

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

(5/8ths-3/8ths)

THE STATE OF ALABAMA

COUNTY OF SHELBY

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§
§

KNOW ALL MEN BY THESE PRESENTS:

This Assignment, Bill of Sale and Conveyance (this "Assignment") contains two (2) sets of conveyances, the first from Lee H. Henkel, III under special power of attorney pursuant to the Implementing Order (as hereinafter defined), acting as attorney-in-fact on behalf of each of the alleged owners of a "working", leasehold or other interest identified on Exhibit "A" attached hereto and incorporated herein who are the holders of Allowed Unrecorded Working Interest Claims as defined in the Plan (hereinafter defined) (the "Working Interest Owners"), to MCKENZIE METHANE CORPORATION, a Texas corporation, Debtor under Chapter 11 of the United States Bankruptcy Code, Case No. 94-42758-H2-11 (the "Bankruptcy Proceeding"), in the United States Bankruptcy Court in the Southern District of Texas, Houston Division (the "Bankruptcy Court"), whose address is 711 Louisiana, Suite 1300, Houston, Texas 77002, acting by and through ROBERT E. OGLE, Trustee in Bankruptcy of the Estate of MCKENZIE METHANE CORPORATION ("McKenzie"), and the second from McKenzie to the Working Interest Owners, the Unsecured Creditors Trust, the trust created by and existing pursuant to the Liquidating Trust Agreement of McKenzie Methane Corporation, dated August 29, 1995, by and among Robert E. Ogle, as Trustee of McKenzie Methane Corporation, Jon P. Trevelise, Trustee, for the benefit of the respective beneficiaries entitled to the Trust Assets (the "Unsecured Creditors Trust"), which is being established pursuant to Section 7.10 of the Plan (as hereinafter defined), and to KUKUI, INC. The first conveyance is dated effective as of 6:59 a.m. and the second conveyance is dated effective as of 7:00 a.m., both local time, on August 29, 1995, said time to be determined for each locality in which the Lands (hereinafter defined) are located in accordance with the time generally observed in said locality (said hour and day hereinafter called the "Effective Date").

WHEREAS, the Working Interest Owners were allegedly granted a "working", leasehold or other interest in the Subject Interests (as hereinafter defined) which was not properly recorded in the appropriate public records prior to April 20, 1994, the date of the filing of McKenzie's chapter 11 bankruptcy case;

WHEREAS, pursuant to Section 6.10 of the Liquidating Plan of Reorganization of KUKUI, INC. for McKenzie Methane Corporation (the "Plan"), each Working Interest Owner was required to make an election on the ballot accompanying the Plan, in full

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SHELBY COUNTY JUDGE OF PROBATE
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satisfaction and discharge of its claims and in complete compromise of all issues relating to the validity and enforceability of its alleged working interests, either to (i) surrender an undivided 3/8ths (37.5%) of such alleged working interest to the Unsecured Creditors Trust and retain an undivided 5/8ths (62.5%) of such alleged working interest ("Alternative A"); (ii) surrender an undivided 3/8ths (37.5%) of such alleged working interest to the Unsecured Creditors Trust, and retain 5/8ths (62.5%) of such alleged working interest, but to sell such an undivided 5/8ths retained working interest to KUKUI, INC., a Texas corporation, for the cash payments more particularly described on Exhibit "K" to the Plan ("Alternative B"); (iii) surrender 8/8ths (100%) of such alleged working interest to the Unsecured Creditors Trust and be treated as an Allowed Unsecured Creditor under Section 6.9 of the Plan ("Alternative C"); or (iv) seek a judicial determination of all issues relating to the validity and enforceability of such alleged working interest and (a) be treated as the holder of a Recorded Working Interest if such working interest is determined by Final Order of the Bankruptcy Court to be valid and enforceable or (b) to forfeit 8/8ths of such holder's working interest and be treated as the holder of a General Unsecured Claim if such alleged working interest is determined by Final Order of the Bankruptcy Court to be invalid and unenforceable ("Alternative D");

WHEREAS, certain of the Working Interest Owners elected pursuant to Alternative A to surrender 3/8ths (37.5%) of their alleged working interest to the Unsecured Creditors Trust and retain 5/8ths (62.5%) of their alleged working interest pursuant to the ballots they cast under the Plan or, pursuant to Section 6.10 of the Plan, if such owner of an alleged working interest failed to cast a ballot, or cast a ballot but declined to mark the ballot to make a treatment election, such holder is deemed to have elected Alternative A;

WHEREAS, certain of the Working Interest Owners elected pursuant to Alternative B to surrender 3/8ths (37.5%) of their alleged working interest to the Unsecured Creditors Trust and retain 5/8ths (62.5%) of their alleged working interest but to sell such retained working interest to KUKUI, INC. pursuant to the ballots they cast under the Plan; and other holders of Unrecorded Working Interest Claims elected pursuant to Alternative C to surrender 8/8ths (100%) of their alleged working interest to the Unsecured Creditors Trust;

WHEREAS, on August 24, 1995, the Bankruptcy Court entered that certain Order in Aid of Implementation of Confirmed Liquidating Plan of Reorganization of KUKUI, INC. for McKenzie Methane Corporation, a true and correct copy of which is being filed in the same records as this Assignment on even date or near even date herewith, to which reference is made for all purposes (the "Implementing Order"); and

WHEREAS, it is the intention of this Assignment for each of the Working Interest Owners, as assignors, by its election in the Ballots and by the authority of the

Implementing Order, to convey to McKenzie all of its right, title and interest in and to the Subject Interests, and after giving effect to such conveyance it is the intention of McKenzie then (i) with respect to the Working Interest Owners who elected Alternative A (the "Alternative A Working Interest Owners"), to convey to said respective Alternative A Working Interest Owners an undivided 5/8ths of the undivided "Assigned Interest" of each particular Alternative A Working Interest Owner set out in Exhibit "A" attached hereto and incorporated herein in and to those particular well(s) and Leases (as below defined) described in Exhibit "A" insofar as such Leases cover the particular Lands described in Exhibit "A" as to which such Alternative A Working Interest Owner is shown to have an "Assigned Interest" in said Exhibit "A" (all of the undivided Assigned Interests of all of the Alternative A Working Interest Owners in and to the wells and Leases described in Exhibit "A" insofar as said Leases cover the Lands described in Exhibit "A" being herein collectively called the "Alternative A Subject Interests"), and to convey to the Unsecured Creditors Trust an undivided 3/8ths of the Alternative A Subject Interests; (ii) with respect to the Working Interest Owners who elected Alternative B (the "Alternative B Working Interest Owners"), to convey to KUKUI an undivided 5/8ths of the undivided "Assigned Interest" of each particular Alternative B Working Interest Owner set out in Exhibit "A" attached hereto and incorporated herein in and to those particular well(s) and Leases described in Exhibit "A" insofar as such Leases cover the particular Lands described in Exhibit "A" as to which such Alternative B Working Interest Owner is shown to have an "Assigned Interest" in said Exhibit "A" (all of the undivided Assigned Interests of all of the Alternative B Working Interest Owners in and to the wells and Leases described in Exhibit "A" insofar as said Leases cover the Lands described in Exhibit "A" being herein collectively called the "Alternative B Subject Interests"), and to convey to the Unsecured Creditors Trust an undivided 3/8ths of the Alternative B Subject Interests; and (iii) with respect to the Working Interest Owners who elected Alternative C (the "Alternative C Working Interest Owners"), to convey to the Unsecured Creditors Trust 8/8ths (100%) of the undivided "Assigned Interest" of each particular Alternative C Working Interest Owner set out in Exhibit "A" attached hereto and incorporated herein in and to those particular well(s) and Leases described in Exhibit "A" insofar as such Leases cover the particular Lands described in Exhibit "A" as to which such Alternative C Working Interest Owner is shown to have an "Assigned Interest" in said Exhibit "A" (all of the undivided Assigned Interests of all of the Alternative C Working Interest Owners in and to the wells and Leases described in Exhibit "A" insofar as said Leases cover the Lands described in Exhibit "A" being herein collectively called the "Alternative C Subject Interests"); and

WHEREAS, as used herein the following terms shall have the following meanings:

- (a) As to each Alternative A Working Interest Owner, the term "Applicable Interest" shall mean an undivided percentage interest equal to 5/8ths (62.5%) of the "Assigned Interest" of said Alternative A Working Interest Owner shown in Exhibit "A" in and to the respective "Applicable Properties" of such Alternative A Working Interest Owner as below defined.
- (b) As to each Alternative A Working Interest Owner, the term "Applicable Properties" shall mean those well(s) and Leases (as below defined) described in Exhibit "A", insofar as said Leases cover the particular Lands described in Exhibit "A", as to which such Alternative A Working Interest Owner is shown to have an "Assigned Interest" in Exhibit "A"; together with the Applicable Interest of such Alternative A Working Interest Owner in and to all equipment and facilities in and on such respective well(s) used in connection with the operation of such wells and the production of coal seam methane gas therefrom.
- (c) The term "Alternative A Properties" shall mean the Alternative A Subject Interests; together with undivided interests corresponding to the Assigned Interests of all the Alternative A Working Interest Owners shown in Exhibit "A" in and to all equipment and facilities in and on the respective wells described in Exhibit "A" used in connection with the operation of such wells and the production of coal seam methane gas therefrom.
- (d) The term "Alternative B Properties" shall mean the Alternative B Subject Interests; together with undivided interests corresponding to the Assigned Interests of all the Alternative B Working Interest Owners shown in Exhibit "A" in and to all equipment and facilities in and on the respective wells described in Exhibit "A" used in connection with the operation of such wells and the production of coal seam methane gas therefrom .
- (e) The term "Alternative C Properties" shall mean the Alternative C Subject Interests; together with undivided interests corresponding to the Assigned Interests of all the Alternative C Working Interest Owners shown in Exhibit "A" in and to all equipment and facilities in and on the respective wells described in Exhibit "A" used in connection with the

operation of such wells and the production of coal seam methane gas therefrom.

- (f) The term "Subject Interests" shall mean the Alternative A Properties, Alternative B Properties and the Alternative C Properties, collectively.
- (g) The term "Leases" shall mean, as appropriate in the context, any one or more or all of the oil and gas leases, coal seam methane gas leases or other agreements (and all amendments, revisions, ratifications or corrections thereof) described in any of Exhibit "A" attached hereto.
- (h) The term "Lands" shall mean, as appropriate in the context, any part or parts or all of the lands described in any of Exhibit "A" attached hereto.
- (i) The term "Agreements" shall mean all valid and subsisting agreements, joint operating agreements, pooling and unitization agreements, product purchase and sale contracts, leases, permits, rights-of-way, easements, licenses, farmouts, development and drilling agreements, settlement agreements, drilling or service contracts, options, orders and any other agreements, contracts, commitments or other arrangements, whether in writing or oral, express or implied (i) in any way relating to the Leases, or (ii) in any way relating to the production, storage, treatment, transportation, processing, sale or disposal of hydrocarbons, water or other minerals or substances produced therefrom, or (iii) in any way relating to its ownership and/or acquisition of or claim to its interests in the Leases (all of which agreements are herein called the "Agreements", and provided that the "Agreements" do not include, and there are excepted therefrom, any agreements or executory contracts that have not been expressly assumed by McKenzie pursuant to the Plan.

A. Assignments from Working Interest Owners to McKenzie and KUKUL, INC.

NOW, THEREFORE, for and in consideration of the sum of ONE HUNDRED DOLLARS (\$100.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Working Interest Owners, by and through Lee H. Henkel, III, as its attorney-in-fact, pursuant to its election in the Ballot, the Plan, and the Implementing Order, are deemed to, and do, hereby TRANSFER, BARGAIN, GRANT, CONVEY and ASSIGN to McKenzie the following.

1. All of the right, title and interest of the respective Working Interest Owners in and to the Subject Interests and Agreements; and

2. To the extent transferable, the benefit of and the right to enforce the covenants and warranties, if any, which the respective Working Interest Owners are entitled to enforce with respect to the Subject Interests in any of the properties hereby conveyed against their predecessors in title to any of such properties, and against any party or parties to the Agreements.

The conveyances made hereunder shall be subject to the terms and conditions of each of the Leases and the Agreements. The delivery of this Assignment shall not affect, enlarge, diminish or otherwise impair any of the rights and obligations of the terms and conditions of the Agreements, and all such rights and obligations shall survive the delivery of this Assignment.

Unless provided otherwise, all recording references in Exhibit "A" are to the official real property records of the county and state in which the Lands are located.

TO HAVE AND TO HOLD all of the Working Interest Owners' right, title and interest in and to the Subject Interests unto McKenzie, its successors and assigns forever, subject to any valid, subsisting royalties, overriding royalties and other burdens upon the Subject Interests lawfully shown of record in the county and state in which the Lands are located, and to the Agreements to which this Assignment is expressly made subject, without any warranties of title, but with full subrogation and substitution to all covenants and warranties by others heretofore given or made with respect to the Leases, or any part thereof, or Subject Interests therein.

B. Assignments from McKenzie to the Working Interest Owners, the Unsecured Creditors Trust, and KUKUL, INC.

For and in consideration of the sum of ONE HUNDRED DOLLARS (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, McKenzie hereby TRANSFERS, BARGAINS, GRANTS, CONVEYS and ASSIGNS:

1. to each Alternative A Working Interest Owner the Applicable Interest of such Alternative A Working Interest Owner in and to the Applicable Properties of such Alternative A Working Interest Owner, together with

an interest corresponding to such Applicable Interest in and to those Agreements which are applicable to said Applicable Properties;

2. to KUKUI an undivided 5/8ths (62.5%) interest in and to the Alternative B Properties, together with a corresponding undivided interest in and to the Agreements which are applicable to said Alternative B Properties; and
3. to the Unsecured Creditors Trust (i) an undivided 3/8ths (37.5%) interest in and to the Alternative A Properties, together with a corresponding undivided interest in and to the Agreements which are applicable to said Alternative A Properties, (ii) an undivided 3/8ths (37.5%) interest in and to the Alternative B Properties, together with a corresponding undivided interest in and to the Agreements which are applicable to said Alternative B Properties, and (iii) an 8/8ths (100%) interest in and to the Alternative C Properties, together with a corresponding undivided interest in and to the Agreements which are applicable to said Alternative C Properties.

The conveyances made hereunder shall be subject to the terms and conditions of each of the Leases and the Agreements. The delivery of this Assignment shall not affect, enlarge, diminish or otherwise impair any of the rights and obligations of McKenzie under the foregoing terms and conditions of the Agreements, and all such rights and obligations shall survive the delivery of this Assignment. Each of the Alternative A Working Interest Owners, KUKUI and the Unsecured Creditors Trust, respectively, hereby agrees to assume and be subject to its applicable proportionate share, if any, of all obligations and liabilities arising or incurred after the Effective Date under the Agreements described in Exhibit "B" attached hereto and incorporated herein which are applicable as to the interests in the respective properties described above which are hereby conveyed to them.

This conveyance is subject to the amended Operating Agreement covering the Subject Interests provided for in Section 7.14 of the Plan, in the form which is being executed by KUKUI, INC., et al., as Non-Operators incident to execution and delivery of this conveyance, and each of the Alternative A Working Interest Owners, KUKUI and the Unsecured Creditors Trust, respectively, hereby agrees to assume and be subject to its applicable proportionate share, if any, of all obligations and liabilities arising or incurred after the Effective Date under the Operating Agreements which are applicable as to the interests in the respective properties described above which are hereby conveyed to them.

Unless provided otherwise, all recording references in Exhibit "A" are to the official real property records of the county and state in which the Lands are located.

The Alternative A Working Interest Owners, KUKUI and the Unsecured Creditors Trust are hereinafter sometimes collectively and severally called "Assignees."

TO HAVE AND TO HOLD the interests in the respective Subject Interests hereinabove assigned to the respective Assignees unto the respective Assignees, their respective heirs, legal representatives, successors and assigns forever; and McKenzie does hereby bind and obligate itself and its successors and assigns to Warrant and Forever defend all and singular title to the interests in the respective Subject Interests hereinabove assigned to the respective Assignees unto the respective Assignees, 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 McKenzie, but not otherwise, subject to any valid, subsisting royalties, overriding royalties and other burdens upon the interests in the respective Subject Interests hereinabove assigned to the respective Assignees lawfully shown of record in the county and state in which the Lands are located, and to the Agreements to which this 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 the interests in the respective Subject Interests hereinabove assigned to the respective Assignees or any part thereof.

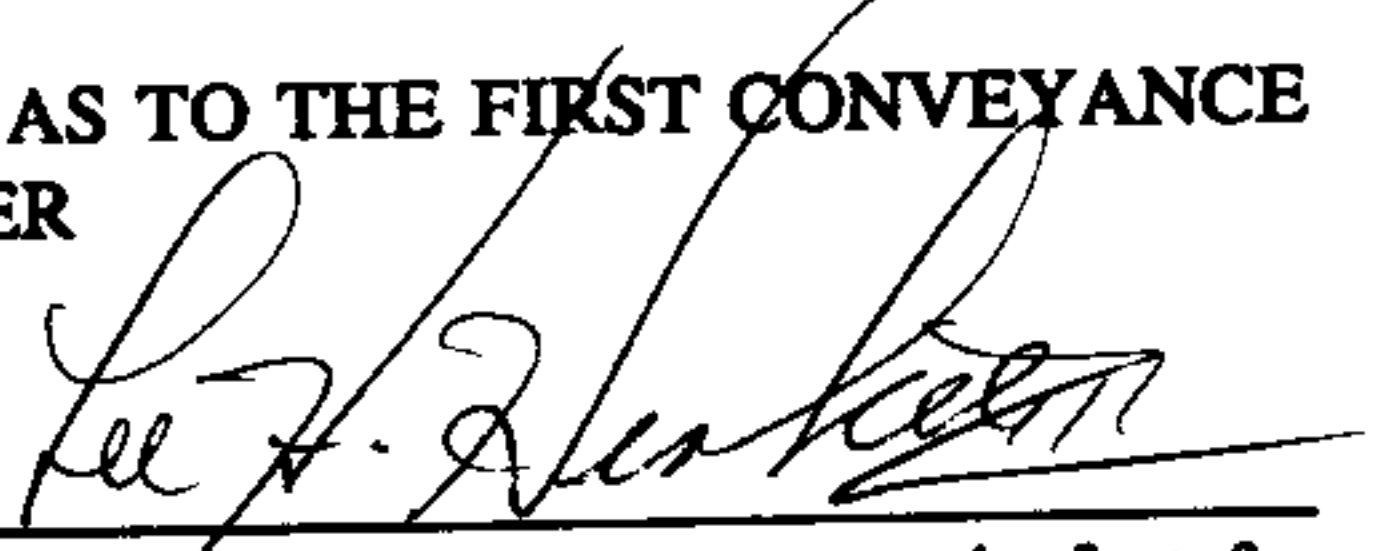
McKenzie covenants and agrees to execute and deliver to the Working Interest Owners, the Unsecured Creditors Trust and KUKUI, INC. all such other additional instruments and documents, and do all such other acts and things as may be necessary to more fully assure to the Working Interest Owners, the Unsecured Creditors Trust and KUKUI, INC. and their respective heirs, legal representatives, successors or assigns, all of their rights and interests in and to the respective properties, rights and interests constituting the Subject Interests herein granted.

This Assignment and all the provisions hereof shall inure to the benefit of and be binding upon the respective heirs, successors, legal representatives and assigns of McKenzie, KUKUI, INC., the Working Interest Owners and the Unsecured Creditors Trust.

Executed effective for all purposes as of the Effective Date, although signed and delivered on the date or dates of the respective acknowledgements set forth below.

ASSIGNOR AS TO THE FIRST CONVEYANCE
HEREUNDER


By:


Lee H. Henkel, III, as attorney-in-fact for
the Working Interest Owners, such power
of attorney being granted pursuant to the
Implementing Order

ASSIGNOR AS TO THE SECOND
CONVEYANCE HEREUNDER

MCKENZIE METHANE CORPORATION

By:



Robert E. Ogle, Trustee in Bankruptcy for
MCKENZIE METHANE
CORPORATION, a Texas Corporation,
Debtor under Chapter 11 of the United
States Bankruptcy Code, Case
No. 94-42758-H2-11, in the United States
Bankruptcy Court for the Southern District
of Texas, Houston Division

Prepared by:

Mark F. Kirschke
Weil, Gotshal & Manges
700 Louisiana, Suite 1600
Houston, TX 77002-2784

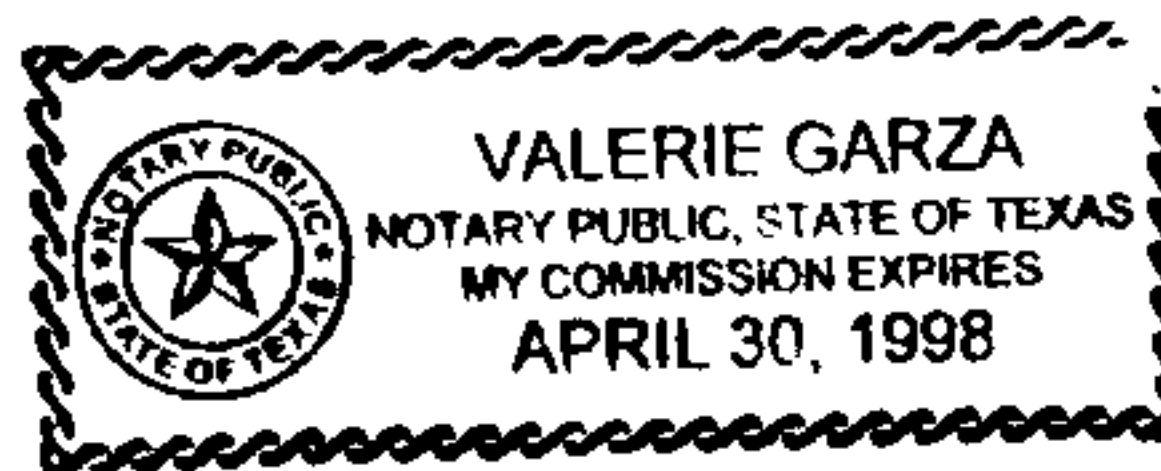
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 25 day of August, 1995, by Lee H. Henkel, III, as attorney-in-fact on behalf of each of the Working Interest Owners.



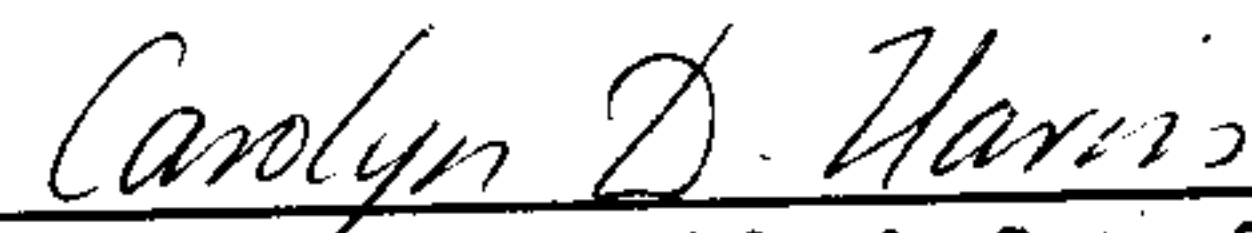
Notary Public in and for the State of Texas

SEAL:



THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 25th day of August, 1995, by Robert E. Ogle, Trustee in bankruptcy for MCKENZIE METHANE CORPORATION, a Texas corporation, Debtor under Chapter 11 of the United States Bankruptcy Code, Case No. 94-42758-H2-11, in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, on behalf of such corporation.



Notary Public in and for the State of Texas

SEAL:

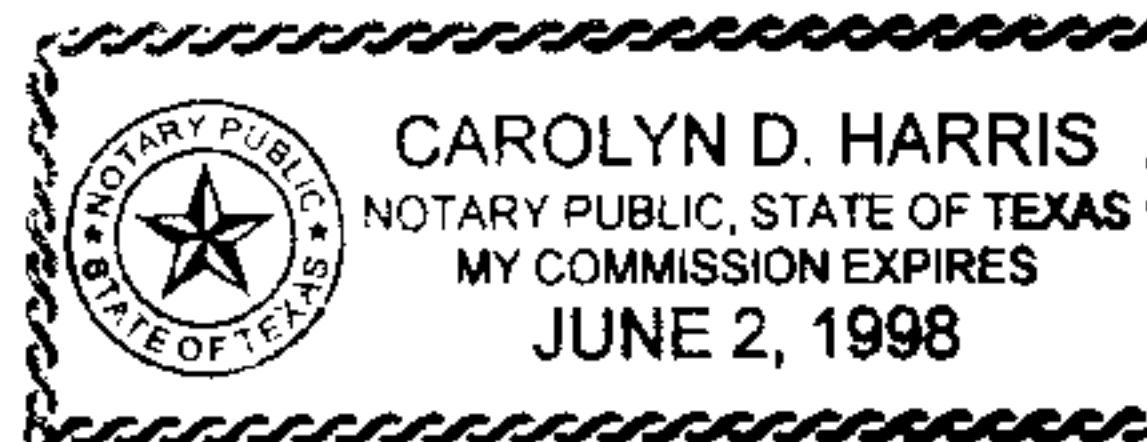


Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(5/8ths--3/8ths)

Shelby County, Alabama

(33)

I: Subject Leases, all located in **Bibb and Shelby Counties, Alabama** as follows:

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, Amendment to Memorandum of Lease dated February 19, 1989, in Book 280, Page 47, Shelby County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991, in Book 391, Page 547, Shelby County, Alabama; and Amendment to Memorandum of Lease dated November 14, 1989, in Book 128, Page 953, Bibb County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991, in Deed Book 133, Page 839, Bibb County, Alabama.

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

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

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

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

Oil, Gas and Mineral Lease dated March 20, 1990 between John E. Shepherd and wife, Anne T. Shepherd, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 305, Page 551 in the Office of the Judge of Probate of Shelby County, Alabama.

INSOFAR AND ONLY INSOFAR as the above leases cover the units and lands described in the following:

USX 11-11-#9 Well

Section 11: E/2 of SW/4
T21S-R4W

USX 11-9-#10 Well

Section 11: N/2 of SE/4
T21S-R4W

USX 11-16-#13 Well

Section 11: S/2 of SE/4
T21S-R4W

USX 11-13-#14 Well

Section 11: W/2 of SW/4
T21S-R4W

USX 14-2-#15 Well

Section 14: W/2 of NE/4
T21S-R4W

USX 11-7-#16 Well

Section 11: W/2 of NE/4
T21S-R4W

USX 10-16-#17 Well
Section 10: S/2 of SE/4
T21S-R4W

USX 12-4-#18 Well
Section 12: W/2 of NW/4
T21S-R4W

USX 12-2-#19 Well
Section 12: W/2 of NE/4
T21S-R4W

USX 12-6-#20 Well
Section 12: E/2 of NW/4
T21S-R4W

USX 12-8-#21 Well
Section 12: E/2 of NE/4
T21S-R4W

USX 12-12-#22 Well
Section 12: W/2 of SW/4
T21S-R4W

USX 12-14-#24 Well
Section 12: E/2 of SW/4
T21S-R4W

USX 12-16-#25 Well
Section 12: E/2 of SE/4
T21S-R4W

USX 7-4-#26 Well
Section 7: W/2 of NW/4
T21S-R3W

USX 7-2-#27 Well
Section 7: W/2 of NE/4
T21S-R3W

USX 7-12-#30 Well
Section 7: W/2 of SW/4
T21S-R3W

USX 7-14-#32 Well
Section 7: E/2 of SW/4
T21S-R3W

USX 7-16-#33 Well
Section 7: E/2 of SE/4
T21S-R3W

USX 10-9-#34 Well
Section 10: NE/SE
T21S-R4W

USX 22-2-#37 Well
Section 22: NW/NE
T21S-R4W

USX 22-7-#38 Well
Section 22: SE/NW and SW/NE
T21S-R4W

USX 22-8-#39 Well
Section 22: SE/NE
T21S-R4W

USX 22-10-#40 Well
Section 22: W/2 of SE/4
T21S-R4W

USX 22-14-#41 Well
Section 22: E/2 of SW/4
T21S-R4W

USX 22-16-#42 Well
Section 22: E/2 of SE/4
T21S-R4W

USX 23-2-#43 Well
Section 23: W/2 of NE/4
T21S-R4W

USX 23-6-#44 Well
Section 23: E/2 of NW/4
T21S-R4W

USX 23-8-#45 Well
Section 23: E/2 of NE/4
T21S-R4W

USX 23-12-#46 Well
Section 23: W/2 of SW/4
T21S-R4W

USX 24-4-#47 Well
Section 24: W/2 of NW/4
T21S-R4W

GORDON 14-13-#49 Well
Section 14: SW/SW
T21S-R4W

USX 8-4-#50 Well
Section 8: W/2 of NW/4
T21S-R3W

USX 8-12-#51 Well
Section 8: W/2 of SW/4
T21S-R3W

USX 26-2-#52 Well
Section 26: W/2 of NE/4
T21S-R4W

USX 26-4-#53 Well
Section 26: W/2 of NW/4
T21S-R4W

USX 26-6-#54 Well
Section 26: E/2 of NW/4
T21S-R4W

USX 26-8-#55 Well
Section 26: E/2 of NE/4
T21S-R4W

USX 26-10-#56 Well
Section 26: W/2 of SE/4
T21S-R4W

USX 26-12-#57 Well
Section 26: W/2 of SW/4
T21S-R4W

USX 26-14-#58 Well
Section 26: E/2 of SW/4
T21S-R4W

USX 27-2-#60 Well
Section 27: W/2 of NE/4
T21S-R4W

USX 27-4-#61A Well
Section 27: W/2 of NW/4
T21S-R4W

USX 27-8-#63 Well
Section 27: SE/NE
T21S-R4W

USX 27-10-#64 Well
Section 27: W/2 of SE/4
T21S-R4W

USX 28-2-#68 Well
Section 28: W/2 of NE/4
T21S-R4W

USX 28-4-#69 Well
Section 28: W/2 of NW/4
T21S-R4W

USX 28-6-#70 Well
Section 28: E/2 of NW/4
T21S-R4W

USX 28-8-#71 Well
Section 28: E/2 of NE/4
T21S-R4W

USX 28-10-#72A Well
Section 28: W/2 of SE/4
T21S-R4W

USX 28-12-#73 Well
Section 28: W/2 of SW/4
T21S-R4W

USX 33-2-#76 Well
Section 33: W/2 of NE/4
T21S-R4W

USX 33-8-#79 Well
Section 33: E/2 of NE/4
T21S-R4W

USX 33-10-#80 Well
Section 33: W/2 of SE/4
T21S-R4W

USX 34-4-#85 Well
Section 34: W/2 of NW/4
T21S-R4W

USX 34-6-#86 Well
Section 34: SE/NW and SW/NE
T21S-R4W

USX 34-12-#89 Well
Section 34: W/2 of SW/4
T21S-R4W

GORDON 14-4-#97 Well
Section 14: W/2 of NW/4
T21S-R4W

GORDON 14-6-#98 Well
Section 14: E/2 of NW/4
T21S-R4W

GORDON 14-12-#99 Well
Section 14: NW/SW
T21S-R4W

GORDON 14-14-#100 Well
Section 14: E/2 of SW/4
T21S-R4W

KC/SEGCO 15-14-#101 Well
Section 15: S/2 of SW/4
T21S-R4W

KC/SEGCO 17-12-#106 Well
Section 17: W/2 of SW/4
T21S-R3W

KC/SEGCO 19-16-#108 Well
Section 19: E/2 of SE/4
T21S-R3W

KC/SEGCO 25-15-#114 Well
Section 25: W/2 of SE/4
T21S-R4W

KC/SEGCO 30-16-#116 Well
Section 30: E/2 of SE/4
T21S-R3W

KC/SEGCO 36-5-#117 Well
Section 36: W/2 of NW/4
T21S-R4W

USX 1-10-#118 Well
Section 1: W/2 of SE/4
T21S-R4W

USX 1-14-#119 Well
Section 1: E/2 of SW/4
T21S-R4W

USX 1-16-#120 Well
Section 1: E/2 of SE/4
T21S-R4W

USX 6-12-#121 Well
Section 6: W/2 of SW/4
T21S-R3W

USX 6-14-#122 Well
Section 6: E/2 of SW/4
T21S-R3W

USX 6-16-#124 Well
Section 6: E/2 of SE/4
T21S-R3W

USX 1-8-#148 Well
Section 1: E/2 of NE/4
T21S-R4W

USX 13-12-#3 Well
Section 13: SW Diagonal Half of SW/4
T21S-R4W

USX 23-4-#36A Well
Section 23: W/2 of NW/4
T21S-R4W

USX 24-6-#48 Well
Section 24: E/2 of NW/4
T21S-R4W

USX 27-6-#62 Well
Section 27: E/2 of NW/4
T21S-R4W

USX 27-12-#65 Well
Section 27: W/2 of SW/4
T21S-R4W

USX 27-16-#67 Well
Section 27: E/2 of SE/4
T21S-R4W

USX 33-16-#83 Well
Section 33: E/2 of SE/4
T21S-R4W

USX 35-2-#92 Well
Section 35: N/2 of NE/4
T21S-R4W

USX 35-6-#94 Well
Section 35: SE/NW
T21S-R4W

KC/SEGCO 13-6-#102 Well
Section 13: S/2 of NW/4
T21S-R4W

KC/SEGCO 13-2-#103 Well
Section 13: NW/NE and NW Diagonal
Quarter of NE/NE and NE Diagonal
Half of NW/SW
T21S-R4W

KC/SEGCO 18-2-#104 Well
Section 18: W/2 of NE/4
T21S-R3W

KC/SEGCO 17-10-#107 Well
Section 17: SW/NE and NW/SE
T21S-R3W

KC/SEGCO 20-12-#109 Well
Section 20: N/2 of SW/4
T21S-R3W

SEGCO 30-2-#110 Well
Section 30: N/2 of NE/4
T21S-R3W

KC/SEGCO 29-4-#111 Well
Section 29: N/2 of NW/4
T21S-R3W

KC/SEGCO 30-13-#115 Well
Section 30: SW/SW
T21S-R3W
Section 25: SE/SE
T21S-R4W

SEGCO 14-16-#125 Well
Section 14: E/2 of SE/4
T21S-R4W

SEGCO 24-2-#126 Well
Section 24: W/2 of NE/4
T21S-R4W

SEGCO 24-10-#127 Well
Section 24: W/2 of SE/4
T21S-R4W

SEGCO 25-7-#128 Well
Section 25: W/2 of NE/4
T21S-R4W

SEGCO 30-3-#129 Well
Section 30: E/2 of NW/4
T21S-R3W

SEGCO 30-8-#130 Well
Section 30: S/2 of NE/4
T21S-R3W

SEGCO 29-12-#131 Well
Section 29: N/2 of SW/4
T21S-R3W

SEGCO 13-8-#132 Well
Section 13: SE/NE
T21S-R4W and
Section 18: SW/NW
T21S-R3W

SEGCO 13-16-#134 Well
Section 13: E/2 of SE/4
T21S-R4W

KC/SEGCO 20-3-#137 Well
Section 20: E/2 of NW/4
T21S-R3W

KC/SEGCO 36-1-#139A Well
Section 36: E/2 of NE/4
T21S-R4W

KC/SEGCO 16-14-#140 Well
Section 16: E/2 of SW/4
T21S-R4W

KC/SEGCO 16-10-#141A Well
Section 16: W/2 of SE/4
T21S-R4W

KC/SEGCO 16-8-#142 Well
Section 16: E/2 of NE/4
T21S-R4W

KC/SEGCO 16-6-#143 Well
Section 16: E/2 of NW/4
T21S-R4W

USX 1-12-#144A Well
Section 1: W/2 of SW/4
T21S-R4W

USX 1-6-#145 Well
Section 1: E/2 of NW/4
T21S-R4W

USX 1-4-#146 Well
Section 1: W/2 of NW/4
T21S-R4W

USX 1-2-#147A Well
Section 1: W/2 of NE/4
T21S-R4W

USX 6-4-#149 Well
Section 6: W/2 of NW/4
T21S-R3W

USX 6-6-#150 Well
Section 6: E/2 of NW/4
T21S-R3W

USX 6-2-#151 Well
Section 6: W/2 of NE/4
T21S-R3W

USX 6-8-#152 Well
Section 6: E/2 of NE/4
T21S-R3W

USX 22-12-#159 Well
Section 22: W/2 of SW/4
T21S-R4W

USX 21-3-#162 Well
Section 21: N/2 of NW/4
T21S-R4W

USX 20-16-#166 Well
Section 20: E/2 of SE/4
T21S-R4W

USX 29-2-#168 Well
Section 29: W/2 of NE/4
T21S-R4W

USX 30-16-#171 Well
Section 30: SE/SE and
Section 29: SW/SW
T21S-R4W

USX 13-1-#172 Well
Section 13: E/2 of NE/4
T22S-R5W

KC/SEGCO 5-14-#223 Well
Section 5: E/2 of SW/4
T21S-R3W

KC/SEGCO 20-8-#224 Well
Section 20: S/2 of NE/4
T21S-R3W

KC/SEGCO 31-14-#225 Well
Section 31: E/2 of SW/4
T21S-R3W

KC/SEGCO 36-9-#226 Well
Section 36: E/2 of SE/4
T21S-R3W

KC/SEGCO 36-11-#227 Well
Section 36: E/2 of SW/4
T21S-R4W

KC/SEGCO 1-2-#230 Well
Section 1: W/2 of NE/4
T22S-R4W

KC/SEGCO 1-10-#232 Well
Section 1: W/2 of SE/4
T22S-R4W

KC/SEGCO 1-14-#233 Well
Section 1: E/2 of SW/4
T22S-R4W

KC/SEGCO 2-14-#234 Well
Section 2: E/2 of SW/4
T22S-R4W

KC/SEGCO 2-16-#235 Well
Section 2: E/2 of SE/4
T22S-R4W

KC/SEGCO 25-14-#236 Well
Section 25: E/2 of SW/4
T21S-R4W

KC/SEGCO 6-5-#238 Well
Section 6: W/2 of NW/4
T22S-R3W

KC/SEGCO 6-10-#239 Well
Section 6: SW/NE and NW/SE
T22S-R3W

KC/SEGCO 6-12-#240 Well
Section 6: W/2 of SW/4
T22S-R3W

SEGCO 3-16-#241 Well
Section 3: SE/SE and SE/NE
T22S-R4W

KC/SEGCO 4-2-#242 Well
Section 4: W/2 of NE/4
T22S-R4W

SEGCO 10-10-#244 Well
Section 10: W/2 of SE/4
T22S-R4W

KC/SEGCO 11-4-#246 Well
Section 11: N/2 of NW/4
T22S-R4W

SEGCO 11-12-#247 Well
Section 11: W/2 of SW/4
T22S-R4W

SEGCO 5-16-#254 Well
Section 5: E/2 of SE/4
T22S-R4W

SEGCO 17-6-#259 Well
Section 17: E/2 of NW/4
T22S-R4W

KC/SEGCO 7-4-#260 Well
Section 7: W/2 of NW/4
T22S-R3W

KC/SEGCO 7-12-#261 Well
Section 7: N/2 of SW/4
T22S-R3W

KC/SEGCO 35-16-#265 Well
Section 35: E/2 of SE/4
T21S-R4W

KC/SEGCO 36-7-#266 Well
Section 36: W/2 of NE/4
T21S-R4W

KC/SEGCO 36-15-#267 Well
Section 36: W/2 of SE/4
T21S-R4W

KC/SEGCO 12-4-#268 Well
Section 12: NW/NW, NE/SW/NW and
SE/NW/SW
T22S-R4W

KC/SEGCO 12-6-#269 Well
Section 12: E/2 of NW/4
T22S-R4W

KC/SEGCO 12-8-#270 Well
Section 12: E/2 of NE/4
T22S-R4W

KC/SEGCO 12-16-#272 Well
Section 12: E/2 of SE/4
T22S-R4W

The following is a list of the Alternative 'A' and 'C' Working Interest Owners, showing their original claimed interest in the above leases as they apply to the units described:

	<u>Assigned Interest</u>
<u>Alternative 'A' Owners</u>	
1. Hal G. Riddle, a married man 1518 West 15th Street, Amarillo, TX 79102	.6600%
2. Dr. John V. Denko, a married man P. O. Box 9703, Rancho Santa Fe, CA 92067	.4000%
3. Susan Denko, a married woman P. O. Box 9703, Rancho Santa Fe, CA 92067	.2330%
4. David Allen Frazee, a single man 2455 Jackson Street, Apt. #1, San Francisco, CA 94115	.0800%
5. Michael Frazee Estate c/o Ann Frazee and Gerald Gallagher, Representatives 4912 Merilane, Edina, MN 55436	.0660%
6. Wendy W. Frazee, a single woman P. O. Box 9703, Rancho Santa Fe, CA 92067	.0660%
7. David H. Hartz, a married man Stewardship Planning Association P. O. Box 3550, San Clemente, CA 92674-3550	.0330%

Alternative 'C' Owners:

8.	George F. Meyer, Jr., a married man	.0222%
9.	Frederick K. Rudolph, a single man	.0222%
10.	Larry Likover, M.D., a married man	.2400%
11.	Charles W. Janke, a married man	.2500%
12.	Gramex Corporation	1.0000%
13.	Thomas W. Holley Revocable Trust	.1111%
14.	Dewey H. Lane, M.D., a married man	1.0000%
15.	Sue B. Lane Family Trust	.1333%
16.	L & L Investments, Ltd.	.1667%

exhibit.23b

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(5/8ths--3/8ths)

Shelby County, Alabama

(33)

I: Subject Leases, all 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, Amendment to Memorandum of Lease dated February 19, 1989, in Book 280, Page 47, Shelby County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991, in Book 391, Page 547, Shelby County, Alabama; and Amendment to Memorandum of Lease dated November 14, 1989, in Book 128, Page 953, Bibb County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991, in Deed Book 133, Page 839, Bibb County, Alabama.

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

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

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

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

Oil, Gas and Mineral Lease dated May 6, 1992 between Macedonia Baptist Church South, as Lessor, and McKenzie Methane Corporation, as Lessee, Instrument #1992-10746 recorded in the Office of the Judge of Probate of Shelby County, Alabama.

INSOFAR AND ONLY INSOFAR as the above leases cover the units and lands described in the following:

USX 27-14-#66 Well
Section 27: E/2 of SW/4
T21S-R4W

USX 28-16-#75 Well
Section 28: E/2 of SE/4
T21S-R4W

USX 34-2-#84 Well
Section 34: N/2 of NE/4
T21S-R4W

USX 34-10-#88 Well
Section 34: W/2 of SE/4
T21S-R4W

USX 35-4-#93 Well
Section 35: N/2 of NW/4
T21S-R4W

USX 35-12-#95 Well
Section 35: NW Diagonal Half
of SW/4
T21S-R4W

USX 5-12-#153 Well
Section 5: W/2 of SW/4
T21S-R3W

USX 23-16-#154 Well
Section 23: E/2 of SE/4
T21S-R4W

USX 23-10-#155 Well
Section 23: W/2 of SE/4
T21S-R4W

USX 23-14-#156 Well
Section 23: E/2 of SW/4
T21S-R4W

USX 24-12-#157 Well
Section 24: W/2 of SW/4
T21S-R4W

USX 24-14-#158 Well
Section 24: E/2 of SW/4
T21S-R4W

USX 22-5-#160 Well
Section 22: W/2 of NW/4
T21S-R4W

USX 21-1-#161A
Section 21: W/2 of NE/4
T21S-R4W

USX 20-14-#165 Well
Section 20: E/2 of SW/4
T21S-R4W

USX 29-8-#170 Well
Section 29: E/2 of NE/4
T21S-R4W

USX 13-3-#173 Well
Section 13: E/2 of NW/4
T22S-R5W

USX 13-7-#175 Well
Section 13: W/2 of NE/4
T22S-R5W

USX 13-9-#176 Well
Section 13: N/2 of SE/4
T22S-R5W

USX 13-16-#179 Well
Section 13: S/2 of SE/4
T22S-R5W

USX 24-1-#180 Well
Section 24: E/2 of NE/4
T22S-R5W

USX 24-3-#181 Well
Section 24: E/2 of NW/4
T22S-R5W

USX 24-5-#182 Well
Section 24: W/2 of NW/4
T22S-R5W

USX 24-7-#183 Well
Section 24: W/2 of NE/4
T22S-R5W

USX 24-9-#184 Well
Section 24: E/2 of SE/4
T22S-R5W

USX 24-11-#185 Well
Section 24: E/2 of SW/4
T22S-R5W

USX 24-13-#186 Well
Section 24: W/2 of SW/4
T22S-R5W

USX 18-5-#188 Well
Section 18: W/2 of NW/4
T22S-R4W

USX 18-12-#189 Well
Section 18: W/2 of SW/4
T22S-R4W

USX 18-10-#190 Well
Section 18: W/2 of SE/4
T22S-R4W

USX 18-14-#191 Well
Section 18: E/2 of SW/4
T22S-R4W

USX 18-16-#192 Well
Section 18: E/2 of SE/4
T22S-R4W

USX 19-2-#193 Well
Section 19: W/2 of NE/4
T22S-R4W

USX 19-4-#194 Well
Section 19: W/2 of NW/4
T22S-R4W

USX 19-6-#195 Well
Section 19: E/2 of NW/4
T22S-R4W

USX 19-8-#196 Well
Section 19: E/2 of NE/4
T22S-R4W

USX 19-11-#197 Well
Section 19: E/2 of SW/4
T22S-R4W

USX 19-13-#198 Well
Section 19: W/2 of SW/4
T22S-R4W

USX 19-15-#199 Well
Section 19: W/2 of SE/4
T22S-R4W

USX 17-12-#200 Well
Section 17: NW/SW
T22S-R4W

USX 17-14-#201 Well
Section 17: S/2 of SW/4
T22S-R4W

USX 20-12-#202 Well
Section 20: N/2 of SW/4
T22S-R4W

USX 20-13-#203 Well
Section 20: S/2 of SW/4
T22S-R4W

USX 21-14-#208 Well
Section 21: E/2 of SW/4
T21S-R4W

USX 29-10-#209 Well
Section 29: W/2 of SE/4
T21S-R4W

SEGCO 32-3-#210 Well
Section 32: E/2 of NW/4
T21S-R4W

USX 31-2-#212 Well
Section 31: W/2 of NE/4
T20S-R3W

USX 31-10-#216 Well
Section 31: W/2 of SE/4
T20S-R3W

USX 31-12-#217 Well
Section 31: W/2 of SW/4
T20S-R3W

USX 31-14-#218 Well
Section 31: E/2 of SW/4
T20S-R3W

USX 5-6-#222 Well
Section 5: E/2 of NW/4
T21S-R3W

KC/SEGCO 35-10-#228 Well
Section 35: W/2 of SE/4
T21S-R4W

KC/SEGCO 35-14-#229 Well
Section 35: SE Diagonal Half of
SW/4
T21S-R4W

KC/SEGCO 1-6-#231A Well
Section 1: E/2 of NW/4
T22S-R4W

KC/SEGCO 36-3-#237 Well
Section 36: E/2 of NW/4
T21S-R4W

KC/SEGCO 11-2-#245 Well
Section 11: W/2 of NE/4
T22S-R4W

SEGCO 16-4-#257 Well
Section 16: W/2 of NW/4
T22S-R4W

SEGCO 14-4-#273 Well
Section 14: W/2 of NW/4
T22S-R4W

SEGCO 15-4-#274 Well
Section 15: W/2 of NW/4
T22S-R4W

SEGCO 15-14-#275 Well
Section 15: S/2 of SW/4
T22S-R4W

SEGCO 10-14-#278 Well
Section 10: SE/SW and
Section 14: NW/NE
T22S-R4W

SEGCO 15-8-#281 Well
Section 15: E/2 of NE/4
T22S-R4W

SEGCO 17-10-#282 Well
Section 17: W/2 of SE/4
T22S-R4W

KC/SEGCO 20-13-#287 Well
Section 20: S/2 of SW/4
T21S-R3W

KC/SEGCO 29-2-#292 Well
Section 29: N/2 of NE/4
T21S-R3W

KC/SEGCO 29-6-#293 Well
Section 29: S/2 of NW/4
T21S-R3W

KC/SEGCO 30-10-#295 Well
Section 30: W/2 of SE/4
T21S-R3W

KC/SEGCO 30-14-#296 Well
Section 30: E/2 of SW/4
T21S-R3W

KC/SEGCO 4-6-#302 Well
Section 4: E/2 of NW/4
T22S-R4W

KC/SEGCO 4-8-#303 Well
Section 4: E/2 of NE/4
T22S-R4W

KC/SEGCO 4-12-#305 Well
Section 4: W/2 of SW/4
T22S-R4W

KC/SEGCO 4-14-#306 Well
Section 4: E/2 of SW/4
T22S-R4W

SEGCO 5-10-#310 Well
Section 5: W/2 of SE/4
T22S-R4W

SEGCO 5-14-#311 Well
Section 5: E/2 of SW/4
T22S-R4W

SEGCO 9-4-#314 Well
Section 9: W/2 of NW/4
T22S-R4W

KC/SEGCO 9-6-#315 Well
Section 9: E/2 of NW/4
T22S-R4W

SEGCO 10-16-#319 Well
Section 10: E/2 of SE/4
T22S-R4W

KC/SEGCO 11-6-#320 Well
Section 11: SE/NW and NE/SW
T22S-R4W

KC/SEGCO 11-8-#321 Well
Section 11: E/2 of NE/4
T22S-R4W

KC/SEGCO 11-10-#322 Well
Section 11: W/2 of SE/4
T22S-R4W

KC/SEGCO 11-16-#323 Well
Section 11: E/2 of SE/4
T22S-R4W

KC/SEGCO 14-12-#334 Well
Section 14: W/2 of SW/4
T22S-R4W

KC/SEGCO 14-14-#335 Well
Section 14: E/2 of SW/4
T22S-R4W

KC/SEGCO 15-10-#340 Well
Section 15: N/2 of SE/4
T22S-R4W

SEGCO 15-16-#342 Well
Section 15: S/2 of SE/4
T22S-R4W

KC/SEGCO 16-2-#343 Well
Section 16: W/2 of NE/4
T22S-R4W

SEGCO 16-6-#344 Well
Section 16: E/2 of NW/4
T22S-R4W

KC/SESCO 16-10-#346 Well
Section 16: W/2 of SE/4
T22S-R4W

KC/SESCO 16-12-#347 Well
Section 16: W/2 of SW/4
T22S-R4W

KC/SESCO 16-14-#348 Well
Section 16: E/2 of SW/4
T22S-R4W

SESCO 17-8-#351 Well
Section 17: E/2 of NE/4
T22S-R4W

SESCO 17-16-#352 Well
Section 17: E/2 of SE/4
T22S-R4W

KC/SESCO 23-6-#380 Well
Section 23: E/2 of NW/4
T22S-R4W

SESCO 5-7-#396 Well
Section 5: W/2 of NE/4
T24N-R11E

SESCO 5-1-#397 Well
Section 5: E/2 of NE/4
T24N-R11E

The following is a list of the Alternative 'A' and 'C' Working Interest Owners, showing their original claimed interest in the above leases as they apply to the units described:

	<u>Assigned Interest</u>
<u>Alternative 'A' Owners:</u>	
1. Hal G. Riddle, a married man 1518 West 15th Street Amaillo, TX 79102	.6655%
<u>Alternative 'C' Owners:</u>	
2. Gramex Corporation	1.0000%
3. Thomas W. Holley, Revocable Trust	.1111%
4. Larry Likover, M.D., a married man	.2222%
5. George F. Meyer, Jr., a married man	.0222%
6. Frederick K. Rudolph, a single man	.0222%

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(5/8ths--3/8ths)

Shelby County, Alabama

(33)

I: Subject Leases, all located in **Bibb and Shelby Counties, Alabama:**

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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

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

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

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

Oil, Gas and Mineral Lease dated March 20, 1990 between John E. Shepherd and wife, Anne T. Shepherd, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 305, Page 551 in the Office of the Judge of Probate of Shelby County, Alabama

Oil, Gas and Mineral Lease dated May 8, 1991 between Ethel S. Flowers, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 347, Page 04 in the Office of the Judge of Probate of Shelby County, Alabama

Oil, Gas and Mineral Lease dated May 8, 1991 between Carol K. Powers and husband, Gary L. Powers, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 347, Page 01 in the Office of the Judge of Probate of Shelby County, Alabama

Oil, Gas and Mineral Lease dated May 8, 1991 between Ann Knight Bridges, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 347, Page 07 in the Office of the Judge of Probate of Shelby County, Alabama

Oil, Gas and Mineral Lease dated May 8, 1991 between Carlene W. Knight, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 347, Page 10 in the Office of the Judge of Probate of Shelby County, Alabama

Oil, Gas and Mineral Lease dated August 15, 1991 between Wendy K. Cason, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 363, Page 383 in the Office of the Judge of Probate of Shelby County, Alabama

Oil, Gas and Mineral Lease dated June 12, 1991 between Glenna S. Jarrette, et al, as Lessor, and McKenzie Methane Corporation, as Lessee, recorded in Book 362, Page 233 in the Office of the Judge of Probate of Shelby County, Alabama

INSOFAR AND ONLY INSOFAR as the above leases cover the units and lands described below:

USX 26-16-#59 Well
Section 26: E/2 of SE/4
T21S-R4W

USX 34-8-#87 Well
Section 34: SE/NE and
Section 35: SW/NW
T21S-R4W

SEGC0 13-11-#133A Well
Section 13: NE/SW and NE Diagonal
Half of SE/SW
T21S-R4W
(60 acres, more or less)

USX 21-16-#167 Well
Section 21: E/2 of SE/4
T21S-R4W

USX 25-2-#204 Well
Irregular Section 25: W/2
T22S-R5W
(40 acres, more or less)

USX 30-2-#205 Well
Irregular Section 30: W/2
T22S-R4W
(40 acres, more or less)

USX 5-4-#213 Well
Section 5: W/2 of NW/4
T21S-R3W

USX 31-8-#215 Well
Section 31: E/2 of NE/4
T20S-R3W

USX 31-16-#219 Well
Section 31: E/2 of SE/4
T20S-R3W

SEGC0 6-2-#262A Well
Section 6: N/2 of NE/4
T22S-R4W

KC/SEGC0 25-9-#264 Well
Section 25: SE/NE and NE/SE
T21S-R4W

KC/SEGC0 17-14-#283 Well
Section 17: E/2 of SW/4
T21S-R3W

SEGC0 18-12-#285 Well
Section 18: W/2 of SW/4
T21S-R3W

SEGC0 19-4-#288 Well
Section 19: W/2 of NW/4
T21S-R3W

SEGC0 19-12-#289 Well
Section 19: W/2 of SW/4
T21S-R3W

SEGC0 24-8-#290 Well
Section 24: E/2 of NE/4
T21S-R4W

SEGC0 24-16-#291 Well
Section 24: E/2 of SE/4
T21S-R4W

KC/SEGC0 29-8-#294 Well
Section 29: SE/NE and NE/SE
T21S-R3W

KC/SEGC0 6-14-#297 Well
Section 6: E/2 of SW/4
T22S-R3W

KC/SEGC0 6-16-#298 Well
Section 6: S/2 SE
T22S-R3W

KC/SEGC0 1-8-#299 Well
Section 1: E/2 of NE/4
T22S-R4W

KC/SEGC0 1-16-#300 Well
Section 1: E/2 of SE/4
T22S-R4W

SEGCO 30-5-#312 Well
Section 30: SW/NW and NW/SW
T21S-R3W

KC/SEGCO 9-2-#313 Well
Section 9: W/2 of NE/4
T22S-R4W

KC/SEGCO 10-12-#318 Well
Section 10: N/2 of SW/4
T22S-R4W

KC/SEGCO 12-2-#324 Well
Section 12: W/2 of NE/4
T22S-R4W

KC/SEGCO 12-14-#325 Well
Section 12: E/2 of SW/4
T22S-R4W

KC/SEGCO 7-6-#326 Well
Section 7: E/2 of NW/4
T22S-R3W

KC/SEGCO 13-2-#328 Well
Section 13: W/2 of NE/4
T22S-R4W

KC/SEGCO 14-16-#336 Well
Section 14: S/2 of SE/4
T22S-R4W

KC/SEGCO 15-2-#337 Well
Section 15: W/2 of NE/4
T22S-R4W

SEGCO 15-6-#338 Well
Section 15: E/2 of NW/4
T22S-R4W

KC/SEGCO 16-8-#345 Well
Section 16: E/2 of NE/4
T22S-R4W

KC/SEGCO 16-16-#349 Well
Section 16: E/2 of SE/4
T22S-R4W

SEGCO 17-4-#350 Well
Section 17: W/2 of NW/4
T22S-R4W

KC/SEGCO 20-2-#356 Well
Section 20: W/2 of NE/4
T22S-R4W

KC/SEGCO 20-4-#357 Well
Section 20: W/2 of NW/4
T22S-R4W

KC/SEGCO 20-6-#358 Well
Section 20: E/2 of NW/4
T22S-R4W

KC/SEGCO 20-8-#359 Well
Section 20: E/2 of NE/4
T22S-R4W

KC/SEGCO 20-15-#361 Well
Section 20: W/2 of SE/4
T22S-R4W

KC/SEGCO 20-16-#362 Well
Section 20: E/2 of SE/4
T22S-R4W

KC/SEGCO 21-2-#363 Well
Section 21: W/2 of NE/4
T22S-R4W

KC/SEGCO 21-4-#364 Well
Section 21: W/2 of NW/4
T22S-R4W

KC/SEGCO 21-6-#365 Well
Section 21: E/2 of NW/4
T22S-R4W

KC/SEGCO 21-8-#366 Well
Section 21: E/2 of NE/4
T22S-R4W

KC/SEGCO 21-12-#368 Well
Section 21: W/2 of SW/4
T22S-R4W

KC/SEGCO 21-14-#369 Well
Section 21: E/2 of SW/4
T22S-R4W

KC/SEGCO 21-16-#370 Well
Section 21: E/2 of SE/4
T22S-R4W

KC/SEGCO 22-2-#371 Well
Section 22: W/2 of NE/4
T22S-R4W

KC/SEGCO 22-6-#373 Well
Section 22: E/2 of NW/4
T22S-R4W

KC/SEGCO 22-8-#374 Well
Section 22: E/2 of NE/4
T22S-R4W

KC/SEGCO 22-10-#375 Well
Section 22: W/2 of SE/4
T22S-R4W

KC/SEGCO 23-2-#378 Well
Section 23: W/2 of NE/4
T22S-R4W

KC/SEGCO 23-4-#379 Well
Section 23: W/2 of NW/4
T22S-R4W

KC/SEGCO 23-10-#382 Well
Section 23: W/2 of SE/4
T22S-R4W

KC/SEGCO 23-12-#383 Well
Section 23: W/2 of SW/4
T22S-R4W

KC/SEGCO 23-14-#384 Well
Section 23: E/2 of SW/4
T22S-R4W

KC/SEGCO 23-16-#385 Well
Section 23: E/2 of SE/4
T22S-R4W

SEGCO 5-5-#395 Well
Section 5: W/2 of NW/4
T24N-R11E

KC/SEGCO 5-9-#398 Well
Section 5: E/2 of SE/4
T24N-R11E

KC/SEGCO 5-13-#399 Well
Section 5: W/2 of SW/4
T24N-R11E

KC/SEGCO 1-2-#401 Well
Section 1: W/2 of NE/4
T24N-R11E

KC/SEGCO 1-4-#402 Well
Section 1: W/2 of NW/4
T24N-R11E

KC/SEGCO 2-4-#408 Well
Section 2: W/2 of NW/4
T24N-R11E

KC/SEGCO 2-6-#409 Well
Section 2: E/2 of NW/4
T24N-R11E

KC/SEGCO 2-8-#410 Well
Section 2: E/2 of NE/4
T24N-R11E

KC/SEGCO 2-9-#411 Well
Section 2: E/2 of SE/4
T24N-R11E

KC/SEGCO 2-12-#412 Well
Section 2: W/2 of SW/4
T24N-R11E

KC/SEGCO 2-15-#413 Well
Section 2: W/2 of SE/4
T24N-R11E

KC/SEGCO 3-2-#414 Well
Section 3: W/2 of NE/4
T24N-R11E

SEGCO 3-4-#415 Well
Section 3: W/2 of NW/4
T24N-R11E

KC/SEGCO 3-6-#416 Well
Section 3: E/2 of NW/4
T24N-R11E

KC/SEGCO 3-8-#417 Well
Section 3: E/2 of NE/4
T24N-R11E

KC/SEGCO 3-10-#418 Well
Section 3: W/2 of SE/4
T24N-R11E

KC/SEGCO 3-12-#419 Well
Section 3: N/2 of SW/4
T24N-R11E

KC/SEGCO 3-16-#420 Well
Section 3: E/2 of SE/4
T24N-R11E

KC/SEGCO 4-10-#421 Well
Section 4: N/2 of SE/4
T24N-R11E

KC/SEGCO 4-13-#422 Well
Section 4: S/2 of SW/4
T24N-R11E

SEGCO 29-1-#423 Well
Irregular Section 29: E/2
T22S-R4W
(40 acres, more or less)

KC/SEGCO 6-1-#424 Well
Section 6: E/2 of NE/4
T24N-R11E

KC/SEGCO 6-7-#425 Well
Section 6: W/2 of NE/4
T24N-R11E

KC/SEGCO 6-9-#426 Well
Section 6: N/2 of SE/4
T24N-R11E

SEGCO 3-8-#435 Well
Section 3: E/2 of NE/4
T24N-R10E

SEGCO 3-9-#436 Well
Section 3: E/2 of SE/4
T24N-R10E

SEGCO 3-15-#437 Well
Section 3: W/2 of SE/4
T24N-R10E

SEGCO 15-3-#447
Section 15: E/2 of NW/4
T24N-R10E

SEGCO 15-5-#448 Well
Section 15: W/2 of NW/4
T24N-R10E

SEGCO 115-11-#450 Well
Section 15: E/2 of SW/4
T24N-R10E

SEGCO 15-13-#451 Well
Section 15: W/2 of SW/4
T24N-R10E

KC 2-11-#458 Well
Section 2: E/2 of SW/4
T24N-R10E

KC 2-15-#459 Well
Section 2: SW/SE
T24N-R10E

SEGCO 11-8-#462 Well
Section 11: E/2 of NE/4
T22S-R5W

SEGCO 12-2-#466 Well
Section 12: N/2 of NE/4
T22S-R5W

KC 12-15-#470 Well
Section 12: S/2 of SE/4
T22S-R5W

SEGCO 15-10-#474 Well
Section 15: W/2 of SE/4
T22S-R5W

SEGCO 15-14-#476 Well
Section 15: E/2 of SW/4
T22S-R5W

SEGCO 18-8-#478 Well
Section 18: E/2 of NE/4
T22S-R4W

SEGCO 6-4-#479 Well
Section 6: N/2 of NW/4
T22S-R4W

SEGCO 1-2-#480 Well
Section 1: W/2 of NE/4
T22S-R5W

SEGCO 1-4-#481 Well
Section 1: W/2 of NW/4
T22S-R5W

SEGCO 1-6-#482 Well
Section 1: E/2 of NW/4
T22S-R5W

SEGCO 1-8-#483 Well
Section 1: E/2 of NE/4
T22S-R5W

USX 21-1-#517 Well
Section 21: E/2 of NE/4
T22S-R5W

USX 21-9-#521 Well
Section 21: E/2 of SE/4
T22S-R5W

USX 23-1-#530 Well
Section 23: E/2 of NE/4
T22S-R5W

USX 29-11-#533 Well
Section 23: E/2 of SW/4
T22S-R5W

USX 23-13-#534 Well
Section 23: W/2 of SW/4
T22S-R5W

USX 10-10-#568 Well
Section 10: NW/SE
T21S-R4W

The following is a list of the Alternative 'A' and 'C' Working Interest Owners, showing their original claimed interest in the above leases as they apply to the units described:

	<u>Assigned Interest</u>
<u>Alternative 'A' Owners:</u>	
1. Hal G. Riddle, a married man 1518 West 15th Street Amaillo, TX 79102	.6655%
<u>Alternative 'C' Owners:</u>	
2. Gramex Corporation	1.0000%
3. Thomas W. Holley Revocable Trust	1.0000%
4. Larry Likover, M.D., a married man	.2222%
5. George F. Meyer, Jr., a married man	.0074%
6. Frederick K. Rudolph, a single man	.0074%

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(5/8ths--3/8ths)

Shelby County, Alabama

(33)

I: Subject Leases, all 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, Amendment to Memorandum of Lease dated February 19, 1989, in Book 280, Page 47, Shelby County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991, in Book 391, Page 547, Shelby County, Alabama; and Amendment to Memorandum of Lease dated November 14, 1989, in Book 128, Page 953, Bibb County, Alabama, and Second Amendment to Memorandum of Lease dated October 21, 1991, in Deed Book 133, Page 839, Bibb County, Alabama.

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

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

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

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

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

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

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

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

Oil, Gas and Mineral Lease dated April 3, 1992 between Lloyd C. Lowe and wife, Laval S. Lowe, as Lessor and McKenzie Methane Corporation, as Lessee, Instrument #1992-05918 recorded in the Office of the Judge of Probate of Shelby County, Alabama.

INSOFAR AND ONLY INSOFAR as the above leases cover the units and lands described below:

KC/SEGCO 25-6-#112 Well
Section 25: SE/NW, E/2 of SW/NW
and SE Diagonal Half of NE/NW
T21S-R4W

KC/SEGCO 18-9-#136A Well
Section 18: E/2 of SE/4
T21S-R3W

USX 13-5-#174 Well
Section 13: W/2 of NW/4
T22S-R5W

USX 13-11-#177 Well
Section 13: E/2 of SW/4
T22S-R5W

USX 13-13-#178 Well
Section 13: W/2 of SW/4
T22S-R5W

KC/SEGO 12-10-#271 Well
Section 12: W/2 of SE/4
T22S-R4W

KC/SEGCO 4-10-#304 Well
Section 4: W/2 of SE/4
T22S-R4W

KC/SEGCO 4-16-#307 Well
Section 4: SE/SE
T22S-R4W

SEGCO 5-8- #309 Well
Section 5: E/2 of NE/4
T22S-R4W

KC/SEGCO 10-06-316A
Section 10: SE/NW and SW/NE
T22S, R4W

KC/SEGCO 15-12-#341A Well
Section 15: N/2 of SW/4
T22S-R4W

KC/SEGCO 21-10-#367 Well
Section 21: W/2 of SE/4
T22S-R4W

KC/SEGCO 22-14-#376 Well
Section 22: E/2 of SW/4
T22S-R4W

KC/SEGCO 23-8-#381 Well
Section 23: E/2 of NE/4
T22S-R4W

KC/SEGCO 24-12-#391 Well
Section 24: W/2 of SW/4
T22S-R4W

KC/SEGCO 2-2-#407 Well
Section 2: W/2 of NE/4
T24N-R11E

SEGCO 26-2-#453 Well
Irregular Section 26: W/2
T22S-R5W
(60 acres, more or less)

KC 12-10-#468 Well
Section 12: N/2 of SE/4
T22S-R5W

KC 12-12-#469 Well
Section 12: NW/SW and NE/NW
T22S-R5W

SEGCO 15-16-#477A Well
Section 15: E/2 of SE/4
T22S-R5W

USX 21-7-#520 Well
Section 21: W/2 of NE/4
T22S-R5W

USX 21-11-#522 Well
Section 21: SE/NW and NE/SW
T22S-R5W

USX 22-1-#524 Well
Section 22: E/2 of NE/4
T22S-R5W

USX 22-5-#526 Well
Section 22: W/2 of NW/4
T22S-R5W

USX 22-7-#527 Well
Section 22: W/2 of NE/4
T22S-R5W

USX 22-11-#528 Well
Section 22: E/2 of SW/4
T22S-R5W

USX 22-13-#529 Well
Section 22: W/2 of SW/4
T22S-R5W

USX 23-7-#531 Well
Section 23: W/2 of NE/4
T22S-R5W

SEGC0 29-10-#549 Well
Section 29: NW/SE and SW/NE
T21S-R3W

SEGC0 32-4-#550 Well
Section 32: NW/NW
T21S-R3W

SEGC0 17-9-#553 Well
Section 17: NE/SE and SW/SE
T21S-R3W

SEGC0 20-1-#554 Well
Section 20: NE/NE and
Section 21: NW/NW
T21S-R3W

USX 10-12-#569 Well
Section 10: W/2 of SW/4
T21S-R4W

USX 14-8-#571 Well
Section 14: E/2 of NE/4
T21S-R4W

USX 22-3-#573 Well
Section 22: NE/NW
T21S-R4W

KC/SEGC0 18-8-284A
Section 18: E/2 of NE/4
T21S-R3W

KC/SEGC0 30-12-#584 Well
Section 30: W/2 of SW/4
T21S-R4W

KC/SEGC0 1-4-#593 Well
Section 1: W/2 of NW/4
T22S-R4W

KC/SEGC0 17-6-#601 Well
Section 17: E/2 of NW/4
T21S-R3W

AL2011 21-15-#603 Well
Section 21: SW/SE and SE/ SW
T22S-R5W

AL2011 28-3-#638 Well
Irregular Section 28: E/2 of W/2
T22S-R5W
(30 acres, more or less)

KC/SEGC0 31-7-#652 Well
Section 31: SW/NE and NW/SE
T21S-R3W

USX 27-1-#654 Well
Section 27: NE/NE
T21S-R4W

USX 29-12-#656 Well
Section 29: N/2 of SW/4
T21S-R4W

USX 35-8-#658 Well
Section 35: S/2 of NE/4
T21S-R4W

The following is a list of the Alternative 'A' and 'C' Working Interest Owners, showing their original claimed interest in the above leases as they apply to the units described:

Alternative 'A' Owners:

1. Hal G. Riddle, a married man
1518 West 15th Street
Amarillo, TX 79102
2. M & V Medical Services
1255 Sugarcreek Blvd.
Sugar Land, TX 77478

Assigned
Interest

.6655%

.0235%

- | | | |
|----|---|--------|
| 3. | Juan M. Villafani IRA, a married man
1255 Sugarcreek Blvd.
Sugar Land, TX 77478 | .0041% |
|----|---|--------|

Alternative 'C' Owners:

- | | | |
|----|----------------------------------|--------|
| 4. | Thomas W. Holley Revocable Trust | .1043% |
|----|----------------------------------|--------|

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(5/8ths-3/8ths)

Shelby County, Alabama

(33)

I: Subject Leases, all located in **Bibb and Shelby Counties, Alabama** as follows:

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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

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

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

INSOFAR AND ONLY INSOFAR as the above leases cover the units and lands described in the following:

USX 15-2-#11 Well
Section 15: NW/NE
T21S-R4W

USX 20-8-#163 Well
Section 20: SE/NE
T21S-R4W

KC 12-6-#467 Well
Section 12: SE/NW
T22S-R5W

SEGCO 1-16-#485 Well
Section 1: SE/SE
T22S-R5W

USX 19-16-#608 Well
Section 19: SE/SE
T21S-R4W

USX 2-9-#612 Well
Section 2: NE/SE
T21S-R4W

USX 29-14-#624 Well
Section 29: SE/SW
T21S-R4W

USX 30-6-#628 Well
Section 30: SE/NW
T21S-R4W

KC/SEGCO 30-8-#629 Well
Section 30: SE/NE
T21S-R4W

KC/SEGCO 31-2-#631 Well
Section 31: NW/NE
T21S-R3W

KC/SEGCO 30-14-630
Section 30: SE/SW
T21S, R5W

USX 29-4-#655 Well
Section 29: NW/NW
T21S-R4W

KC/SEGCO 31-6-#636 Well
Section 31: SE/NW
T21S-R4W

USX 30-2-#661 Well
Section 30: NW/NE
T21S-R4W

The following is a list of the Alternative 'A' and 'C' Working Interest Owners, showing their original claimed interest in the above leases as they apply to the units described:

<u>Alternative 'A' Owners:</u>	<u>Assigned Interest</u>
1. Hal G. Riddle, a married man 1518 West 15th Street Amarillo, TX 79102	.6600%
2. M & V Medical Services 1255 Sugarcreek Blvd. Sugar Land, TX 77478	.0235%
3. Juan Villafani IRA, a married man 1255 Sugarcreek Blvd. Sugar Land, TX 77478	.0041%

<u>Alternative 'C' Owners:</u>	
4. Thomas W. Holley Revocable Trust	.1048%

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(5/8ths-3/8ths)

Shelby County, Alabama

(33)

I: Subject Lease located in Township 21S, R4W, Shelby County, Alabama:

Coal Seam Gas Agreement and Option dated September 30, 1988, between USX 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 Second Amendment to Memorandum of Lease dated October 21, 1991, as recorded in Book 391, Page 547, Shelby County, Alabama.

INSOFAR AND ONLY INSOFAR as the acreage covered by the above lease is included in the tracts and units described as follows:

TRACT 1 -	Section 15: NE/SW, comprising lands of the <u>USX 15-11-001 Unit</u>
TRACT 2 -	Section 15: SW/NE, comprising lands of the <u>USX 15-07-002 Unit</u>
TRACT 3 -	Section 15: SE/NE, comprising lands of the <u>USX 15-08-004 Unit</u>
TRACT 4 -	Section 15: NW/SE, comprising lands of the <u>USX 15-10-006 Unit</u>
TRACT 5 -	Section 15: SE/SE, comprising lands of the <u>USX 15-16-008 Unit</u>

The following is a list of the Alternative 'A' and 'C' Working Interest Owners, showing their original claimed interest in the above lease as they apply to the units described above:

<u>Alternative 'A' Owners:</u>	<u>Assigned Interest</u>
1. Kam Chi Ip, a married man 13 Clansmoor Court Sugar Lane, TX 77479	.0226%
2. Century International c/o Barry Horwitz, Owner 11006 April Way Houston, TX 77024	.0500%
3. Charlie Howard, a married man 9300 U.S. 90A Sugar Lane, TX 77478	.1886%
4. Arthur J. Logan, a married man 333 San Saba Marble Falls, TX 78654	.1509%
5. Sam Wyche, a married man P. O. Box 1407 New Albany, IN 47150	.1886%
6. Dr. Jose A. Diaz-Esquivel, a married man 1500 Coulter, Suite #1 Amarillo, TX 79106	.1886%

7.	Dr. John V. Denko, a married man P. O. Box 9703 Rancho Santa Fe, CA 92067	.7543%
8.	Susan S. Denko, a married woman P. O. Box 9703 Rancho Santa Fe, CA 92067	.7543%
9.	David Allen Frazee, a single man 2455 Jackson Street, Apt. #1 San Francisco, CA 94115	.3772%
10.	Michael W. Frazee Estate c/o Ann Frazee and Gerald Gallagher, Representatives 4912 Merilane Edina, MN 55436	.3017%
11.	Wendy Weir Frazee, a single woman P. O. Box 9703 Rancho Santa Fe, CA 92067	.1886%
12.	Hal G. Riddle, D.D.S., a married man 1518 West 15th Street Amarillo, TX 79102	.7543%
13.	James C. Holcomb, Sr., a widower 5500 Meadowgreen Amarillo, TX 79109	2.2630%
14.	James C. Holcomb, Jr., a married man 5910 N. Central Expressway, #1670 Dallas, TX 75206	.7543%
15.	Elizabeth Holcomb Mason, a married woman 7307 Holyoke Amarillo, TX 79121	.7543%
16.	Don McGinty, a married man 11307 Scottsdale Drive Stafford, TX 77477	.0036%
17.	Frank Grady, M.D., a married man P. O. Box 369 Lake Jackson, TX 77566	.1509%
18.	Kathryn L. Spiegel, a married woman 2 Ninth Green Drive, Horseshoe Bend Roswell, GA 30076-3595	1.1315%
19.	Melton J. Horwitz, M.D., a married man 1500 St. Luke's Medical Tower, 6624 Fannin Houston, TX 77030	.0377%
20.	DJ Investments 7131 Trailbrook Drive Sugar Land, TX 77479	.3772%

21.	U.S. Methane Partners, Ltd. 7880 San Felipe Houston, TX 77063	20.5170%
22.	Nonnie Hussa, a married woman 2090 Summit Drive Lake Oswego, OR 97034-3624	.1886%
23.	Mrs. L.V. McGinty, Sr., a widow 1473 Greenwood Slidell, LA 70458	.0226%
24.	Clark F. May, a married man 1810 Peer Houston, TX 77043	.0755%

Alternative 'C' Owners:

25.	McKenzie Oil & Gas Partnership	26.2621%
26.	Larry Likover, M.D., a married man	.1508%
27.	Charles W. Janke, a married man	1.0000%
28.	Thomas W. Holley Revocable Trust	.3772%
29.	Sue B. Lane Family Trust	1.5842%
30.	Dewey Lane, a married man	.1886%
31.	L & L Investments	.5658%
32.	Surgical Associates	.3772%
33.	Founders Acquisition	.7543%

EXHIBIT "B"

to Assignment, Bill of Sale and Conveyance
in Shelby County, Alabama

1. Assumed Agreements

I. CAHABA PROSPECT - SHELBY AND BIBB COUNTIES, ALABAMA

AMC Register No.)	Description of Contract	Assignee
0102 013	Road, Powerline and Pipeline Easements - Champion International Corporation and McKenzie Methane Corporation dated 4-23-90; 965, 1665	KUKUI, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102 013	Declaration of Easement Agreement - Champion International Corporation and McKenzie Methane Corporation dated 10-19-90; 1665	KUKUI, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102 013	Stipulation of Interest dated 3-19-92 between USX and SEGCCO (73.24 acres)	Assignment not necessary
0102 700	Gas Measurement Facilities Agreement - Southern Natural Gas and McKenzie Methane Corporation dated 6-9-89	KUKUI, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102 801	License Agreement between Southern Railway Company and McKenzie Methane Corporation for construction and maintenance of gas pipeline dated 3-20-89	KUKUI, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102 803	License Agreement - Southern Railway Company and McKenzie Methane Corporation for construction and maintenance of aerial wire line dated 4-11-89	KUKUI, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102 805	Surface Use Agreement - Kimberly-Clark Corporation and McKenzie Methane Corporation dated 6-1-89	KUKUI, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan

0102	806	Power Line Use License Agreement - USX Corporation and McKenzie Methane Corporation dated 3-8-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	807	Right-of-way Agreement - Plantation Pipeline Company and McKenzie Methane Corporation dated 6-26-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	808	Right-of-way Agreement - Betty M. Henderson, et al. and McKenzie Methane Corporation dated 7-11-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	810	Right-of-way Agreement - John F. Shepherd, et ux and McKenzie Methane Corporation dated 8-29-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	813	Right-of-way Agreement for Abandoned Railroad between CSX Realty and McKenzie Methane Corporation dated 9-6-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	814	Right-of-way Agreement - Fred Bunn Estate, et al. and McKenzie Methane Corporation dated 9-24-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	816	Right-of-way Agreement - Crow Land Company, Inc., Et al. and McKenzie Methane Corporation dated 9-28-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	817	Right-of-way Agreement - Gordon Edwin Fancher and McKenzie Methane Corporation dated 11-18-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	818	Right-of-way Agreement - Hattie M. Crenshaw, et al. and McKenzie Methane Corporation dated 11-12-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	820	Right-of-way Agreement - O.G. Eddings and McKenzie Methane Corporation dated 3-2-90	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan

0102	822	Right-of-way Agreement - Roy R. Holsombeck, et ux and McKenzie Methane Corporation dated 4-6-90	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	825	Right-of-way Agreement - Colonial Pipeline Company and McKenzie Methane Corporation dated 5-31-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	827	License Agreement - Southern Railway Company and McKenzie Methane Corporation dated 10-24-89	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	828	Right-of-way Agreement - Southern Railway Company and McKenzie Methane Corporation dated 3-2-90	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	829	Surface Use Agreement - University of Alabama and McKenzie Methane Corporation dated 5-21-90	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	833	Right-of-way Agreement - USX Corporation and McKenzie Methane Corporation dated 10-5-90	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	834	Right-of-way Agreement - Shelby County Commission and McKenzie Methane Corporation dated 9-10-90	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	835	Surface Lease - USX Corporation to McKenzie Methane Corporation dated 8-5-91, effective 9-1-91	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan
0102	836	Right-of-way Agreement - Alabama Power Company and McKenzie Methane Corporation dated 1-24-91	KUKUL, Northwestern, JGI, HAK I-V, LLC's, and Mission on "Pro Rata" basis pursuant to § 6.8(d) of Plan

2. Assumed Unexpired Leases

1. CAHABA PROSPECT - SHELBY AND BIBB COUNTIES, ALABAMA

(MMC Register No.)	Description of Contract	Assignee
0102 001	USX Corporation (Assumption subject to terms of Stipulation and Order With Respect to Disposition of Leases of USX Corporation Under Liquidating Plan of Reorganization of KUKUI, INC. for McKenzie Methane Corporation)	If assumed, KUKUI, Northwestern, JGI, HAK I-V, and LLC's, on "Pro Rata" basis pursuant to § 6.8(d) of Plan (but to KUKUI only as to portions acquired by KUKUI pursuant to § 7.2 of Plan); and other owners of working interests acquired pursuant to Plan in proportion to their working interests
0102 013	SESCO/Kimberly-Clark Corporation (Assumption subject to terms of Stipulation and Order With Respect to Disposition of Leases of Kimberly-Clark Corporation and Southern Electric Generating Company Under Liquidating Plan of Reorganization of KUKUI, INC. for McKenzie Methane Corporation)	If assumed, KUKUI, Northwestern, JGI, HAK I-V, and LLC's "Pro Rata" basis pursuant to § 6.8(d) of Plan (but to KUKUI only as to portions acquired by KUKUI pursuant to § 7.2 of Plan); and other owners of working interests acquired pursuant to Plan in proportion to their working interests
0102 014	SESCO (Assumption subject to terms of Stipulation and Order With Respect to Disposition of Leases of Kimberly-Clark Corporation and Southern Electric Generating Company Under Liquidating Plan of Reorganization of KUKUI, INC. for McKenzie Methane Corporation)	If assumed, KUKUI, Northwestern, JGI, HAK I-V, and LLC's on "Pro Rata" basis pursuant to § 6.8(d) of Plan (but to KUKUI only as to portions acquired by KUKUI pursuant to § 7.2 of Plan); and other owners of working interests acquired pursuant to Plan in proportion to their working interests
0102 016	Kimberly-Clark Corporation (Assumption subject to terms of Stipulation and Order With Respect to Disposition of Leases of Kimberly-Clark Corporation and Southern Electric Generating Company Under Liquidating Plan of Reorganization of KUKUI, INC. for McKenzie Methane Corporation)	If assumed, KUKUI, Northwestern, JGI, HAK I-V, and LLC's on "Pro Rata" basis pursuant to § 6.8(d) of Plan (but to KUKUI only as to portions acquired by KUKUI pursuant to § 7.2 of Plan); and other owners of working interests acquired pursuant to Plan in proportion to their working interests

If, as, and to the extent that any of the foregoing affect, burden or benefit the owner of a working interest in a Well.

KUKUI	-	KUKUI, INC.
Northwestern	-	The Northwestern Mutual Life Insurance Company
JGI	-	JGI Resources, Inc.
HAK I-V, LLC'S	-	HAK I, L.C., HAK III, L.C., and HAK V, L.C.
Mission	-	Mission Energy Methane Company

11/14/1995-32825
01:20 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
043 MCD 186.50

Inst # 1995-32825