PARTIAL ASSIGNMENT

		-0.01/1993-26540
THE STATE OF ALABAMA	§ 8	09/01/1993-26540 09/01/1993-26540 KNOW ALL MEN CONTINES F. PROBATE 007 KCD NCD PROBATE
COUNTY OF SHELBY	§	SHECTO NCD

THAT for and in consideration of the sum of One Hundred and NO/100 Dollars (\$100.00) and other good and valuable consideration, S. LANHAM FRAZIER, III and ALBERT HAERTLEIN, whose address is 4212 San Felipe, Suite L, Houston, Texas 77027 (hereinafter called "Assignor"), in equal portions have BARGAINED, GRANTED, SOLD, TRANSFERRED, ASSIGNED and CONVEYED and do by these presents BARGAIN, GRANT, SELL, TRANSFER, ASSIGN and CONVEY unto the parties set forth below (hereinafter called "Assignee", whether one or more), the undivided interests set forth below in and to the leases described on Exhibit "A" attached hereto and made a part hereof and any amendments thereto and ratifications thereof (hereinafter referred to as "said Leases"), insofar and only insofar as said Leases cover the lands described in said Exhibit "A" (hereinafter referred to as "said Lands"), together with like undivided interest in the wells and all personal property and equipment situated on said Lands and attributable to said Leases or used or obtained in connection therewith.

Assignee

Undivided Interest

Cranberry Methane Corporation 1300 Main, Suite 512 Houston, Texas 77002 .25% (.0025)

In the event the mineral interest covered by said Leases is less than a full mineral interest in all or any portion of said Lands, the undivided interest herein conveyed, and the overriding royalty interests reserved as to the acreage affected, shall be proportionately reduced.

The interest herein assigned is subject to its proportionate share of all of the royalties, overriding royalties and other burdens against said Leases as of the effective date hereof and the terms, conditions, obligations, and provisions set forth in said Leases. The interest herein assigned is further subject to the provisions of any and all agreements binding on Assignor and Assignee to the extent that the same burden the undivided interest herein assigned to such Assignee and are valid and existing on the effective date hereof, including but not limited to participation agreements, development agreements, operating agreements, gas sales contracts and unitization agreements, and any amendments thereto including, but not limited to:

- 1. That certain Joint Operating Agreement effective as of March 17, 1989, naming McKenzie Methane Corporation as Operator covering the premises assigned hereby and other lands.
- 2. Section 4.06 of those certain Development Agreements, all dated as of March 17, 1989, between McKenzie Methane Corporation and SG Methane Company, et al., as amended.
- 3. Those certain Letter Agreements between McKenzie Methane Corporation and Albert Haertlein and S. Lanham Frazier, III dated as of May 1, 1991, and August 13, 1991, respectively.
- 4. That certain Purchase and Sale Agreement dated effective July 1, 1991, between S. Lanham Frazier, III and Cranberry Methane Corporation.
- 5. That certain Purchase and Sale Agreement dated effective July 1, 1991, between Albert Haertlein and Cranberry Methane Corporation.

Reference is here made to said Exhibit "A", to all of the instruments and records mentioned or referred to therein or herein and to all of those mentioned in all of said instruments for all purposes in connection herewith.

Brill, Since

FREEDOM\SHELBY.ASN

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Assignee, as a part of the consideration for this Assignment agrees to assume and be liable for its proportionate part of all obligations, covenants and liabilities relating to the interest assigned hereby including those which have been or may be incurred under the Joint Operating Agreement and Letter Agreements, each of which is mentioned above.

The two Purchase and Sale Agreements referenced above dated effective July 1, 1991 between each Assignor and the Assignee, provide specifically, but not limited to, a reservation by each Assignor of a Production Payment the sum of which amounts to \$400,000 to each Assignor and a reservation by each Assignor of an Overriding Royalty interest (the "Reserved Overriding Royalty Interest") equal to ten percent (10%) of 8/8ths to each Assignor, proportionately reduced to the interest of each Assignor herein conveyed. The Reserved Overriding Royalty interest shall become effective and commence the first day of the month following the month in which the cumulative Program Production equals Two Hundred (200) BCF of Gas, and is determined and paid as described more fully in the Purchase and Sale Agreements. The Production Payment is determined and paid as described more fully in the Purchase and Sale Agreements.

The interest assigned hereby may not be assigned, conveyed or transferred by Assignee without the prior written consent of McKenzie Methane Corporation, 7880 San Felipe Road, Suite 100, Houston, Texas 77063, which consent shall not be unreasonably withheld. Without prejudice to McKenzie Methane Corporation's right to otherwise reasonably withhold consent, it is specifically provided that McKenzie Methane Corporation may withhold consent unless any proposed assignee is a financially responsible person not in direct competition with McKenzie Methane Corporation. Further, any assignee must agree to assume all of the obligations relating to the interest assigned.

Assignor hereby binds and obligates itself and its successors and assigns to warrant and forever defend title to the respective interest set forth above unto Assignee, their respective successors and assigns, against every person or entity whomsoever claiming or to claim the same or any portion thereof by, through or under Assignor, but not otherwise, subject to the burdens against said Leases and the agreements to which this Partial Assignment is expressly made subject, but with full subrogation and substitution to all covenants and warranties by others heretofore given or made with respect to said Leases or any part thereof or interest therein.

This Partial Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day of March, 1992, and same shall be effective July 1, 1991.

ASSIGNOR:

witnesses:

S. LANHAM FRAZIER, III

Moron & Hebert

Witnesses:

Albert Haertlein

Allord Hautlein

Witnesses:

Assignee:

CRANBERRY METHANE CORPORATION

BY:

Alex Cranberg, President

that S. LANHAM FRAZIER, III, is signed to the foregoing Partial Assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, he executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this the loke

day of March, 1992.

Notary Public

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify

My Commission Expires: 5-8-92

STATE OF TEXAS

COUNTY OF HARRIS

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that ALBERT HAERTLEIN, is signed to the foregoing Partial Assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, he executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this, the

day of March, 1992.

Notary Public

My Commission Expires: 5-8-92

THE THE PARTITION OF TH STATE OF TEXAS

COUNTY OF HARRIS

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that ALEX CRANBERG, whose name as President of CRANBERRY METHANE CORPORATION, a Nevada corporation, is signed to the foregoing Partial Assignment, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the date the same bears date.

Given under my hand and official seal this the ______ day of March, 1992.

My Commission Expires: 5-22.96

This Instrument Prepared By: S. Lanham Frazier, III 4212 San Felipe, Suite L Houston, Texas 77027

EXHIBIT A

CAHABA AREA

Coal Seam Gas Agreement and Option dated September 30, 1988, between <u>USX Corporation</u>, 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 2-19-89, in Book 280, Page 47, Shelby County Alabama. (AL2 001)

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

All of the following property lies in Shelby County, Alabama. Each tract consists of 80 acres, more or less, unless indicated otherwise.

TOWNSHIP 21 SOUTH, RANGE 4 WEST:

<u>IRACT 1</u> (AL2 978)

W/2 of SE/4 of Section 33

TRACT 2 (ALE 979)

E/2 of SE/4 of Section 33

TRACT 3 (AL2 976)

W/2 of NE/4 of Section 33

TRACT 4 (AL2 977)

E/2 of NE/4 of Section 33

TRACT 5 (AL2 1524)

W/2 of SW/4 of Section 34

TRACT 6 (AL2 981)

W/2 of NW/4 of Section 34

TRACT 7 (AL2 982)

SE/4 of NW/4, SW/4 of NE/4 of Section 34

<u>TRACT 8</u> (AL2 1903)

N/2 of NE/4 of Section 35

TRACT 9 (AL2 975)

W/2 of SW/4 of Section 28

TRACT 10 (AL2 1989)

W/2 of SE/4 of Section 28

<u>TRACT 11</u> (AL2 971)

W/2 of NW/4 of Section 28

TRACT 12 (AL2 972)

E/2 of NW/4 of Section 28

<u>IRACT 13</u> (AL2 970)

W/2 of NE/4 of Section 28

TRACT 14 (AL2 973)

E/2 of NE/4 of Section 28

TRACT 15 (AL2 1560)

W/2 of NW/4 of Section 27

TRACT 16 (AL2 966)

W/2 of NE/4 of Section 27

TRACT 17 (AL2 968)

SE/4 of NE/4 of Section 27, being 40 acres, more or less.

<u>TRACT 18</u> (AL2 969)

W/2 of SE/4 of Section 27

<u>TRACT 19</u> (AL2 963)

W/2 of SW/4 of Section 26

TRACT 20 (AL2 964)

E/2 of SW/4 of Section 26

TRACT 21 (AL2 962)

W/2 of SE/4 of Section 26

TRACT 22 (AL2 959)
W/2 of NW/4 of Section 26

TRACT 23 (AL2 960)

E/2 of NW/4 of Section 26

TRACT 24 (AL2 958)

W/2 of NE/4 of Section 26

TRACT 25 (AL2 961)

E/2 of NE/4 of Section 26

TRACT 26 (AL2 940)

E/2 of SW/4 of Section 22

TRACT 27 (AL2 939)

W/2 of SE/4 of Section 22

TRACT 28 (AL2 941)

E/2 of SE/4 of Section 22

TRACT 29 (AL2 952)

SE/4 of NW/4, SW/4 of NE/4 Section 22

<u>TRACT 30</u> (AL2 951)

NW/4 of NE/4 of Section 22, being 40 acres, more or less.

<u>TRACT 31</u> (AL2 938)

SE/4 of NE/4 of Section 22, being 40 acres, more or less.

TRACT 32 (AL2 942)

W/2 of SW/4 of Section 23

TRACT 33 (AL2 955)

E/2 of NW/4 of Section 23

TRACT 34 (AL2 954)

W/2 of NE/4 of Section 23

TRACT 35 (AL2 956)

E/2 of NE/4 of Section 23

TRACT 36 (AL2 928)

W/2 of NW/4 of Section 24

<u>TRACT. 37</u> (AL2 957)

E/2 of NW/4 of Section 24

TRACT 38 (AL2 915)

W/2 of NE/4 of Section 14

TRACT 39 (AL2 934)

NE/4 of SE/4 of Section 10, being 40 acres, more or less.

TRACT 40 (AL2 1923)
NW/4 of SE/4 of Section 10,
being 40 acres, more or less.

TRACT 41 (AL2 917)

S/2 of SE/4 of Section 10

TRACT 42 (AL2 914)

W/2 of SW/4 of Section 11

TRACT 43 (AL2 948)

E/2 of SW/4 of Section 11

TRACT 44 (AL2 916)

W/2 of NE/4 of Section 11

TRACT 45 (AL2 900)

N/2 of SE/4 of Section 11

TRACT 46 (AL2 913)

S/2 of SE/4 of Section 11

<u>TRACT 47</u> (AL2 922)

W/2 of SW/4 of Section 12

TRACT 48 (AL2 924)

E/2 of SW/4 of Section 12

TRACT 49 (AL2 925)

E/2 of SE/4 of Section 12

TRACT 50 (AL2 908)

W/2 of NW/4 of Section 12

TRACT 51 (AL2 920)

E/2 of NW/4 of Section 12

TRACT 52 (AL2 919)

W/2 of NE/4 of Section 12

TRACT 53 (AL2 921)

E/2 of NE/4 of Section 12

TRACT 54 (AL2 903)

The SW diagonal half of the SW/4 of Section 13

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<u>TRACT 55</u> (AL2 1502)

TRACT 56 (AL2 1501)

W/2 of SE/4 of Section 1

E/2 of SW/4 of Section 1

<u>TRACT 57</u> (AL2 1503)

E/2 of SE/4 of Section 1

TRACT 58 (AL2 1519)

E/2 of NE/4 of Section ?

TOWNSHIP 21 SOUTH, RANGE 3 WEST

TRACT 59 (AL2 930)

W/2 of SW/4 of Section 7

TRACT 60 (AL2 932)

E/2 of SW/4 of Section 7

TRACT 61 (AL2 933)

E/2 of SE/4 of Section 7

TRACT 62 (AL2 926)

W/2 of NW/4 of Section 7

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TOWNSHIP 21 SOUTH, RANGE 3 WEST CONT'D	TOWNSHIP 21 SOUTH, RANGE 4 WEST CONT'D
TRACT 63 (AL2 927)	<u>TRACT 81</u> (AL2 1526)
W/2 of NE/4 of Section 7	E/2 of NW/4 of Section 27
TRACT 64 (AL2 946)	TRACT 82 (AL2 1748)
W/2 of SW/4 of Section 8	E/2 of NE/4 of Section 29
TRACT 65 (AL2 945)	<u>TRACT 83</u> (AL2 1535)
W/2 of NW/4 of Section 8	W/2 of NE/4 of Section 29
TRACT 66 (AL2 1504)	TRACT 84 (AL2 1540)
W/2 of SW/4 of Section 6	E/2 of SW/4 of Section 20
TRACT 67 (AL2 1505)	<u>TRACT 85</u> (AL2 1550)
E/2 of SW/4 of Section 6	E/2 of SE/4 of Section 20
TRACT 68 (AL2 1507)	TRACT 86 (AL2 1749)
E/2 of SE/4 of Section 6	E/2 of SW/4 of Section 21
TOWNSHIP 21 SOUTH, RANGE 4 WEST:	<u>TRACT 87</u> (AL2 1751)
<u>TRACT 69</u> (AL2 1743)	W/2 of SW/4 of Section 22
E/2 of NW/4 of Section 32	<u>TRACT 88</u> (AL2 1752)
TRACT 70 (AL2 983)	E/2 of SW/4 of Section 23
W/2 of SE/4 of Section 34	TRACT 89 (AL2 1541)
TRACT 1 (AL2 986)	W/2 of SE/4 of Section 23
NW Diagonal/2 of SW/4 of Section 35	TRACT 90 (AL2 1542)
<u>TRACT 72</u> (AL2 985)	E/2 of SE/4 of Section 23
SE/4 of NW/4 of Section 35,	<u>TRACT 91</u> (AL2 1538)
being 40 acres, more or less.	W/2 of SW/4 of Section 24
TRACT 73 (AL2 984)	<u>TRACT 92</u> (AL2 1539)
N/2 of NW/4 of Section 35	E/2 of SW/4 of Section 24
TRACT 74 (AL2 980)	<u>TRACT 93</u> (AL2 1599)
N/2 of NE/4 of Section 34	W/2 of NW/4 of Section 22
TRACT 75 (AL2 1537)	<u>TRACT 94</u> (AL2 937)
SE/4 of SE/4 of Section 30, SW/4 of SW/4 of Section 29	W/2 of NW/4 of Section 23
TRACT 76 (AL2 1746)	<u>TRACT 95</u> (AL2 1793)
W/2 of SE/4 of Section 29	E/2 of NE/4 of Section 21
TRACT 77 (AL2 1547)	<u>TRACT 96</u> (AL2 1756)
E/2 of SE/4 of Section 28	N/2 of NW/4 of Section 21
TRACT 78 (AL2 1521)	<u>TRACT 97</u> (AL2 1551)
W/2 of SW/4 of Section 27	W/2 of SW/4 of Section 1
TRACT 79 (AL2 1525)	<u>TRACT 98</u> (AL2 1520)
E/2 of SW/4 of Section 27	W/2 of NE/4 of Section 1
TRACT 80 (AL2 1561)	<u>TRACT 99</u> (AL2 1529)
E/2 of SE/4 of Section 27 -3-	E/2 of NW/4 of Section 1

E/2 of SE/4 of Section 27

TOWNSHIP 21 SOUTH, RANGE 4 WEST CONT'D

TRACT 100 (AL2 1530)

W/2 of NW/4 of Section 1

<u>TRACT 101</u> (AL2 1534)

E/2 of SE/4 of Section 21

<u>TRACT 102</u> (AL2 965)

E/2 of SE/4 of Section 26

TRACT 103 (AL2 1915)

SE/4 of NE/4 of Section 34 and SW/4 of NW/4 of Section 35

TRACT 104 (AL2 1939)

W/2 of SW/4 of Section 10

<u>TRACT 106</u> (AL2 1924)

E/2 of NE/4 of Section 14

TRACT 107 (AL2 1887)

NE/4 of NW/4 of Section 22, being 40 acres, more or less.

TRACT 108 (AL2 1956)

NE/4 of NE/4 of Section 27, being 40 acres, more or less.

TRACT 109 (AL2 1957)

N/2 of SW/4 of Section 29

TRACT 110 (AL2 1958)

The portion of the S/2 of NE/4 commencing at the center of Section 35 go northeasterly in straight line NE corner of S/2 of NE/4 of Section 35; thence west to NW corner of S/2 of NE/, of Section 35; thence south to point of beginning, being 40 acres, more or less.

<u>IRACT 111</u> (AL2 1954)

NE/4 of SE/4 of Section 2, being 40 acres, more or less.

TRACT 112 (AL2 911)

NW/4 of NE/4 of Section 15, being 40 acres, more or less.

TRACT 113 (AL2 1952)

SE/4 of SE/4 of Section 19, being 40 acres, more or less.

<u>TRACT 114</u> (AL2 1754)

SE/4 of NE/4 of Section 20, being 40 acres, more or less. TRACT 115 (AL2 1955)

SE/4 of SW/4 of Section 29, being 40 acres, more or less.

TRACT 116 (AL2 1951)

NW/4 of NW/4 of Section 29, being 40 acres, more or less.

TRACT 117 (AL2 1948)

NW/4 of NE/4 of Section 30, being 40 acres, more or less.

TRACT 118 (AL2 1947)

SE/4 of NW/4 of Section 30, being 40 acres, more or less.

TOWNSHIP 21 SOUTH - RANGE 3 WEST:

TRACT 119 (AL2 1528)

W/2 of SW/4 of Section 5

TRACT 120 (AL2 1628) E/2 of NW/4 of Section 5

TRACT 121 (AL2 1522)

E/2 of NE/4 of Section 6

TRACT 122 (AL2 1546)

W/2 of NE/4 of Section 6

TRACT 123 (AL2 1545)

E/2 of NW/4 of Section 6

TRACT 124 (AL2 1549)

W/2 of NW/4 of Section 6

TRACT 125 (AL2 1630)

W/2 NW/4 Section 5

TOWNSHIP 20 SOUTH - RANGE 3 WEST:

TRACT 126 (AL2 1605)

W/2 of SE/4 of Section 31

TRACT 127 (AL2 1759)

E/2 of SE/4 of Section 31

TRACT 128 (AL2 1629)

W/2 of NE/4 Section 31

<u>IRACT 129</u> (AL2 1626)

E/2 of SW/4 Section 31

TRACT 130 (AL2 1758)

W/2 of SW/4 Section 31

TRACT 131 (AL2 1760)

E/2 of NE/4 Section 31

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