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Inst # 1996-02522

MEMORANDUM OF UNDERGROUND COAL MINING LEASE

KNOW ALL MEN BY THESE PRESENTS: That, the undersigned ("Lessor") (whether one or more) has executed and delivered to OAK MOUNTAIN ENERGY CORPORATION, an Alabama corporation, ("Lessee") an Underground Coal Mining Lease ("Lease") dated NOVEMBER 13, 1995, covering land situated in Shelby County, Alabama, described as follows :

All that part of the West Half of Section 14, lying south of Norfolk Southern Railroad Right of way, Township 21 South, Range 4 West. All of the above lying in Shelby County, Alabama.

WHEREAS, said Lease provides for a primary term of ten years and two ten year renewals; and

WHEREAS, duplicate copies of said Lease are in the possession of Lessor and also in the possession of Lessee where the same may be examined by any person having the lawful right or legitimate interest therein; and

WHEREAS, the parties desire to file for record their Memorandum of Underground Coal Mining Lease;

NOW, THEREFORE, for the consideration set out in said Lease, Lessor hereby grants, Leases and lets to Lessee all rights as specified therein, divided or undivided, into and upon the land covered by said Lease, being the lands described and referred to above, for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning coal, together with all of the easements and rights which are granted the Lessee as set out in said Lease, upon and subject to all of the provisions and conditions set out in said Lease. Reference is made to said Lease for all purposes and said document is made a part hereof to the same extent and with the same force and effect as though the same were fully and completely incorporated herein, for the same terms and provisions thereof.

This Memorandum of Lease shall be binding upon the undersigned and their respective heirs, successors and assigns.

EXECUTED this the 24th day of January, 1996.

WITNESS:

M. Brian Gordon Sr.
M. Brian Gordon, Sr.

Janice O. Gordon
Janice O. Gordon

OAK MOUNTAIN ENERGY CORPORATION

By: Jimmie R. Ryan
Jimmie R. Ryan, its President

01/25/1996-02522
08:32 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 MCD 13.00

STATE OF ALABAMA
JEFFERSON COUNTY

Before me, the undersigned authority, on this day personally appeared M. Brian Gordon, Sr., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal this 24th day of January, 1996.

Michael M. Paster
NOTARY PUBLIC
My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Feb. 25, 1997.
SIGNED THIS NOTARY PUBLIC UNDERWRITERS.

STATE OF ALABAMA
JEFFERSON COUNTY

Before me, the undersigned authority, on this day personally appeared Janice O. Gordon., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal this 24th day of January, 1996.

Michael M. Paster
NOTARY PUBLIC
My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Feb. 25, 1997.
SIGNED THIS NOTARY PUBLIC UNDERWRITERS.

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned authority in and for said County in said State, hereby certify that Jimmie R. Ryan, whose name as President of OAK MOUNTAIN ENERGY CORPORATION, is signed to the foregoing Memorandum of Lease and who is known to me, acknowledged before me on this day that being informed of the contents of said Memorandum of Lease, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 24th day of January, 1996.

Michael M. Paster
NOTARY PUBLIC
My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Feb. 25, 1997.
SIGNED THIS NOTARY PUBLIC UNDERWRITERS.

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