

**MEMORANDUM OF DEVELOPMENT AGREEMENT
AND FINANCING STATEMENT**

This Memorandum of Development Agreement and Financing Statement made and entered into on this 10th day of May, 1991, by and between **McKENZIE METHANE CORPORATION** (herein called "McKenzie"), a Texas corporation, the address of which is 7880 San Felipe, Suite 100, Houston, Texas, 77063, and **MISSION ENERGY METHANE COMPANY** (herein called "Mission"), a California corporation, the address of which is 18872 MacArthur Boulevard, Suite 400, Irvine, California, 92715-1448;

WITNESSETH:

I.

McKenzie and Mission have entered into a Development Agreement (herein called the "Development Agreement") dated as of March 15, 1991, providing for the development and production of coalbed gas and occluded gas from coal seams, together with other minerals as provided therein, from the lands (herein called the "Contract Area") covered by and pursuant to the terms of the leases and contracts described in Exhibits "A-1" through "A-6" attached hereto and made a part hereof. McKenzie is the present owner of, or has the contractual rights to acquire, certain leasehold interests in the Contract Area; and the Development Agreement designates McKenzie as operator to conduct operations on the Contract Area for the development and production of such coalbed gas and occluded gas and other minerals on behalf of itself and Mission in accordance with and subject to the terms of the Development Agreement.

II.

Attached as Exhibit "B" to the Development Agreement is an operating agreement (herein called the "Operating Agreement"). Both the Development Agreement and the Operating Agreement provide, among other matters, that Mission is entitled to own, and share in the manner and percentages provided therein, the development and production of coalbed gas and occluded gas and other minerals from the Contract Area. Mission's percentage leasehold or working interest in and to the respective leases and other

contracts described in Exhibits "A-1" through "A-6" hereto in the Contract Area is as set out under "Mission Interest" in said Exhibits.

Both the Development Agreement and the Operating Agreement also provide, among other matters, that McKenzie and Mission thereby grant to each other mutual liens and security interests covering their interests in the Contract Area, the leasehold equipment thereon and the production therefrom to secure the payment of each party's share of such costs and expenses. In addition, pursuant to the Development Agreement, McKenzie thereby grants to Mission a perpetual right and easement appurtenant to or connected with the leases and other rights described in the Exhibits hereto to use the gathering lines, flow lines and other facilities of McKenzie and such other McKenzie easements and servitudes as are reasonably requested by Mission so as to enable Mission to gather and transport its production to the purchaser thereof.

The purposes of this Memorandum of Development Agreement and Financing Statement are to afford notice to third parties of the existence of the Development Agreement and to secure and perfect the mutual liens and security interests granted by McKenzie and Mission to each other. This Memorandum of Development Agreement and Financing Statement incorporates by reference all of the terms, covenants and conditions of the Development Agreement and the Operating Agreement, including but not limited to the lien and security interest provisions therein. Among other matters, the Development Agreement and the Operating Agreement together specifically provide to the effect as follows:

1. The party designated as Operator thereunder shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of, the Development Agreement and the Operating Agreement;
2. The liability of the parties shall be several, not joint or collective, and each party shall be responsible only for its share of obligations thereunder and shall be liable only for its proportionate share of the costs and expenses incurred in developing and operating the Contract Area as provided in the Development Agreement and the Operating Agreement;
3. Mission thereby grants to McKenzie a lien upon its coalbed gas, occluded gas and other mineral rights in the Contract Area, and a security interest in its share of coalbed gas, occluded gas and other minerals when extracted and

in its interest in all equipment on the Contract Area, to secure the payment by Mission of its share of costs and expenses, together with interest thereon at the rate provided in the Accounting Procedure attached to the Operating Agreement;

4. To the extent that McKenzie has a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated and with respect to which default has occurred, McKenzie shall be entitled to exercise the rights and remedies of a secured party under the Uniform Commercial Code, and the bringing of a suit and obtaining of judgment by McKenzie for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the rights or security interests for the payment thereof;
5. McKenzie has also thereby granted to Mission a lien upon its coalbed gas, occluded gas and other mineral rights in the Contract Area, and security interest in its share of coalbed gas, occluded gas and other minerals when extracted and its interest in all equipment on the Contract Area, to secure the payment by McKenzie of its share of the costs and expenses, together with interest thereon at the rate provided in the Accounting Procedure attached to the Operating Agreement;
6. To the extent that Mission has a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated and with respect to which default has occurred, Mission shall be entitled to exercise the rights and remedies of a secured party under the Uniform Commercial Code, and the bringing of a suit and obtaining of judgment by Mission for the secured indebtedness shall not be deemed an election of remedies or otherwise affect their rights or security interest for the payment thereof; and
7. McKenzie has granted to Mission pursuant to the Development Agreement a perpetual right and easement appurtenant to or connected with the leases and other rights described in the Exhibits hereto to use the gathering lines, flow lines or other facilities of McKenzie and such other McKenzie easements and servitudes as are reasonably requested by Mission so as to enable Mission to gather and transport its production to the purchaser thereof.

III.

Executed copies of the Development Agreement are in the possession of McKenzie and Mission. To the extent that the Development Agreement and the Operating Agreement expire, terminate or do not continue in force and effect as to lands, or portions thereof, covered by the leases and contracts described in Exhibits "A-1" through "A-6" attached hereto so that the provisions thereof and the liens and security interests referenced herein are no longer applicable to such lands or portions thereof, the parties hereto, upon the request of either, shall execute a recordable release hereof which

describes such lands or portions thereof to which the Development Agreement and the Operating Agreement have expired or terminated or are no longer in effect.

IV.

It is understood between McKenzie and Mission that, as to certain of the leases and contracts described in Exhibits "A-1" through "A-6" attached hereto, prior consent or approval of assignments thereof and/or mortgages or pledges encumbering McKenzie's interest in such leases and contracts is required from the lessors of those leases or from the parties with whom McKenzie or its predecessor in interest has contracted. The parties agree for themselves and their respective successors and assigns that no such assignment or assignments of such leases or contracts shall be made, and in no event shall either the Development Agreement or this Memorandum of Development Agreement and Financing Statement constitute or be deemed to constitute an assignment or encumbrance of, or an agreement to assign or encumber, any interest of McKenzie thereunder, until the requisite consent has been obtained from the lessors of such respective leases, from the respective parties with whom McKenzie has contracted or from their respective successors in interest.

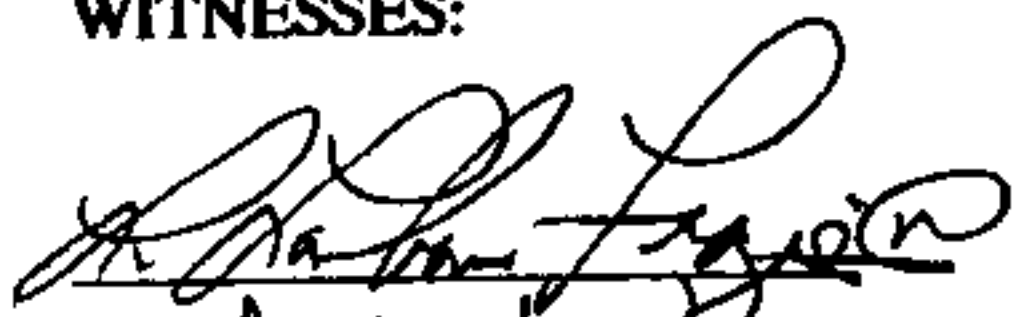
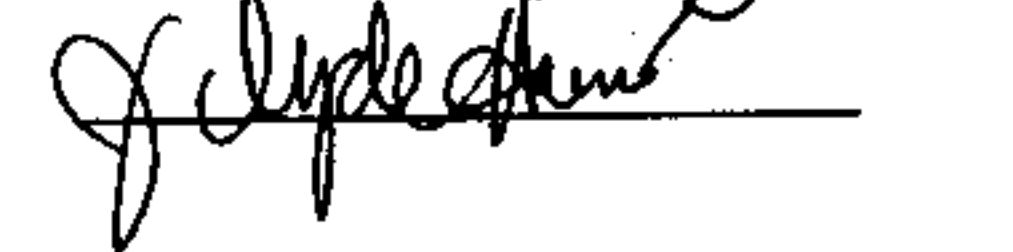
V.

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This Memorandum of Development Agreement and Financing Statement is a declaration of the parties rights under the Development Agreement and the Operating Agreement and shall never be construed to affect, prejudice or disturb the effect or validity of any section, paragraph or provision of the Development Agreement or the Operating Agreement.

VI.

This Memorandum of Development Agreement and Financing Statement is executed on the date first shown above.

WITNESSES:

McKENZIE METHANE CORPORATION

By


Michael McKenzie
President

WITNESSES:

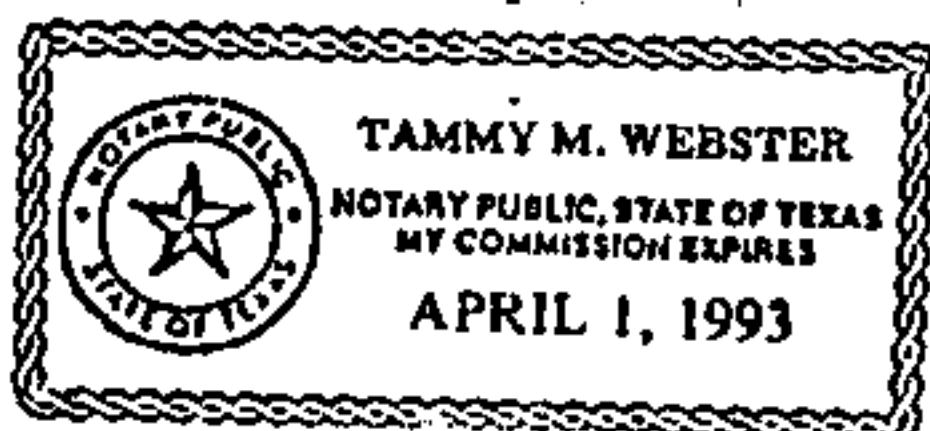
MISSION ENERGY METHANE COMPANY

[Signature]
[Signature]

By Michael J. McGill
Michael J. McGill
Vice President and
General Manager

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 10th day of May, 1991, by Michael McKenzie, President of McKenzie Methane Corporation, a Texas corporation, on behalf of said corporation.



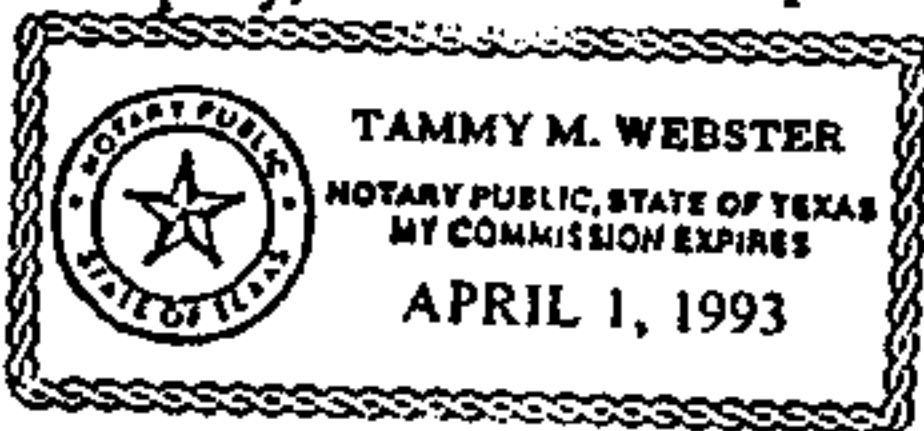
Tammy M. Webster
Notary Public in and for
the State of TEXAS

My Commission Expires:

Notary's Printed Name:

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 10th day of May, 1991, by Michael J. McGill, Vice President and General Manager of Mission Energy Methane Company, a California corporation, on behalf of said corporation.



Tammy M. Webster
Notary Public in and for
the State of TEXAS

My Commission Expires:

Notary's Printed Name:

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EXHIBIT "A-1"

Attached to and made a part of that certain Memorandum of Development Agreement and Financing Statement dated effective March 15, 1991, between McKenzie Methane Corporation and Mission Energy Methane Company.

ANGEL PEAK AREA

BLM Lease Serial #SF 077329 dated February 1, 1945, between THE UNITED STATES OF AMERICA, as Lessor, and CHARLES M. MORRIS, as Lessee. (NM1 001)

BLM Lease Serial #SF 079596A dated February 1, 1945, between THE UNITED STATES OF AMERICA, as Lessor, and CHARLES M. MORRIS, as Lessee. (NM1 002)

BLM Lease Serial #SF 077384 dated January 1, 1944, between THE UNITED STATES OF AMERICA, as Lessor, and MADELEINE N. GALT, as Lessee. (NM1 003)

BLM Lease Serial #SF 077382 dated January 1, 1944, between THE UNITED STATES OF AMERICA, as Lessor, and R. P. HARGRAVE, as Lessee. (NM1 004)

BLM Lease Serial #SF 077941 dated March 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and C. A. MCADAMS, as Lessee. (NM1 005)

BLM Lease Serial #SF 077952 dated February 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and J. C. GORDON, as Lessee. (NM1 006)

BLM Lease Serial #SF 03198 dated February 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and JACK FROST, as Lessee. (NM1 007)

Oil and Gas Mining Lease dated April 10, 1946, between R. BRUCE SULLIVAN, ET UX, as Lessor, and ERLE PAYNE, as Lessee. (NM1 008)

BLM Lease Serial #SF 080181 dated February 1, 1945, between THE UNITED STATES OF AMERICA, as Lessor, and CHARLES M. MORRIS, as Lessee. (NM1 009)

BLM Lease Serial #SF 079596 dated February 1, 1945, between THE UNITED STATES OF AMERICA, as Lessor, and CHARLES M. MORRIS, as Lessee. (NM1 010)

BLM Lease Serial #SF 077952A dated February 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and J.C GORDON, as Lessee. (NM1 011)

INSOFAR AND ONLY INSOFAR AS said leases are included in and are covered by the following contracts:

(NM1 700) Farmout Contract between Mobil Exploration & Producing U.S. Inc. (Farmor) and McKenzie Methane Corporation (Farmee) dated December 6, 1989, as amended February 28, 1990.

(NM1 701) Farmout contract between Amoco Production Company, (Farmor) and McKenzie Methane Corporation (Farmee) dated February 23, 1990, and amended August 14, 1990.

All of said tracts are located in San Juan County, New Mexico and contain 320 acres, more or less.

	"Mission Interest"
<u>Township 27 North - Range 10 West:</u>	
<u>Tract 1:</u>	
Section 13 - W/2 (Angel Peak 13M #1) (NM1 903)	29.41%
<u>Tract 2:</u>	
Section 11 - S/2 (Angel Peak 11K #2) (NM1 902)	29.41%
<u>Tract 3:</u>	
Section 15 - W/2 (Angel Peak 15M #7) (MN1 907)	29.41%

<u>Tract 4:</u>		
Section 11 - N/2	(Angel Peak 11A #4) (NM1 908)	29.41%
<u>Tract 5:</u>		
Section 10 - W/2	(Angel Peak 10K #3) (NM1 900)	29.41%
<u>Tract 6:</u>		
Section 15 - E/2	(C.M. Morris 15H #5) (NM1 914)	14.705%
<u>Tract 7:</u>		
Section 14 - N/2	(Angel Peak 14H #5) (NM1 904)	29.41%
<u>Tract 8:</u>		
Section 10 - E/2	(C.M. Morris 10A #1) (NM1 901)	14.705%
<u>Tract 9:</u>		
Section 14 - S/2	(Angel Peak 14L #6) (NM1 905)	29.41%
<u>Tract 10:</u>		
Section 9 - W/2	(Angel Peak 9L #10) (NM1 910)	29.41%
<u>Tract 11:</u>		
Section 3 - E/2	(Kutz #6C) (NM1 918)	7.3525%
<u>Tract 12:</u>		
Section 16 - W/2	(Angel Peak 16L #11) (NM1 911)	29.41%
<u>Tract 13:</u>		
Section 3 - W/2	(Kutz #7C) (NM1 915)	11.764%
<u>Tract 14:</u>		
Section 9 - E/2	(Angel Peak 9H #18) (NM1 917)	29.41%
<u>Tract 15:</u>		
Section 5 - W/2	(Angel Peak 5L #12) (NM1 916)	29.41%
<u>Tract 16:</u>		
Section 24 - E/2	(Angel Peak 24H #14) (NM1 913)	16.47%
<u>Tract 17:</u>		
Section 25 - E/2	(Frost #501) (NM1 921)	3.67625%
<u>Tract 18:</u>		
Section 16 - E/2	(Angel Peak 16A #19) (NM1 920)	7.3525%
<u>Tract 19:</u>		
Section 1 - E/2	(Angel Peak 1H #20) (NM1 919)	21.7634%
<u>Tract 20:</u>		
Section 25 - W/2	(Frost #502) (NM1 922)	28.2336% BPO 200%
		4.4115% APO 200%
<u>Tract 21:</u>		
Section 24 - W/2	(Angel Peak 24L #9) (NM1 912)	29.41%

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SM/LAND/ASSGNMNT/MISSION/ANGLPEAK.W&F

EXHIBIT "A-2"

Attached to and made a part of that certain Memorandum of Development Agreement and Financing Statement dated effective March 15, 1991, between McKenzie Methane Corporation and Mission Energy Methane Company.

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; and Amendment to Memorandum of Lease dated February 19, 1989, in Book 128, Page 953, Bibb County, Alabama. (AL2 001)

Coalbed Methane Gas Lease dated June 1, 1989, between SOUTHERN ELECTRIC GENERATING COMPANY AND KIMBERLY-CLARK CORPORATION, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 568 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 106 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 013)

Coalbed Methane Gas Lease dated June 1, 1989, between SOUTHERN ELECTRIC GENERATING COMPANY, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 559 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 116 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 014)

Coalbed Methane Gas Lease dated June 1, 1989, between KIMBERLY-CLARK CORPORATION, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 554, in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989 in Book 128, Page 125 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 016)

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

All of said tracts are located in Shelby and Bibb Counties, Alabama and contain 40 acres, more or less, unless otherwise indicated, and the "Mission Interest" is 45% therein.

Township 21 South, Range 5 West:

Tract 1: Section 36 - SE/4 of SE/4 (AL2 1969)

Township 22 South, Range 5 West:

Tract 2: Section 1 - NW/4 of SE/4 (AL2 1970)

Tract 3: Section 1 - SE/4 of SE/4 (AL2 1836)

Tract 4: Section 11 - NE/4 of SE/4 (AL2 1828)

Tract 5: Section 12 - NW/4 of NW/4 (AL2 1935)

Tract 6: Section 12 - SE/4 of NW/4 (AL2 1914)

Tract 7: Section 14 - SW/4 of NE/4 (AL2 1972)

Tract 8: Section 14 - NE/4 of NE/4 (AL2 1971)

Township 21 South, Range 3 West:

Tract 9: Section 31 - NW/4 of NE/4 (AL2 1930)

Township 21 South, Range 4 West:

- Tract 10: Section 2 - SW/4 of NE/4 (AL2 1976)
- Tract 11: Section 2 - NE/4 of SE/4 (AL2 1954)
- Tract 12: Section 2 - SW/4 of SE/4 (AL2 1977)
- Tract 13: Section 2 - NE/4 of SW/4 (AL2 1978)
- Tract 14: Section 2 - SW/4 of SW/4 (AL2 1979)
- Tract 15: Section 10 - SE/4 of NW/4 (AL2 1987)
- Tract 16: Section 10 - NE/4 of SW/4 (AL2 1973)
- Tract 17: Section 10 - NW/4 of NE/4 (AL2 1988)
- Tract 18: Section 15 - SW/4 of NW/4 (AL2 1980)
- Tract 19: Section 15 - SE/4 of NW/4 (AL2 1981)
- Tract 20: Section 15 - NE/4 of NW/4 (AL2 1982)
- Tract 21: Section 15 - NW/4 of NE/4 (AL2 911)
- Tract 22: Section 15 - NE/4 of SE/4 (AL2 905)
- Tract 23: Section 15 - SW/4 of SE/4 (AL2 907)
- Tract 24: Section 19 - SE/4 of SE/4 (AL2 1952)
- Tract 25: Section 20 - SE/4 of NE/4 (AL2 1754)
- Tract 26: Section 20 - NW/4 of SW/4 (AL2 1985)
- Tract 27: Section 20 - SW/4 of NW/4 (AL2 1984)
- Tract 28: Section 20 - NW/4 of SE/4 (AL2 1983)
- Tract 29: Section 22 - NE/4 of NE/4 (AL2 1974)
- Tract 30: Section 29 - SE/4 of SW/4 (AL2 1955)
- Tract 31: Section 29 - NW/4 of NW/4 (AL2 1951)
- Tract 32: Section 30 - SE/4 of NE/4 (AL2 1929)
- Tract 33: Section 30 - SE/4 of NW/4 (AL2 1986)
- Tract 34: Section 30 - W/2 of NW/4 of SE/4 and SE/4 of NW/4 of SE/4
(AL2 1933), being 30 acres, more or less.
- Tract 35: Section 30 - NW/4 of NE/4 (AL2 1948)
- Tract 36: Section 30 - SE/4 of SW/4 (AL2 1986)
- Tract 37: Section 31 - SE/4 of NW/4 (AL2 1938)
- Tract 38: Section 31 - SE/4 of NE/4 (AL2 1975)
- Tract 39: Section 32 - NW/4 of SW/4 (AL2 1742)

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EXHIBIT "A-3"

Attached to and made a part of that certain Memorandum of Development Agreement and Financing Statement dated effective March 15, 1991, between McKenzie Methane Corporation and Mission Energy Methane Company.

CAINWOOD AREA

Oil, Gas and Mineral Lease dated April 29, 1987, between JAMES M. CAIN, SR., ET UX, as Lessor, and GAS TECHNOLOGIES, INC., as Lessee, and recorded in Book 0951, Page 309, of the Deed of Records of Tuscaloosa County, Alabama. (AL3 001)

INSOFAR AND ONLY INSOFAR as to the acreage in the above lease is included in the tracts described below. Each tract contains 40 acres, more or less, and the "Mission Interest" is 45% therein.

Township 24 North, Range 5 East:

Tract 1: Section 1 - SE/4 of NW/4 (AL3 974)

Tract 2: Section 1 - SW/4 of NW/4 (AL3 946)

Tract 3: Section 1 - NW/4 of NE/4 (AL3 977)

Township 22 South, Range 9 West:

Tract 4: Irregular Section 31 - W/2 of W/2 (AL3 976)

Tract 5: Irregular Section 31 - E/2 of W/2 (AL3 975)

Township 24 North, Range 6 East:

Tract 6: Section 6 - NW/4 of SW/4 (AL3 978)

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SM/ASSGNMNT/MISSION/CAINWOOD.EX3

EXHIBIT "A-4"

Attached to and made a part of that certain Memorandum of Development Agreement and Financing Statement dated effective March 15, 1991, between McKenzie Methane Corporation and Mission Energy Methane Company.

MANZANARES MESA AREA

BLM Lease Serial #SF 078415 dated June 1, 1949, between THE UNITED STATES OF AMERICA, as Lessor, and HARVEY E. ROELOFS, as Lessee, and recorded in Book 136, Page 126, San Juan County, New Mexico. (NM5 001)

BLM Lease Serial #SF 078046 dated September 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and JAMES F. HUGHES, as Lessee, and recorded in Book 136, Page 129, San Juan County, New Mexico. (NM5 002)

BLM Lease Serial #SF 079938 dated February 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and CHRISTINE HUGHES, as Lessee, and recorded in Book 136, Page 127, San Juan County, New Mexico. (NM5 003)

BLM Lease Serial #SF 078049 dated February 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and ELLEN H. HUGHES, as Lessee, and recorded in Book 136, Page 130, San Juan County, New Mexico. (NM5 004)

BLM Lease Serial #SF 078416-A dated August 1, 1948, between THE UNITED STATES OF AMERICA, as Lessor, and LAWRENCE D. WILCH, as Lessee, and recorded in Book 135, Page 135, San Juan County, New Mexico. (NM5 005)

BLM Lease Serial #SF 078414 dated September 1, 1950, between THE UNITED STATES OF AMERICA, as Lessor, and BILLIE DUNLAP DAY, as Lessee, and recorded in Book 153, Page 184, San Juan County, New Mexico. (NM5 006)

INSOFAR AND ONLY INSOFAR AS said leases are included in and are covered by the following Contract:

(NM5 700) Farmout Contract between Amoco Production Company (Joint Farmor) and McKenzie Methane Corporation (Farmee) dated August 23, 1990, as amended September 14, 1990 and October 10, 1990, and as ratified by Conoco, Inc. (Joint Farmor) September 17, 1990.

All of said tracts are located in San Juan County, New Mexico and contain 320 acres, more or less, and the "Mission Interest" is 39.41% therein.

Township 29 North, Range 8 West:

Tract 1:

Section 19 - E/2 (Hughes B-15) (NM5 900)

Tract 2:

Section 26 - E/2 (Wilch A-13) (NM5 902)

Tract 3:

Section 33 - E/2 (Hughes A-17) (NM5 901)

Tract 4:

Section 8 - W/2 (Day B-13) (NM5 903)

Tract 5:

Section 33 - W/2 (Hughes 33-M #3) (NM5 905)

Tract 6:

Section 29 - W/2 (Hughes 29-L #1) (NM5 904)

Tract 7:

Section 27 - W/2 (Hughes 27-L #5) (NM5 907)

Tract 8:

Section 27 - E/2 (Hughes 27-G #4) (NM5 906)

Tract 9:

Section 34 - E/2 (Hughes 34-B #6) (NM5 908)

Tract 10:
Section 19 - W/2 (Hughes 19-N #2) (NM5 911)

Tract 11:
Section 25 - W/2 (Hardie 25-L #7) (NM5 909)

Tract 12:
Section 35 - W/2 (Jones 35-L #10) (NM5 913)

Tract 13:
Section 35 - E/2 (Jones 35-A #9) (NM5 912)

Tract 14:
Section 25 - E/2 (Hardie 25-B #8) (NM5 910)

Tract 15:
Section 10 - E/2

Tract 16:
Section 24 - E/2

Tract 17:
Section 13 - N/2

Tract 18:
Section 11 - W/2

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sm/land/assignment/mission/manzanar

EXHIBIT "A-5"

Attached to and made a part of that certain Memorandum of Development Agreement and Financing Statement dated effective March 15, 1991, between McKenzie Methane Corporation and Mission Energy Methane Company.

NARROWS AREA

Occluded Gas Lease dated May 20, 1983 from United States Steel Corporation, as Lessor to De-Gas, an Alabama general partnership, as Lessee (the "U.S. Steel Lease"), a declaration of which is filed of record in Book 495, Page 49, Jefferson County, Alabama Probate Records; (AL1 001A)

Oil and Gas Lease dated July 7, 1982 from The Board of Trustees of the University of Alabama, as Lessor, to Diamond B. Energy, Inc., as Lessee, as amended by Agreement dated April 3, 1987, (the "University Lease"), as recorded in Book 471, Page 475, in the Jefferson County Probate Records, and assigned to De-Gas by Assignment dated November 24, 1982, filed of record in Book 479, Page 447, in said Probate Records. (AL1 002)

INSOFAR AND ONLY INSOFAR as the acreage covered by the above leases and assignments is included in the tracts described herein below.

The following property is situated in Jefferson County, Alabama. Each tract consists of 40 acres, more or less, and the "Mission Interest" is 21.89% therein.

TOWNSHIP 17 SOUTH, RANGE 7 WEST:

Tract 1 - NW/4 of NW/4 of Section 36 (AL1 990)

Tract 2 - SE/4 of NW/4 of Section 36 (AL1 974)

Tract 3 - NE/4 of SW/4 of Section 36 (AL1 993)

TOWNSHIP 17 SOUTH, RANGE 6 WEST:

Tract 4 - NE/4 of NE/4 of Section 31 (AL1 977)

Tract 5 - SW/4 of NW/4 of Section 31 (AL1 981)

Tract 6 - SW/4 of NE/4 of Section 31 (AL1 982)

Tract 7 - NE/4 of SW/4 of Section 31 (AL1 979)

Tract 8 - NE/4 of SE/4 of Section 31 (AL1 980)

Tract 9 - SW/4 of SW/4 of Section 31 (AL1 978)

Tract 10 - SW/4 of SE/4 of Section 31 (AL1 988)

TOWNSHIP 18 SOUTH, RANGE 7 WEST:

Tract 11 - SW/4 of SE/4 of Section 2 (AL1 1510)

Tract 12 - SW/4 of NW/4 of Section 1 (AL1 973)

Tract 13 - NE/4 of NE/4 of Section 11 (AL1 1526)

Tract 14 - SW/4 of NE/4 of Section 11 (AL1 1523)

Tract 15 - NE/4 of SE/4 of Section 11 (AL1 1524)

Tract 16 - SW/4 of SE/4 of Section 11 (AL1 1529)

Tract 17 - NE/4 of NW/4 of Section 12 (AL1 1527)

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TOWNSHIP 18 SOUTH, RANGE 7 WEST CONT:

Tract 18 - SW/4 of NW/4 of Section 12 (AL1 1525)
Tract 19 - NE/4 of SE/4 of Section 12 (AL1 1536)
Tract 20 - NW/4 of NW/4 of Section 12 (AL1 1534)
Tract 21 - SE/4 of NE/4 of Section 12 (AL1 1508)
Tract 22 - NE/4 of SW/4 of Section 12 (AL1 1514)
Tract 23 - SW/4 of SW/4 of Section 12 (AL1 1515)
Tract 24 - SW/4 of SE/4 of Section 12 (AL1 1517)
Tract 25 - NE/4 of NE/4 of Section 14 (AL1 1516)
Tract 26 - SW/4 of NE/4 of Section 14 (AL1 1530)
Tract 28 - NE/4 of SE/4 of Section 14 (AL1 1522)
Tract 29 - SW/4 of SE/4 of Section 14 (AL1 1533)
Tract 30 - NE/4 of NW/4 of Section 13 (AL1 1518)
Tract 31 - NE/4 of NE/4 of Section 13 (AL1 1528)
Tract 32 - SW/4 of NW/4 of Section 13 (AL1 1519)
Tract 33 - SW/4 of NE/4 of Section 13 (AL1 1511)
Tract 34 - NE/4 of SW/4 of Section 13 (AL1 1513)
Tract 35 - NE/4 of SE/4 of Section 13 (AL1 1512)
Tract 36 - SW/4 of SW/4 of Section 13 (AL1 1520)
Tract 37 - SW/4 of SE/4 of Section 13 (AL1 1521)
Tract 38 - SE/4 of SW/4 of Section 13 (AL1 1531)
Tract 39 - SE/4 of SE/4 of Section 13 (AL1 1532)
Tract 40 - SE/4 of NE/4 of Section 13 (AL1 1535)

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

Tract 27 - SE/4 of SE/4 of Section 5 (AL1 1537)
Tract 41 - NE/4 of NE/4 of Section 6 (AL1 989)
Tract 42 - SW/4 of SW/4 of Section 6 (AL1 975)
Tract 43 - NE/4 of SW/4 of Section 5 (AL1 971)
Tract 44 - SW/4 of SW/4 of Section 5 (AL1 976)
Tract 45 - SW/4 of SE/4 of Section 5 (AL1 1500)
Tract 46 - NW/4 of NE/4 of Section 7 (AL1 937)
Tract 47 - NW/4 of SE/4 of Section 7 (AL1 941)
Tract 48 - NE/4 of NE/4 of Section 8 (AL1 929)
Tract 49 - SE/4 of NW/4 of Section 8 (AL1 931)

TOWNSHIP 18 SOUTH, RANGE 6 WEST CONT'D:

Tract 50 - SE/4 of NE/4 of Section 8 (AL1 930)

Tract 51 - NE/4 of SW/4 of Section 8 (AL1 932)

Tract 52 - SW/4 of SW/4 of Section 18 (AL1 1509)

BOOK 357 PAGE 477

SM/LAND/ASSGNMNT/MISSION/NARROWSF.DA

EXHIBIT "A-6"

Attached to and made a part of that certain Memorandum of Development Agreement and Financing Statement dated effective March 15, 1991, between McKenzie Methane Corporation and Mission Energy Methane Company.

PHASE III C 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; and Amendment to Memorandum of Lease dated February 19, 1989, in Book 128, Page 953, Bibb County, Alabama. (AL2 001)

Oil, Gas and Mineral Lease dated April 10, 1989, between WALLACE STURGIS, PERSONAL REPRESENTATIVE FOR THE ESTATE OF CATHERINE HENRY STURGIS, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 840, Bibb County, Alabama. (AL2 011A)

Oil, Gas and Mineral Lease dated April 10, 1989, between JOHN E. PIERCE, SR., ET AL, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 837, Bibb County, Alabama. (AL2 011B)

Oil, Gas and Mineral Lease dated April 10, 1989, between MARY S. BUCKNER, ET VIR, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 831, Bibb County, Alabama. (AL2 011C)

Oil, Gas and Mineral Lease dated April 10, 1989, between ANNA S. LEWIS, ET AL, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 834, Bibb County, Alabama. (AL2 011D)

Oil, Gas and Mineral Lease dated April 10, 1989, between FIRST ALABAMA BANK, AS TRUSTEE UNDER THE WILL OF HAZARD H. STAY, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 129, Page 935, Bibb County, Alabama. (AL2 011E)

Coalbed Methane Gas Lease dated June 1, 1989, between SOUTHERN ELECTRIC GENERATING COMPANY AND KIMBERLY-CLARK CORPORATION, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 568 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 106 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 013)

Coalbed Methane Gas Lease dated June 1, 1989, between SOUTHERN ELECTRIC GENERATING COMPANY, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 559 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 116 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 014)

Coalbed Methane Gas Lease dated June 1, 1989, between KIMBERLY-CLARK CORPORATION, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 554, in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989 in Book 128, Page 125 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 016)

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

All of said tracts are located in Shelby and Bibb Counties, Alabama and contain 80 acres, more or less, unless otherwise indicated, and the "Mission Interest" is 14.86% therein.

Township 21 South, Range 3 West:

- Tract 1: Section 17 - NE/4 of SE/4 and SW/4 of SE/4 (AL2 1889)
Tract 2: Section 17 - E/2 of NW/4 (AL2 1937)
Tract 3: Section 18 - E/2 of NE/4 (AL2 1667)
Tract 4: Section 18 - E/2 of SE/4 (AL2 1921)
Tract 5: Section 20 - NE/4 of NE/4 and NW/4 of NW/4 of Section 21 (AL2 1890)
Tract 6: Section 29 - NW/4 of SE/4 and SW/4 of NE/4 (AL2 1907)
Tract 7: Section 31 - E/2 of NE/4 (AL2 1911)
Tract 8: Section 31 - SW/4 of NE/4 and NW/4 of SE/4 (AL2 1950)
Tract 9: Section 32 - NW/4 of NW/4 (AL2 1886), being 40 acres, more or less.

Township 21 South, Range 4 West:

- Tract 10: Section 10 - W/2 of SW/4 (AL2 1939)
Tract 11: Section 11 - E/2 of NW/4 (AL2 1959)
Tract 12: Section 11 - W/2 of NW/4 (AL2 1960)
Tract 13: Section 14 - E/2 of NE/4 (AL2 1924)
Tract 14: Section 22 - NE/4 of NW/4 (AL2 1887), being 40 acres, more or less.
Tract 15: Section 25 - SE/4 of NW/4, E/2 of SW/4 of NW/4 and diagonal S/2 of NE/4 of NW/4 (AL2 1665)
Tract 16: Section 27 - NE/4 of NE/4 (AL2 1956), being 40 acres, more or less.
Tract 17: Section 29 - N/2 of SW/4 (AL2 1957)
Tract 18: Section 30 - W/2 of SW/4 (AL2 1908)
Tract 19: Section 35 - SE/4 of NE/4 (AL2 1958), being 40 acres, more or less.

Township 22 South, Range 4 West:

- Tract 20: Section 1 - W/2 of NW/4 (AL2 1910)
Tract 21: Section 4 - SE/4 of SE/4 (AL2 1678), being 40 acres, more or less.
Tract 22: Section 4 - W/2 of SE/4 (AL2 1616)
Tract 23: Section 5 - E/2 of NE/4 (AL2 1882)
Tract 24: Section 10 - SE/4 of NW/4 and SW/4 of NE/4 (AL2 1961)
Tract 25: Section 12 - W/2 of SE/4 (AL2 1563)
Tract 26: Section 13 - S/2 of SW/4 (AL2 1962)
Tract 27: Section 15 - N/2 of SW/4 (AL2 1639)
Tract 28: Section 21 - W/2 of SE/4 (AL2 1821)
Tract 29: Section 22 - E/2 of SW/4 (AL2 1769)
Tract 30: Section 23 - E/2 of NE/4 (AL2 1702)
Tract 31: Section 24 - W/2 of SW/4 (AL2 1709)

Township 22 South, Range 5 West:

Tract 32: Section 3 - S/2 of NE/4 (AL2 1873)

Tract 33: Section 3 - W/2 of NW/4 (AL2 1838)

Tract 34: Section 3 - W/2 of SE/4 (AL2 1837)

Tract 35: Section 8 - E/2 of NE/4 (AL2 1963)

Tract 36: Section 8 - W/2 of NE/4 (AL2 1964)

Tract 37: Section 8 - E/2 of SE/4 (AL2 1966)

Tract 38: Section 8 - E/2 of SW/4 (AL2 1965)

Tract 39: Section 12 - N/2 of SE/4 (AL2 1834)

Tract 40: Section 12 - NW/4 of SW/4 and NE/4 of NW/4 (AL2 1866)

Tract 41: Section 13 - W/2 of NW/4 (AL2 1738)

Tract 42: Section 13 - E/2 of SW/4 (AL2 1575)

Tract 43: Section 13 - W/2 of SW/4 (AL2 1576)

Tract 44: Section 15 - E/2 of SE/4 (AL2 1949)

Tract 45: Section 15 - E/2 of NW/4 (AL2 1817)

Tract 46: Section 21 - W/2 of NE/4 (AL2 1853)

Tract 47: Section 21 - E/2 of SW/4 (AL2 1848)

Tract 48: Section 21 - SW/4 of SE/4 (AL2 1925), being 40 acres, more or less.

Tract 49: Section 22 - E/2 of NE/4 (AL2 1941)

Tract 50: Section 22 - W/2 of NE/4 (AL2 1922)

Tract 51: Section 22 - E/2 of NW/4 (AL2 1968)

Tract 52: Section 22 - W/2 of NW/4 (AL2 1940)

Tract 53: Section 22 - E/2 of SW/4 (AL2 1918)

Tract 54: Section 22 - W/2 of SW/4 (AL2 1919)

Tract 55: Section 23 - W/2 of NE/4 (AL2 1953)

Tract 56: Section 24 - W/2 of SE/4 (AL2 1724)

Tract 57: Irregular Section 26 - W/2 (AL2 1904), being 40 acres, more or less.

Tract 58: Irregular Section 28 - E/2 of W/2 (AL2 1926), being 40 acres, more or less.

Tract 59: Irregular Section 28 - E/2 AL2 1967)

Township 24 North, Range 11 East:

Tract 60: Section 2 - W/2 of NE/4 (AL2 1656)

sm/land/assignment/mission/exhal2.w&f

STATE OF ALA. SHERIFF L.
I CERTIFY THIS
INSTRUMENT WAS FILED

91 AUG -6 PM 2: 27

JUDGE OF PROBATE

1. Dead Tax	-----
2. Mtg. Tax	-----
3. Recording Fee	135.00
4. Indexing Fee	3.00
5. No Tax Fee	-----
6. Court Cost	1.00
Total	139.00