

PARTIAL ASSIGNMENT

1464

THE STATE OF ALABAMA

) (

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF SHELBY

) (

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.

Assignees

Undivided Interests

✓ SG Methane Company,
a Texas Joint Venture
811 Dallas, Suite 1505
Houston, TX 77002

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
811 Dallas, Suite 1505
Houston, TX 77002

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.

BOOK 326 PAGE 388

IN WITNESS WHEREOF, the undersigned have executed this instrument this 15th day of January, 1991, 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:

Deedee Odum
Rosey Swales

[Signature]
Dorothy McDonald

[Signature]
Christina [unclear]

[Signature]
Dorothy McDonald

ASSIGNOR:

MCKENZIE METHANE CORPORATION

BY: [Signature]
Michael McKenzie, President

ASSIGNEE:

SG METHANE COMPANY

BY: [Signature]
Russell D. Gordy, Managing Partner

THE NORTHWESTERN MUTUAL LIFE INSURANCE
COMPANY

BY: [Signature]
J. Thomas Christofferson

VICE PRESIDENT

SMITH-GORDY METHANE COMPANY

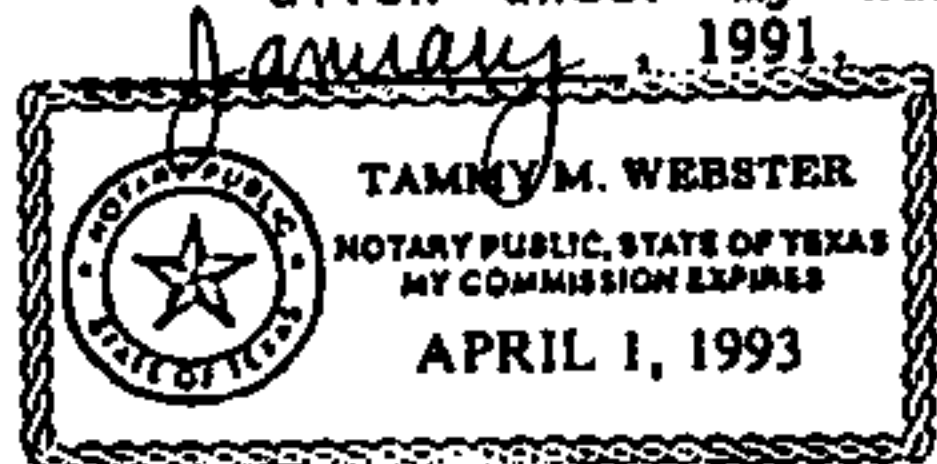
By: [Signature]
Russell D. Gordy, Managing Partner

STATE OF TEXAS)

COUNTY OF HARRIS)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Michael McKenzie, whose name as 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 16th day of



[Signature]
Notary Public

My Commission Expires: _____

STATE OF TEXAS)

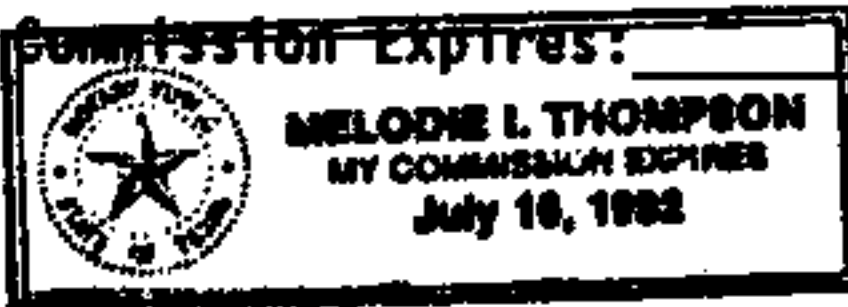
COUNTY OF HARRIS)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Russell D. Gordy, whose name as Managing Partner of SG Methane Company and Smith-Gordy Methane 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 Managing 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 17 day of January, 1991.

Melodie L. 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 J. Thomas Christensen, 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 18th day of January, 1991.

John E. M. [Signature]
Notary Public

My Commission Expires: 6-6-93

ASSGNMNT/USXSHELB.ASG

EXHIBIT A

Attached to and made a part of Partial Assignment dated January 15, 1991 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.

Each of said tracts are located in Shelby County, Alabama and cover 80 acres unless otherwise indicated.

Township 21 South - Range 4 West

Section 21

TRACT 1 - (AL2 1534)
E/2 of SE/4

Section 26

TRACT 2 - (AL2 965)
E/2 of SE/4

Sections 34 and 35

TRACT 3 - (AL2 1915)
SE/4 of NE/4 of Section 34 and
SW/4 of NW/4 of Section 35

1. Deed Tax	1.50
2. Ad Valorem Tax	7.24
3. Recording Fee	0.00
4. Indexing Fee	2.00
5. No Tax Fee	0.00
6. Certified Fee	1.00
Total	22.74

THIS INSTRUMENT PREPARED BY:

S. Lanham Frazier, III
7880 San Felipe Road
Suite 100
Houston, TX 77063

ASSGNMNT/USXSHEL.B.EXH

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

91 JAN 22 AM 10 24

Thomas A. Shouder, Jr.
JUDGE OF PROBATE