

STATE OF ALABAMA

COUNTY OF SHELBY

Inst # 2001-41885

09/27/2001-41885

02:41 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

**MEMORANDUM OF PARTICIPATION AGREEMENT
AND NOTICE OF EQUITABLE RIGHTS**

On the 31st day of August, 2001, but effective for all purposes as of July 25, 2001, a Participation Agreement (the "Participation Agreement") was entered into by and among CDX Property Holdings, L.L.C., a Texas limited liability company ("CPH"), CD Exploration Company, Inc., an Oklahoma corporation ("CDE"), CDX Gas, L.L.C., a Texas limited liability company, ("CGL"), CDX Arkoma, L.L.C., a Texas limited liability company ("CAL"), CDX Rockies, L.L.C., a Texas limited liability company ("CRL"), and Dart Energy Corporation, a Michigan corporation ("Dart"). Under the Participation Agreement and for purposes of this Memorandum, CPH, CDE, CGL, CAL, and CRL are referred to, jointly and severally, as "CDX." The terms of the Participation Agreement grant to Dart the option (i) to participate, on a well-by-well basis, in oil, gas and coalbed methane wells drilled on or under the lands and leases owned or acquired by CDX in this county (collectively, the "Property"), and (ii) upon Dart's participation in any such well, to receive from CDX (or the CDX entity holding title to the Property) an undivided percentage of CDX's interest in the Property insofar, and only insofar, as the lands and leases relate to the well in which Dart participated.

The purpose of this Memorandum is to give record notice to all potential purchasers of CDX's interest in the Property (whether in whole or in part), that CDX's interest in the Property is encumbered by Dart's rights under the Participation Agreement and, upon Dart's participation, to receive an assignment from CDX covering a specified percentage of CDX's interest in the Property insofar, and in only insofar, as the lands and leases which comprise the Property pertain to the well in which Dart participated.

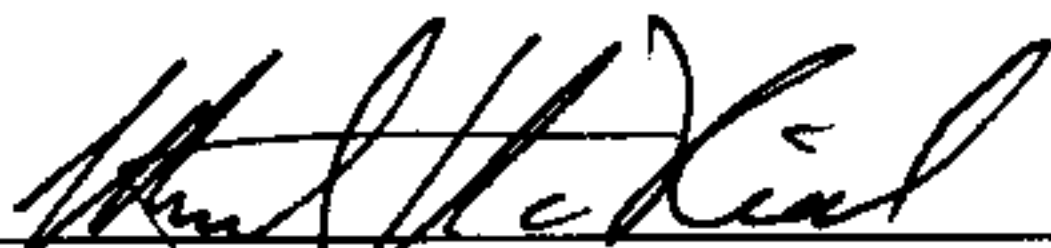
"CDE"

CD EXPLORATION, INC.

By: 
Name: Monty H. Rial
Title: Vice President

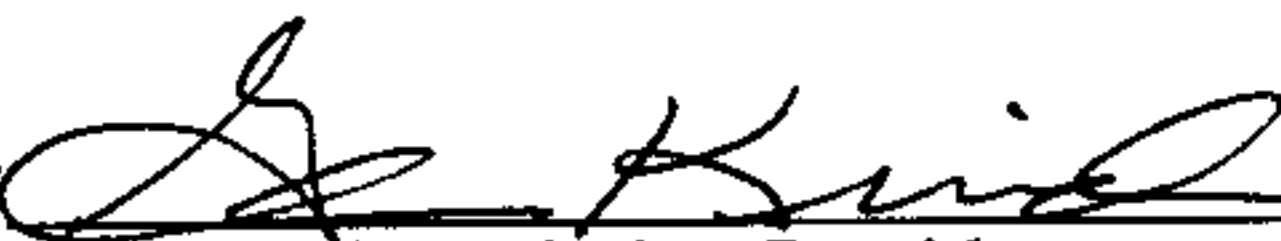
"CGL," "CAL," "CRL" AND "CPH"

CDX GAS, L.L.C.
CDX ARKOMA, L.L.C.
CDX ROCKIES, L.L.C.
CDX PROPERTY HOLDINGS, L.L.C.

By: 
Name: Monty H. Rial
Title: Managing Director

"Dart"

DART ENERGY CORPORATION

By: 
Glen Kinder, President

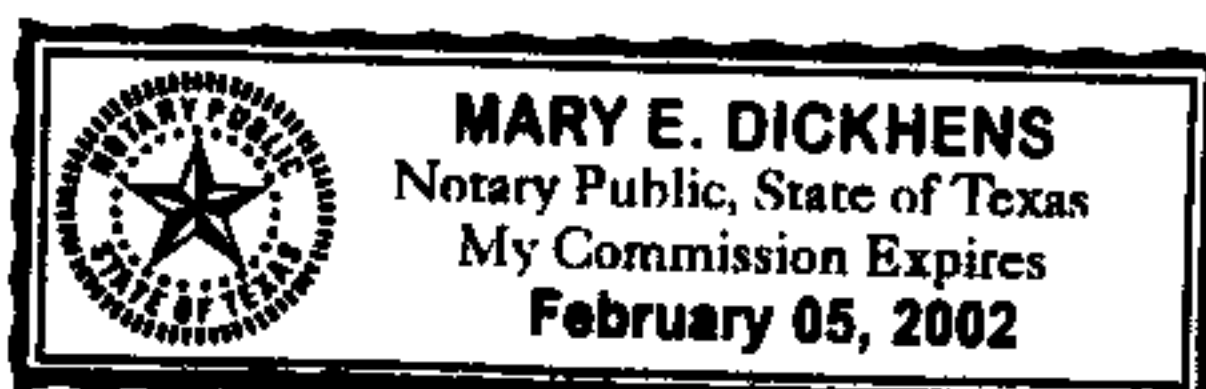
STATE OF TEXAS)
)
COUNTY OF DALLAS) ss.

Before me, the undersigned, a Notary Public, in and for this State, on this 31st day of August, 2001, personally appeared Monty H. Rial to me known to be identical person who subscribed the name of the maker thereof to the foregoing instrument on behalf of CD Exploration, Inc. in his capacity as Vice President; and on behalf of CDX Gas, L.L.C., CDX Arkoma, L.L.C., CDX Rockies, L.L.C., and CDX Property Holdings, L.L.C. in his capacity as Managing Director; and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of each such corporation or companies, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

02-05-02
My Commission expires

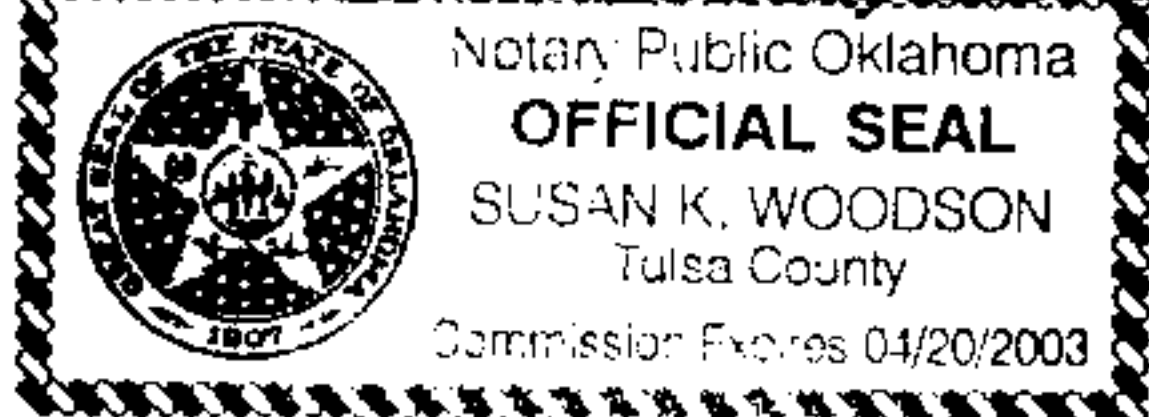

Notary Public



STATE OF OKLAHOMA)
)
COUNTY OF TULSA) ss.

Before me, the undersigned, a Notary Public, in and for this State, on this 31st day of August, 2001, personally appeared Glen Kinder, to me known to be identical person who subscribed the name of the maker thereof to the foregoing instrument as its President and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

~~Given under my hand~~ and seal of office the day and year last above written.



My Commission expires


Notary Public

Ex "A"

Shelby,

Known Potential Exclusions	Township & Range	Section	Legal Description	Gross Acres	Source Deed	County
Y	16S 1W	32	Parts N2 NE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 1W	32	W2 SE	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 1W	33	Part NW NW	5.15	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 1W	33	Parts NW NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 1W	35	E2	320.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 1W	35	SE NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 1W	35	SW	160.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	2	Diag NW 1/2 NW SW	20.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 2W	2	Diag NW 1/2 SE NW	20.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 2W	2	NE NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 2W	2	W2 NW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 2W	3	All exc SE SE	600.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	3	Half Interest SE SE	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 2W	10	NW SW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	10	SW NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	10	W2 W2 SE NW	10.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	13	All exc NW NW	600.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	21	E2 NW	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	21	NW NE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	21	NW NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	21	NW SW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	21	SW SW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	16S 2W	23	S2 NE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	16S 2W	31	NE, E2 NW, S2	560.00	Pratt Coal and Iron Company to Tennessee Coal, Iron and Railroad Co.	Jefferson
Y	17S 1E	6	SW NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	6	NW SW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	7	All except NW	480.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	8	All exc SE SE	600.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	17	N2 NW	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	17	NW SW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	17	SW NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1E	18	All exc SE SE	600.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson & St
Y	17S 1E	18	NW NW NW	15.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	1	NE SE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	1	SE NE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	11	Part W2 SE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	12	E2 NE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	12	E2 SW	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	12	NW SW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	12	SE	160.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	13	All	640.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	14	E2 SE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	14	SE NE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	14	SW SE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	14	E2 NW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	14	NW SE	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	14	SW	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	14	SW NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	14	W2 NE	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	15	NW NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	15	S2 NE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	15	SE SE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	15	W2 SE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	17S 1W	17	N2 SW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	17	NE	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	17	SE NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	17S 1W	17	SW SW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson

USX Fee and Minerals
Black Warrior Basin

Known Potential Exclusions	Township & Range	Section	Legal Description	Gross Acres	Source Deed	County
Y	18S 3W	33	SW NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	18S 3W	34	NW	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	5	NE NE, NW NE	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	5	S2	320.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	7	N2 NW, SE NW, SW NE, NW SE, NE SW, W2	320.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	7	NW NE, SE NE, E2 SE, SW SE, SE SW, SW	280.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	8	Part NE, W2 NW, NW SW	280.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	9	NW NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	9	SW NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	9	N2 NE, S2 NE, E2 NW, N2 SE, SW SE, SW	520.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Shelby/Jefferson
Y	19S 2W	17	Part SE SW	15.00	Tennessee Coal, Iron and Railroad Company Vol. 93 Pg. 9	Shelby
Y	19S 2W	18	N2 NE, N2 NW, Part SW NE, Part NE NW SE, S2	320.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	18	SW SW NE, NW SE, NE SW, NW SW	120.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	19	Part NW diag half NE, Part NW	129.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	19	Part SE NE	35.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 2W	19	Part W2 NE	48.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 3W	4	N2 NE, N2 NW, SW NW, NW SW	240.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	5	E2 NE, N2 SE	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	6	SW NW	40.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	6	NE NW, NW SE	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	7	E2, SW NW, NW SW	400.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	7	S2 SW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	8	SE	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	9	W2 SW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 93 Pg. 9	Jefferson
Y	19S 3W	11	E2 E2, SW SE, SW	360.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	12	SW NW	40.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	13	NE SW, NW SW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	14	SW SE	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	14	NE, SE NW, NW SE	240.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	16	NW	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	17	NE	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	18	Part W2 SE	50.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	20	S2 NW, W2 SE, NW SW	200.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	22	SE SW, SW SW	80.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	23	SW NE, SE NW, NE SW	120.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	24	NE NE, SE NW, NE NW, NW NW	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	24	NE SE, SW SE, SE SW	120.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson/Shelby
Y	19S 3W	30	E2 NE	80.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	30	SE NE, S2	360.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	31	NW NE, N2 NW, SW	240.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	32	SE NW, NE SW, SE	240.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	32	NW NW	40.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 3W	33	NW SW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 3W	35	NW NE, NE SE, NW SE, SW SE, NE SW, NW SW, SE SW, SW SW,	430.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Shelby
Y	19S 4W	1	NE, N2 SE	240.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	10	SE SE	40.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	11	S2 SW	80.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	12	NE SE	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 4W	13	N2 SE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	13	SE NW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	13	SE SE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	13	SW	160.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	13	W2 NW	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	13	NE	160.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 4W	13	NE NW	40.00	Tennessee Coal, Iron and Railroad Company Vol. 98 Pg. 9	Jefferson
Y	19S 4W	14	W2 NW, NW SW	120.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	15	N2, N2 S2, W2 SW SE,	580.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	21	NE SE, S2 SE, Part W2	175.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	22	NW NE, NW NW, S2	200.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	22	S2 SW, Part NE SW	90.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	27	SW NW	40.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	28	N2 SE, SW NE, NW NW, SE NW, NW SE,	360.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	28	SE NE, NE SE	80.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	28	SE SW	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	28	SW SE	40.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson
Y	19S 4W	29	N2, E2 SE	400.00	Alice Furnace Co. to P.C. & I. Co.	Jefferson
Y	19S 4W	32	E2 NE	80.00	DeBardeleben Coal & Iron to Tennessee Coal, Iron, & Land Co.	Jefferson

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SHELBY COUNTY JUDGE 95.80
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