

\$ 480,000.00

STATUTORY WARRANTY DEED

STATE OF ALABAMA

Send Tax Notice To:

COUNTY OF SHELBY

Mid-South Resources Corp.
14491 Johns Road
Vance, Alabama 35490
Attention: President

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, paid to the undersigned, **COSTAIN COAL INC.**, a Delaware corporation (hereinafter "Grantor"), by **MID-SOUTH RESOURCES CORP.**, an Alabama corporation (hereinafter "Grantee"), the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby GRANT, BARGAIN, SELL and CONVEY, forever, unto Grantee, its successors and assigns, in fee simple, together with every contingent remainder and right of reversion, the property situated in Shelby County, Alabama and more particularly described on Exhibit A attached hereto and incorporated herein by this reference as if set forth in its entirety, together with all and singular the improvements thereon, fixtures, rights, easements, privileges, tenements and appurtenances thereunto belonging or in anywise appertaining; subject, however, to the following:

1. Taxes due for the year 1996 which are a lien on the property, but are not yet due and payable.

Inst # 1996-01007

01/11/1996-01007
11:19 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 SWA 17.00

2. Less and except any minerals not owned by Grantor; it being the intent of Grantor to convey to Grantee the surface of the Property, together with any minerals, if any, owned by Grantor.

3. All easements, rights-of-way, encumbrances and restrictions of record affecting the Property.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, in fee simple, forever, together with every contingent remainder and right of reversion.

IN WITNESS WHEREOF, Grantor has caused this Statutory Warranty Deed to be executed in its name and on its behalf all by its duly authorized officer on this the 29th day of December, 1995.

COSTAIN COAL INC.

By: *[Signature]*
Its: VP Finance

STATE OF ALABAMA)
)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that J. N. B. Gallagher, whose name as an officer of Costain Coal Inc., a Delaware corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this the 29th day of December, 1995.



NOTARY PUBLIC

My Commission Expires:

10/8/98

[SEAL]

This instrument prepared by:

Herbert Harold West, Jr., Esq.
Cabaniss, Johnston, Gardner,
Dumas & O'Neal
Post Office Box 830612
Birmingham, AL 35283-0612

Exhibit A

An undivided one-half interest in the S.E. $\frac{1}{4}$ of Section
4, Township 21, Range 4 West, Shelby County, Alabama.

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004 SMA

17.00