

NOTICE OF LIS PENDENS

Notice is given of litigation affecting title to land in this county:

Plaintiffs: James C. Holcomb, Sr.
James C. Holcomb, Jr.
Elizabeth A. Mason and
Hal G. Riddle

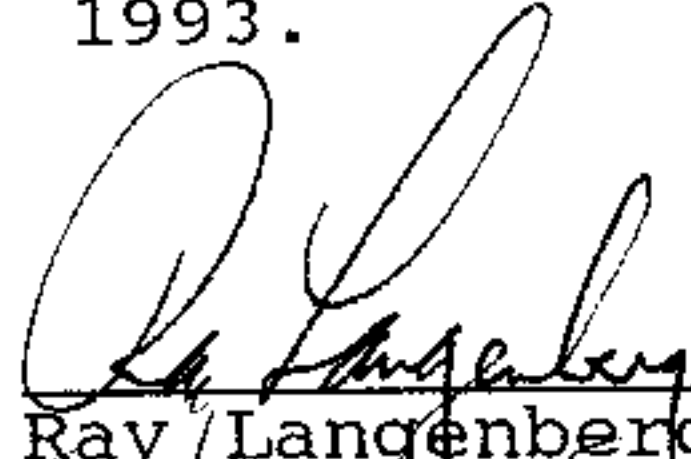
Defendant: McKenzie Methane Corporation

Style and Court: Cause No. 38,068-B; James C. Holcomb, Sr.,
James C. Holcomb, Jr., Elizabeth A. Mason, and
Hal G. Riddle v. McKenzie Methane Corporation;
In the 181st Judicial District Court of
Randall County, Texas

Nature of Claim: Plaintiffs seek a declaration of their rights,
judgment for conveyance of real property,
specific performance, damages, and other
relief resulting from Defendant's failure to
provide complete property descriptions and
failure to make assignments of interests in
various wells drilled under the Defendant's
Coalbed Methane Program (1988-1), 1989 Methane
Drilling Program, 1990 Methane Drilling
Program, and 129 Coalbed Methane Program.

Description of Property: See Attachment 1

SIGNED this 2 day of March, 1993.


Ray Langenberg, Attorney-in-
Fact for James C. Holcomb, Sr.,
James C. Holcomb, Jr.,
Elizabeth A. Mason, and Hal G.
Riddle

Inst # 1993-06066

03/04/1993-06066
11:23 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
017 MCD 49.00

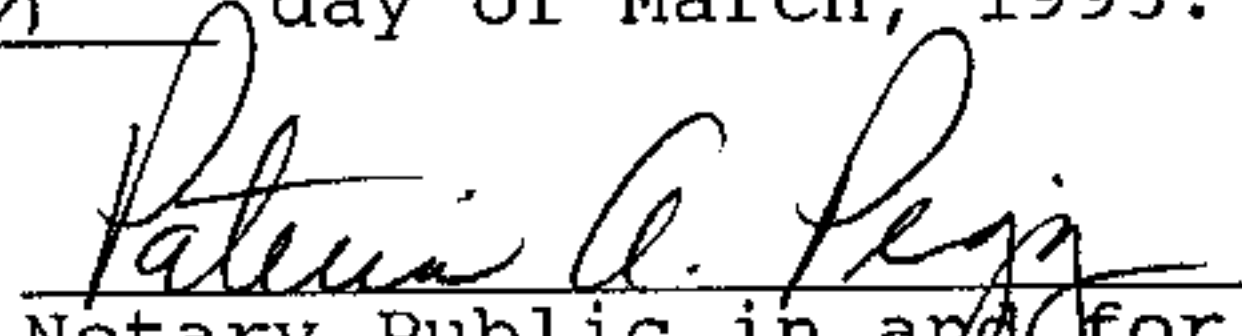
THE STATE OF TEXAS

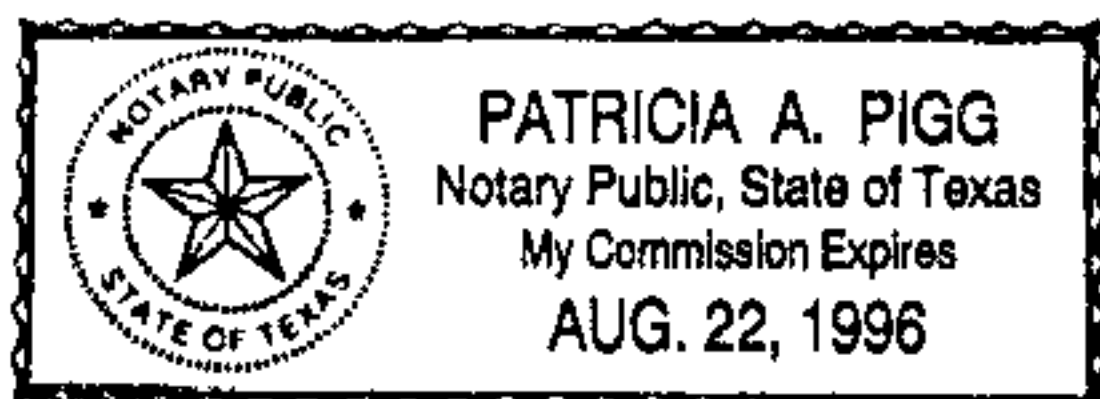
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TRAVIS COUNTY

I, Patricia A. Pigg, a notary, in and for said County in said State, hereby certify that RAY LANGENBERG, whose name as Attorney-in-Fact for James C. Holcomb, Sr., James C. Holcomb, Jr., Elizabeth A. Mason and Hal G. Riddle, is signed to the foregoing Notice of Lis Pendens and who is known to me, acknowledged before me on this day that, being informed of the contents of the Notice of Lis Pendens, he, in his capacity as such Attorney-in-Fact, executed the same voluntarily on the day the same bears date.

Given under my hand this the 2nd day of March, 1993.


Notary Public in and for
The State of Texas



ATTACHMENT ONE TO PLAINTIFFS' ORIGINAL PETITION

COALBED METHANE PROGRAM (1988-1)

The leases are located in Jefferson County, Alabama, Tuscaloosa County, Alabama, Shelby County, Alabama, Bibb County, Alabama, and La Plata County, Colorado. The interest includes the portions of the leases designated by McKenzie Methane Corporation as the "Unit Acreage" that is necessary for the production of the wells, including all personal property and equipment situated or used or obtained in connection therewith.

The leases may include those referenced in the following documents:

1. Assignment of Leasehold Interests from Jern, Ltd. to McKenzie Petroleum Company dated October 27, 1988 and recorded in the Real Property Records of Jefferson County, Alabama, Bessemer Division at Book 722, Page 823;
2. Assignment of Leasehold Interests from Jern, Ltd. to McKenzie Petroleum Company dated June 29, 1988 and recorded in the Real Property Records of Jefferson County, Alabama, Bessemer Division at Book 708, Page 864;
3. Memorandum of Contract between McKenzie Methane Corporation and Gas Technologies, Inc. dated March 21, 1989 and recorded in Tuscaloosa County, Alabama, at Book 10019, Page 419;
4. Memorandum of Lease from U.S.X. Corporation to McKenzie Methane Corporation dated November 30, 1988 and recorded in Book 222, Page 386 in the office of the Judge of Probate of Shelby County, Alabama;
5. Amendment to Memorandum of Lease from U.S.X. Corporation to McKenzie Methane Corporation dated February 19, 1990 and recorded in Book 280, Page 47 in the office of the Judge of Probate of Shelby County, Alabama;
6. Second Amendment to Memorandum of Lease dated October 21, 1991 and recorded in Book 391, Page 547 in the office of the Judge of Probate of Shelby County, Alabama;

The wells include those listed on the following page:

BLACK WARRIOR BASIN AREA

NARROWS PROJECT

USX	17- 1 - # 1	(5989-C) *
USX	17- 2 - # 2	(5773-C)
USX	17- 3 - # 3	(5774-C)
USX	17- 5 - # 4	(6006-C)
USX	7-16 - # 7	(5958-C)
USX	7- 9 - # 8	(5959-C)
USX	8-14 - # 6	(5775-C)
USX	8-15 - # 5	(5839-C)
USX	17- 7 - #27	(6304-C)
USX	17- 8 - #28	(6308-C)
U of A	18- 1 - #13	(6220-C)

CAINWOOD PROJECT

Cain	1- 1 - #3	(6133-C)
Cain	1- 7 - #1-A	(5940-C)
Cain	1- 8 - #2	(6079-C)
Cain	6- 4 - #4	(6127-C)
Cain	6- 5 - #6	(6128-C)

CAHABA PROJECT

USX	15-11 - #1	(5960-C)
USX	15-10 - #6	(6147-C)
USX	15-16 - #8	(6181-C)
USX	15- 7 - #2	(6090-C)
USX	15- 8 - #4	(6140-C)

SAN JUAN BASIN AREA

COX CANYON PROJECT

Bonds	#1- 1	(87513)
Bonds	#2- 1	(871048)
Bonds	#3- 1	(88200)
Cox Canyon	#7- 3	(881047)
Cox Canyon	#6-27	(881052)

ANIMAS PROJECT

Mir	#31- 1	(88753)
So. Ute-Mobil	#36- 1	(881070)
So. Ute	# 3- 1	(881050)
Beaston	# 4-30	(89209)

SOUTHERN UTE PROJECT

Walker	#3-10	(88673)
Walker	#2-16	(88674)

IGNACIO PROJECT

Ignacio	#10-25	(89134)
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*The number in parenthesis is the appropriate State Permit Number for the well.

1989 METHANE DRILLING PROGRAM

EXHIBIT "A"

NARROWS PROJECT

The leases in the Narrows area cover approximately 6,435 acres situated in Township 17 South, Ranges 6 & 7 West, and Township 18 South, Ranges 6 & 7 West, Jefferson County, Alabama.

INSOFAR and ONLY INSOFAR as to the 40 acres allocated to each well on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

The net revenue interest for this prospect is 75% on the University of Alabama Lease and 70% on the USX Lease.

CAINWOOD PLANTATION

The leases in the Cainwood Plantation area cover approximately 6,893 acres situated in Township 24 North, Ranges 5 & 6 East, and Township 22 South, Ranges 9 & 10 West, Tuscaloosa County, Alabama.

INSOFAR and ONLY INSOFAR as to the 40 acres allocated to each well on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

The net revenue interest for this prospect is 75%.

LA PLATA PROJECT

Farmout Agreement from Ladd Petroleum Corporation, with a net revenue interest of 68%, dated November 4, 1986 covering mineral interest in leases and acreage containing approximately 11,000 acres in La Plata County, Colorado described as follows:

Township 32 North, Range 10 West

Section 1 - All
Section 2 - S/2
Section 3 - E/2
Section 10 - S/2

Township 32 North, Range 11 West

Section 10 - w/2
Section 16 - N/2

1989 METHANE DRILLING PROGRAM

Township 33 North, Range 10 West

Section 27 - S/2
 Section 34 - E/2
 Section 1 - W/2
 Section 2 - W/2

Township 34 North, Range 9 West

Section 30 - N/2
 Section 31 - All

Township 33 North, Range 9 West

Section 22 - W/2
 Section 25 - W/2

Township 33 North, Range 8 West

Section 19 - S/2
 Section 33 - W/2
 Section 25 - N/2

Township 32 North, Range 8 West

Sections 3, 5, 7, 8, 9, 10 - all
 Section 6 - E/2
 Section 4 - S/2

Township 32 North, Range 6 West

Section 17 - W/2
 Section 12 - S.3/4

INSOFAR and ONLY INSOFAR as to the 160 acres allocated to each well on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

CAHABA PROJECT

The Coal Seam Gas Agreement dated September 30, 1988 between USX Corporation and McKenzie Methane Corporation, with a net revenue interest of 75%, covering approximately 55,000 acres in St. Claire, Jefferson, Shelby and Bibb Counties, Alabama covers portions of the Townships listed below:

Township 16 South, Range 1 East
 Township 17 South, Range 1 East
 Township 17 South, Range 1 West
 Township 18 South, Range 1 West

1989 METHANE DRILLING PROGRAM

Township 20 South, Range 3 West
Township 21 South, Range 3 West
Township 21 South, Range 4 West
Township 22 South, Ranges 3, 4, 5 & 6 West
Township 24 North, Ranges 9 & 10 East

INSOFAR and ONLY INSOFAR as to the 40 acres allocated to each well on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

1990 METHANE DRILLING PROGRAM

EXHIBIT "A"

NARROWS PROJECT

The leases in the Narrows Area cover approximately 6,435 acres situated in Township 17 South, Ranges 6 and 7 West, and Township 18 South, Ranges 6 and 7 West, Jefferson County, Alabama

INSOFAR and ONLY INSOFAR as to the 40 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

The net revenue interest for this prospect is 75% on the University of Alabama Lease and 70% on the USX Lease.

CAINWOOD PLANTATION

The leases in the Cainwood Plantation area cover approximately 6,893 acres situated in Township 24 North, Ranges 5 and 6 East, and Township 22 South, Ranges 9 and 10 West, Tuscaloosa County, Alabama.

INSOFAR and ONLY INSOFAR as to the 40 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

The net revenue interest for this prospect is 75%.

LA PLATA PROJECT

Farmout Agreement from Ladd Petroleum Corporation, with a net revenue interest of 68%, dated November 4, 1986, covering mineral interest in leases and acreage containing approximately 11,000 acres in La Plata County, Colorado described as follows:

Township 32 North, Range 10 West

Section 1 - All
Section 2 - S/2
Section 3 - E/2
Section 10 - S/2

Township 32 North, Range 11 West

Section 10 - W/2
Section 16 - N/2

Township 33 North, Range 10 West

Section 27 - S/2
Section 34 - E/2
Section 1 - W/2
Section 2 - W/2

1990 METHANE DRILLING PROGRAM

Township 34 North, Range 9 West

Section 30 - N/2
 Section 31 - All

Township 33 North, Range 9 West

Section 22 - W/2
 Section 25 - W/2

Township 33 North, Range 8 West

Section 19 - S/2
 Section 25 - N/2
 Section 33 - W/2

Township 32 North, Range 8 West

Sections 3,5,7,8,9,10 - All
 Section 4 - S/2
 Section 6 - E/2

Township 32 North, Range 6 West

Section 12 - S.3/4
 Section 17 - W/2

INSOFAR and ONLY INSOFAR as to the 160 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

CAHABA PROJECT

The Coal Seam Gas Agreement dated September 30, 1988 between USX Corporation and Mckenzie Methane Corporation, with a net revenue interest of 75%, covering approximately 55,000 acres in St. Claire, Jefferson, Shelby and Bibb Counties, Alabama covers portions of the Townships listed below:

Township 16 South, Range 1 East
 Township 17 South, Range 1 East
 Township 17 South, Range 1 West
 Township 18 South, Range 1 West
 Township 20 South, Range 3 West
 Township 21 South, Range 3 West
 Township 21 South, Range 4 West
 Township 22 South, Ranges 3,4,5,6 West
 Township 24 North, Ranges 9,10 East

INSOFAR and ONLY INSOFAR as to the 40 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

1990 METHANE DRILLING PROGRAM

JICARILLA PROSPECT

Farmout Agreement from Mobil Exploration & Producing U.S., Inc., with a net revenue interest that averages approximately 70%, dated January 5, 1990, covering mineral interests in leases and acreage containing approximately 15,200 acres in Rio Arriba County, New Mexico, described as follows:

Block 1, Township 26 North, Ranges 2 & 3 West
Sections 1, 2, 11, 12, 13,
14, 23, 24, 7, 8, 19

Block 2, Township 23 North, Range 2 West
Sections 7, 8, 17, 18, 19, 20

Block 3, Township 27 North, Range 3 West
Sections 11, 12, 13, 14, 15,
22, 23, 24, 25, 26, 27, 35, 36

INSOFAR and ONLY INSOFAR as to that portion of the approximate 15,200 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

ANGEL PEAK PROSPECT

Farmout Agreement from Mobil Exploration & Producing U.S., Inc., with a net revenue interest that averages approximately 70%, dated December 6, 1989, covering mineral interest in leases and acreage containing approximately 2,080 acres in San Juan County, New Mexico, described as follows:

Township 27 North, Range 10 West
Sections 10, 11, 13, 14, 15

INSOFAR and ONLY INSOFAR as to that portion of the approximate 2,080 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the MMC Coalbed Methane Program.

EXHIBIT "A"CAHABA AREA

All of the following property lies in Shelby and Bibb Counties, Alabama.

1. USX LEASE:

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 by Amendment to Memorandum of Lease dated February 19, 1989, in Book 280, Page 47, Shelby County, Alabama and by Amendment to Memorandum of Lease dated November 27, 1989, Book 128, Page 953, Bibb County, Alabama.

INSOFAR AND ONLY INSOFAR as to the acreage covered by such lease and described as follows:

ACREAGE:Township 21 South, Range 4 West - Shelby County

W/2 of NE/4 and S/2 of Section 2
E/2 of NW/4 and W/2 of NE/4 of Section 10
S/2 of SE/4 of Section 19
W/2 of NW/4, E/2 of NE/4, W/2 of SW/4 and W/2 of SE/4 of Section 20
SE/4 of NW/4, W/2 of NW/4 of SE/4 and SE/4 of NW/4 of SE/4 of Section 30
E/2 of SW/4 of Section 29
NE/4 of Section 31
NW/4 of SW/4 of Section 32

Township 21 South, Range 4 West - Bibb County

SW/4 of SW/4 of Section 32

Township 21 South, Range 5 West - Bibb County

S/2 of SE/4 of Section 36

Township 22 South, Range 5 West - Bibb County

NW/4 of NE/4 and SE/4 of NE/4 of Section 14

129 COALBED METHANE PROGRAM

2. KC/SEGC LEASE:

Coalbed Methane Gas Agreement dated June 1, 1989 between Southern Electric Generating Company and Kimberly-Clark Corporation, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 128, Page 106, Bibb County, Alabama and in Book 254, Page 568, Shelby County, Alabama

INSOFAR AND ONLY INSOFAR as to the acreage covered by such lease and described as follows:

ACREAGE:

Township 21 South, Range 4 West - Shelby County

S/2 of NE/4, NE/4 of NW/4 of SE/4, S/2 of SW/4, SW/4 of SE/4 of Section 30

NE/4 of SW/4 and SE/4 of NW/4 of Section 31

Township 22 South, Range 5 West - Bibb County

NW/4 of Section 12

E/2 of SE/4 of Section 11

NE/4 of NE/4 and SW/4 of NE/4 of Section 14

3. SEGC LEASE:

Coalbed Methane Gas Agreement dated September 30, 1988 between Southern Electric Generating Company, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 254, Page 559, Shelby County, Alabama and in Book 128, Page 116, Bibb County, Alabama

INSOFAR AND ONLY INSOFAR as to the acreage covered by such lease and described as follows:

ACREAGE:

Township 21 South, Range 4 West - Shelby County

NE/4 of NW/4 and N/2 of NE/4 of Section 30

NW/4 of NW/4 of Section 29

Township 22 South, Range 5 West - Bibb County

SE/4 of Section 1

INSOFAR AND ONLY INSOFAR AS TO THE 40 ACRES ALLOCATED TO ANY PROGRAM WELL DRILLED ON SAID ACREAGE FOR EACH OF THE WELLS THAT ARE EXPECTED TO BE DRILLED IN THIS AREA FOR THE 129 WELL COALBED METHANE PROGRAM.

129 COALBED METHANE PROGRAM

EXHIBIT A

The Coal Seam Gas Lease referred to in the agreement to which this exhibit is attached and the lands in the Narrows Area in the Black Warrior Basin in Jefferson County, Alabama covered by such Coal Seam Gas Lease and said agreement consist of and are described as:

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

All of the following property lies in Jefferson County, Alabama. Each tract consists of 40 acres, more or less.

TOWNSHIP 17 SOUTH, RANGE 7 WEST:

Tract 1 - NW/4 of NW/4 of Section 36

Tract 2 - SE/4 of NW/4 of Section 36

Tract 3 - NE/4 of SW/4 of Section 36

TOWNSHIP 17 SOUTH, RANGE 6 WEST:

Tract 4 - NE/4 of NE/4 of Section 31

Tract 5 - SW/4 of NW/4 of Section 31

Tract 6 - SW/4 of NE/4 of Section 31

Tract 7 - NE/4 of SW/4 of Section 31

Tract 8 - NE/4 of SE/4 of Section 31

Tract 9 - SW/4 of SW/4 of Section 31

Tract 10 - SW/4 of SE/4 of Section 31

TOWNSHIP 18 SOUTH, RANGE 7 WEST:

Tract 11 - SW/4 of SE/4 of Section 2

Tract 12 - SW/4 of NW/4 of Section 1

Tract 13 - NE/4 of NE/4 of Section 11

Tract 14 - SW/4 of NE/4 of Section 11

Tract 15 - NE/4 of SE/4 of Section 11

129 COALBED METHANE PROGRAM

- Tract 16 - SW/4 of SE/4 of Section 11
- Tract 17 - NE/4 of NW/4 of Section 12
- Tract 18 - SW/4 of NW/4 of Section 12
- Tract 19 - NE/4 of SE/4 of Section 12
- Tract 20 - NW/4 of NW/4 of Section 12
- Tract 21 - SE/4 of NE/4 of Section 12
- Tract 22 - NE/4 of SW/4 of Section 12
- Tract 23 - SW/4 of SW/4 of Section 12
- Tract 24 - SW/4 of SE/4 of Section 12
- Tract 25 - NE/4 of NE/4 of Section 14
- Tract 26 - SW/4 of NE/4 of Section 14
- Tract 27 - NW/4 of SE/4 of Section 14
- Tract 28 - NE/4 of SE/4 of Section 14
- Tract 29 - SW/4 of SE/4 of Section 14
- Tract 30 - NE/4 of NW/4 of Section 13
- Tract 31 - NE/4 of NE/4 of Section 13
- Tract 32 - SW/4 of NW/4 of Section 13
- Tract 33 - SW/4 of NE/4 of Section 13
- Tract 34 - NE/4 of SW/4 of Section 13
- Tract 35 - NE/4 of SE/4 of Section 13
- Tract 36 - SW/4 of SW/4 of Section 13
- Tract 37 - SW/4 of SE/4 of Section 13
- Tract 38 - SE/4 of SW/4 of Section 13
- Tract 39 - SE/4 of SE/4 of Section 13
- Tract 40 - SE/4 of NE/4 of Section 13

TOWNSHIP 18 SOUTH, RANGE 6 WEST:

- Tract 41 - NE/4 of NE/4 of Section 6

129 COALBED METHANE PROGRAM

- Tract 42 - SW/4 of SW/4 of Section 6
- Tract 43 - NE/4 of SW/4 of Section 5
- Tract 44 - SW/4 of SW/4 of Section 5
- Tract 45 - SW/4 of SE/4 of Section 5
- Tract 46 - NW/4 of NE/4 of Section 7
- Tract 47 - NW/4 of SE/4 of Section 7
- Tract 48 - NE/4 of NE/4 of Section 8
- Tract 49 - SE/4 of NW/4 of Section 8
- Tract 50 - SE/4 of NE/4 of Section 8
- Tract 51 - NE/4 of SW/4 of Section 8
- Tract 52 - SW/4 of SW/4 of Section 18

INSOFAR AND ONLY INSOFAR as to the 40 acres allocated to any program well on said acreage for each of the wells that are expected to be drilled in this area for the 129 Well Coalbed Methane Program.

129 COALBED METHANE PROGRAM

EXHIBIT "A"
CAINWOOD PLANTATION

There are approximately 6 wells there are expected to be drilled on the leases in the Cainwood Plantation area. The leases in this area cover approximately 6,893 acres situated in Township 24 North, Ranges 5 and 6 East, and Township 22 South, Ranges 9 and 10 West, Tuscaloosa County, Alabama.

INSOFAR AND ONLY INSOFAR as to the 40 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the 129 Well Coalbed Methane Program.

129 COALBED METHANE PROGRAM

The Coal Seam Gas Leases referred to in the agreement to which this exhibit is attached, the lands in the Angel Peak Area and the Manzanares Area in San Juan County, New Mexico covered by such Coal Seam Gas Leases and said agreement, and the depths and horizons covered or affected thereby, consist of and are described as:

AREA

ANGEL PEAK AREA

Contracts:

1. (NMI 700) farmout Contract between Mobil Exploration & Producing U.S. Inc. (Farmor) and McKenzie Methane Corporation (Farmee) dated December 6, 1989, as amended February 28, 1990, whereby Farmee acquired the right to drill and earn interests in five (5) wells.

1,120 gross acres

Surface to base of the Fruitland Formation

100% GMI Ownership

70% NRI
All wells

APPROXIMATE ACRES

DEPTHS COVERED

APPROXIMATE LEASEHOLD INTEREST

REVENUE LEASEHOLD INTEREST

1993-06066
03/04/1993-06066
11:23 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
017 MCD 49.00

2. (NMI 701) Farmout Contract between Amoco Production Company, (Farmor) and McKenzie Methane Corporation (Farmee) dated February 23, 1990, and amended August 14, 1990, whereby Farmee acquired the right to drill or participate in seven (7) required wells and eight (8) option wells.

4,560 gross acres

Surface to base of the Fruitland Formation

100% GMI Ownership

72.5% NRI BPO
70% NRI APO
5 wells70% NRI
Remaining 10 wells

MANZANARES AREA

Contract:

1. (NMS 700) Farmout Contract between Amoco Production Company (Joint Farmor) and McKenzie Methane Corporation (Farmee) dated August 23, 1990, as amended September 14, 1990 and October 10, 1990, and as ratified by Conoco, Inc. (Joint Farmor) September 17, 1990, whereby Farmee acquired the right to drill and earn interest in five (5) required wells and eleven (11) option wells.

4,800 gross acres

Surface to base of the Fruitland Formation

100% GMI (50% from Amoco Production Company) (50% from Conoco)

70% NRI

LEASE/ANGELMAN.EXH

INSOFAR AND ONLY INSOFAR as to the 160 acres allocated to any program well drilled on said acreage for each of the wells that are expected to be drilled in this area for the 129 Well Coalbed Methane Program.