

PARTIAL ASSIGNMENT

THE STATE OF ALABAMA)
)
COUNTY OF SHELBY)

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration of the sum of ONE HUNDRED DOLLARS (\$100.00) and other good and valuable consideration, MCKENZIE METHANE CORPORATION, a Texas Corporation, whose address is 7880 San Felipe, Suite 100, Houston, Texas 77063 (hereinafter called "Assignor") has BARGAINED, GRANTED, SOLD, TRANSFERRED, ASSIGNED and CONVEYED and does by these presents BARGAIN, GRANT, SELL, TRANSFER, ASSIGN and CONVEY unto the party set forth below (hereinafter called "Assignee", whether one or more), the undivided interest 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.

Inst # 1994-19817

<u>Assignee</u>	<u>Undivided Working Interest</u>	<u>Net Revenue Interest</u>
Hal G. Riddle 1518 15th Street Amarillo, TX 79102	.00665507 *.00660000	See Attached Exhibit "A"

The undivided interests set forth above may be proportionately reduced in the event of payout of wells on said Leases, or reformation of units covering the Leases, or upon failure of title to the Leases, or by agreement to settle such disputes as that of coal bed methane ownership.

Assignor reserves and excepts from this Assignment an overriding royalty interest equal to one percent of eight-eighths (1% of 8/8ths) of the Coalbed Methane gas produced from the said Lands proportionately reduced to the undivided interest assigned herein to enable Assignor to convey to USX Corporation the overriding royalty interest required pursuant to the Coal Seam Gas Assignment and Option dated September 30, 1988, between USX Corporation and Assignor, as amended. Said overriding royalty interest shall be free and clear of all costs and expenses of exploring, developing, drilling and producing; but such interest shall bear and pay all gross production, severance, ad valorem, sales and any other taxes which may be levied on or assessed against such overriding royalty interest, and shall be determined, computed, and paid or delivered to Assignor in the same manner provided for the payment of the Lessor's royalty in the leases covered hereby.

The interest herein assigned is subject to its proportionate share of the royalties, overriding royalties and other burdens against said Leases as of the effective date hereof, 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 dated July 5, 1989, naming Assignor as Operator covering the premises assigned hereby and other lands.

2. Those certain Participation Agreements between Assignor and Assignee effective as of March 15, 1989 and April 1, 1990, respectively.

3. Section 4.06 of those certain Development Agreements, all effective as of March 17, 1989, between Assignor and SG Methane Company, et al, as amended.

4. That certain Gas Measurement Facilities Agreement between Southern Natural Gas and McKenzie Methane Corporation dated June 9, 1989. (0102 700)

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5. That certain Gas Sales Contract between Sonat Marketing Company and McKenzie Methane Corporation, et al dated September 1, 1989. (0102 701)

6. That certain Pipeline Facilities Operating Agreement between Mission Energy Methane Company and McKenzie Methane Corporation dated September 1, 1992. (0102 712)

7. That certain Gas Sales Agreement and Memorandum of Interest in Lease Agreement between McKenzie Methane Corporation and El Dorado Company dated September 1, 1992. (0102 713)

8. That certain Gas Marketing and Administrative Service Agreement between McKenzie Methane Corporation and Alta Gas Marketing Corporation dated November 1, 1992. (0102 714)

9. That certain Submerge Pipeline Right-of-Way Agreement between The Department of Conservation and Natural Resources to McKenzie Methane Corporation dated March 18, 1992. (0102 840)

10. That certain National Pollutant Discharge Elimination System (NPDES) permit #AL0063517 for the McKenzie Methane Corporation, Big Brush Creek Facility effective March 1, 1992 from the Alabama Department of Environmental Management.

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.

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

The interest assigned hereby may not be assigned, conveyed or transferred by Assignee without Assignee first obtaining all appropriate and required consents. 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 this 21st day of October, 1993 and same shall be effective the sooner of the date hereof or as of the date of the first production from any well situated on said Lands.

WITNESSES:

Carolyn Craig
Beverly Starna

ASSIGNOR:

MCKENZIE METHANE CORPORATION

BY: J. Clyde Haines
J. Clyde Haines

WITNESSES:

Connie Hirsch
Joyce Scott

ASSIGNEE:

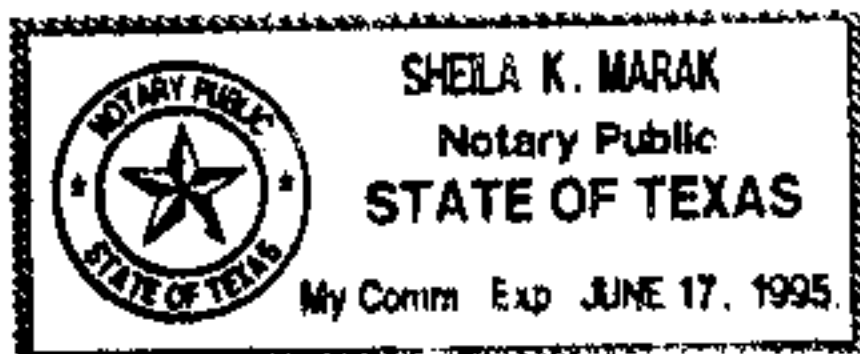
Hal G. Riddle

STATE OF TEXAS)

COUNTY OF HARRIS)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that J. Clyde Haines, whose name as Vice President of McKenzie Methane Corporation, a Texas 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 21st day of October, 1993.



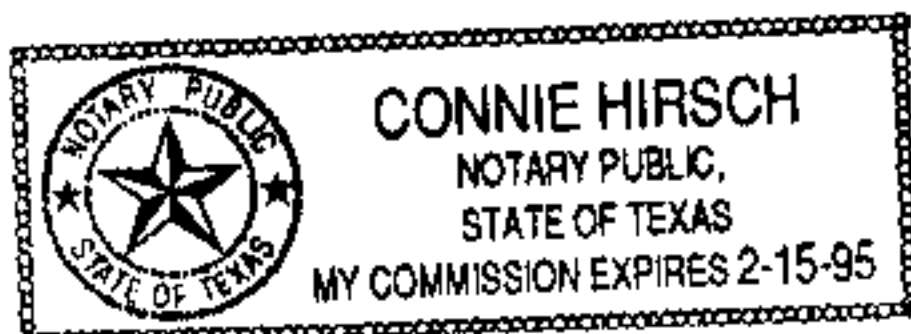
Sheila K. Marak
Notary Public
My Commission Expires: 6-17-95

STATE OF TEXAS)

COUNTY OF Potter)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Hal G. Riddle 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 for on the date the same bears date.

Given under my hand and official seal this the 21st day of February, 1993. 1994.



Connie Hirsch
Notary Public
My Commission Expires: 2-15-95

This Instrument Prepared By: Daniel Clark
7880 San Felipe
Suite 100
Houston, Texas 77063

sm/land/assign/riddle/cah-she.1%

EXHIBIT "A"

Attached to and made a part of Partial Assignment dated _____, 1993, between McKenzie Methane Corporation, as Assignor, and Hal G. Riddle, as Assignee.

CAHABA AREA

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. (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 116 in the Office of the Judge of Probate of Bibb County, Alabama. (AL2 014)

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

Each of said tracts are located in Shelby County, Alabama and cover 80 acres, more or less, unless otherwise indicated.

Township 24 North - Range 11 East

NET REVENUE INTEREST

Section 1

TRACT 1 - (AL2 1652)
W/2 of NE/4 .00479165

TRACT 2 - (AL2 1653)
W/2 of NW/4 .00479165

Section 2

TRACT 3 - (AL2 1775)
W/2 of NW/4 .00479165

TRACT 4 - (AL2 1632)
E/2 of NW/4 .00479165

TRACT 5 - (AL2 1776)
E/2 of NE/4 .00479165

TRACT 6 - (AL2 1656)
W/2 of NE/4 .00492475

Township 22 South - Range 3 West

Section 6

TRACT 7 - (AL2 1673)
SE/4 of SE/4, being 40 acres, more or less. .00520204

Section 7

TRACT 8 - (AL2 1572)*
NE/4 of SW/4, being 40 acres, more or less. .00475200

Township 21 South - Range 4 West

Section 13

TRACT 9 - (AL2 990)*
S/2 of NW/4 .00475200

Township 21 South - Range 3 West

Section 29

TRACT 10 - (AL2 1669)
NE/4 of NE/4, being 40 acres, more or less. .00479165

Township 21 South - Range 3 West - Cont'd:

Section 30

TRACT 11 - (AL2 1651)
NW/4 of SW/4, being 40 acres, more or less. .00479165

This Instrument Prepared By: Daniel Clark
7880 San Felipe, Suite 100
Houston, Texas 77063

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