

THIS INSTRUMENT
PREPARED BY, AND
WHEN RECORDED, MAIL TO
JONES, DAY, REAVIS & POGUE
2300 TRAMMELL CROW CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201
ATTN: MS. DIANE BROOKS

Space above for recorder's use

Inst. # 1992-22377

10/06/1992-22377
10:10 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
007 MCD 21.50

MEMORANDUM OF INTEREST IN LEASES

This MEMORANDUM is made and entered into as of September 1, 1992, by and between MCKENZIE METHANE CORPORATION, a Texas corporation ("Seller"), whose address is 7880 San Felipe Road, Houston, Texas 77063 and EL DORADO ENERGY COMPANY, a California corporation ("Buyer"), whose address is 18872 MacArthur Boulevard, Suite 400, Irvine, California 92715-1448.

1. Interest in Leases. In accordance with the mutual covenants contained in that certain Gas Sales Agreement between parties hereto, dated as of May 10, 1991, as amended as of September 1, 1992 (the "Agreement"), and in order to secure the performance by Seller of its obligations thereunder, it is agreed that the Agreement affects the land and leases described in Exhibit "A" (collectively, the "Leases") and all of Seller's interest in the natural gas legally produced from the Leases.

2. Purpose of Memorandum. This Memorandum is being executed and prepared for purposes of recordation to give public notice of the interest of Buyer in the Leases and is not intended to modify, amend or alter in any respects whatsoever the terms, covenants and agreements contained in the Agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum on the date first above written.

WITNESSES:

J. Brent Bell
Wes A. Ford

MCKENZIE METHANE CORPORATION

By: [Signature]

Michael McKenzie
President

WITNESS:

Barbara A. Jones
Michael J. McGee

EL DORADO ENERGY COMPANY

By: [Signature]

Executive
Vice President

STATE OF TEXAS)

COUNTY OF HARRIS)

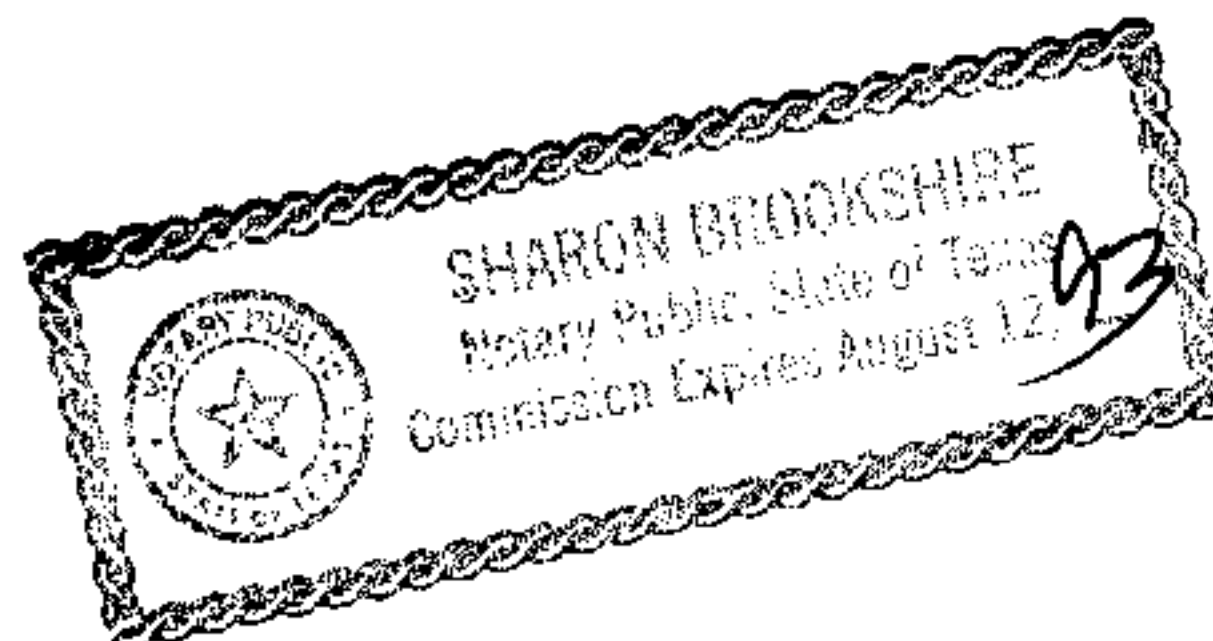
This instrument was acknowledged before me on the 23rd day of September, 1992, by Michael McKenzie, President of McKenzie Methane Corporation, a Texas corporation, on behalf of said corporation.

[Signature]

Notary Public in and for
the State of TEXAS

My Commission Expires:

Notary's Printed Name:



STATE OF CALIFORNIA)

COUNTY OF ORANGE)

This instrument was acknowledged before me on the 29th day of September, 1992, by Robert M. Edgill, Executive Vice President of El Dorado Energy Company, a California corporation, on behalf of said corporation.

Susan Pebley
Notary Public in and for
the State of CALIFORNIA

My Commission Expires:

Notary's Printed Name:

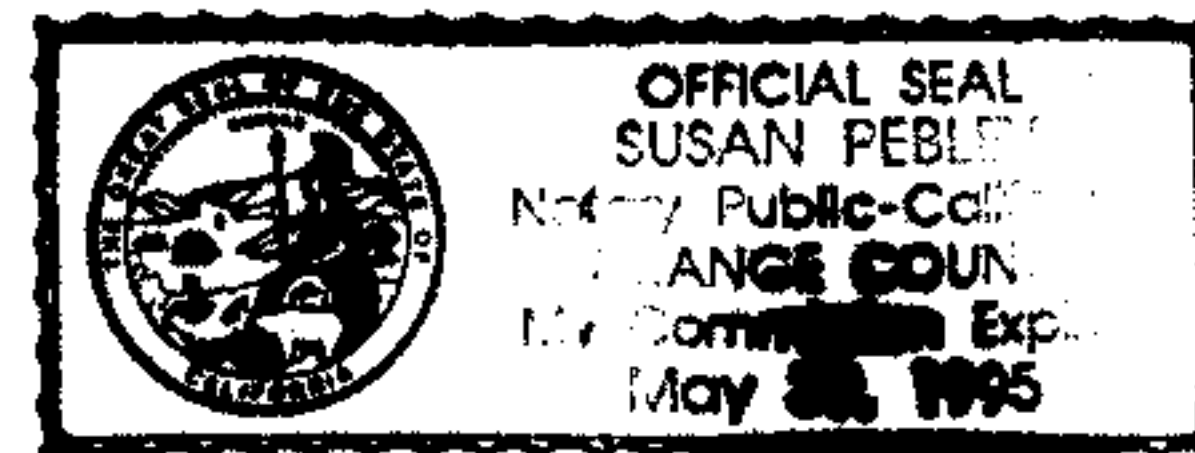


EXHIBIT "A"

Attached to and made a part of that certain AMENDED AND RESTATED GAS SALES AGREEMENT, dated September 1, 1992 between MCKENZIE METHANE CORPORATION and EL DORADO ENERGY COMPANY.

CAHABA AREA

All of the herein below listed leases are located in Bibb and Shelby Counties, Alabama.

Coal Seam Gas Agreement and Option dated September 30, 1988, between USX CORPORATION, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated November 30, 1988 in Book 222, Page 386, Shelby County, Alabama, and Amendment to Memorandum of Lease dated February 19, 1989, in Book 280, Page 47, Shelby County, Alabama; and Amendment to Memorandum of Lease dated February 19, 1989, in Book 128, Page 953, Bibb County, Alabama.
(0102 001)

Oil, Gas and Mineral Lease dated January 20, 1989, between JUNE D. JONES, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 236, Page 167 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 005A)

Oil, Gas and Mineral Lease dated January 20, 1989, between VIRGINIA J. MOEBES, ET VIR, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 236, Page 170 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 005B)

Oil, Gas and Mineral Lease dated January 20, 1989, between NELLIE B. CUNNINGHAM, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 236, Page 173 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 005C)

Oil, Gas and Mineral Lease dated January 20, 1989, between THOMAS J. MEMOLI, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 60 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 005D)

Oil, Gas and Mineral Lease dated January 20, 1989, between PHILLIP E. MEMOLI, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 51 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 005E)

Oil, Gas and Mineral Lease dated February 10, 1989, between F. FRANK JONES, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 47 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 006)

Oil, Gas and Mineral Lease dated February 23, 1989, between FRANK GRIFFIN, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 44 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 007A)

Oil, Gas and Mineral Lease dated February 23, 1989, between FRANK ALAN GRIFFIN, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 41 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 007B)

Oil, Gas and Mineral Lease dated February 23, 1989, between DANNY C. GRIFFIN, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 38 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 007C)

Oil, Gas and Mineral Lease dated February 23, 1989, between JOHN O. GRIFFIN, ET UX, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 57 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 007D)

Oil, Gas and Mineral Lease dated March 27, 1989, between MARTHA B. LUKER, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, as recorded in Book 246, Page 54 in the Office of Judge of Probate of Shelby County, Alabama.
(0102 008)

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.
(0102 010)

Oil, Gas and Mineral Lease dated April 10, 1989, between WALLACE STURGIS, PERSONAL REPRESENTATIVE FOR THE ESTATE OF CATHERINE HENRY STURGIS, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 840, Bibb County, Alabama.
(0102 011A)

Oil, Gas and Mineral Lease dated April 10, 1989, between JOHN E. PIERCE, SR., ET AL, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 837, Bibb County, Alabama.
(0102 011B)

Oil, Gas and Mineral Lease dated April 10, 1989, between MARY S. BUCKNER, ET VIR, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 831, Bibb County, Alabama.
(0102 011C)

Oil, Gas and Mineral Lease dated April 10, 1989, between ANNA S. LEWIS, ET AL, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 127, Page 834, Bibb County, Alabama.
(0102 011D)

Oil, Gas and Mineral Lease dated April 10, 1989, between FIRST ALABAMA BANK, AS TRUSTEE UNDER THE WILL OF HAZARD H. STAY, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, and recorded in Book 129, Page 935, Bibb County, Alabama.
(0102 011E)

Coalbed Methane Gas Lease dated June 1, 1989, between SOUTHERN ELECTRIC GENERATING COMPANY AND KIMBERLY-CLARK CORPORATION, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 568 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 106 in the Office of the Judge of Probate of Bibb County, Alabama.
(0102 013)

Coalbed Methane Gas Lease dated June 1, 1989, between SOUTHERN ELECTRIC GENERATING COMPANY, as Lessor, and MCKENZIE METHANE CORPORATION, as Lessee, recorded by a Memorandum of Lease dated June 1, 1989, in Book 254, Page 559 in the Office of the Judge of Probate of Shelby County, Alabama; and recorded by a Memorandum of Lease dated June 1, 1989, in Book 128, Page 116 in the Office of the Judge of Probate of Bibb County, Alabama.
(0102 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.
(0102 016)

NARROWS AREA

All of the herein below listed leases are located in Jefferson County, Alabama.

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. (0101 001A)

Oil and Gas Lease dated July 7, 1982 from THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA, as Lessor to DIAMOND B. ENERGY, INC., as Lessee, as amended by Agreement dated April 3, 1987, as recorded in Book 471, Page 475, in the Jefferson County Probate Records.
(0101 002)

CAINWOOD AREA

All of the herein below listed leases are located in Tuscaloosa County, Alabama.

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.
(0103 001)

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.
(0103 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.
(0103 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.
(0103 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.
(0103 009)

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.
(0103 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.
(0103 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.
(0103 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.
(0103 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.
(0103 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.
(0103 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.
(0103 018F)

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.
(0103 018G)

Oil, Gas and Mineral Lease from DUNBAR 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.
(0103 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.
(0103 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.
(0103 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, Pages 424-427 of the Deed Records of Tuscaloosa County, Alabama.
(0103 019)

Oil, Gas and Mineral Lease from WILLIAM TROY HINTON to MCKENZIE METHANE CORPORATION, dated May 4, 1989, and recorded in Deed Book 1007, Pages 567-568, in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama.
(0103 033)

Oil, Gas and Mineral Lease from WILLIAM J. SHAMBLIN to MCKENZIE METHANE CORPORATION, dated June 3, 1989, and recorded in Deed Book 1022, Pages 18-20, in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama.
(0103 035)

Oil, Gas and Mineral Lease from R. EARL WINSTEAD, JR., ET UX to MCKENZIE METHANE CORPORATION, dated June 9, 1989, and recorded in Deed Book 1022, Pages 14-17, in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama.
(0103 037)

Oil, Gas and Mineral Lease from DR. ROBERT NELSON, JR. to MCKENZIE METHANE CORPORATION, dated September 12, 1989, and recorded in Deed Book 1061, Pages 43-45 in the records of the Office of the Probate Judge of Tuscaloosa County, Alabama.
(0103 062)

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sm/land/exhibits/mission/cahaba.ex

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