

ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(KUKUI and HAK I & III to Gurnee Gas Company)

THE STATE OF ALABAMA

COUNTY OF SHELBY

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

This Assignment, Bill of Sale and Conveyance (this "Assignment") is executed by KUKUI, INC., a Texas corporation, HAK I, L.C. (the survivor by merger of HAK I, L.C. and HAK II, L.C., successors-in-interest, respectively, to HAK Partnership I and HAK Partnership II) ("HAK I"), HAK III, L.C. (the survivor by merger of HAK III, L.C. and HAK IV, L.C., successors-in-interest, respectively, to HAK Partnership III and HAK Partnership IV) ("HAK III") (HAK I and HAK III are sometimes hereinafter collectively referred to as the "HAK Entities"), (herein collectively called "Assignor"), to Gurnee Gas Company, L.L.P., whose address is 811 Dallas, Suite 1505, Houston, TX 77022 therein called "Assignee"), dated as of November 30, 1995, but to be effective as of August 29, 1995.

For and in consideration of the conveyance by the Assignee to the Assignor hereof of the properties described in that certain Assignment, Bill of Sale and Conveyance (Gordy Oil Company to KUKUI/HAK), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby TRANSFERS, BARGAINS, GRANTS, CONVEYS and ASSIGNS to Assignee all of Assignor's right, title and interest in and to all of the following:

1. The leases, licenses, permits, mineral, warranty or royalty deeds and other agreements (and all amendments, revisions, ratifications or corrections thereof) described in Exhibit "A" attached hereto and made a part hereof (herein called the "Subject Leases"), insofar as the Subject Leases cover and relate to the lands described in said Exhibit "A" (herein called the "Lands"), together with all the property and rights incident thereto (provided that, if there is any conflict or ambiguity between this Paragraph 1, and the provisions of Paragraph 2 of this Assignment, then the provisions of Paragraph 2 will govern and control);

Inst # 1996-04275

02/09/1996-04275
09:55 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
032 SNA 88.00

2. All of Assignor's right, title and interest in and to any and all interests which Assignor may own in the Subject Leases or any lands covered thereby which are not specifically described by the descriptions of the Lands set out in Exhibit "A", as well as all of Assignor's right, title and interest in all leasehold, mineral, royalty, or other property, economic or contractual interests, if any, owned by Assignor in and to the Subject Leases insofar as they relate to lands covered by the Subject Leases and are not included in the Lands. It is the intention of Assignor to convey to Assignee the entirety of the interests owned by Assignor in the Subject Leases or the lands covered thereby as of the Effective Date, and the description of the Lands set forth in Exhibit "A" shall not be deemed to (i) limit the quantity of such conveyance, or (ii) reserve any interest in the Subject Leases to Assignor;

3. All rights in, to, and under 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 Subject 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 the Assignor's ownership and/or acquisition of its interests in the Subject Leases (all of which agreements are herein called the "Agreements". Assignee does hereby agree to assume and be subject to its proportionate share of all obligations under such Agreements attributable to the Subject Interests, provided that nothing herein shall present or prohibit Assignee from raising or asserting any defenses it may have to such assigned obligations.

4. All of the personal property, fixtures and improvements now or as of the Effective Date on the Subject Leases, appurtenant thereto or used or obtained in connection with the Subject Leases, or with the production, storage, treatment, transportation, processing, sale or disposal of hydrocarbons, water or other minerals or substances produced from or attributable to the Subject Leases, including, without limitation, gas gathering and transmission systems, electrical distribution systems, compression facilities, high pressure lines from compression stations and all facilities related thereto, all metering, glycol and dehydration equipment, water disposal systems and wells, pipe, all wells, fixtures, casing and tubing, all production, gathering, treatment, processing, compression, dehydration, water disposal and pipeline equipment, water disposal wells, and all machines, tools, vessels, and other facilities of every kind, character and description, used or usable in connection with the production, storage, treatment, transportation, processing, sale or disposal of hydrocarbons, water or other minerals or substances produced from the Subject Leases, whether presently effective or hereafter becoming effective;

5. All other interests, if any, owned by Assignor in and to the Lands, or the Subject Leases, or any other lands covered by the Subject Leases, including without limitation, all leasehold working interests, mineral or royalty interests, overriding royalty interests, net profits interests, production payments and any other economic interests owned by Assignor in the production of hydrocarbons or other substances from the lands covered by the Subject Leases;

6. All lease files, land files, well files, gas and oil sales contract files, gas processing files, division order files, abstracts, title opinions, and all other books, files, records, information and data including engineering and geological data and geophysical data and interpretations thereof, if any; and

7. To the extent transferable, the benefit of and the right to enforce the covenants and warranties, if any, which Assignor is entitled to enforce with respect to any of the properties hereby conveyed against Assignor's predecessors in title to any of such properties, and against any party or parties to the Agreements (all of the properties and interests hereby assigned are sometimes hereinafter collectively referred to as the "Subject Interests").

The conveyance made hereunder shall be subject to the terms and conditions of each of the Subject Leases and to all of the terms and conditions of all valid and binding existing Agreements between Assignor and third parties. The delivery of this Assignment shall not affect, enlarge, diminish or otherwise impair any of the rights and obligations or the terms and conditions of said Agreements, and all such rights and obligations (to the extent such obligations are assumed hereby) 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 the Subject Interests unto Assignee, its successors and assigns forever; and Assignor does hereby bind and obligate itself and its heirs, successors and assigns to Warrant and Forever defend all and singular title to the Subject Interests unto the Assignee to the extent Assignor has a recorded interest, its 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 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, but with full subrogation and substitution in and to all

covenants and warranties by others heretofore given or made with respect to the Subject Leases, or any part thereof.

Assignor covenants and agrees to execute and deliver to Assignee all such other and additional instruments and documents, and do all such other acts and things as may be necessary to more fully assure to Assignee or its respective successors or assigns, all of its rights, titles 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 Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective heirs, successors, legal representatives and assigns.

Executed as of the day and year first above written.

ASSIGNOR:

KUKUI, INC.

By: 

Lotus A. Kau
President

HAK I, L.C.

By: 

Matsuo Takabuki, Manager

HAK II, L.C.

By: 

Matsuo Takabuki, Manager

ASSIGNEE:

Gurnee Gas Company, L.L.C.

By: 

Name: RUSSELL D. GORDY

Title: MEMBER

THE STATE OF Hawaii §
City + §
COUNTY OF Honolulu §

The foregoing instrument was acknowledged before me this 14 day of December, 1995, by Louis A. Kau, President of KUKUI, INC., a Texas corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.



Notary Public in and for the State of Hawaii

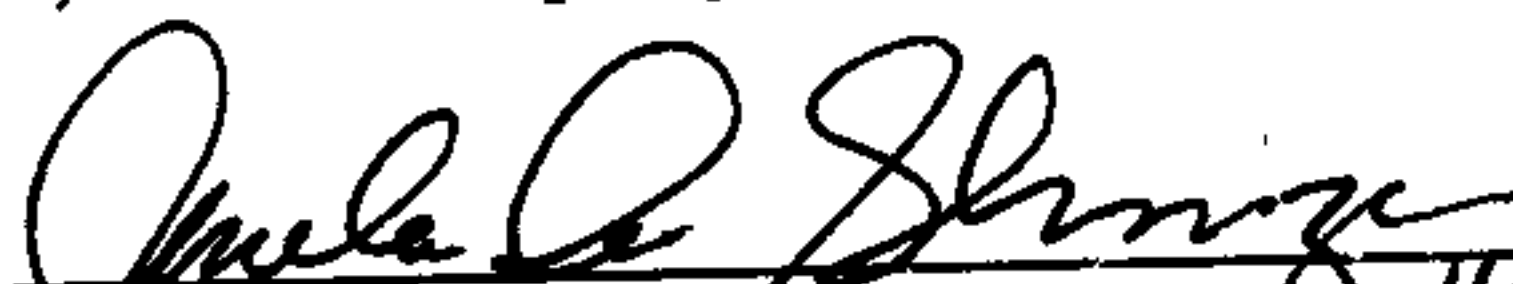
Printed Name of Notary: ANELA A. SHIMIZU
Notary Public, State of Hawaii
~~My Commission Expires June 19, 1997~~

My Commission Expires: 6-19-97

SEAL:

THE STATE OF Hawaii §
City + §
COUNTY OF Honolulu §

The foregoing instrument was acknowledged before me this 14 day of December, 1995, by Matsuo Takabuki, Manager of HAK I, L.C., for the purposes and consideration therein expressed, and in the capacity therein stated.



Notary Public in and for the State of Hawaii

Printed Name of Notary: ANELA A. SHIMIZU
Notary Public, State of Hawaii
~~My Commission Expires June 19, 1997~~

My Commission Expires: 6-19-97

SEAL:

THE STATE OF Hawaii §
City + §
COUNTY OF Honolulu §

The foregoing instrument was acknowledged before me this 14 day of December, 1995, by Matsuo Takabuki, Manager of HAK III, L.C., for the purposes and consideration therein expressed, and in the capacity therein stated.

Anela A. Shimizu
Notary Public in and for the State of Hawaii

ANELA A. SHIMIZU
Printed Name of Notary: Notary Public, State of Hawaii
My Commission Expires June 19, 1997

My Commission Expires:
6-19-97

SEAL:

THE STATE OF TEXAS §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 4th day of January, 1996, by Russell D. Gordy, Member of Gurnee Gas Company, L.L.C., an Alabama limited liability company, for the purposes and consideration therein expressed, and in the capacity therein stated.

Susan D. Eisenbrey
Notary Public in and for the State of TEXAS

SEAL:

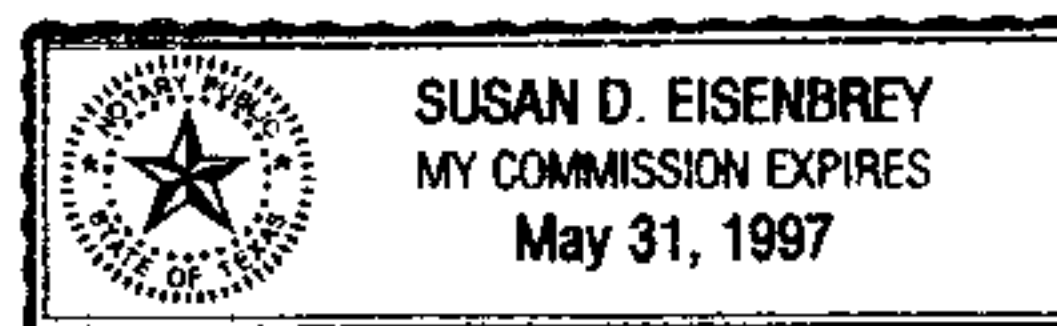


Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

PHASE I & II

Shelby County, Alabama

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 11-13-#14 Well
Section 11: W/2 of SW/4
T21S-R4W

USX 11-9-#10 Well
Section 11: N/2 of SE/4
T21S-R4W

USX 14-2-#15 Well
Section 14: W/2 of NE/4
T21S-R4W

USX 11-16-#13 Well
Section 11: S/2 of SE/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 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 20-4-#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

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

USX 13-12-#003 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

excludes 50a

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

PHASE IIIa

Shelby County, Alabama

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

exhausts 50b

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

PHASE IIIb

Shelby County, Alabama

(Continued)

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 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

SEGCO 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

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

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

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

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

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

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

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

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

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

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

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

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

KC/SEGCO 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

enlarge 50x

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

PHASE IIIc

Shelby County, Alabama

(Continued)

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

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

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

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

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

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

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

KC/SEGCO 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/SEGCO 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

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

PHASE 129

Shelby County, Alabama

(Continued)

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

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

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

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

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

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

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

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

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

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

USX 29-4-#635 Well
Section 29: NW/NW
T21S-R4W

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

unknown 30

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

ATLAS

Shelby County, Alabama

(Continued)

- I. Subject Lease covering Units located in Shelby County, Alabama.

Coal Seam Gas Agreement and Option dated September 30, 1988, between USX Corporation, as Lessor, and McKenzie Methane Corporation, as Lessee recorded by an Amendment to Memorandum of Lease dated November 14, 1989, in Book 128, Page 953, Bibb County, Alabama.

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

Township 21-South, Range 4-West:

Section 10: SE/SW, comprising lands of the USX 10-14-035 Unit.

Section 15: NW/NW, comprising lands of the USX 15-4-12 Unit

Exhibit "A"
ASSIGNMENT, BILL OF SALE AND CONVEYANCE
(from KUKUI and HAK I & III
to Gurnee Gas Company, L.L.C.)

'88 PROGRAM

Shelby County, Alabama

(Continued)

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>

THIS INSTRUMENT PREPARED BY: Mark F. Kirschke
700 Louisiana, Suite 1600
Houston, Texas 77002-2784

whetson.50g

Inst # 1996-04275

02/09/1996-04275
09:55 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
032 SNA 88.00