

FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT

Reference is hereby made for all purposes to the certain Development Agreement dated May 4, 1989, as amended by First Amendment to Development Agreement dated September 5, 1989, Second Amendment to Development Agreement dated November 3, 1989, and Third Amendment to Development Agreement dated August 1990, all of which are effective as of March 17, 1989 and are between McKenzie Methane Corporation (hereinafter called "McKenzie") and Smith-Gordy Methane Company (hereinafter called "Participant"), and as further amended by letter dated August 14, 1990 from Participant and others addressed to and accepted by McKenzie (said Development Agreement as so amended is hereinafter called "the Development Agreement"), whereby Participant acquired from McKenzie certain undivided interests in Coal Seam Gas Leases and the right to participate with McKenzie in the development of Coal Seam Gas reserves in accordance with and subject to the terms of the Development Agreement.

McKenzie and Participant consider it desirable and advantageous that the Development Agreement be further amended in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the premises contained herein and the mutual benefits and obligations of McKenzie and Participant under the Development Agreement, McKenzie and Participant do hereby further amend the Development Agreement as follows:

For the third Subsequent Program only, Section 1.20 of the original Development Agreement is hereby deleted therefrom in its entirety and the following section is hereby inserted in lieu thereof:

Section 1.20 "Participation Percentage" - the percentage interest of 2.62%.

For the same consideration recited above and without waiving any rights or claims that McKenzie or Participant may have against the other, McKenzie and Participant hereby adopt,

SOURCES OF TITLE: Tuscaloosa County, Alabama, Deed Book 1016 at Page 190

1151 at 3
1151 at 8
115 at 35

SG 010382

10207
1993-18207
06/22/1994-18207
01:38 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 NCD 15.00

1151 40
1151 40
RECORDED IN ABOVE
DEED BOOK&PAGE
17 JUNE 93 03:31:55 PM
W. HARDY MCCOLLUM
TUSCALOOSA COUNTY ALABAMA

ratify and confirm the Development Agreement, as herein amended, and agree and declare that the Development Agreement is presently in full force and effect with respect to the Program Area in accordance with its terms, as herein amended. Terms defined in the Development Agreement and not otherwise defined herein shall have the same meanings herein as such terms have in the Development Agreement. The terms and provisions of this instrument shall extend to, be binding upon and inure to the use and benefit of McKenzie and Participant and their respective successors, legal representatives and assigns.

Dated this the 7th day of November, 1990, but effective for all purposes as of the commencement of the third Subsequent Program.

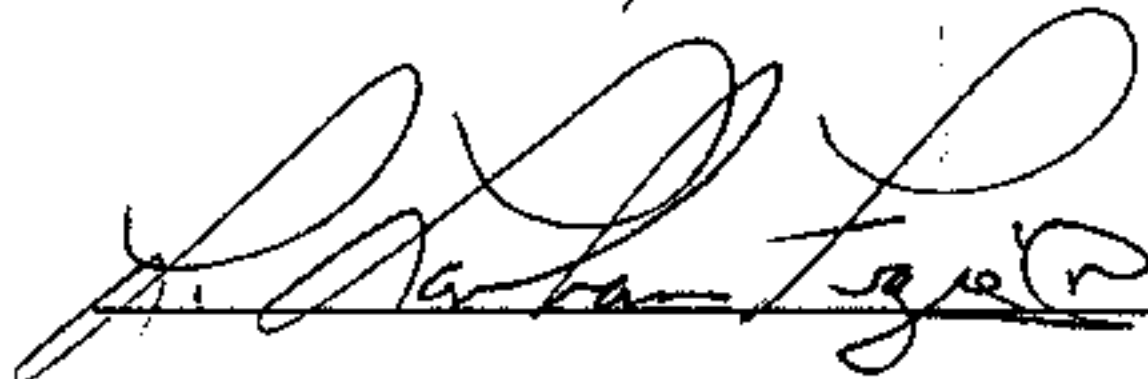
Witnesses:

MCKENZIE METHANE CORPORATION

Alice E. Lambie

By: 

Michael McKenzie, President



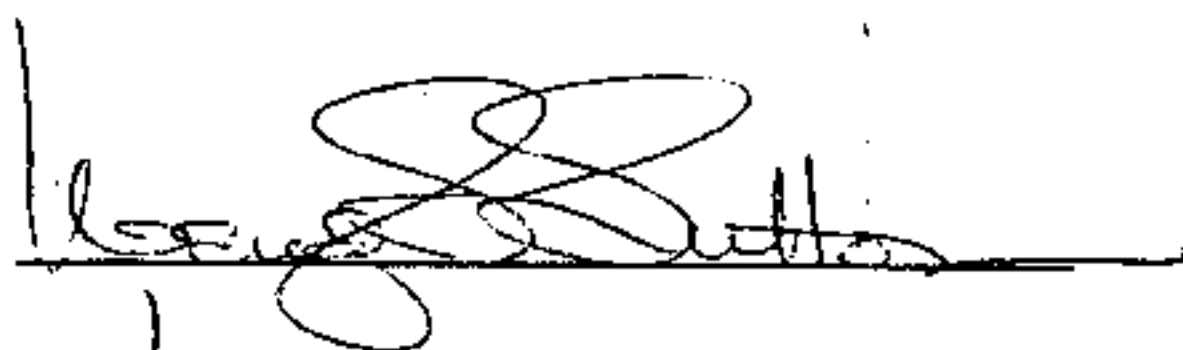
SMITH-GORDY METHANE COMPANY

Angela D. Hamford

By: 

Lester H. Smith, Partner

Karen Williams



By: 

Russell D. Gordy, Partner

Karen Williams

1151 0041
RECORDED IN ABOVE
DEED BOOK&PAGE
17 JUNE 93 03:33:20 PM
W. HARDY MCCOLLUM
TUSCALOOSA COUNTY, ALABAMA

SG 010383

Inst # 1993-18207

06/22/1993-18207
01:36 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 15.00

HARDY MCCOLLUM, JUDGE OF PROBATE, DO HEREBY CERTIFY THAT
THE FOREGOING IS A FULL, TRUE AND CORRECT COPY OF THE
INSTRUMENT(S) HEREWITH SET OUT AS SAME APPEARS OF RECORD IN

BOOK 151 AT PAGE 40 IN SAID COURT.
WITNESS MY HAND AND SEAL THIS 22 DAY OF June 19 93

Hardy McCollum
JUDGE OF PROBATE,
TUSCALOOSA COUNTY, ALABAMA