Signature]
JUDGE OF PROBATE

1. Deed Tax \$ 251.00
2. Min. TAX 268.00
3. Recording Fee 17.50
4. Indexing Fee 3.00
Per 1.00
TOTAL 540.50