

1106

PARTIAL ASSIGNMENT

3,280. Acres

THE STATE OF ALABAMA

COUNTY OF SHELBY

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{

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 7880 San Felipe, Suite 100, Houston, Texas 77063 (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.

7880 San Felipe, Suite 100

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IN WITNESS WHEREOF, the undersigned have executed this instrument this 20th day of March, 1990, 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:

Rosey Swales
Deedee Odum

Walter Alexander
Walter Alexander

Pat She
Chris Gipp

Walter Alexander
Walter Alexander

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

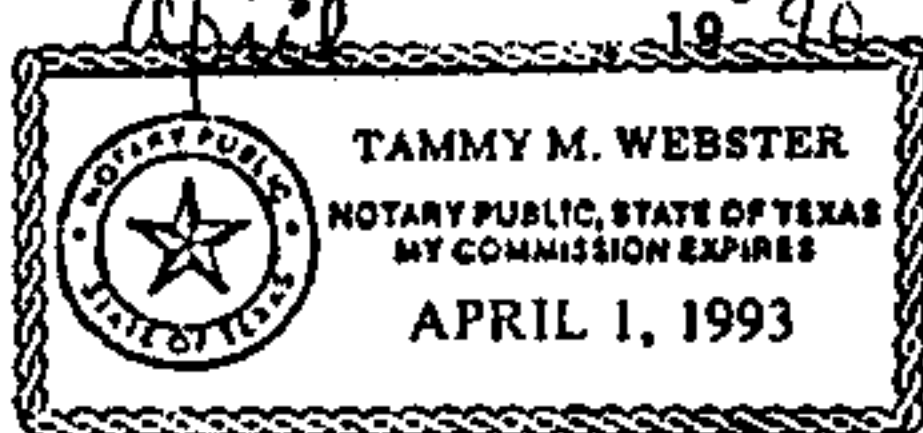
By: Russell D. Gordy
Russell D. Gordy, Partner

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 11th day of



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 Methane 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 9th day of

April, 1990.



Melodie I. Thompson
Notary Public

My Commission Expires: _____

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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 29th day of March, 1989.

James Mayhew
Notary Public

My Commission Expires: 6-6-92

THIS INSTRUMENT PREPARED BY:
S. Lanham Frazier, III
7880 San Felipe, Suite 100
Houston, TX 77063

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EXHIBIT A

Attached to and made a part of Partial Assignment dated March 20, 1990 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 February 19, 1989, 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 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:

Tract 1 (AL2 1743)

E/2 of NW/4 of Section 32

Tract 2 (AL2 983)

W/2 of SE/4 of Section 34

Tract 3 (AL2 986)

NW Diagonal/2 of SW/4 of Section 35

Tract 4 (AL2 985)

a) S/2 of NE/4 of Section 35 described as follows:
commencing at center of Section 35, go northeasterly in straight line to NE corner of S/2 of NE/4 of Section 35; thence west to NW corner of S/2 of NE/4 of Section 35; thence south to point of begining.

b) SE/4 of NW/4 of Section 35

Tract 5 (AL2 984)

N/2 of NW/4 of Section 35

Tract 6 (AL2 980)

N/2 of NE/4 of Section 34

Tract 7 (AL2 1745)

SE/4 of SE/4 of Section 30, SW/4 of SW/4 of Section 29

Tract 8 (AL2 1746)

W/2 of SE/4 of Section 29

Tract 9 (AL2 1747)

E/2 of SE/4 of Section 28

Tract 10 (AL2 1521)

W/2 of SW/4 of Section 27

Tract 11 (AL2 1525)

E/2 of SW/4 of Section 27

Tract 12 (AL2 1561)

E/2 of SE/4 of Section 27

Tract 13 (AL2 1526)

E/2 of NW/4 of Section 27

Tract 14 (AL2 1748)

E/2 of NE/4 of Section 29

Tract 15 (AL2 1535)

W/2 of NE/4 of Section 29

Tract 16 (AL2 1536)

E/2 of NW/4 of Section 29

Tract 17 (AL2 1540)

E/2 of SW/4 of Section 20

Tract 18 (AL2 1550)

E/2 of SE/4 of Section 20

Tract 19 (AL2 1749)

E/2 of SW/4 of Section 21

Tract 20 (AL2 1751)

W/2 of SW/4 of Section 22

Tract 21 (AL2 1752)

E/2 of SW/4 of Section 23

Tract 22 (AL2 1541)

W/2 of SE/4 of Section 23

Tract 23 (AL2 1542)

E/2 of SE/4 of Section 23

Tract 24 (AL2 1538)

W/2 of SW/4 of Section 24

Tract 25 (AL2 1539)

E/2 of SW/4 of Section 24

Tract 26 (AL2 1599)

W/2 of NW/4 of Section 22

Tract 27 (AL2 937)

W/2 of NW/4 of Section 23

Tract 28 (AL2 1721)

E/2 of NE/4 of Section 21

Tract 29 (AL2 1756)

N/2 of NW/4 of Section 21

Tract 30 (AL2 1551)

W/2 of SW/4 of Section 1

Tract 31 (AL2 1544)

W/2 of NE/4 of Section 1

Tract 32 (AL2 1529)

E/2 of NW/4 of Section 1

Tract 33 (AL2 1530)

W/2 of NW/4 of Section 1

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

Tract 34 (AL2 1522)

W/2 of SW/4 of Section 5

Tract 35 (AL2 1757)

E/2 of NW/4 of Section 5

Tract 36 (AL2 1528)

E/2 of NE/4 of Section 6

Tract 37 (AL2 1546)

W/2 of NE/4 of Section 6

Tract 38 (AL2 1545)

E/2 of NW/4 of Section 6

Tract 39 (AL2 1549)

W/2 of NW/4 of Section 6

TOWNSHIP 20 SOUTH, RANGE 3 WEST:

Tract 40 (AL2 1605)

W/2 of SE/4 of Section 31

Tract 41 (AL2 1759)

E/2 of SE/4 of Section 31

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

90 APR 17 AM 9:56

Thomas A. Lanning, Jr.
JUDGE OF PROBATE

1. Deed Tax	\$ 20.50
2. Mortgage Tax	\$ 164.00
3. Recording Fee	\$ 77.50
4. Indexing Fee	\$ 3.00
5. No Tax Fee	\$
6. Certified Fee	\$ 1.00
Total	\$ 206.00