

891

ALABAMA MORTGAGE

MORTGAGE, ASSIGNMENT, SECURITY
AGREEMENT AND FINANCING STATEMENT

FROM

McKenzie Methane Corporation
(Taxpayer I.D. No. [REDACTED])

Michael McKenzie
(Taxpayer I.D. No. [REDACTED])

Steven McKenzie
(Taxpayer I.D. No. [REDACTED])

Timothy McKenzie
(Taxpayer I.D. No. [REDACTED])

TO

BANK OF MONTREAL
(Taxpayer I.D. No. [REDACTED])

Dated as of October 8, 1991

Tuscaloosa County, Alabama Source of Title Information. Certain properties in which the Mortgagor hereby grants a lien are located in Tuscaloosa County, Alabama and the Mortgagor hereby represents that such properties have been conveyed to it by certain instruments recorded in the Office of the Judge of Probate of Tuscaloosa County, Alabama as follows:

Deed Record	990	at	Page	418
Deed Record	1026	at	Page	207
Deed Record	1026	at	Page	217
Deed Record	1026	at	Page	225
Deed Record	1026	at	Page	234
Deed Record	1013	at	Page	314
Deed Record	1015	at	Page	256
Deed Record	1015	at	Page	259
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"THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS."

"THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES."

"THOSE PORTIONS OF THE MORTGAGED PROPERTY WHICH ARE MINERALS OR OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING, WITHOUT LIMITATION, OIL AND GAS), AND THE ACCOUNTS RELATING THERETO, WILL BE FINANCED AT THE WELLHEADS OF THE WELLS LOCATED ON THE PROPERTIES DESCRIBED IN EXHIBIT A HERETO, AND THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS."

"THE MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE CONCERNED, WHICH IS DESCRIBED IN EXHIBIT A HERETO."

"SOME OF THE PERSONAL PROPERTY CONSTITUTING A PORTION OF THE MORTGAGED PROPERTY IS OR IS TO BE AFFIXED TO THE PROPERTIES DESCRIBED IN EXHIBIT A HERETO AND THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS."

"A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE."

"THE SECURED PARTIES ARE NOT A SELLER OR PURCHASE MONEY LENDER OF THE COLLATERAL."

THIS INSTRUMENT WAS PREPARED BY AND
WHEN RECORDED AND/OR FILED
RETURN TO:

Mark C. McElree, Esq.
Mayer, Brown & Platt
700 Louisiana Street
3600 NCNB Center
Houston, Texas 77002

MORTGAGE, ASSIGNMENT, SECURITY
AGREEMENT AND FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of October 8, 1991, is from McKenzie Methane Corporation, a Texas corporation (herein called the "Borrower"), and Michael McKenzie, Steven McKenzie and Timothy McKenzie, each a married man residing in Harris County, Texas (each herein individually called a "Guarantor" and collectively called the "Guarantors") to Bank of Montreal, a Canadian chartered bank (herein sometimes called the "Bank" and sometimes called the "Mortgagee"). The Borrower and the Guarantors are herein collectively called the "Mortgagor".

1. The Borrower and the Bank have entered into a Revolving and Term Loan Agreement, dated as of October 8, 1991 (herein, as the same may be amended, modified or supplemented from time to time, called the "Loan Agreement"), pursuant to which the Bank has: (1) agreed to make revolving loans to the Borrower in an aggregate amount not to exceed \$50,000,000 at any time outstanding (the "Revolving Loan") and (2) agreed to make a term loan to the Borrower in an amount not to exceed \$50,000,000 at any time outstanding (the "Term Loan"); and the Borrower, to evidence its indebtedness to the Bank under the Loan Agreement, has executed and delivered to the Bank its promissory note, dated October 8, 1991 (herein called the "Revolving Note"), in the original principal amount of \$50,000,000, to mature on October 1, 1992, or such later date as may be agreed between the Borrower and the Bank pursuant to the Loan Agreement, the Revolving Note being payable to the order of the Bank, bearing interest at the rates provided for therein, and containing provisions for payment of attorneys' fees and acceleration of maturity in the event of default, as therein set forth.

2. Each Guarantor has executed and delivered to and for the benefit of the Bank, a Guaranty dated as of October 8, 1991 (herein, as the same may be amended, modified or supplemented from time to time individually called a "Guaranty" and collectively called the "Guaranties"), pursuant to which each Guarantor has jointly and severally guaranteed all obligations (monetary or otherwise) of the Borrower and the Guarantors under the Loan Agreement; the Revolving Note; the Term Note to be executed by the Borrower on the Conversion Date (the "Term Note") and each other Loan Document.

any and all such leases which are effective to lease or purport to lease Coal Seam Gas), farmout agreements, operating rights, and shall also include subleases and assignments of operating rights and all rights to mine, explore by geophysical and other methods and operating for and producing therefrom oil, gas, Coal Seam Gas and other minerals.

B. "Hydrocarbons" shall mean oil, gas and other liquid or gaseous hydrocarbons, including without limitation Coal Seam Gas.

C. "Production Sale Contracts" shall mean contracts now in effect, or hereafter entered into by the Mortgagor, or entered into by the Mortgagor's predecessors in interest, for the sale, purchase, exchange, gathering, transportation, treating or processing of Hydrocarbons produced from the lands described in Exhibit A attached hereto and made a part hereof.

D. "lands described in Exhibit A" shall include any lands which are either described in Exhibit A or the description of which is incorporated in Exhibit A by reference to another instrument or document, and shall also include any lands now or hereafter unitized or pooled with lands which are either described in Exhibit A or the description of which is incorporated in Exhibit A by reference.

E. "Operating Equipment" shall mean all surface or subsurface machinery, goods, equipment, fixtures, inventory, facilities, supplies or other property of whatsoever kind or nature (excluding drilling rigs, trucks, automotive equipment or other property taken to the premises to drill a well or for other similar temporary uses) now or hereafter located on or under any of the lands described in Exhibit A or under any of the leases described in Exhibit A which are useful for the production, gathering, treatment, processing, storage or transportation of Hydrocarbons (together with all accessions, additions and attachments to any thereof), including, but not by way of limitation, all oil wells, gas wells, water wells, injection wells, casing, tubing, tubular goods, rods, pumping units and engines, christmas trees,

buildings and camps, telegraph, telephone and other communication systems, roads, loading docks, loading racks and shipping facilities.

F. "Mortgaged Property" shall mean the properties, rights and interests hereinafter described and defined as the Mortgaged Property.

G. "Indebtedness", "Note" and "Notes" shall have the respective meanings set forth in Section 1.2 hereof.

H. "Environmental Laws" shall mean any and all present and future United States federal, state and local laws or regulations, codes, plans, orders, decrees, judgments, injunctions and lawfully imposed requirements issued, promulgated or entered thereunder relating to pollution or protection of the environment, including laws relating to reclamation of land and waterways and laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

I. "Coal Seam Gas" shall mean coalbed gas and occluded gas from coal seams, gas produced from coal seams (sometimes referred to as methane), together with oil, gas, coal and all other minerals to the extent the lease or other instrument affecting or relating to coalbed gas and occluded gas from coal seams also affects or relates to oil, gas, coal and/or other minerals.

NOW, THEREFORE, the Mortgagor, for and in consideration of the premises and of the debts and trusts hereinafter mentioned, and in order to secure the full, timely and proper payment and performance of each and every one of the Obligations,

THE MORTGAGOR DOES HEREBY GRANT, BARGAIN, SELL, WARRANT,

OR CHARACTER DEFINED IN OR SUBJECT TO THE APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE (AS IN EFFECT IN THE APPROPRIATE JURISDICTION WITH RESPECT TO EACH OF SAID PROPERTIES, RIGHTS AND INTERESTS), THE MORTGAGOR HEREBY GRANTS TO THE MORTGAGEE, A SECURITY INTEREST THEREIN; namely:

(a) the lands described in Exhibit A, and the oil and gas leases, the fee, mineral, overriding royalty, royalty and other interests which are specifically described in Exhibit A (hereinafter sometimes collectively called the "Hydrocarbon Property"),

(b) the presently existing and (subject to the terms of Section 2.7 hereof) hereafter arising unitization, unit operating, communitization and pooling agreements and the properties covered and the units created thereby (including, without limitation, all units formed under orders, regulations, rules, approvals, decisions or other official acts of any federal, state or other governmental agency having jurisdiction) which are specifically described in Exhibit A or which relate to any of the properties and interests specifically described in Exhibit A,

(c) the Hydrocarbons which are in, under, upon, produced or to be produced from the lands described in Exhibit A,

(d) the Production Sale Contracts, and

(e) the Operating Equipment,

together with any and all corrections or amendments to, or renewals, extensions or ratifications of, or replacements or substitutions for, any of the same, or any instrument relating thereto, and all accounts, contracts, contract rights, options, nominee agreements, operating agreements, processing agreements, farmin agreements, farmout agreements, joint venture agreements, exploration agreements, bottomhole agreements, dryhole agreements, support agreements, acreage contribution agreements, insurance policies, title opinions, title abstracts, title materials and information, files, records, writings, data bases, information, systems, logs, well cores, fluid samples, production data and reports, well testing data and reports, maps, seismic and geophysical, geological and chemical data and information,

trademarks, service marks and business names and the goodwill of the business relating thereto, copyrights, copyright registrations, unpatented inventions, patent applications and patents, rights-of-way, franchises, easements, servitudes, surface leases, permits, licenses, tenements, hereditaments, appurtenances, general intangibles, rents, issues, profits, products and proceeds, whether now or hereafter existing or arising, used or useful in connection with, covering, relating to, or arising from or in connection with, any of the aforesaid in this granting clause mentioned, and all other things of value and incident thereto (including, without limitation, any and all liens, lien rights, security interests and other rights and interests) which the Mortgagor might at any time have or be entitled to, all the aforesaid properties, rights and interests, together with any additions thereto which may be subjected to the lien and security interest of this instrument by means of supplements hereto, being hereinafter called the "Mortgaged Property".

Subject, however, to (i) the restrictions, exceptions, reservations, conditions, limitations, interests and other matters, if any, set forth or referred to in the specific descriptions of such properties and interests in Exhibit A (including all presently existing royalties, overriding royalties, payments out of production and other burdens which are referred to in Exhibit A and which are taken into consideration in computing any percentage, decimal or fractional interest as set forth in Exhibit A), (ii) the assignment of production contained in Article III hereof, but only insofar and so long as said assignment of production is not inoperative under the provisions of Section 3.5 hereof, and (iii) the condition that the Bank shall not be liable in any respect for the performance of any covenant or obligation of the Mortgagor in respect of the Mortgaged Property.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee its successors and assigns forever to secure the payment of the Indebtedness and to secure the performance of the obligations of the Mortgagor herein contained.

The Mortgagor, in consideration of the premises and to induce the Bank to make the loans above described, hereby covenants and agrees with the Bank as follows:

ARTICLE I

Indebtedness Secured

1.1 Items of Indebtedness Secured. The following items of indebtedness are secured hereby:

(a) The Revolving Note, the Term Note and all other obligations and liabilities of the Mortgagor under the Loan Agreement, the Guaranties and the other Loan Documents;

(b) Any promissory notes evidencing additional loans which the Bank may from time to time make to the Mortgagor, the Bank not being obligated, however, to make such additional loans;

(c) Any sums advanced or expenses or costs incurred by the Bank (or any receiver appointed hereunder) which are made or incurred pursuant to, or permitted by, the terms hereof, plus interest thereon at the rate herein specified or otherwise agreed upon, from the date of the advances or the incurring of such expenses or costs until reimbursed;

(d) Any and all other indebtedness of the Mortgagor to the Bank now or hereafter owing, whether direct or indirect, primary or secondary, fixed or contingent, joint or several, regardless of how evidenced or arising; and

(e) Any extensions or renewals of all such indebtedness described in subparagraphs (a) through (d) above, whether or not the Mortgagor executes any extension agreement or renewal instruments.

1.2 Indebtedness and the Notes Defined. All the above items of indebtedness are hereinafter collectively referred to as the "Indebtedness". Any promissory note evidencing any part of the Indebtedness, including, without limitation, the Revolving Note and the Term Note, is hereinafter referred to as, individually, a "Note" and, collectively, the "Notes".

ARTICLE II

Particular Covenants and Warranties of the Mortgagor

2.2 Warranties. The Mortgagor represents and warrants that (a) the oil and gas leases described in Exhibit A hereto are valid, subsisting leases, superior and paramount to all other oil and gas leases respecting the properties to which they pertain, (b) all producing wells located on the lands described in Exhibit A have been drilled, operated and produced in conformity with all applicable laws, rules and regulations of all authorities having jurisdiction, and are subject to no penalties on account of past production, and such wells are in fact bottomed under and are producing from, and the well bores are wholly within, the lands described in Exhibit A, (c) the Mortgagor, to the extent of the interest specified in Exhibit A, has valid and indefeasible title to each property right or interest constituting the Mortgaged Property and has a good and legal right to grant and convey the same to the Bank, it being understood that the Mortgagor's interest in each oil and gas lease shall exceed the Mortgagor's net interest in production from such lease to the extent of the Mortgagor's proportionate share of the burden of all royalties, overriding royalties and other such payments out of production, (d) the Mortgaged Property is free from all encumbrances or liens whatsoever, except as may be specifically set forth in Exhibit A or as permitted by the provisions of Section 2.5(e) hereof, and (e) the Mortgagor is not obligated, by virtue of any prepayment under any contract providing for the sale by the Mortgagor of Hydrocarbons which contains a "take or pay" clause or under any similar arrangement, to deliver Hydrocarbons at some future time without then or thereafter receiving full payment therefor. The Mortgagor will warrant and forever defend the Mortgaged Property unto the Mortgagee against every person whomsoever lawfully claiming the same or any part thereof, and the Mortgagor will maintain and preserve the lien and security interest hereby created so long as any of the Indebtedness remains unpaid.

2.3 Further Assurances. The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as, in the opinion of the Bank, may be necessary or desirable to carry out more effectually the purposes of this instrument, including, without limiting the generality of the foregoing, (a) prompt correction of any defect which may hereafter be discovered in the title to the Mortgaged Property or in the execution and acknowledgment of this instrument, any Note, or any other document executed in connection herewith, and (b) prompt execution and delivery of all notices to parties pro-

2.4 Taxes. Subject to the Mortgagor's right to contest the same, the Mortgagor will promptly pay all taxes, assessments and governmental charges legally imposed upon this instrument or upon the Mortgaged Property, or upon the interest of the Bank therein, or upon the income and profits thereof.

2.5 Operation of the Mortgaged Property. So long as the Indebtedness or any part thereof remains unpaid, and whether or not the Mortgagor is the operator of the Mortgaged Property, the Mortgagor shall, at the Mortgagor's own expense:

(a) Do all things necessary to keep unimpaired the Mortgagor's rights in the Mortgaged Property and not, except in the ordinary course of business, abandon any well or forfeit, surrender or release any oil and gas lease or any rights in the Mortgaged Property, or enter into any operating agreement with respect to the Mortgaged Property, without the prior written consent of the Bank;

(b) Cause the lands described in Exhibit A to be maintained, developed, protected against drainage, and continuously operated for the production of Hydrocarbons in a good and workmanlike manner as would an ordinary, prudent operator, and in accordance with generally accepted practices, applicable operating agreements, and all applicable federal, state and local laws, rules and regulations, excepting those being contested in good faith;

(c) Cause to be paid, promptly as and when due and payable, all rentals and royalties payable in respect of the Mortgaged Property, and all expenses incurred in or arising from the operation or development of the Mortgaged Property;

(d) Cause the Operating Equipment to be kept in good and effective operating condition, and all repairs, renewals, replacements, additions and improvements thereof or thereto, needful to the production of Hydrocarbons from the lands described in Exhibit A, to be promptly made;

(e) Cause the Mortgaged Property to be kept free and clear of liens, charges and encumbrances of every character, other than (1) the lien and security interest hereof, (2) taxes constituting a lien but not due and payable, (3) defects or irregularities in title, and liens, charges

rights in and to the Mortgaged Property, and (6) those consented to in writing by the Bank; and

(f) Carry with financially sound and reputable insurance companies and in amounts satisfactory to the Bank the following insurance: (1) workmen's compensation insurance and public liability and property damage insurance in respect of all activities in which the Mortgagor might incur personal liability for the death of or injury to an employee or third person, or damage to or destruction of another's property; and (2) to the extent such insurance is carried by others engaged in similar undertakings in the same general areas in which the Mortgaged Property is located, insurance in respect of the Operating Equipment, against loss or damage by fire, lightning, hail, tornado, explosion and other similar risks.

2.6 Recording, etc. The Mortgagor will promptly, and at the Mortgagor's expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien and security interest hereof as a first lien on and prior perfected security interest in real or personal property, as the case may be, and the rights and remedies of the Bank, and otherwise will do and observe all things or matters necessary or expedient to be done or observed by reason of any law or regulation of any State or of the United States of America or of any other competent authority, for the purpose of effectively creating, maintaining and preserving the lien and security interest hereof on and in the Mortgaged Property.

2.7 Sale or Mortgage of the Mortgaged Property. Except for sales of severed Hydrocarbons in the ordinary course of the Mortgagor's business and the lien and security interest created by this instrument, the Mortgagor will not sell, convey, mortgage, pledge, pool, unitize or otherwise dispose of or encumber the Mortgaged Property nor any portion thereof, nor any of the Mortgagor's right, title or interest therein, without first securing the written consent of the Bank; and the Mortgagor will not enter into any arrangement with any gas pipeline company or other consumer of Hydrocarbons regarding the Mortgaged Property whereby said gas pipeline company or consumer may set off any claim against the Mortgagor by withholding payment for any

furnish or cause to be furnished to the Bank (a) upon its request, but not more than once a year, reports prepared by an independent person or firm acceptable to the Bank concerning (1) the quantity of Hydrocarbons recoverable from the Mortgaged Property, (2) the projected income and expense attributable to the Mortgaged Property, and (3) the expediency of any change in methods of treatment or operation of all or any wells productive of Hydrocarbons, any new drilling or development, any method of secondary recovery by repressuring or otherwise, or any other action with respect to the Mortgaged Property, the decision as to which may increase or reduce the quantity of Hydrocarbons ultimately recoverable or the rate of production thereof, (b) monthly, a report showing the gross proceeds from the sale of Hydrocarbons produced from the lands described in Exhibit A (including any thereof taken by the Mortgagor for the Mortgagor's own use), the quantity of such Hydrocarbons sold, the severance, gross production, occupation, or gathering taxes deducted from or paid out of such proceeds, the number of wells operated, drilled or abandoned, and such other information as the Bank may reasonably request (upon request of the Bank, such reports referred to in clauses (a) and (b) above shall set forth such information on a lease or unit basis), and (c) such other information concerning the business, affairs and financial condition of the Mortgagor as the Bank may from time to time reasonably request.

2.9 No Governmental Approvals. The Mortgagor represents and warrants that no approval or consent of any regulatory or administrative commission or authority, or of any other governmental body, is necessary to authorize the execution and delivery of this instrument or of the Notes, or to authorize the observance or performance by the Mortgagor of the covenants herein or in the Notes contained, or that such approvals as are required have been obtained or will be obtained promptly.

2.10 Right of Entry. The Mortgagor will permit the Bank, or the agents of the Bank, at the cost and expense of the Mortgagor, to enter upon the Mortgaged Property and all parts thereof, for the purpose of investigating and inspecting the condition and operation thereof.

2.11 Environmental Laws. The Mortgagor represents and warrants that: the Mortgaged Property is in compliance with all applicable Environmental Laws; there are no conditions existing which would be likely to subject the Mortgagor to

litigation or administrative proceeding threatened against it, which asserts or alleges that the Mortgagor has violated or is violating Environmental Laws or that the Mortgagor is required to clean up, remove or take remedial or other responsive action due to the disposal, depositing, discharge, leaking or other release of any hazardous substances or materials; neither the Mortgaged Property nor the Mortgagor is subject to any judgment, decree, order or citation related to or arising out of Environmental Laws and neither has been named or listed as a potentially responsible party by any governmental body or agency in a matter arising under any Environmental Laws. The Mortgagor has also obtained all permits, licenses or approvals required under applicable Environmental Laws which are necessary for its current exploration, use, and development activities at the Mortgaged Property; and to the Mortgagor's knowledge after reasonable investigation all use, generation, manufacturing, release, discharge, storage, deposit, treatment, recycling or disposal of any materials on, under or at the Mortgaged Property or transported to or from the Mortgaged Property (or tanks or other facilities thereon containing such materials) are being and will be conducted in accordance with applicable Environmental Laws including without limitation those requiring cleanup, removal or any other remedial action.

2.12 Corporate Mortgagor. The Borrower will continue to be duly qualified to transact business in each state where the conduct of its business requires it to be qualified, and will not, without the prior written consent of the Bank, consolidate or merge with any other corporation.

2.13 Interests other than Working Interests. All or portions of the Mortgaged Property may be comprised of interests in the Hydrocarbon Property which are other than working interests or which may be operated by a party or parties other than the Borrower and with respect to all or any such Hydrocarbon Property as may be comprised of interests other than working interests or which may be operated by parties other than the Borrower, Mortgagor's covenants as expressed in Paragraphs 2.4, 2.5, 2.7 inclusive of this Section II are modified to require that Mortgagor use its reasonable and customary efforts to obtain compliance with such covenants by the working interest owners or the operator or operators of such Hydrocarbon Property.

ARTICLE III

Assignment of Production

3.1 Assignment. (a) As further security for the payment of the Indebtedness, the Mortgagor hereby transfers, assigns, warrants and conveys to the Bank, effective as of the date hereof, at 7:00 A.M., local time, all Hydrocarbons which are thereafter produced from and which accrue to the Mortgaged Property, and all proceeds therefrom. All parties producing, purchasing or receiving any such Hydrocarbons, or having such, or proceeds therefrom, in their possession for which they or others are accountable to the Bank by virtue of the provisions of this Article, are authorized and directed to treat and regard the Bank as the assignee and transferee of the Mortgagor and entitled in the Mortgagor's place and stead to receive such Hydrocarbons and all proceeds therefrom; and said parties and each of them shall be fully protected in so treating and regarding the Bank and shall be under no obligation to see to the application by the Bank of any such proceeds or payments received by it.

(b) Notwithstanding any provision hereof to the contrary, the Bank's immediate and continuing right to collect and receive all of the revenues and proceeds described in this paragraph 3.1, is subject to a license in favor of Mortgagor, hereby reserved and retained by Mortgagor, to collect and receive such revenues and proceeds prior to the occurrence of an Event of Default under the Loan Agreement. The Bank agrees that such license shall not terminate prior to the occurrence of an Event of Default and the delivery of a written notice to the Mortgagor by the Bank. Upon the occurrence of an Event of Default, the Bank may (but shall not be obligated to) terminate such license and deal with such revenues and proceeds as provided for in this Mortgage and under applicable law. After such termination, the Bank may seek enforcement of and may demand, collect, receive, sue for and recover in its own name, all or any part of such revenues and proceeds. After the occurrence of an Event of Default, the Bank may notify any parties responsible for making payment of such revenues and proceeds, including pipeline companies, gathering companies, and others purchasing or receiving oil, gas, methane gas and other Hydrocarbons and mineral production from the Mortgaged Properties, to make payment thereof directly to the Bank. The Mortgagor hereby authorizes and directs all such responsible parties to pay and deliver all

be liable in any manner to the Mortgagor on account thereof. The Bank shall not be liable for any delay, neglect, or failure to effect collection of any proceeds or to take any other action in connection therewith or hereunder; but the Bank shall have the right, at its election, in the name of the Mortgagor or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by the Bank in order to collect such funds and to protect the interests of the Bank, and/or Mortgagor, with all costs, expenses and attorneys' fees incurred in connection therewith being paid by Mortgagor. Mortgagor hereby appoints the Bank as its attorney-in-fact to pursue any and all rights of Mortgagor to liens on and security interests in the Hydrocarbons securing payment of proceeds of runs attributable to the Hydrocarbons, including, but not limited, to those liens and security interests provided for by the Oil and Gas Products Lien Act, Chapter 48 of the New Mexico Statutes Annotated 1978, §§48-9-1 - 48-9-8 and/or any similar laws of any other states in which the Mortgaged Property or any part thereof may be located. In addition to the rights granted to the Bank in this paragraph 3.1 of this Mortgage, Mortgagor hereby further transfers and assigns to the Bank any and all such liens, security interests, financing statements or similar interests of Mortgagor attributable to its interest in the Hydrocarbons and proceeds of runs therefrom arising under or created by said statutory provision, judicial decision or otherwise. The power of attorney granted to the Bank in this paragraph, being coupled with an interest, shall be irrevocable so long as the Indebtedness or any part thereof remains unpaid.

3.2 Application of Proceeds. All payments received by the Bank pursuant to Section 3.1 hereof shall be placed in a cash collateral account at the Bank and on the first business day of each calendar month applied as follows:

First: To the payment and satisfaction of all costs and expenses incurred in connection with the collection of such proceeds, and to the payment of all items of the Indebtedness not evidenced by any Note.

Second: To the payment of the interest on the Notes accrued to the date of such payment.

Third: To the payment of the amounts of principal then due and owing on the Notes.

3.3 No Liability of the Bank in Collecting. The Bank is hereby absolved from all liability for failure to enforce collection of any proceeds so assigned (and no such failure shall be deemed to be a waiver of any right of the Bank under this Article) and from all other responsibility in connection therewith, except the responsibility to account to the Mortgagor for funds actually received.

3.4 Assignment Not a Restriction on the Bank's Rights. Nothing herein contained shall detract from or limit the absolute obligation of the Mortgagor to make payment of the Indebtedness regardless of whether the proceeds assigned by this Article are sufficient to pay the same, and the rights under this Article shall be in addition to all other security now or hereafter existing to secure the payment of the Indebtedness.

3.5 Status of Assignment. Notwithstanding the other provisions of this Article, the Bank or any receiver appointed in judicial proceedings for the enforcement of this instrument shall have the right to receive all of the Hydrocarbons herein assigned and the proceeds therefrom after any Note has been declared due and payable in accordance with the provisions of Section 4.1 hereof and to apply all of said proceeds as provided in Section 3.2 hereof. Upon any sale of the Mortgaged Property or any part thereof pursuant to Article V, the Hydrocarbons thereafter produced from the property so sold, and the proceeds therefrom, shall be included in such sale and shall pass to the purchaser free and clear of the assignment contained in this Article.

3.6 Indemnity. The Mortgagor agrees to indemnify the the Bank against all claims, actions, liabilities, judgments, costs, attorneys' fees or other charges of whatsoever kind or nature (all hereinafter in this Section 3.6 called "claims") made against or incurred by it as a consequence of the assertion, either before or after the payment in full of the Indebtedness, that it received Hydrocarbons herein assigned or the proceeds thereof claimed by third persons, and the Bank shall have the right to defend against any such claims, employing attorneys therefor, and unless furnished with reasonable indemnity, it shall have the right to pay or compromise and adjust all such claims; provided that if the Bank is furnished with a reasonable indemnity, then the Bank will have the right to pay, compromise

Section 3.6 shall survive the release, termination, foreclosure or assignment of this instrument or any sale hereunder.

ARTICLE IV

Events of Default

4.1 Events of Default Hereunder. In case any one or more of the following "events of default" shall occur and shall not have been remedied:

(a) the occurrence of an Event of Default under the terms and provisions of the Loan Agreement and the continuance of such Event of Default for the applicable period of grace;

(b) any of the Mortgaged Property shall be seized or taken by any governmental or similar authority, or any order of attachment, garnishment or any other writ shall be issued, or any other lawful creditor's remedy shall be exercised or attempted to be exercised, with respect thereto; or

(c) the title of the Mortgagor to the Mortgaged Property or any substantial part thereof shall become the subject matter of litigation which would or might, in the Bank's opinion, upon final determination result in substantial impairment or loss of the security provided by this instrument and upon notice by the Bank to the Mortgagor such litigation is not dismissed within thirty (30) days of such notice,

then and in any such event the Bank, at its option, may declare the entire unpaid principal of and the interest accrued on the Notes and all other Indebtedness secured hereby to be forthwith due and payable, without any notice or demand of any kind, both of which are hereby expressly waived.

ARTICLE V

Enforcement of the Security

5.1 Power of Sale of Real Property Constituting a Part of

and upon such notice as may be required by law, or, in the absence of any such requirement, as the Bank may deem appropriate, and to make conveyance to the purchaser or purchasers; and the Mortgagor shall warrant title to such real property to such purchaser or purchasers. The Bank may postpone the sale of all or any portion of such real property by public announcement at the time and place of such sale, and from time to time thereafter may further postpone such sale by public announcement made at the time of sale fixed by the preceding postponement. The right of sale hereunder shall not be exhausted by one or any sale, and the Bank may make other and successive sales until all of the trust estate be legally sold.

5.2 Rights of the Bank with Respect to Personal Property Constituting a Part of the Mortgaged Property. Upon the occurrence of an event of default and if such event shall be continuing, the Bank will have all rights and remedies granted by law, and particularly by the Uniform Commercial Code, including, but not limited to, the right to take possession of all personal property constituting a part of the Mortgaged Property, and for this purpose the Bank may enter upon any premises on which any or all of such personal property is situated and take possession of and operate such personal property (or any portion thereof) or remove it therefrom. The Bank may require the Mortgagor to assemble such personal property and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to all parties. Unless such personal property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank will give the Mortgagor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of such personal property is to be made. This requirement of sending reasonable notice will be met if the notice is mailed by first-class mail, postage prepaid, to the Mortgagor at the address shown below the signatures at the end of this instrument at least five (5) Business Days before the time of the sale or disposition.

5.3 Rights of the Bank with Respect to Fixtures Constituting a Part of the Mortgaged Property. Upon the occurrence of an event of default and if such event shall be continuing, the Bank may elect to treat the fixtures constituting a part of the Mortgaged Property as either real property collateral or personal property collateral and then proceed to exercise such rights as apply to such type of collateral.

5.4 Judicial Proceedings. Upon the occurrence of an event of default and if such event shall be continuing, the Bank, in lieu of or in addition to exercising any power of sale hereinabove given, may proceed by a suit or suits in equity or at law,

whether for a foreclosure hereunder, or for the sale of the Mortgaged Property, or for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Mortgaged Property, or for the enforcement of any other appropriate legal or equitable remedy.

5.5 Possession of the Mortgaged Property. It shall not be necessary for the Bank to have physically present or constructively in their possession at any sale held by the Bank or by any court, receiver or public officer any or all of the Mortgaged Property; and the Mortgagor shall deliver to the purchasers at such sale on the date of sale the Mortgaged Property purchased by such purchasers at such sale, and if it should be impossible or impracticable for any of such purchasers to take actual delivery of the Mortgaged Property, then the title and right of possession to the Mortgaged Property shall pass to such purchaser at such sale as completely as if the same had been actually present and delivered.

5.6 Certain Aspects of a Sale. The Bank shall have the right to become the purchaser at any sale held by the Bank or by any court, receiver or public officer, and the Bank shall have the right to credit upon the amount of the bid made therefor the amount payable out of the net proceeds of such sale to it. Recitals contained in any conveyance made to any purchaser at any sale made hereunder shall conclusively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing, nonpayment of the unpaid principal sum of, and the interest accrued on, the Notes, after the same have become due and payable, and advertisement and conduct of such sale in the manner provided herein.

5.7 Receipt to Purchaser. Upon any sale, whether made under the power of sale herein granted and conferred or by virtue of judicial proceedings, the receipt of the Bank, or of the officer making sale under judicial proceedings, shall be sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, or his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Bank or of such officer therefor, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or nonapplication thereof.

5.8 Effect of Sale. Any sale or sales of the Mortgaged Property, whether under the power of sale herein granted and conferred or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever

either at law or in equity, of the Mortgagor of, in and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against the Mortgagor, and the Mortgagor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under the Mortgagor or the Mortgagor's successors or assigns. Nevertheless, the Mortgagor, if requested by the Bank so to do, shall join in the execution and delivery of all proper conveyances, assignments and transfers of the properties so sold.

5.9 Application of Proceeds. The proceeds of any sale of the Mortgaged Property, or any part thereof, whether under the power of sale herein granted and conferred or by virtue of judicial proceedings, shall be applied as follows:

First: To the payment and satisfaction of all costs and expenses incurred by the Bank in the performance of its duties including, without limiting the generality of the foregoing, costs and expenses of any entry, or taking of possession, of any sale, or advertisement thereof, and of conveyances, and as well, court costs, compensation of agents and employees and legal fees.

Second: To the payment of the interest on the Notes accrued to the date of such payment.

Third: To the payment of the amounts of principal of the Notes and of the other items of Indebtedness due and owing at the time of such payment.

Fourth: Any surplus thereafter remaining shall be paid to the Mortgagor or the Mortgagor's successors or assigns, as their interests shall appear.

5.10 The Mortgagor's Waiver of Appraisement, Marshalling and Other Rights. The Mortgagor agrees, to the full extent that the Mortgagor may lawfully so agree, that the Mortgagor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisement, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this instrument or the absolute sale of the Mortgaged Property or the possession thereof by any purchaser at any sale made pursuant to any provision hereof, or pursuant to the decree of any court of competent jurisdiction; but the Mortgagor, for the Mortgagor and all who may claim through or under the Mortgagor, so far as the Mortgagor or those claiming through or under the Mortgagor now or hereafter lawfully may, hereby waives the benefit of all such laws. The Mortgagor, for the Mortgagor and all who may claim through or

under the Mortgagor, waives, to the extent that the Mortgagor may lawfully do so, any and all right to have the Mortgaged Property marshalled upon any foreclosure of the lien hereof, or sold in inverse order of alienation, and agrees that the Bank or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property as an entirety. The Mortgagor, for the Mortgagor and all who may claim through or under the Mortgagor, further waives, to the full extent that the Mortgagor may lawfully do so, any requirement for posting a receiver's bond or replevin bond or other similar type of bond if the Bank commences an action for appointment of a receiver or an action for replevin to recover possession of any of the Mortgaged Property. If any law in this paragraph referred to and now in force, of which the Mortgagor or the Mortgagor's successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the operation or application of the provisions of this paragraph.

5.11 Costs and Expenses. All costs and expenses (including attorneys' fees) incurred by the Bank in protecting and enforcing its rights hereunder shall constitute a demand obligation owing by the Mortgagor to the party incurring such costs and expenses and shall draw interest at an annual rate equal to the highest rate of interest from time to time accruing on the then outstanding Note plus one percent (1%) until paid, all of which shall constitute a portion of the Indebtedness.

5.12 Operation of the Mortgaged Property by the Bank. Upon the occurrence of an event of default and in addition to all other rights herein conferred on the Bank, the Bank (or any person, firm or corporation designated by the Bank) shall have the right and power, but shall not be obligated, to enter upon and take possession of any of the Mortgaged Property, and to exclude the Mortgagor, and the Mortgagor's agents or servants, wholly therefrom, and to hold, use, administer, manage and operate the same to the extent that the Mortgagor shall be at the time entitled and in its place and stead. The Bank, or any person, firm or corporation designated by the Bank, may operate the same without any liability to the Mortgagor in connection with such operations, except to use ordinary care in the operation of such properties, and the Bank or any person, firm or corporation designated by the Bank, shall have the right to collect, receive and receipt for all Hydrocarbons produced and sold from said properties, to make repairs, purchase machinery and equipment, conduct work-over operations, drill additional wells and to exercise every power, right and privilege of the Mortgagor with respect to the Mortgaged Property. When and if the expenses of such operation and development (including costs

of unsuccessful work-over operations or additional wells) have been paid and the Indebtedness paid, said properties shall, if there has been no sale or foreclosure, be returned to the Mortgagor.

ARTICLE VI

Miscellaneous Provisions

6.1 Pooling and Unitization. The Mortgagor shall have the right, and is hereby authorized, to pool or unitize all or any part of any tract of land described in Exhibit A, insofar as it relates to the Mortgaged Property, with adjacent lands, leaseholds and other interests, when, in the reasonable judgment of the Mortgagor, it is necessary or advisable to do so in order to form a drilling unit to facilitate the orderly development of that part of the Mortgaged Property affected thereby, or to comply with the requirements of any law or governmental order or regulation relating to the spacing of wells or proration of the production therefrom; provided, however, that any unit so formed for the production of oil shall not substantially exceed 160 acres, and any unit so formed for the production of gas shall not substantially exceed 640 acres, unless a larger area is required to conform to an applicable law or governmental order or regulation relating to the spacing of wells or to obtain the maximum allowable production under any applicable law or governmental order or regulation relating to the proration of production therefrom; and further provided that the Hydrocarbons produced from any unit so formed shall be allocated among the separately owned tracts or interests comprising the unit in a uniform manner consistently applied. Any unit so formed may relate to one or more zones or horizons, and a unit formed for a particular zone or horizon need not conform in area to any other unit relating to a different zone or horizon, and a unit formed for the production of oil need not conform in area with any unit formed for the production of gas. Immediately after formation of any such unit, the Mortgagor shall furnish to the Bank a true copy of the pooling agreement, declaration of pooling or other instrument creating such unit, in such number of counterparts as the Bank may reasonably request. The interest in any such unit attributable to the Mortgaged Property (or any part thereof) included therein shall become a part of the Mortgaged Property and shall be subject to the lien hereof in the same manner and with the same effect as though such unit and the interest of the Mortgagor therein were specifically described in Exhibit A. The Mortgagor may enter into pooling or unitization agreements not hereinabove authorized only with the prior written consent of the Bank.

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6.2 Actions or Advances by the Bank. Each and every covenant herein contained shall be performed and kept by the Mortgagor solely at the Mortgagor's expense. If the Mortgagor shall fail to perform or keep any of the covenants of whatsoever kind or nature contained in this instrument, the Bank, or any receiver appointed hereunder, may, but shall not be obligated to, take action and/or make advances to perform the same in the Mortgagor's behalf, and the Mortgagor hereby agrees to repay the expense of such action and such advances upon demand plus interest at an annual rate equal to the highest rate of interest from time to time accruing on the then outstanding Note plus one percent (1%) until paid or, in the event any promissory note evidences such indebtedness, upon the terms and conditions thereof. No such advance or action by the Bank or any receiver appointed hereunder shall be deemed to relieve the Mortgagor from any default hereunder.

6.3 Defense of Claims. The Mortgagor will notify the Bank, in writing, promptly of the commencement of any legal proceedings affecting the lien or security interest hereof or the Mortgaged Property, or any part thereof, and will take such action, employing attorneys agreeable to the Bank, as may be necessary or appropriate to preserve the Mortgagor's and the Bank's rights affected thereby and/or to hold harmless the Bank in respect of such proceedings; and should the Mortgagor fail or refuse to take any such action, the Bank may, upon giving prior written notice thereof to the Mortgagor, take such action on behalf and in the name of the Mortgagor and at the Mortgagor's expense. Moreover, the Bank may take such independent action in connection therewith as it may in its discretion deem proper, the Mortgagor hereby agreeing that all sums advanced or all expenses incurred in such actions plus interest at an annual rate equal to the highest rate of interest from time to time accruing on the then outstanding Note plus one percent (1%) until paid, will, on demand, be reimbursed, as appropriate, to the Bank or any receiver appointed hereunder. The obligations of the Mortgagor as hereinabove set forth in this Section 6.3 shall survive the release, termination, foreclosure or assignment of this instrument or any sale hereunder.

6.4 The Mortgaged Property to Revert. If the Indebtedness shall be fully paid and the covenants herein contained shall be well and truly performed, then all of the Mortgaged Property shall revert to the Mortgagor and the entire estate, right, title and interest of the Bank shall thereupon cease; and the Bank in such case shall, upon the request of the Mortgagor and at the Mortgagor's cost and expense, deliver to the Mortgagor proper instruments acknowledging satisfaction of this instrument and releasing the lien created by this instrument, all without recourse, representations or warranties of any kind.

6.5 Renewals, Amendments and Other Security. Subject to the provisions of Section 21 of the Loan Agreement and Section 5.3 of each of the Guaranties, renewals and extensions of the Indebtedness may be given at any time and amendments may be made to agreements relating to any part of such Indebtedness or the Mortgaged Property and the Bank may take or may now hold other security for the Indebtedness, all without notice to or consent of the Mortgagor. The Bank may resort first to such other security or any part thereof or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action shall not be a waiver of any rights conferred by this instrument, which shall continue as a first lien upon and prior perfected security interest in the Mortgaged Property not expressly released until the Notes and all other Indebtedness secured hereby are fully paid.

6.6 Instrument an Assignment, etc. This instrument shall be deemed to be and may be enforced from time to time as an assignment, chattel mortgage, contract, deed of trust, financing statement, real estate mortgage, or security agreement, and from time to time as any one or more thereof.

6.7 Limitation on Interest. No provision of this instrument or of the Notes shall require the payment or permit the collection of interest in excess of the maximum permitted by law or which is otherwise contrary to law. If any excess of interest in such respect is herein or in the Notes provided for, or shall be adjudicated to be so provided for herein or in the Notes, the Mortgagor shall not be obligated to pay such excess.

6.8 Unenforceable or Inapplicable Provisions. If any provision hereof or of the Notes is invalid or unenforceable in any jurisdiction, the other provisions hereof or of the Notes shall remain in full force and effect in such jurisdiction, and the remaining provisions hereof shall be liberally construed in favor of the Bank in order to effectuate the provisions hereof, and the invalidity of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction. Any reference herein contained to a statute or law of a state in which no part of the Mortgaged Property is situated shall be deemed inapplicable to, and not used in, the interpretation hereof.

6.9 Rights Cumulative. Each and every right, power and remedy herein given to the Bank shall be cumulative and not exclusive; and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by the Bank, as the case may be, and the exercise, or

the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Bank in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

6.10 Waiver by the Bank. Any and all covenants in this instrument may from time to time by instrument in writing signed by the Bank be waived to such extent and in such manner as the Bank may desire, but no such waiver shall ever affect or impair the Bank's rights or liens or security interests hereunder, except to the extent specifically stated in such written instrument.

6.11 Environmental Indemnification. The Mortgagor will indemnify and hold the Bank harmless from and against and reimburse the Bank with respect to, any and all claims, demands, causes or action, losses, damages, liabilities, costs and expenses (including reasonable attorney's fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, out-of-pocket or consequential, asserted against or by the Bank at any time and from time to time by reason of or arising out of any violation of any Environmental Laws applicable to the Mortgagor and/or the Mortgaged Property and any and all matters arising out of any act, omission, event or circumstance existing or occurring (including, without limitation, the presence on the Mortgaged Property or release from the Mortgaged Property of hazardous substances or solid waste disposed of or otherwise released), regardless of whether the act, omission, event or circumstance constituted a violation of any Environmental Law at the time of its existence or occurrence. The terms "hazardous substance" and "release" shall have the meanings specified in the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as subsequently modified, supplemented or amended (herein called "CERCLA"), and for purposes of RCRA (as defined below) compliance the terms "solid waste" and "disposed" shall have the meanings specified in the Federal Resource Conservation and Recovery Act of 1976, as subsequently modified, supplemented or amended (herein called "RCRA"); provided, in the event that either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and provided further, to the extent the laws of any jurisdiction where the Mortgaged Property is located on the date hereof or on any subsequent date establish a meaning for "hazardous substance," "release," "solid waste," or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply. If and to the extent that the

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foregoing undertaking may be unenforceable for any reason, the Mortgagor hereby agrees to make the maximum contribution to the payment and satisfaction of the indemnified claims, demands, causes of action, losses, damages, liabilities, costs, expenses and fees which is permissible under applicable law. The foregoing indemnities shall not apply with respect to matters caused by or arising out of the sole gross negligence or sole willful misconduct of the Bank. The obligations of the Mortgagor as hereinabove set forth in this Section 6.11 shall survive the release, termination, foreclosure or assignment of this instrument or any sale hereunder.

6.12 No Partnership. Nothing contained in this instrument is intended to, or shall be construed as, creating to any extent and in any manner whatsoever, any partnership, joint venture, or association among the Mortgagor and the Bank, or in any way as to make the Bank co-principal with the Mortgagor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

6.13 Successors and Assigns. This instrument is binding upon the Mortgagor, the Mortgagor's successors and assigns, and shall inure to the benefit of the Bank, its successors and assigns, and the provisions hereof shall likewise be covenants running with the land.

6.14 Article and Section Headings. The article and section headings in this instrument are inserted for convenience of reference and shall not be considered a part of this instrument or used in its interpretation.

6.15 Execution in Counterparts. This instrument may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which are identical, except that, to facilitate recordation or filing, in any particular counterpart portions of Exhibit A hereto which describe properties situated in counties other than the county in which such counterpart is to be recorded or filed may have been omitted.

6.16 Special Filing as Financing Statement. This Mortgage shall likewise be a Security Agreement and a Financing Statement. This Mortgage shall be filed for record, among other places, in the real estate records of each county in which any portion of the real property covered by the oil and gas leases described in Exhibit A hereto is situated, and, when filed in such counties shall be effective as a financing statement covering fixtures located on oil and gas properties, which oil and gas properties (and accounts arising therefrom) are to be financed at the well-heads of the wells located on the real property described in

Exhibit A hereto. At the option of the Bank, a carbon, photographic or other reproduction of this instrument or of any financing statement covering the Mortgaged Property or any portion thereof shall be sufficient as a financing statement and may be filed as such.

6.17 Notices. Any notice, request, demand or other instrument which may be required or permitted to be given or served upon the Mortgagor shall be sufficiently given when mailed by first-class mail, addressed to the Mortgagor at the address shown below the signatures at the end of this instrument or to such different address as the Mortgagor shall have designated by written notice received by the Bank.


6.18 Undefined Terms. Any capitalized terms not defined herein shall have the meanings ascribed to such term in the Loan Agreement.

IN WITNESS WHEREOF, the Mortgagor has executed or caused to be executed this Mortgage, Assignment, Security Agreement and Financing Statement on the day, month and year first above written.


MORTGAGOR

MCKENZIE METHANE CORPORATION


By



Michael McKenzie, President

ATTEST:


Title: Asst. Secretary
Printed Name J. CLYDE HAINES

[Corporate Seal]


Michael McKenzie


Timothy McKenzie


Steven McKenzie

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The names and mailing addresses of the Mortgagor are:

McKenzie Methane Corporation
7880 San Felipe Road, Suite 100
Houston, Texas 77063

Michael McKenzie
7880 San Felipe Road, Suite 100
Houston, Texas 77063

Timothy McKenzie
7880 San Felipe Road, Suite 100
Houston, Texas 77063

Steven McKenzie
7880 San Felipe Road, Suite 100
Houston, Texas 77063

SECURED PARTIES

BANK OF MONTREAL

By Erin Keyser Cook
Title: Account Manager
Printed Name: Erin Keyser Cook

The names and mailing addresses
of the Secured Parties are:

BANK OF MONTREAL
115 South LaSalle Street
Chicago, Illinois 60603

with a copy to:

BANK OF MONTREAL
Houston Agency
700 Louisiana
4400 NCNB Center
Houston, Texas 77002

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BE IT REMEMBERED that I, Bernice H. Williams, a Notary Public duly qualified, commissioned, sworn and acting in and for the County and State aforesaid, hereby certify that, on this 9th day of October, 1991, there appeared before me severally each of the following persons, each being the natural person or else the designated officer of the corporation or association set opposite his name, and each such natural person, corporation and association being a party to the foregoing instrument:

Michael McKenzie, the President and J. Clyde Harris, the Asst. Secretary of McKenzie Methane Corporation, a Texas corporation whose address is 7880 San Felipe Road, Suite 100, Houston, Texas 77063; and

Michael McKenzie, whose address is 7880 San Felipe Road, Suite 100, Houston, Texas 77063; Timothy McKenzie whose address is 7880 San Felipe Road, Suite 100, Houston, Texas 77063; Steven McKenzie whose address is 7880 San Felipe Road, Suite 100, Houston, Texas 77063;

ALABAMA

Before me on this day personally appeared the aforementioned persons, whose names are signed to the foregoing conveyance in the capacities set forth opposite the names of such persons above, and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they, as such officers or individuals with full authority, executed the same voluntarily for and as the act of said corporation, said association or said individuals, as the case may be.

COLORADO

The foregoing instrument was acknowledged before me this day by each such person on behalf of said corporation or association, or himself, as the case may be.

ILLINOIS

The foregoing instrument was acknowledged before me this day by said persons as the designated officers of the corporation or association set opposite their names (or himself, as the case may be) on behalf of said corporation or association (or themselves).

NEW MEXICO

The foregoing instrument was acknowledged before me this day by each such person as the designated officers of the corporation or association set opposite their names (or himself, as the case may be) on behalf of said corporation or association, or himself, as the case may be.

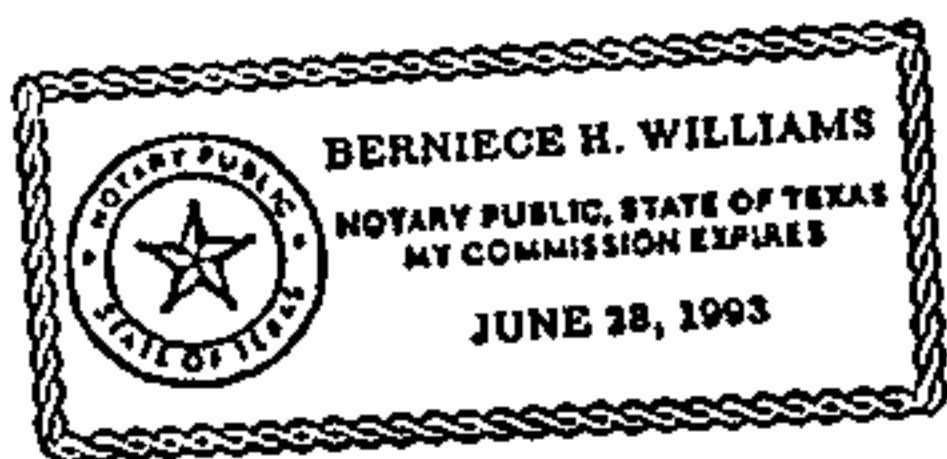
TEXAS

This instrument was acknowledged before me on this day by each such person as the designated officer of the corporation or association set opposite his name (or himself, as the case may be), on behalf of said corporation or association set opposite his name (or of himself, as the case may be).

Witness my hand and official seal.

Berniece H. Williams
Notary Public
Residing at 3119 Castlewood
Houston, TX 77025

My commission expires:



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STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BE IT REMEMBERED that I, Bernice H. Williams, a Notary Public duly qualified, commissioned, sworn and acting in and for the County and State aforesaid, hereby certify that, on this 9th day of October, 1991, there appeared before me severally each of the following persons, each being the natural person or else the designated officer of the corporation or association set opposite his name, and each such natural person, corporation and association being a party to the foregoing instrument:

Erin Hughes Cook, Account Manager of Bank of Montreal, a Canadian chartered bank.

ALABAMA

Before me on this day personally appeared the aforementioned persons, whose names are signed to the foregoing conveyance in the capacities set forth opposite the names of such persons above, and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they, as such officers or individuals with full authority, executed the same voluntarily for and as the act of said corporation, said association or said individuals, as the case may be.

COLORADO

The foregoing instrument was acknowledged before me this day by each such person on behalf of said corporation or association, or himself, as the case may be.

ILLINOIS

The foregoing instrument was acknowledged before me this day by said persons as the designated officers of the corporation or association set opposite their names (or himself, as the case may be) on behalf of said corporation or association (or themselves).

NEW MEXICO

The foregoing instrument was acknowledged before me this day by each such person as the designated officers of the corporation or association set opposite their names (or himself, as the case may be) on behalf of said corporation or association, or himself, as the case may be.

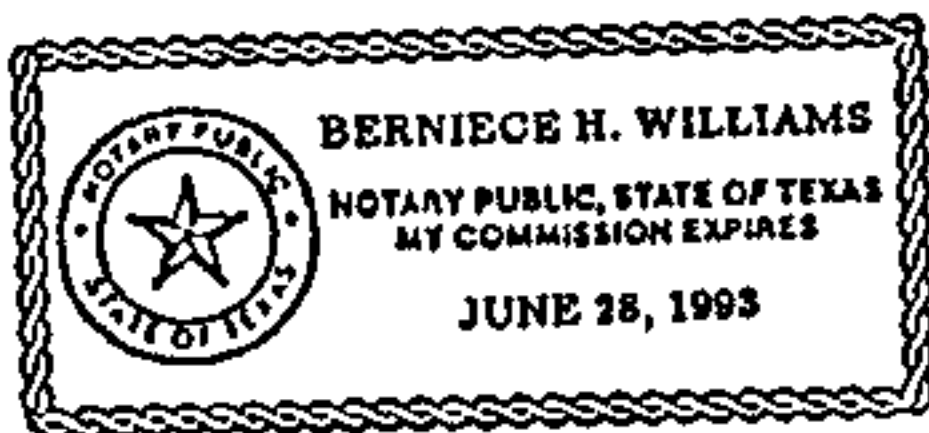
TEXAS

This instrument was acknowledged before me on this day by each such person as the designated officer of the corporation or association set opposite his name (or himself, as the case may be), on behalf of said corporation or association set opposite his name (or of himself, as the case may be).

Witness my hand and official seal.

Berniece H. Williams
Notary Public
Residing at 3119 Castledown
Houston, TX 77025

My commission expires:



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EXHIBIT A To Mortgage, Assignment, Security Agreement and Financing Statement, dated October , 1991, from McKenzie Methane Corporation, Michael McKenzie, Timothy McKenzie and Steven McKenzie to Bank of Montreal.

1. Depth limitations, unit designations, unit tract descriptions and descriptions of undivided leasehold interests and well names, contained in this Exhibit A shall not be deemed to limit or otherwise diminish the interests being subjected to the lien, security interest and encumbrance of this instrument.

2. Some of the land descriptions in this Exhibit A may refer only to certain wells located on the land described in Exhibit A. This instrument is not limited to the wells described in Exhibit A but is intended to cover the entire interest of the Mortgagor in any well located in any land described in Exhibit A even if such well is not described in Exhibit A to the extent of the percentage ownership interest described in Exhibit A. Reference is made to the land descriptions contained in the documents of title recorded as described in this Exhibit A. To the extent that the land descriptions in this Exhibit A are incomplete, incorrect or not legally sufficient, the land descriptions contained in the documents so recorded are incorporated herein by this reference.

3. References in Exhibit A to instruments on file in the public records are made for all purposes. Unless provided otherwise, all recording references in Exhibit A are to the official real property records of the county or counties (or parish or parishes) in which the mortgaged property is located and in which records such documents are or in the past have been customarily recorded, whether Deed Records, Oil and Gas Records, Oil and Gas Lease Records or other records.

4. A statement herein that a certain interest described herein is subject to the terms of certain described or referred to agreements, instruments or other matters shall not operate to subject such interest to any such agreement, instrument or other matter except to the extent that such agreement, instrument or matter is otherwise valid and presently subsisting nor shall such statement be deemed to constitute a recognition by the parties hereto that any such agreement, instrument or other matter is valid and presently subsisting.

5. No part of the lands described in this Exhibit A or the descriptions of which are incorporated in Exhibit A by reference comprises any part of the homestead of any of Michael McKenzie, Timothy McKenzie or Steven McKenzie.

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EXHIBIT A To Mortgage, Assignment, Security Agreement and Financing Statement, dated October 8, 1991, from McKenzie Methane Corporation, Michael McKenzie, Timothy McKenzie and Steven McKenzie to Bank of Montreal.

1. Some of the land descriptions in this Exhibit A may refer only to certain wells located on the land described in Exhibit A. This instrument is not limited to the wells described in Exhibit A but is intended to cover the entire interest of the Mortgagor in any well located in any land described in Exhibit A even if such well is not described in Exhibit A to the extent of the percentage ownership interest described in Exhibit A. Reference is made to the land descriptions contained in the documents of title recorded as described in this Exhibit A. To the extent that the land descriptions in this Exhibit A are incomplete, incorrect or not legally sufficient, the land descriptions contained in the documents so recorded are incorporated herein by this reference.

2. References in Exhibit A to instruments on file in the public records are made for all purposes. Unless provided otherwise, all recording references in Exhibit A are to the official real property records of the county or counties (or parish or parishes) in which the mortgaged property is located and in which records such documents are or in the past have been customarily recorded, whether Deed Records, Oil and Gas Records, Oil and Gas Lease Records or other records.

3. A statement herein that a certain interest described herein is subject to the terms of certain described or referred to agreements, instruments or other matters shall not operate to subject such interest to any such agreement, instrument or other matter except to the extent that such agreement, instrument or matter is otherwise valid and presently subsisting nor shall such statement be deemed to constitute a recognition by the parties hereto that any such agreement, instrument or other matter is valid and presently subsisting.

4. The title of Mortgagor to the interests described in this Exhibit are subject to (a) operating agreements, contracts and other similar instruments, to the extent the same are valid and enforceable and burden the interests, and lessors' royalties and valid and subsisting overriding royalties, reversionary interests and similar burdens affecting the interests which are of record in the appropriate parishes and counties, to the extent the foregoing in the aggregate do not reduce Mortgagor's interest in Hydrocarbons produced from the subject leases to less than the interest represented to the Bank in writing as of the date hereof; (b) liens for taxes or assessments not yet delinquent; (c) materialman's, mechanic's, repairman's, employee's,

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contractor's, operator's and other similar liens or charges arising in the ordinary course of business, to the extent the same secure amounts not yet due and payable; (d) easements, rights-of-way, servitudes, permits, surface leases, to the extent the same do not materially interfere with the ownership or operation of the leases and other interests described hereon.

5. No part of the lands described in this Exhibit A or the descriptions of which are incorporated in Exhibit A by reference comprises any part of the homestead of any of Michael McKenzie, Timothy McKenzie or Steven McKenzie.

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EXHIBIT A

CAHABA AREA

An undivided 8.953 percent (8.953%) interest in and to the entire leasehold estate created by the following:

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 recorded by a Memorandum of Lease dated November 30, 1988, in Book 128, page 953 in the Office of Judge of Probate of Bibb County.

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

All of said tracts are located in Shelby County, Alabama. Each of said tracts consists of 40 acres, more or less, unless otherwise indicated.

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

Section 15: NW/4 of NW/4 (AL2 912)

Section 10: SE/4 of SW/4 (AL2 935)

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EXHIBIT A

CAHABA AREA

An undivided fourteen percent (14%) interest in and to the entire leasehold estate created by the following:

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 recorded by a Memorandum of Lease dated November 30, 1988, in Book 128, Page 953 in the Office of Judge of Probate of Bibb County, Alabama. (AL2 001)

Oil, Gas and Mineral Lease (Including Coalbed Methane) between RUTH L. GORDON, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated April 12, 1989, in Book 246, Page 67 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 Judge of Probate of Bibb County, Alabama. (AL2 010)

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 116 in the Office of Judge of Probate of Bibb County. (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 125 in the Office of Judge of Probate of Bibb County. (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 lease is included in the tracts described below.

All of said tracts are located in Shelby or Bibb Counties, Alabama.

Each tract listed herein below consists of 40 acres, more or less, unless otherwise indicated:

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

NE/4 of SE/4 of Section 2 (AL2 1954)

NW/4 of NE/4 of Section 15 (AL2 911)

SE/4 of SE/4 of Section 19 (AL2 1952)

SE/4 of NE/4 of Section 20 (AL2 1754)

SE/4 of SW/4 of Section 29 (AL2 1955)

NW/4 of NW/4 of Section 29 (AL2 1951)

NW/4 of NE/4 of Section 30 (AL2 1948)

SE/4 of NW/4 of Section 30 (AL2 1947)

SE/4 of NE/4 of Section 30 (AL2 1929)

SE Diagonal 1/2 of S/2 of NE/4 of Section 35 (AL2 1958)

EXHIBIT A

TOWNSHIP 21 SOUTH, RANGE 4 WEST - CONT'D:

NE/4 of NW/4 of Section 22 (AL2 1887)

NE/4 of NE/4 of Section 27 (AL2 1956)

The portion of the S/2 of NE/4 commencing at the 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; south to point of beginning. (AL3 1958) (USX 35-8-658)

SE/4 of NE/4 of Section 27 (AL2 968)

NW/4 of NE/4 of Section 22 (AL2 951)

SE/4 of NE/4 of Section 22 (AL2 938)

NE/4 of SE/4 of Section 10 (AL2 934)

NW/4 of SE/4 of Section 10 (AL2 1923)

SE/4 of NW/4 of Section 35 (AL2 985)

SE/4 of NE/4 of Section 13 (AL2 1514)

SE/4 of SE/4 of Section 25 (AL2 1810)

NE/4 of SW/4 of Section 15 (AL2 901)

SW/4 of NE/4 of Section 15 (AL2 902)

SE/4 of NE/4 of Section 15 (AL2 904)

NW/4 of SE/4 of Section 15 (AL2 906)

SE/4 of SE/4 of Section 15 (AL2 947)

TOWNSHIP 22 SOUTH, RANGE 3 WEST:

SW/4 SE/4 of Section 6 (AL2 1673)

SE/4 of SE/4 of Section 6 (AL2 1673)

NE/4 of SW/4 of Section 7 (AL2 1572)

TOWNSHIP 22 SOUTH, RANGE 5 WEST:

SE/4 of SE/4 of Section 1 (AL2 1836)

SE/4 of NW/4 of Section 12 (AL2 1914)

E/2 of W/2 of Irregular Section 28 (AL2 1926)
acres, more or less.

being 30

SW/4 of SE/4 of Section 21 (AL2 1925)

W/2 of Irregular Section 25 (AL2 1912)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

NW/4 of NE/4 of Section 31 (AL2 1930)

SW/4 of SW/4 of Section 30 (AL2 1810)

NW/4 of NW/4 of Section 32 (AL2 1886)

NE/4 of NE/4 of Section 29 (AL2 1669)

SW/4 of NW/4 of Section 30 (AL2 1651)

SW/4 of NW/4 of Section 18 (AL2 1514)

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TOWNSHIP 22 SOUTH, RANGE 3 WEST:

NW/4 of SW/4 of Section 7 (AL2 1572)

TOWNSHIP 22 SOUTH, RANGE 4 WEST:

NW/4 of SW/4 of Section 17 (AL2 1584)

W/2 of Irregular Section 30 (AL2 1835)

E/2 of Irregular Section 29 (AL2 1905)

SE/4 of SE/4 of Section 4 (AL2 1678)

TOWNSHIP 24 NORTH, RANGE 10 EAST:

SW/4 of SE/4 of Section 2 (AL2 1811)

Each tract listed herein below consists of 80 acres, more or less, unless otherwise indicated:

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

W/2 of SE/4 of Section 33 (AL2 978)

E/2 of SE/4 of Section 33 (AL2 979)

W/2 of NE/4 of Section 33 (AL2 976)

E/2 of NE/4 of Section 33 (AL2 977)

W/2 of SW/4 of Section 34 (AL2 1524)

W/2 of NW/4 of Section 34 (AL2 981)

SE/4 of NW/4, SW/4 of NE/4 of Section 34 (AL2 982)

N/2 of NE/4 of Section 35 (AL2 1903)

W/2 of SW/4 of Section 28 (AL2 975)

W/2 of SE/4 of Section 28 (AL2 1989)

W/2 of NW/4 of Section 28 (AL2 971)

E/2 of NW/4 of Section 28 (AL2 972)

W/2 of NE/4 of Section 28 (AL2 970)

E/2 of NE/4 of Section 28 (AL2 973)

W/2 of NW/4 of Section 27 (AL2 1560)

W/2 of NE/4 of Section 27 (AL2 966)

W/2 of SE/4 of Section 27 (AL2 969)

E/2 of SW/4 of Section 26 (AL2 964)

W/2 of SW/4 of Section 26 (AL2 963)

W/2 of SE/4 of Section 26 (AL2 962)

W/2 of NW/4 of Section 26 (AL2 959)

E/2 of NW/4 of Section 26 (AL2 960)

W/2 of NE/4 of Section 26 (AL2 958)

E/2 of NE/4 of Section 26 (AL2 961)

E/2 of SW/4 of Section 22 (AL2 940)

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EXHIBIT A

TOWNSHIP 21 SOUTH, RANGE 4 WEST - CONT'D:

W/2 of SE/4 of Section 22 (AL2 939)
E/2 of SE/4 of Section 22 (AL2 941)
SE/4 of NW/4, SW/4 of NE/4 of Section 22 (AL2 952)
W/2 of SW/4 of Section 23 (AL2 942)
E/2 of NW/4 of Section 23 (AL2 955)
W/2 of NE/4 of Section 23 (AL2 954)
E/2 of NE/4 of Section 23 (AL2 956)
W/2 of NW/4 of Section 24 (AL2 928)
E/2 of NW/4 of Section 24 (AL2 957)
W/2 of NE/4 of Section 14 (AL2 915)
S/2 of SE/4 of Section 10 (AL2 917)
W/2 of SW/4 of Section 11 (AL2 914)
E/2 of SW/4 of Section 11 (AL2 948)
W/2 of NE/4 of Section 11 (AL2 916)
N/2 of SE/4 of Section 11 (AL2 900)
S/2 of SE/4 of Section 11 (AL2 913)
W/2 of SW/4 of Section 12 (AL2 922)
E/2 of SW/4 of Section 12 (AL2 924)
E/2 of SE/4 of Section 12 (AL2 925)
W/2 of NW/4 of Section 12 (AL2 908)
E/2 of NW/4 of Section 12 (AL2 920)
W/2 of NE/4 of Section 12 (AL2 919)
E/2 of NE/4 of Section 12 (AL2 921)
SW diagonal half of the SW/4 of Section 13 (AL2 903)
E/2 of SW/4 of Section 1 (AL2 1502)
W/2 of SE/4 of Section 1 (AL2 1501)
E/2 of SE/4 of Section 1 (AL2 1503)
E/2 of NE/4 of Section 1 (AL2 1519)
E/2 of NW/4 of Section 32 (AL2 1743)
W/2 of SE/4 of Section 34 (AL2 983)
N/2 of NW/4 of Section 35 (AL2 984)
N/2 of NE/4 of Section 34 (AL2 980)
SE/4 of SE/4 of Section 30, SW/4 of SW/4 of Section 29 (AL2 1537)

W/2 of SE/4 of Section 29 (AL2 1746)
E/2 of SE/4 of Section 28 (AL2 1547)

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EXHIBIT A

TOWNSHIP 21 SOUTH, RANGE 4 WEST - CONT'D:

W/2 of SW/4 of Section 27 (AL2 1521)
E/2 of SW/4 of Section 27 (AL2 1525)
E/2 of SE/4 of Section 27 (AL2 1561)
E/2 of NW/4 of Section 27 (AL2 1526)
E/2 of NE/4 of Section 29 (AL2 1748)
W/2 of NE/4 of Section 29 (AL2 1535)
E/2 of SW/4 of Section 20 (AL2 1540)
E/2 of SE/4 of Section 20 (AL2 1550)
E/2 of SW/4 of Section 21 (AL2 1749)
W/2 of SW/4 of Section 22 (AL2 1751)
E/2 of SE/4 of Section 24 (AL2 1649)
W/2 of NW/4 of Section 36 (AL2 1500)
W/2 of SE/4 of Section 25 (AL2 998)
E/2 of SW/4 of Section 23 (AL2 1752)
W/2 of SE/4 of Section 23 (AL2 1541)
E/2 of SE/4 of Section 23 (AL2 1542)
W/2 of SW/4 of Section 24 (AL2 1538)
E/2 of SW/4 of Section 24 (AL2 1539)
W/2 of NW/4 of Section 22 (AL2 1599)
W/2 of NW/4 of Section 23 (AL2 937)
E/2 of NE/4 of Section 21 (AL2 1793)
N/2 of NW/4 of Section 21 (AL2 1756)
W/2 of SW/4 of Section 1 (AL2 1551)
W/2 of NE/4 of Section 1 (AL2 1520)
E/2 of NW/4 of Section 1 (AL2 1529)
W/2 of NW/4 of Section 1 (AL2 1530)
E/2 SW/4 Section 14 (AL2 910)
W/2 SW/4 Section 14 (AL2 944)
W/2 NW/4 Section 14 (AL2 943)
E/2 NW/4 Section 14 (AL2 987)
W/2 NE/4 Section 25 (AL2 1511)
W/2 NE/4 Section 24 (AL2 1509)
E/2 SE/4 Section 14 (AL2 1508)
E/2 SE/4 Section 13 (AL2 1516)
W/2 SE/4 Section 24 (AL2 1510)
E/2 NE/4 Section 24 (AL2 1660)

and (AL2 988)

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EXHIBIT A

TOWNSHIP 21 SOUTH, RANGE 4 WEST - CONT'D:

NW/4 NE/4, NW diagonal 1/4 of NE/4 NE/4 and NE diagonal 1/2 of NW/4 SW/4 Section 13, being 70 acres (AL2 991)

E/2 SW/4 Section 16 (AL2 1523)

E/2 NE/4 Section 16 (AL2 1532)

E/2 NW/4 Section 16 (AL2 1533)

W/2 SE/4 Section 16 (AL2 1602)

E/2 SE/4 Section 36 (AL2 1554)

E/2 NE/4 Section 36 (AL2 1600)

E/2 SW/4 Section 36 (AL2 1568)

E/2 SE/4 Section 35 (AL2 1607)

W/2 SE/4 Section 36 (AL2 1609)

W/2 NE/4 Section 36 (AL2 1608)

W/2 SE/4 Section 35 (AL2 1577)

SE Diagonal 1/2 of SW/4 Section 35 (AL2 1569)

NW Diagonal 1/2 of SW/4 Section 35 (AL2 986)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

W/2 of NW/4 of Section 6 (AL2 1549)

W/2 of SW/4 of Section 6 (AL2 1504)

W/2 of SW/4 of Section 7 (AL2 930)

E/2 of SW/4 of Section 7 (AL2 932)

E/2 of SE/4 of Section 7 (AL2 933)

W/2 of NW/4 of Section 7 (AL2 926)

W/2 of NE/4 of Section 7 (AL2 927)

W/2 of SW/4 of Section 8 (AL2 946)

W/2 of NW/4 of Section 8 (AL2 945)

E/2 of SW/4 of Section 6 (AL2 1505)

E/2 of SE/4 of Section 6 (AL2 1507)

W/2 of SW/4 of Section 5 (AL2 1528)

E/2 of NW/4 of Section 5 (AL2 1628)

W/2 of NE/4 of Section 6 (AL2 1546)

E/2 of NW/4 of Section 6 (AL2 1545)

E/2 of NE/4 of Section 6 (AL2 1522)

TOWNSHIP 22 SOUTH, RANGE 5 WEST:

W/2 of SW/4 of Section 24 (AL2 1722)

E/2 of SW/4 of Section 24 (AL2 1723)

E/2 of SE/4 of Section 24 (AL2 1725)

W/2 of NW/4 of Section 24 (AL2 1729)

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EXHIBIT A

TOWNSHIP 22 SOUTH, RANGE 5 WEST - CONT'D:

W/2 of NE/4 of Section 24 (AL2 1730)
E/2 of NW/4 of Section 24 (AL2 1581)
E/2 of NE/4 of Section 24 (AL2 1731)
S/2 of SE/4 of Section 13 (AL2 1736)
N/2 of SE/4 of Section 13 (AL2 1737)
E/2 of NW/4 of Section 13 (AL2 1739)
W/2 of NE/4 of Section 13 (AL2 1740)
E/2 of NE/4 of Section 13 (AL2 1741)
E/2 of SE/4 of Section 23 (AL2 1916)

TOWNSHIP 22 SOUTH, RANGE 4 WEST:

W/2 of SE/4 of Section 1 (AL2 1557)
W/2 of NE/4 of Section 4 (AL2 1591)
E/2 of NE/4 of Section 4 (AL2 1676)
E/2 of SW/4 of Section 4 (AL2 1617)
W/2 of SW/4 of Section 19 (AL2 1726)
E/2 of SW/4 of Section 19 (AL2 1727)
W/2 of SE/4 of Section 19 (AL2 1583)
S/2 of SW/4 of Section 20 (AL2 1586)
N/2 of SW/4 of Section 20 (AL2 1728)
W/2 of NW/4 of Section 19 (AL2 1732)
E/2 of NW/4 of Section 19 (AL2 1733)
W/2 of NE/4 of Section 19 (AL2 1734)
E/2 of NE/4 of Section 19 (AL2 1735)
W/2 of SW/4 of Section 18 (AL2 1612)
E/2 of SW/4 of Section 18 (AL2 1614)
W/2 of SE/4 of Section 18 (AL2 1611)
E/2 of SE/4 of Section 18 (AL2 1613)
S/2 of SW/4 of Section 17 (AL2 1585)

TOWNSHIP 20 SOUTH - RANGE 3 WEST:

W/2 of SE/4 of Section 31 (AL2 1605)
E/2 of SE/4 of Section 31 (AL2 1759)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

SW/4 SW/4 Sec. 30 (AL2 1810)
N/2 NE/4 Sec. 30 (AL2 996)
S/2 NE/4 Sec. 30 (AL2 1512)
N/2 SW/4 Sec. 29 (AL2 1513)
S/2 NW/4 Sec. 29 (AL2 1664)

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EXHIBIT A

TOWNSHIP 21 SOUTH, RANGE 3 WEST - CONT'D:

W/2 SW/4 Sec. 19 (AL2 1692)
W/2 NW/4 Sec. 19 (AL2 1691)
E/2 SE/4 Sec. 30 (AL2 999)
E/2 SE/4 Sec. 19 (AL2 994)
W/2 SW/4 Sec. 17 (AL2 1552)
SW/4 NE/4 and NW/4 SE/4 Sec. 17 (AL2 993)
N/2 NW/4 Sec. 29 (AL2 997)
E/2 NW/4 Sec. 20 (AL2 1543)
S/2 NE/4 Sec. 20 (AL2 1856)
E/2 SW/4 Sec. 5 (AL2 1780)
E/2 SW/4 Sec. 31 (AL2 1553)
W/2 SE/4 Sec. 30 (AL2 1671)
S/2 SW/4 Sec. 20 (AL2 1668)
E/2 SW/4 Sec. 30 (AL2 1711)
N/2 SW/4 Sec. 20 (AL2 995)
SE/4 NE/4 and NE/4 SE/4 Sec. 29 (AL2 1670)

TOWNSHIP 22 SOUTH, RANGE 4 WEST:

SE/4 SE/4 and SE/4 NE/4 Sec. 3 (AL2 1590)
W/2 SW/4 Sec. 11 (AL2 1792)
W/2 SE/4 Sec. 10 (AL2 1592)
W/2 NW/4 Sec. 16 (AL2 1786)
W/2 NW/4 Sec. 9 (AL2 1618)
E/2 NW/4 Sec. 16 (AL2 1689)
SE/4 SW/4 Sec. 10 (AL2 1610)
SW/4 NW/4 Sec. 15 (AL2 1566)
W/2 NW/4 Sec. 14 (AL2 1565)
S/2 SW/4 Sec. 15 (AL2 1567)
E/2 NE/4 Sec. 15 (AL2 1597)
E/2 SE/4 Sec. 10 (AL2 1620)
S/2 SE/4 Sec. 15 (AL2 1621)
W/2 NE/4 Sec. 1 (AL2 1555)
E/2 SE/4 Sec. 2 (AL2 1589)
E/2 SW/4 Sec. 2 (AL2 1588)
E/2 SW/4 Sec. 1 (AL2 1587)
E/2 SE/4 Sec. 12 (AL2 1564)
E/2 NW/4 Sec. 12 (AL2 1596)

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EXHIBIT A

TOWNSHIP 22 SOUTH, RANGE 4 WEST - CONT'D:

NW/4 NW/4, NE/4 SW/4 NW/4, SE/4 NW/4 SW/4 Sec. 12 (AL2 1573)
(60 Acres)

E/2 NW/4 Sec. 1 (AL2 1685)

W/2 NE/4 Sec. 11 (AL2 1593)

W/2 NE/4 Sec. 16 (AL2 1622)

E/2 SW/4 Sec. 16 (AL2 1623)

E/2 SE/4 Sec. 11 (AL2 1695)

W/2 SE/4 Sec. 16 (AL2 1684)

W/2 SW/4 Sec. 16 (AL2 1720)

SE/4 NW/4 and NE/4 SW/4 Sec. 11 (AL2 1633)

E/2 SW/4 Sec. 4 (AL2 1617)

E/2 NE/4 Sec. 11 (AL2 1693)

W/2 SE/4 Sec. 11 (AL2 1694)

W/2 SW/4 Sec. 4 (AL2 1677)

E/2 NW/4 Sec. 4 (AL2 1650)

E/2 NW/4 Sec. 9 (AL2 1619)

W/2 NE/4 Sec. 9 (AL2 1663)

W/2 NE/4 Sec. 15 (AL2 1686)

W/2 SW/4 Sec. 14 (AL2 1717)

N/2 SE/4 Sec. 15 (AL2 1688)

E/2 NW/4 Sec. 23 (AL2 1701)

E/2 NE/4 Sec. 1 (AL2 1674)

E/2 SE/4 Sec. 21 (AL2 1855)

S/2 SE/4 Sec. 14 (AL2 1697)

W/2 SE/4 Sec. 23 (AL2 1703)

W/2 NE/4 Sec. 23 (AL2 1700)

E/2 SW/4 Sec. 14 (AL2 1716)

E/2 SW/4 Sec. 23 (AL2 1705)

W/2 NW/4 Sec. 23 (AL2 1643)

E/2 SE/4 Sec. 1 (AL2 1675)

W/2 SW/4 Sec. 23 (AL2 1704)

W/2 SE/4 Sec. 22 (AL2 1822)

N/2 NW/4 Sec. 11 (AL2 1594)

TOWNSHIP 22 SOUTH, RANGE 3 WEST:

W/2 NW/4 Sec. 7 (AL2 1571)

W/2 NW/4 Sec. 6 (AL2 1558)

W/2 SW/4 Sec. 6 (AL2 1580)

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EXHIBIT A

TOWNSHIP 22 SOUTH, RANGE 3 WEST - CONT'D:

SW/4 NE/4 and NW/4 SE/4 Sec. 6 (AL2 1559)

E/2 NW/4 Sec. 7 (AL2 1683)

E/2 SW/4 Sec. 6 (AL2 1672)

TOWNSHIP 20 SOUTH, RANGE 3 WEST:

W/2 NE/4 Sec. 31 (AL2 1629)

E/2 SW/4 Sec. 31 (AL2 1626)

W/2 SW/4 Sec. 31 (AL2 1758)

E/2 NE/4 Sec. 31 (AL2 1760)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

W/2 NW/4 Sec. 5 (AL2 1630)

E/2 of NE/4 of Section 31 (AL2 1911)

TOWNSHIP 22 SOUTH, RANGE 4 WEST:

E/2 of SE/4 of Section 5 (AL2 1790)

W/2 of SE/4 of Section 5 (AL2 1712)

E/2 of SW/4 of Section 5 (AL2 1679)

E/2 of SE/4 of Section 17 (AL2 1625)

W/2 of SE/4 of Section 17 (AL2 1603)

E/2 of SE/4 of Section 20 (AL2 1768)

TOWNSHIP 22 SOUTH, RANGE 5 WEST:

E/2 of SW/4 of Section 15 (AL2 1782)

W/2 of SE/4 of Section 15 (AL2 1781)

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

E/2 of SE/4 of Section 21 (AL2 1534)

E/2 of SE/4 of Section 26 (AL2 965)

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

S/2 of NW/4 of Section 13 (AL2 990)

TOWNSHIP 22 SOUTH, RANGE 5 WEST:

E/2 of NE/4 of Section 21 (AL2 1852)

E/2 of SE/4 of Section 21 (AL2 1854)

E/2 of NE/4 of Section 23 (AL2 1913)

W/2 of SW/4 of Section 23 (AL2 1850)

E/2 of SW/4 of Section 23 (AL2 1849)

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

SE/4 of NE/4 and NE/4 of SE/4 of Section 25 (AL2 1604)

E/2 of NW/4 of Section 36 (AL2 1579)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

E/2 of SW/4 of Section 17 (AL2 1681)

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EXHIBIT A

TOWNSHIP 22 SOUTH, RANGE 4 WEST:

N/2 of SW/4 of Section 10 (AL2 1861)
W/2 of NE/4 of Section 12 (AL2 1696)
W/2 of NE/4 of Section 13 (AL2 1635)
E/2 of NE/4 of Section 16 (AL2 1715)
E/2 of SE/4 of Section 16 (AL2 1719)
W/2 of NW/4 of Section 21 (AL2 1718)
E/2 of NW/4 of Section 21 (AL2 1820)
W/2 of NE/4 of Section 21 (AL2 1819)
E/2 of NE/4 of Section 21 (AL2 1818)
W/2 of SW/4 of Section 21 (AL2 1857)
E/2 of SW/4 of Section 21 (AL2 1779)
E/2 of NW/4 of Section 22 (AL2 1698)
W/2 of NE/4 of Section 22 (AL2 1714)
E/2 of NE/4 of Section 22 (AL2 1699)
E/2 of SE/4 of Section 23 (AL2 1706)
E/2 of NW/4 of Section 17 (AL2 1791)
E/2 of NE/4 of Section 17 (AL2 1640)
W/2 of NW/4 of Section 17 (AL2 1680)

TOWNSHIP 21 SOUTH - RANGE 4 WEST

NE/4 of SW/4 and NE/ Diagonal half of SE/4 of SW/4 of Section 13 (AL2 1666)
(60 acres)

W/2 of SW/4 of Section 10 (AL2 1939)
E/2 of NE/4 of Section 14 (AL2 1924)
N/2 of SW/4 of Section 29 (AL2 1957)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

W/2 of SW/4 of Section 18 (AL2 1690)

TOWNSHIP 22 SOUTH, RANGE 4 WEST:

E/2 of NW/4 of Section 15 (AL2 1687)
N/2 of NW/4 of Section 6 (AL2 1932)
N/2 of NE/4 of Section 6 (AL2 1874)
E/2 of NE/4 of Section 18 (AL2 1868)

TOWNSHIP 22 SOUTH, RANGE 5 WEST:

W/2 of NE/4 of Section 1 (AL2 953)
NW/4 of SW/4 and NE/4 of NW/4 of Section 12 (AL2 1866)
W/2 of NW/4 of Section 1 (AL2 1869)

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EXHIBIT A

TOWNSHIP 22 SOUTH, RANGE 5 WEST - CONT'D:

E/2 of NW/4 of Section 1 (AL2 1870)
W/2 of NE/4 of Section 1 (AL2 1871)
E/2 of NE/4 of Section 11 (AL2 1864)
N/2 of NE/4 of Section 12 (AL2 1865)
E/2 of SE/4 of Section 15 (AL2 1949)
W/2 of Irregular Section 26 (AL2 1904)
less)

(60 acres, more or

E/2 of SW/4 of Section 13 (AL2 1575)
W/2 of SW/4 of Section 13 (AL2 1576)
W/2 of NW/4 of Section 13 (AL2 1738)
W/2 of NE/4 of Section 21 (AL2 1853)
SE/4 of NW/4 and NE/4 of SW/4 of Section 21 (AL2 1848)
E/2 of NE/4 of Section 22 (AL2 1941)
W/2 of NE/4 of Section 22 (AL2 1922)
W/2 of NW/4 of Section 22 (AL2 1940)
E/2 of SW/4 of Section 22 (AL2 1918)
W/2 of SW/4 of Section 22 (AL2 1919)
W/2 of NE/4 of Section 23 (AL2 1953)
W/2 of SE/4 of Section 24 (AL2 1724)
S/2 of SE/4 of Section 12 (AL2 1931)
N/2 of SE/4 of Section 12 (AL2 1834)

TOWNSHIP 22 SOUTH, RANGE 4 WEST

W/2 of NW/4 of Section 20 (AL2 1764)
E/2 of NW/4 of Section 20 (AL2 1765)
W/2 of NE/4 of Section 20 (AL2 1647)
E/2 of NE/4 of Section 20 (AL2 1766)
W/2 of SE/4 of Section 20 (AL2 1862)
E/2 of NW/4 of Section 17 (AL2 1791)
E/2 of NE/4 of Section 17 (AL2 1640)
W/2 of NW/4 of Section 17 (AL2 1680)
E/2 of NE/4 of Section 12 (AL2 1562)
W/2 of NW/4 of Section 1 (AL2 1910)
W/2 of SE/4 of Section 4 (AL2 1616)
W/2 of SE/4 of Section 12 (AL2 1563)
N/2 of SW/4 of Section 15 (AL2 1639)
W/2 of SE/4 of Section 17 (AL2 1603)
E/2 of SW/4 of Section 22 (AL2 1769)

EXHIBIT A

TOWNSHIP 22 SOUTH, RANGE 4 WEST - CONT'D:

E/2 of NE/4 of Section 23 (AL2 1702)

W/2 of SW/4 of Section 24 (AL2 1709)

E/2 of NE/4 of Section 5 (AL2 1882)

TOWNSHIP 24 NORTH, RANGE 11 EAST:

E/2 of NW/4 of Section 3 (AL2 1797)

N/2 of SW/4 of Section 3 (AL2 1799)

W/2 of SE/4 of Section 3 (AL2 1798)

E/2 of SE/4 of Section 3 (AL2 1657)

N/2 of SE/4 of Section 4 (AL2 1658)

S/2 of SW/4 of Section 4 (AL2 1800)

W/2 of SW/4 of Section 5 (AL2 1773)

E/2 of SE/4 of Section 5 (AL2 1833)

W/2 of NE/4 of Section 6 (AL2 1825)

E/2 of NE/4 of Section 6 (AL2 1824)

N/2 of SE/4 of Section 6 (AL2 1801)

W/2 of NW/4 of Section 3 (AL2 1796)

W/2 of NW/4 of Section 5 (AL2 1645)

W/2 of NE/4 of Section 5 (AL2 1646)

E/2 of NE/4 of Section 5 (AL2 1772)

E/2 of NE/4 of Section 3 (AL2 1778)

W/2 of NE/4 of Section 3 (AL2 1795)

W/2 of NE/4 of Section 1 (AL2 1652)

W/2 of NW/4 of Section 1 (AL2 1653)

W/2 of NW/4 of Section 2 (AL2 1775)

E/2 of NW/4 of Section 2 (AL2 1632)

E/2 of NE/4 of Section 2 (AL2 1776)

W/2 of SW/4 of Section 2 (AL2 1744)

W/2 of SE/4 of Section 2 (AL2 1794)

E/2 of SE/4 of Section 2 (AL2 1777)

W/2 of NE/4 of Section 2 (AL2 1656)

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

W/2 of NW/4 of Section 34 (AL2 981)

W/2 of SW/4 of Section 34 (AL2 1524)

W/2 of SW/4 of Section 27 (AL2 1521)

S/2 of SW/4 of Section 15 (AL2 989)

E/2 of SW/4 of Section 25 (AL2 1578)

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EXHIBIT A

TOWNSHIP 21 SOUTH, RANGE 4 WEST - CONT'D:

SE/4 of NW/4, E/2 of SW/4 of NW/4 and SE diagonal 1/2 of NE/4 of NW/4 of Section 25 (AL2 1665)

W/2 of SW/4 of Section 30 (AL2 1908)

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

W/2 of NE/4 of Section 18 (AL2 992)

E/2 of NW/4 of Section 30 (AL2 1601)

NE/4 of SE/4 and SW/4 of SE/4 of Section 17 (AL2 1889)

E/2 of NW/4 of Section 17 (AL2 1937)

E/2 of NE/4 of Section 18 (AL2 1667)

E/2 of SE/4 of Section 18 (AL2 1921)

NE/4 of NE/4 of Section 20 and NW/4 of NW/4 of Section 21 (AL2 1890)

NW/4 of SE/4 and SW/4 of NE/4 of Section 29 (AL2 1907)

SW/4 of NE/4 and NW/4 of SE/4 of Section 31 (AL2 1950)

TOWNSHIP 24 NORTH, RANGE 10 EAST:

E/2 of NE/4 of Section 3 (AL2 1877)

W/2 of SE/4 of Section 3 (AL2 1876)

E/2 of SE/4 of Section 3 (AL2 1875)

E/2 of NW/4 of Section 15 (AL2 1851)

W/2 of SW/4 of Section 15 (AL2 1815)

E/2 of SW/4 of Section 2 (AL2 1863)

E/2 of SW/4 of Section 15 (AL2 1814)

W/2 of NW/4 of Section 15 (AL2 1812)

WATER DISPOSAL WELLS

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

Located in the SW/4 of SW/4 of Section 10 (AL2 1661)
(State Permit 7674 - SWD-90-3)

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EXHIBIT A

CAINWOOD AREA

An undivided 8.953 percent (8.953%) interest in and to the entire leasehold estate created by the following:

Oil, Gas and Mineral Lease from JAMES M. CAIN, SR., et ux, to GAS TECHNOLOGIES, INC., dated April 29, 1987 and recorded in Deed Book 951, pages 309-312, as amended by Amendment of Lease, dated July 7, 1988 and recorded in Deed Book 981, pages 58-59 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 001)

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

All of said tracts are located in Tuscaloosa County, Alabama.

TOWNSHIP 22 SOUTH, RANGE 9 WEST:

W/2 of E/2 of Irregular Section 31 (AL3 935)

TOWNSHIP 24 NORTH, RANGE 6 EAST:

NE/4 of NW/4 of Section 6 (AL3 904)

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EXHIBIT A

CAINWOOD AREA

An undivided fourteen percent (14%) interest in and to the entire leasehold estate created by the following:

Oil, Gas and Mineral Lease from JAMES M. CAIN, SR., et ux, to GAS TECHNOLOGIES, INC., dated April 29, 1987 and recorded in Deed Book 951, pages 309-312, as amended by Amendment of Lease, dated July 7, 1988 and recorded in Deed Book 981, pages 58-59 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 001)

Oil, Gas and Mineral Lease from PERCY LEONARD SPILLER, et al, to GAS TECHNOLOGIES, INC., dated May 22, 1987 and recorded in Deed Book 951, pages 299-301 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 003)

Oil, Gas and Mineral Lease from WILMA L. KEETH, a widow, also known as WILMA L. KEITH to GAS TECHNOLOGIES, INC., dated May 28, 1987 and recorded in Deed Book 951, pages 295-298 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 005)

Oil, Gas and Mineral Lease from ROBERT W. POELLNITZ, Executor under the Last Will and Testament of Eugene H. Alston, deceased, to GAS TECHNOLOGIES, INC., dated June 4, 1987 and recorded in Deed Book 951, pages 288-291 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 007)

Oil, Gas and Mineral Lease from WILBUR C. BELK, et ux, to GAS TECHNOLOGIES, INC., dated September 24, 1987 and recorded in Deed Book 957, pages 372-374 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 008)

Oil, Gas and Mineral Lease from DORIS N. HINTON, a widow, to GAS TECHNOLOGIES, INC., dated September 17, 1987 and recorded in Deed Book 957, pages 375-378 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 009)

Oil, Gas and Mineral Lease from TURPIN VISE, et ux, to GAS TECHNOLOGIES, INC., dated June 8, 1987 and recorded in Deed Book 951, pages 284-287 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 010)

Oil, Gas and Mineral Lease from EMMETT O. DENDY, et al, to GAS TECHNOLOGIES, INC., dated September 25, 1987 and recorded in Deed Book 957, pages 368-371 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 011)

Oil, Gas and Mineral Lease from EDWARD W. OEHMIG, JR. to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 256-258 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018A)

Oil, Gas and Mineral Lease from LEWIS W. OEHMIG to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 259-261 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018B)

Oil, Gas and Mineral Lease from BETTY O. FIELDS, et vir, to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 262-264 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018C)

Oil, Gas and Mineral Lease from VON D. OEHMIG to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 265-267 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018D)

Oil, Gas and Mineral Lease from FRANCES O. COLLINS to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 268-269 1/2 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018E)

Oil, Gas and Mineral Lease from DANIEL W. OEHMIG to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 270-272 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018F)

EXHIBIT A

Oil, Gas and Mineral Lease from FRANCES GERTRUDE OEHMIG to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 273-275 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018G)

Oil, Gas and Mineral Lease from DANBAR N. OEHMIG to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 276-278 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018H)

Oil, Gas and Mineral Lease from WILLIAM G. OEHMIG, III, et ux. to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 279-281 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018I)

Oil, Gas and Mineral Lease from KATHERINE O. STONE to MCKENZIE METHANE CORPORATION, dated April 28, 1989 and recorded in Deed Book 1015, pages 282-284 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama. (AL3 018J)

Oil, Gas and Mineral Lease dated January 26, 1988, between JOSEPH S. RICE, JR., ET UX, as Lessor, to MARIO CARNEVALE, ET AL, as Lessee, and recorded in Book 965, Page 424 of the Deed Records of Tuscaloosa County, Alabama. (AL3 019)

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

All of said tracts are located in Tuscaloosa County, Alabama.

(AL3 911)

Two contiguous tracts containing 88.5 acres, more or less, and more fully described as follows:

- A)
Township 24 North, Range 5 East:
Section 1 - NE/4 of NW/4
B)
Township 22 South, Range 10 West:
Fractional Section 36

Commencing at southeast corner of Fractional Section 36. Thence west with south line a distance of 1320', more or less, to point of beginning. Thence north parallel to the east line of section a distance of 1575', more or less, to a point on the north line. Thence northwesterly along the north line a distance of 1320', more or less. Thence south parallel to the east line of section a distance of 1625', more or less, to a point on the south line of section. Thence east along south line a distance of 1320', more or less, to point of beginning.

(AL3 912)
(AL3 942)

Two contiguous tracts containing 90.4 acres, more or less, and more fully described as follows:

- A)
Township 22 South, Range 10 West:
Section 25 - SE/4 of SW/4
B)
Township 22 South, Range 10 West:
Fractional Section 36

Commencing at southeast corner of Fractional Section 36. Thence west along south line a distance of 2640', more or less, to point of beginning. Thence north parallel to east line of section a distance of 1625', more or less, to a point on north line of section. Thence northwesterly along north line of section a distance of 1320', more or less. Thence south parallel to east line a distance of 1700', more or less, to a point on south line. Thence east along south line a distance of 1320', more or less, to point of beginning.

EXHIBIT A

(AL3 913)

Three contiguous tracts containing 84.5 acres, more or less, and more particularly described as follows:

- A)
Township 22 South, Range 10 West:
Section 25 - SE/4 of SE/4
- B)
Township 22 South, Range 9 West:
Section 30 - SW/4 of SW/4
- C)
Township 22 South, Range 9 West:
Fractional Section 31

A triangular tract. Commencing at southwest corner of Section 31, and thence running a north direction along west line of Section, a distance of 1320', more or less, to point of beginning. Thence east parallel to south line of Section a distance of 2640', more or less, to point of intersection on north line of Fractional Section 31. Thence in a northwesterly direction along north line a distance of 2640', more or less, to northwest corner of section. Thence south along west line a distance of 150', more or less, to point of beginning.

(AL3 907)

Township 24 North, Range 6 East:
Section 6 - SE/4 of NW/4 and NE/4 of SW/4 being 80 acres, more or less.

(AL3 908)

Township 24 North, Range 6 East:
Section 6 - SW/4 of NE/4 and NW/4 of SE/4 being 80 acres, more or less.

(AL3 914)

Comprised of 2 tracts containing 75 acres, more or less, more fully described as follows:

- A)
Township 24 North, Range 6 East:
Section 6 - NW/4 of NE/4
- B)
Township 22 South, Range 9 West:
Fractional Section 31

Beginning at southeast corner of Fractional Section 31. Thence north along east line of Section a distance of 1250', more or less, to northeast corner of section. Thence northwesterly along north line a distance of 1205', more or less. Thence south parallel to east line a distance of 1280' to a point on south line of section, thence along south line a distance of 1205', more or less, to point of beginning.

(AL3 910)

A 77.8 acre tract, more or less, more fully described as follows:

Township 22 South, Range 9 West:
Fractional Section 32

Beginning at southwest corner of Fractional Section 32. Thence east along south line a distance of 2885', more or less, thence north parallel with west line a distance of 1100', more or less, to a point on north line of Section 32. Thence northwesterly along north line a distance of 2885', more or less, to northwest corner of section. Thence south with west line of section a distance of 1250', more or less, to point of beginning.

(AL3 909)

Township 24 North, Range 5 East:
Section 1 - NW/4 of SE/4 and NE/4 of SW/4 containing 80 acres, more or less.

EXHIBIT A

(AL3 965)
(AL3 920)

and

Township 22 South, Range 9 West:
Section 29 - W/2 of the SW/4, containing 80 acres, more or less.

(AL3 918)
(AL3 941)

and

Township 24 North, Range 6 East:
Section 6 - E/2 of NE/4, containing 80 acres, more or less.

(AL3 966)
(AL3 915)

and

Township 24 North, Range 6 East:
Section 6 - E/2 of SE/4, containing 80 acres, more or less.

(AL3 917)

Comprised of two non-contiguous tracts containing 80 acres, more or less,
described as follows:

- A)
Township 22 South, Range 10 West:
Section 25 - NE/4 of SW/4
- B)
Township 24 North, Range 5 East:
Section 1 - SE/4 of SW/4

(AL3 919)

Township 22 South, Range 10 West:
In Section 26 and Fractional Section 35 described as follows:

Beginning at the northeast corner of the SE/4 of SE/4 of Section 26.
Thence run west parallel to the south line of section a distance of
1840', more or less. Thence run south parallel to the east line at
1320', more or less, passing a point on the south line of section, con-
tinuing into Fractional Section 35 for a total distance of 1820', more
or less. Thence east parallel to the south line of Section 35 for a dis-
tance of 1840', more or less, to a point of the east line of Section 35.

Thence north with the east line of Section 35 and 26 at 450' passing the
northeast corner of Section 35 and continuing into Section 26 for a to-
tal distance of 1770', more or less, to the point of beginning. The
above tract contains 75.8 acres, more or less.

(AL3 921)

Township 22 South, Range 10 West:
Fractional Section 35:

An 80 acre tract, more or less, more particularly described as follows;
Beginning at the southeast corner of Fractional Section 35. Thence run
north along the east line of section a distance of 1320', more less.
Thence run west parallel to the south line of section a distance of
2640', more or less. Thence run south parallel to the east line of sec-
tion a distance 1320', more or less, to a point in the south line of sec-
tion. Thence run east along south line a distance of 2640', more or
less, to the point of beginning.

(AL3 928)

Township 24 North, Range 5 East:
Comprised of two contiguous tracts containing 76.7 acres, more or less, in
Section 2 -

- A)
SW/4 of NE/4
- B)
NW/4 of NE/4, less and except a 3.3 acre tract in the northwest corner
more particularly described as follows:

EXHIBIT A

(AL3 928) - Cont'd

Beginning at the northwest corner of NW/4 of NE/4. Thence run east along the north line of section a distance of 120', more or less. Thence run south parallel to the east line of section a distance of 1200', more or less. Thence run west parallel to the north line of section a distance of 120', more or less, to a point on the west line of NW/4 of NE/4 of section. Thence north along west line of NW/4 of NE/4 a distance of 1200', more or less, to the point of beginning.

(AL3 937)

and (AL3 929)

Township 22 South - Range 10 West:
Fractional Section 35 -

Begin at the southwest corner of Fractional Section 35, thence North along west line of section a distance of 1940', more or less, to the northwest corner. Thence in a southeasterly direction along north line of section a distance of 3500', more or less. Thence south parallel with east line of section 500', more or less. Thence west parallel to south line of section 2000', more or less, to a point in the west R.O.W. line of Alabama Highway #69. Thence in a southwesterly direction along west R.O.W. line a distance of 1350' to a point on the south line of section. Thence west along south line of section a distance of 1150', more or less, to the point of beginning; Less and except any part of .58 acre tract conveyed to the State of Alabama and described in Deed Book 713, Page 211 which boundaries fall within the above described tract and less and except a 1.80 acre tract conveyed to Amelia H. Carroll and described in Deed Book 652, Page 4. TRACT 2 contains 84.81 acres, more or less.

(AL3 927)

Township 22 South Range 10 West;
Fractional Section 34 -

Beginning at the Southeast corner of Fractional Section 34. Thence north along east line of section a distance of 1940', more or less, to the Northeast corner of section. Thence Northwesterly along north line of section a distance of 2000', more or less. Thence south parallel to East line of section a distance of 2060', more or less, to a point on the south line of section. Thence east along south line a distance of 370', more or less. Thence north a distance of 210', more or less. Thence east a distance of 1260' more or less, thence south a distance of 210', more or less, to a point on the south line of section. Thence east along south line of section a distance of 370', more or less, to the point of beginning. Tract 3 contains 85.76 acres, more or less.

(AL3 967)

Township 22 South - Range 10 West:
Fractional Section 34 -

Commencing at the Southeast corner of Fractional Section 34. Thence west along south line a distance of 2,000', more or less, to P.O.B. Thence north parallel to East line of section a distance of 2060', more or less, to a point on the north line of section. Thence northwesterly along north line of section a distance of 1700', more or less. Thence south parallel to the west line of section a distance of 2130', more or less, to a point on south line of section. Thence east along south line a distance of 1700', more or less, to the point of beginning. TRACT 4 contains 81.76 acres, more or less.

(AL3 968)

Township 22 South - Range 10 West:
Fractional Section 34 -

Beginning at the southwest corner of Fractional Section 34. Thence east along south line of section a distance of 1580', more or less. Thence north parallel to west line of section a distance of 2130', more or less, to a point on the north line of Fractional Section 34. Thence northwesterly along north line a distance of 1580', more or less, to the northwest corner of section. Thence south along west line of Fractional

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EXHIBIT A

(AL3 968) - Cont'd

Section 34 a distance of 2200', more or less, to the point of beginning.
TRACT 5 contains 78.53 acres, more or less.

(AL3 923)

Township 24 North - Range 5 East:
Section 4 - W/2 of NE/4 containing 80 acres, more or less.

(AL3 932)

Township 24 North - Range 5 East
Section 4 - E/2 of NE/4 containing 80 acres, more or less.

(AL3 925)

Township 22 South - Range 10 West:
Section 27 - E/2 of SW/4 containing 80 acres, more or less.

(AL3 931) :

Township 22 South - Range 10 West:
Section 27 - W/2 of SE/4 containing 80 acres, more or less.

(AL3 926)

Township 22 South - Range 10 West:
Section 26 -

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- A. The west 25 acres of all that part of SW/4 of NW/4 lying west of the Old Greensboro Road, less 3 acres off the south side thereof (22 acres)
 - B. Two acres in the SW corner of the NW/4 of NW/4 (2 acres),
 - C. N/2 of SW/4 of SW/4 (20 acres),
 - D. 6.35 acres in the south part of the SW/4 of NW/4 lying west of the Old Greensboro Road & north and west of Big Sandy Creek.
 - E. S/2 of SW/4 of SW/4 (20 acres).
 - F. All that part of the S/2 of SE/4 of SW/4 lying west of Old Greensboro Road less and except 2 acres, more or less, on the south side (5.04 acres).
 - G. A parcel of land containing 2.5 acres, more or less, in the SW corner of the SE/4 of SW/4, lying west of Highway No. 69.
 - H. A parcel of land containing 2.5 acres, more or less, in the SE corner of the SE/4 of SW/4, being all that part of the SE/4 of SW/4 lying east of the Old Greensboro Highway and south of a dirt road.
- *contains 80.39 acres, more or less.

(AL3 924)

Township 22 South - Range 10 West:
Section 27 - W/2 of NE/4 save and except 1 ac. in the northeast corner of the west 17 acres of the NW/4 of NE/4. Contains 79 acres, more or less.

(AL3 922)

Township 22 South - Range 10 West:
Section 27 - W/2 of NW/4 less 1.74 - acre tract in the NW/4 of NW/4. TRACT 15 contains 78.26 acres, more or less.

(AL3 944)_

Township 22 South - Range 10 West
Section 28 - E/2 of the SE/4, containing 80 acres, more or less.

Each tract listed herein below consists of 40 acres, more or less:

TOWNSHIP 24 NORTH, RANGE 6 EAST:

NW/4 of NW/4 of Section 6 (AL3 903)

SW/4 of NW/4 of Section 6 (AL3 905)

EXHIBIT A

TOWNSHIP 24 NORTH, RANGE 5 EAST:

NE/4 of NE/4 of Section 1 (AL3 900)

SE/4 of NE/4 of Section 1 (AL3 902)

SW/4 of NE/4 of Section 1 (AL3 901)

NE/4 of SE/4 of Section 1 (AL3 948)

SE/4 of NW/4 of Section 1 (AL3 974)

NW/4 of NE/4 of Section 1 (AL3 977)

TOWNSHIP 22 SOUTH, RANGE 9 WEST:

Beginning at the Southwest corner of irregular section 31; thence running in a northerly direction along the west line of said section a distance of 1320', more or less; thence running, east and parallel to the south section line a distance of 1320', more or less; thence running south a distance of 1320', more or less, to the south line of said section; thence west along the south section line 2640', more or less, to the point of beginning. (AL3 976)

Beginning at a point on the south section line which is 1320' east of the Southwest corner of irregular section 31; thence running in a northerly direction parallel to the west line of said section a distance of 1320', more or less; thence running east and parallel to the south section line a distance of 1320', more or less; thence running south a distance of 1320', more or less, to the south line of said section; thence west along the south section line 1320', more or less, to the point of beginning. (AL3 975)

TOWNSHIP 24 NORTH, RANGE 6 EAST:

NW/4 of SW/4 of Section 6 (AL3 978)

Each tract listed herein below consists of 80 acres, more or less, unless otherwise indicated:

TOWNSHIP 22 SOUTH, RANGE 9 WEST:

E/2 of SW/4 of Section 30 (AL3 949)

TOWNSHIP 22 SOUTH, RANGE 10 WEST:

W/2 of NE/4 of Section 22 (AL3 951)

E/2 of NE/4 of Section 22 (AL3 952)

TOWNSHIP 24 NORTH, RANGE 4 EAST:

N/2 of NE/4 of Section 1 (AL3 971)

S/2 of NW/4 of Section 1 (AL3 953)

N/2 of SE/4 of Section 1 (AL3 954)

TOWNSHIP 22 SOUTH, RANGE 11 WEST:

Beginning at the southeast corner of irregular Section 36; thence west along the south line a distance of 2640', more or less; thence north parallel to the east line of Section a distance of 1320', more or less; thence east parallel to south line a distance of 2640', more or less, to a point on the east line of section; thence south along east Section line a distance of 1320', more or less, to point of beginning. (AL3 970)

WATER DISPOSAL WELLS

TOWNSHIP 24 NORTH, RANGE 5 EAST:

Located in the SW/4 of NE/4 of Section 1
(State Permit #2617-A)

EXHIBIT A

NARROWS PROSPECT

An undivided fourteen percent (14%) interest in and to the entire leasehold estate created by the following:

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

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

The following property is situated in Jefferson County, Alabama. Each tract listed herein below consists of 40 acres, more or less;

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

NE/4 of NE/4 of Section 17 (AL1 905)

NW/4 of NE/4 of Section 17 (AL1 900)

NE/4 of NW/4 of Section 17 (AL1 901)

SW/4 of NW/4 of Section 17 (AL1 907)

SW/4 of NE/4 of Section 17 (AL1 927)

SE/4 of NE/4 of Section 17 (AL1 928)

SE/4 of SE/4 of Section 7 (AL1 906)

NE/4 of SE/4 of Section 7 (AL1 904)

SE/4 of SW/4 of Section 8 (AL1 902)

SW/4 of SE/4 of Section 8 (AL1 903)

TOWNSHIP 17 SOUTH - RANGE 7 WEST:

NW/4 of NW/4 of Section 36 (AL1 990)

SE/4 of NW/4 of Section 36 (AL1 974)

NE/4 of SW/4 of Section 36 (AL1 993)

TOWNSHIP 17 SOUTH - RANGE 6 WEST:

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

SW/4 of NW/4 of Section 31 (AL1 981)

SW/4 of NE/4 of Section 31 (AL1 982)

NE/4 of SW/4 of Section 31 (AL1 979)

NE/4 of SE/4 of Section 31 (AL1 980)

SW/4 of SW/4 of Section 31 (AL1 978)

SW/4 of SE/4 of Section 31 (AL1 988)

TOWNSHIP 18 SOUTH - RANGE 7 WEST:

SW/4 of SE/4 of Section 2 (AL1 1510)

SW/4 of NW/4 of Section 1 (AL1 973)

NE/4 of NE/4 of Section 11 (AL1 1526)

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EXHIBIT A

TOWNSHIP 18 SOUTH - RANGE 7 WEST - CONT'D:

SW/4 of NE/4 of Section 11 (AL1 1523)
NE/4 of SE/4 of Section 11 (AL1 1524)
SW/4 of SE/4 of Section 11 (AL1 1529)
NE/4 of NW/4 of Section 12 (AL1 1527)
SW/4 of NW/4 of Section 12 (AL1 1525)
NE/4 of SE/4 of Section 12 (AL1 1536)
NW/4 of NW/4 of Section 12 (AL1 1534)
SE/4 of NE/4 of Section 12 (AL1 1508)
NE/4 of SW/4 of Section 12 (AL1 1514)
SW/4 of SW/4 of Section 12 (AL1 1515)
SW/4 of SE/4 of Section 12 (AL1 1517)
NE/4 of NE/4 of Section 14 (AL1 1516)
SW/4 of NE/4 of Section 14 (AL1 1530)
NE/4 of SE/4 of Section 14 (AL1 1522)
SW/4 of SE/4 of Section 14 (AL1 1533)
NE/4 of NW/4 of Section 13 (AL1 1518)
NE/4 of NE/4 of Section 13 (AL1 1528)
SW/4 of NW/4 of Section 13 (AL1 1519)
SW/4 of NE/4 of Section 13 (AL1 1511)
NE/4 of SW/4 of Section 13 (AL1 1513)
NE/4 of SE/4 of Section 13 (AL1 1512)
SW/4 of SW/4 of Section 13 (AL1 1520)
SW/4 of SE/4 of Section 13 (AL1 1521)
SE/4 of SW/4 of Section 13 (AL1 1531)
SE/4 of SE/4 of Section 13 (AL1 1532)
SE/4 of NE/4 of Section 13 (AL1 1535)
NW/4 of SW/4 of Section 1 (AL1 1502)
SE/4 of SE/4 of Section 12 (AL1 956)

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

NE/4 of NE/4 of Section 6 (AL1 989)
SW/4 of SW/4 of Section 6 (AL1 975)
SE/4 of SE/4 of Section 5 (AL1 1537)
NE/4 of SW/4 of Section 5 (AL1 971)
SW/4 of SE/4 of Section 5 (AL1 1500)
NW/4 of SE/4 of Section 7 (AL1 941)

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EXHIBIT A

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

NE/4 of NE/4 of Section 8 (AL1 929)
SE/4 of NW/4 of Section 8 (AL1 931)
NE/4 of SW/4 of Section 8 (AL1 932)
SW/4 of SW/4 of Section 18 (AL1 1509)

Each tract listed herein below consists of 80 acres, more or less, unless otherwise indicated:

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

W/2 of SE/4 of Section 17 (AL1 951)
E/2 of SW/4 of Section 17 (AL1 911)
W/2 of SW/4 of Section 17 (AL1 953)
W/2 of SE/4 of Section 18 (AL1 945)
E/2 of SW/4 of Section 18 (AL1 924)
S/2 of NW/4 of Section 18 (AL1 946)
NW/4 of NW/4 of Section 18; SW/4 of SW/4 of Section 7 (AL1 943)
NE/4 of NW/4 of Section 7; SE/4 of SW/4 of Section 6 (AL1 938)
NE/4 of SE/4, SE/4 of NE/4 of Section 5 (AL1 987)
W/2 of NE/4 of Section 5 (AL1 960)

TOWNSHIP 17 SOUTH, RANGE 6 WEST:

SE/4 of NE/4, NE/4 of SE/4 of Section 32 (AL1 984)
N/2 of NE/4 of Section 32 (AL1 986)
N/2 of NW/4 of Section 32 (AL1 962)
NE/4 of SW/4, NW/4 of SE/4 of Section 32 (AL1 983)
W/2 of SW/4 of Section 32 (AL1 1505)
SW/4 of NW/4 of Section 32; SE/4 of NE/4 of Section 31 (AL1 961)
SW/4 of NE/4, SE/4 of NW/4 of Section 32 (AL1 985)
N/2 of NW/4 of Section 31 (AL1 963)

TOWNSHIP 17 SOUTH, RANGE 7 WEST:

W/2 of NE/4 of Section 36 (AL1 992)
E/2 of NE/4 of Section 36 (AL1 991)
N/2 of SE/4 of Section 36 (AL1 1501)
SW/4 of SE/4 of Section 36; NW/4 of NE/4 of Section 1 (AL1 972)
W/2 of SW/4 of Section 36 (AL1 1504)

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

NW/4 of SW/4, SW/4 of NW/4 of Section 7 (AL1 939)
NE/4 of SW/4, NW/4 of SE/4 of Section 6 (AL1 999)
NE/4 of NE/4 of Section 5; SE/4 of SE/4 of Section 32 (AL1 964)

EXHIBIT A

TOWNSHIP 18 SOUTH, RANGE 7 WEST:

NE/4 of SE/4 of Section 1; NW/4 of SW/4 of Section 6 (AL1 954)

E/2 of NE/4 of Section 1 (AL1 955)

W/2 of NE/4 of Section 12 (AL1 957)

S/2 of SE/4 of Section 1 (AL1 998)

E/2 of SW/4 of Section 1 (AL1 997)

SW/4 of NE/4, NW/4 of SE/4 of Section 1 (AL1 996)

E/2 of NW/4 of Section 1 (AL1 1503)

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EXHIBIT A

NARROWS PROSPECT

An undivided 8.953 percent (8.953%) interest in and to the entire leasehold estate created by the following:

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

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

The following property is situated in Jefferson County, Alabama. Each tract listed herein below consists of 40 acres, more or less;

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

NE/4 SE/4 of Section 17 (AL1 909)

SE/4 NW/4 of Section 17 (AL1 926)

SE/4 SE/4 of Section 17 (AL1 948)

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

91 OCT 15 PM 1:16

Thomas H. Jones
JUDGE OF PROBATE

1. Deed Tax	\$	
2. Mfg. Tax	\$	6000.75
3. Recording Fee	\$	152.50
4. Indexing Fee	\$	4.00
5. No Tax Fee	\$	
6. Certified Fee	\$	1.00
Total	\$	6163.25