

**MEMORANDUM
OF
COAL BED METHANE GAS LEASE**

RPB 148 500
Recorded In Above Book and Page
03/03/2005 11:00:22 AM
Jerry C. Pow
Probate Judge
Bibb County, Alabama
Deed Tax 1229.00
Mineral Tax 296.70
Recording Fee 30.50
TOTAL 1556.20

KNOW ALL BY THESE PRESENTS:

THAT, **Bowater Alabama, Inc.** ("*Lessor*"), an Alabama corporation with an office at 5020 Highway 11 South, Calhoun, Tennessee 37309, has entered into an unrecorded Coal Bed Methane Gas Lease ("*Lease*") with **CDX Sequoya, LLC** a Texas limited liability company with an office at 5485 Beltline Road, Suite 190, Dallas, Texas 75254-7656 (referred to herein as "*Lessee*"), dated as of October 12, 2004, covering and affecting coal bed methane gas interests owned by Lessor in those certain lands situated in located in Bibb and Shelby Counties, State of Alabama, as are more particularly described on Exhibit "A," which is adopted and incorporated herein.

The Lease is for a primary term of five (5) years from and after the date thereof and as long thereafter as coal bed methane gas is produced in paying quantities from the leased premises or lands pooled therewith or the Lease is maintained in any other manner provided for therein, subject to all other terms and provisions set forth in the Lease, reference to the original counterparts of the Lease is here made for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly signed these presents as of the date of the aforesaid Lease for the sole purpose of giving record notice of the executed Lease and the existence thereof.

BOWATER ALABAMA, INC.

By: W. G. Harvey
Name: William G. Harvey
Title: VP & Treasurer

CDX SEQUOYA, LLC

By: Gilbert A. Smith
Name: Gilbert A. Smith
Title: Vice President

STATE OF Tenn.
COUNTY OF Bradley

I, the undersigned Notary Public in and for said County in said State, hereby certify that William G. Harvey whose name as VP & Treasurer of **Bowater Alabama, Inc.**, an Alabama 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 the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 4th day of November 2004.

[AFFIX NOTARIAL SEAL]
Commission Expires: 8-3-05

Cathie Givonne Lee
NOTARY PUBLIC

STATE OF TEXAS
COUNTY OF _____

I, the undersigned Notary Public in and for said County in said State, hereby certify that Gilbert A. Smith whose name as Vice President of **CDX Sequoya, LLC**, a Texas limited liability company, 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 the instrument, he/she, as such officers and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this the 11 day of November 2004.

[AFFIX NOTARIAL SEAL]
Commission Expires: 11-14-2004

Donna J. Idell
NOTARY PUBLIC

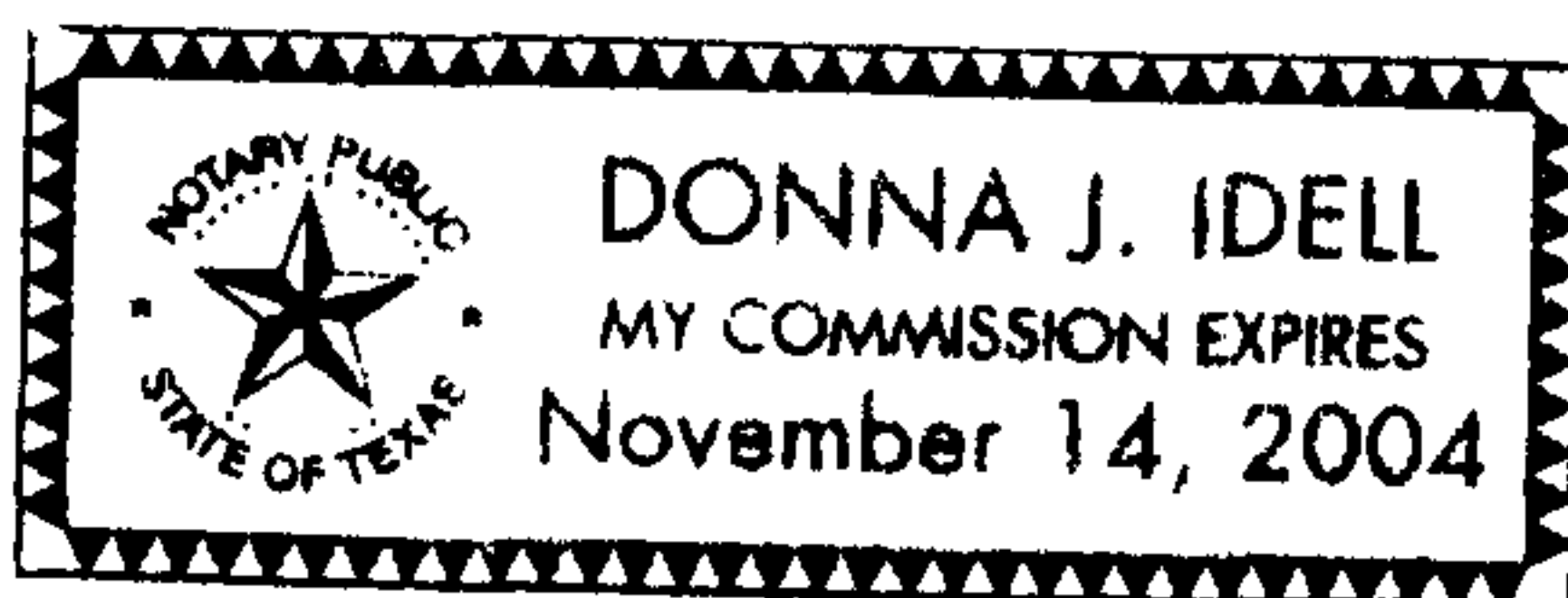


EXHIBIT A

State	County	Twp	Rng	Sec	Description	Gr Acres	Net Acres
AL	Shelby	21S	3W	5	W2NE, E2SW	160.00	40.00
AL	Shelby	21S	3W	17	SWNE, S2NW, SW4, NWSE, SESE, N2N2NWNE, N2NW	450.00	112.50
AL	Shelby	21S	3W	18	E2, E2SW, SENW, SWSW Less the N2N2	470.00	117.50
AL	Shelby	21S	3W	18	NWNW	40.00	6.6675
AL	Shelby	21S	3W	19	S2NE, SE4 Less that part belonging to Segco, E2SW	301.00	75.25
AL	Shelby	21S	3W	20	W2, W2NE, SENE, W2SE, SESE	560.00	140.00
AL	Shelby	21S	3W	29	N2N2, SENE, NESE, SWSW Less that part belonging to Segco.	268.00	67.00
AL	Shelby	21S	3W	30	SE4 Less part belonging to Segco, E2SW, SWSW, N2NE Less part belonging to Segco	330.00	82.50
AL	Shelby	21S	3W	31	N2 Less part belonging to Segco, NWSE, SW4	500.00	125.00
AL	Shelby	21S	3W	32	NENW	40.00	10.00
AL	Shelby	21S	4W	3	S2, NENW	360.00	90.00
AL	Shelby	21S	4W	6	SWSW	40.00	10.00
AL	Shelby	21S	4W	7	N2NW	80.00	20.00
AL	Shelby	21S	4W	8	N2SE, S2NE	160.00	40.00
AL	Shelby	21S	4W	13	NENE north of R.R., E2E2NWNE north of R.R, S2NW, NE2NWSW, W2NWNE, W2E2NWNE	158.00	39.50
AL	Shelby	21S	4W	15	NWSW, S2SW	120.00	30.00
AL	Shelby	21S	4W	16	ALL	640.00	160.00
AL	Shelby	21S	4W	17	S2SE, NWSE, W2SW	200.00	50.00
AL	Shelby	21S	4W	19	W2NE, NENW, E2NWNW, SESW, NWSE, N2SW, SWSW	340.00	85.00
AL	Shelby	21S	4W	25	SE diagonal half of NENW, NW diagonal half of E2SWNW, SE4, NESW, E2NWSW, SE diagonal half of E2SWNW, SESW, E2SWSW, SENW	355.00	88.75
AL	Shelby	21S	4W	30	S2NE, W2NW, SW4, SWSE, NENWSE	370.00	92.50
AL	Shelby	21S	4W	30	N2NE, NENW	120.00	16.665
AL	Bibb	21S	4W	31	SWSW	40.00	10.00
AL	Shelby	21S	4W	31	SENW, NESW	80.00	20.00
AL	Shelby	21S	4W	35	SE diagonal half of S2NE, SE diagonal half of SW, SE4	280.00	70.00
AL	Shelby	21S	4W	36	NE4, NWNW, S2NW, S2 Less 4 acres in the NE corner of the SESE	596.00	149.00
AL	Shelby	21S	4W	36	NENW	40.00	10.00
AL	Shelby	21S	5W	1	SESE	40.00	10.00
AL	Shelby	21S	5W	12	W2NWNE; SENWNE; NENE	70.00	17.50
AL	Shelby	21S	5W	24	N2NE, N2SW	160.00	40.00
AL	Shelby	21S	5W	25	SWSW, SENW	80.00	20.00
AL	Shelby	21S	5W	26	SESE	40.00	10.00

EXHIBIT A

State	County	Twp	Rng	Sec	Description	Gr Acres	Net Acres
AL	Shelby	21S	5W	35	NENE	40.00	10.00
AL	Bibb	21S	5W	36	NESW, N2SE, NWSW	160.00	33.33
AL	Shelby	21S	5W	36	NWNW, E2NE	120.00	30.00
AL	Shelby	22S	3W	6	SWNE, W2NW, W2E2SE, W2SE, SW	400.00	100.00
AL	Shelby	22S	3W	7	NWNE, W2, SWSE	400.00	100.00
AL	Shelby	22S	3W	19	Beginning at the SE corner of the SW quarter of the SW quarter, Section 19, go North along the East line of said SW quarter of SW quarter for 362.79 feet. Thence, right 55 degrees 25 minutes for 160.88 feet. Thence, left 25 degrees 35 minutes for 140.10 feet. Thence, left 15 degrees 11 minutes for 202.83 feet to said East line. Thence, North along said East line 19.87 feet, thence left 67 degrees 03 minutes for 71.90 feet, thence right 40 degrees 05 minutes for 85.73 feet, thence right 25 degrees 53 minutes for 20.00 feet, thence left 35 degrees 22 minutes for 124.14 feet, thence left 37 degrees 28 minutes for 105.68 feet, thence right 16 degrees 23 minutes for 131.60 feet, thence right 118 degrees 05 minutes for 271.44 feet, thence left 10 degrees 15 minutes for 122.62 feet, thence left 4 degrees 48 minutes for 85.18 feet to east line of the SW quarter of the SW quarter, thence left 45 degrees 29 minutes for 134.30 feet to the NE corner of the SW quarter of the SW quarter, thence right 91 degrees 26 minutes for 81.15 feet to the West line of lot 4 block 8 Thomson addition to the town of Aldrich, map of which is recorded in the office of the Judge of Probate of Shelby County, thence left 121 degrees for 63.37 feet along West line of said lot 4, thence right 98 degrees 57 minutes for 270 feet, thence left 112 degrees 04 minutes for 161.10 feet, thence right 93 degrees 26 minutes for 290.90 feet, thence left 90 degrees 10 minutes for 123.71 feet, thence right 4 degrees 13 minutes for 562.11 feet, thence left 61 degrees 41 minutes for 16.26 feet, thence right 12 degrees 48 minutes for 315.73 feet, thence left 95 degrees 56 minutes for 296.12 feet, thence left 61 degrees 22 minutes for 358.61 feet to the East line of the NW quarter of the SW quarter of	186.04	46.51

EXHIBIT A

State	County	Twp	Rng	Sec	Description	Gr Acres	Net Acres
					<p>said Section 19, thence South along said East line for 157.72 feet, thence right 102 degrees 49 minutes for 324.50 feet, thence right 90 degrees for 20.1 feet, thence left 62 degrees 26 minutes for 355.95 feet, thence left 22 degrees 27 minutes for 125.53 feet, thence left 10 degrees 16 minutes for 187.24 feet, thence right 90 degrees for 364.08 feet, thence right 90 degrees for 362.91 feet, thence left 89 degrees 54 minutes for 606.58 feet, thence right 28 degrees 35 minutes for 353 feet, thence left 90 degrees for 150 feet, thence right 71 degrees 32 minutes to the public road, thence in and easterly direction along the public road to the intersection of the north line of the public road with the South line of lot 2, block 3, said Thomas addition to the town of Aldrich, thence NW along the S line of said lot 2 for 298.39 feet, thence right 86 degrees 13 minutes for 205.65 feet along the W side of said lot 2, thence Easterly along the N line of said lot 2 for 208 feet, thence Easterly along the N line of Summit Part (B) for 398 feet to the NW corner of lot 6, block 2, said Thomas Addition to the town of Aldrich, thence looking East along the N line of said lot 6, block 2, turn an angle of 65 degrees 18 minutes for 303.48 feet, thence right 0 degrees 19 minutes for 580.46 feet, thence left 85 degrees 55 minutes for 696.48 feet, thence right 54 degrees 16 minutes for 109.50 feet, thence right 5 degrees 22 minutes for 636.67 feet, thence right 33 degrees 50 minutes for 173.78 feet to the center line of Davis Creek, thence E along the center line of Davis Creek to the E line of the SE quarter of the SW quarter, section 18, thence N along said E line to the NE corner of said SE quarter of SW quarter, thence W along the N line of said SE quarter of SW quarter to NW corner of said 40, thence S along W line of said 40 to the N line of Section 19, thence W to NW corner of said Section 19, thence S to SW corner of Section 19, thence E to point of beginning, except the following tracks; commence the NW corner of</p>		

EXHIBIT A

State	County	Twp	Rng	Sec	Description	Gr Acres	Net Acres
					SE quarter of SW quarter of Section 19 and run S 798 feet along the W side of said 40 to the point of beginning; thence turn an angle of 70 degrees right, run a distance of 40 feet to the NW corner of Church Lot, thence turning and angle of 90 degrees left, run a distance of 80 feet to the SW corner, thence turning an angle of 90 degrees left, run a distance of 100 feet to the SE corner, thence turning and angle of 90 degrees left, run a distance of 80 feet to the NE corner, thence turning an angle of 90 degrees left, run 60 feet to the point of beginning; containing 0.183 acres. There is also included the following tract; from the SW corner of SE quarter of SW quarter, section 19, go E along the S line of said SE quarter of SW quarter for 970.89 feet to a point of beginning, run thence left 36 degrees 48 minutes for 163.06 feet, thence right 29 degrees 36 minutes for 90.60 feet to the W edge of the Southern Rail Road Right of Way, thence S along W edge of Right of Way to the S line of said SE quarter of SW quarter, thence W to the point of beginning.		
AL	Shelby	22S	3W	18	W2W2, N2NESW west of the old Montevallo-Tuscaloosa dirt road; a parcel of land in the SW corner of the E2NW more fully described as follows: Begin at the SW corner of the E2 NW , thence Northeast about 150 yards to a spring, thence down said spring branch 50 yards, thence direct to Tuscaloosa Road, thence down said road about 150 yards to the South boundary of SE NW, thence West along the line between the NW quarter and SW quarter of said section to the beginning.	180.00	45.00
AL	Shelby	22S	3W	30	ALL of fractional Section West of Southern Railway right of way	35.00	8.75
AL	Shelby	22S	4W	1	NE4, SE4, S2SW, S2NW, N2SW, NENW Less 9 acres, North 31 acres of the NWNW	622.00	155.50
AL	Shelby	22S	4W	2	S2SE, NWSE, S2SW, NESW, NWNE, S2NE, SENW lying south of the Monevallo and Tuscaloosa dirt road, N2NW, SWNW, NESE, NWSW, NENE	600.00	150.00

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State	County	Twp	Rng	Sec	Description	Gr Acres	Net Acres
AL	Shelby	22S	4W	3	NESE	40.00	10.00
AL	Shelby	22S	4W	4	SW4, NW4, NE4, NWSE, S2SE	600.00	150.00
AL	Bibb	22S	4W	6	SWNW	40.00	5.00
AL	Shelby	22S	4W	9	W2NE, E2NW	160.00	40.00
AL	Shelby	22S	4W	10	E2NE, NESW, W2NE, SENW, NWSW	280.00	70.00
AL	Shelby	22S	4W	11	S2NE, NWNE, E2NW, NWNW, E2SW, N2SE, SESE, N2SWSE, NENE	500.00	125.00
AL	Shelby	22S	4W	12	E2, E2W2, NWNW, NESWNW, SENWSW, NWSWNW	550.00	137.50
AL	Shelby	22S	4W	13	E2, E2W2, E2NWNW, SESWNW, SWSW	550.00	137.50
AL	Shelby	22S	4W	14	SW, S2SE, W2NESE, NWSE	300.00	75.00
AL	Shelby	22S	4W	15	W2NE, N2S2	240.00	60.00
AL	Shelby	22S	4W	16	NE, S2	480.00	120.00
AL	Bibb	22S	4W	20	N2, SE4	480.00	120.00
AL	Shelby	22S	4W	21	ALL	640.00	160.00
AL	Shelby	22S	4W	22	E2, N2NW, SENW, E2SW	520.00	130.00
AL	Shelby	22S	4W	23	ALL	640.00	160.00
AL	Shelby	22S	4W	24	ALL	640.00	160.00
AL	Shelby	22S	4W	25	ALL of Fractional Section	65.00	16.25
AL	Shelby	22S	4W	26	ALL of Fractional Section	65.00	16.25
AL	Shelby	22S	4W	27	NE	30.00	7.50
AL	Bibb	22S	5W	1	SW4	160.00	40.00
AL	Bibb	22S	5W	2	SENE, E2SE	120.00	30.00
AL	Bibb	22S	5W	6	N2NW	80.00	20.00
AL	Bibb	22S	5W	11	E2NW, E2SE	160.00	40.00
AL	Bibb	22S	5W	12	SE4, E2W2, SWNE, NWSW	400.00	200.00
AL	Bibb	22S	5W	12	W2NW; SWSW	120.00	30.00
AL	Bibb	22S	5W	14	NENE, SWNE	80.00	20.00
AL	Bibb	22S	6W	1	W2SW	80.00	20.00
AL	Bibb	22S	6W	2	SENE, NENW, S2NW, NESE	200.00	50.00
AL	Bibb	24N	10E	12	NE4, N2NW, SWNW	280.00	70.00
AL	Bibb	24N	10E	21	SENE; Two acres in the SWNW described as follows: Begin at the Northeast corner of the Southwest Quarter of the Northwest Quarter, run thence west 210 feet, Thence South 420 feet, Thence East 210 feet, Thence North 420 feet to point of beginning.	42.00	10.50
AL	Shelby	24N	11E	1	ALL	576.00	144.00
AL	Shelby	24N	11E	2	ALL	565.00	141.25
AL	Bibb	24N	11E	3	SENE, W2NE, E2W2, NWSW, SE4	480.00	120.00
AL	Bibb	24N	11E	4	NESW, S2SW, SE4	280.00	70.00
AL	Bibb	24N	11E	5	SW4, NESE, S2SE	280.00	70.00
AL	Bibb	24N	11E	6	NE4, N2SE	240.00	60.00
AL	Bibb	24N	11E	8	NENE Less and except 2.70 acres on	37.30	9.325

EXHIBIT A

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State	County	Twp	Rng	Sec	Description	Gr Acres	Net Acres
					the east side.		
AL	Bibb	24N	11E	9	NWNW Less 2.60 acres described as follows: Begin at the SW corner of said forty, run thence East 506 feet to Blocton Piper road, thence in a Northwesterly direction along said road 675 feet, thence South along the West line of said forty 448 feet to the point of beginning.	37.40	9.35
AL	Bibb	24N	11E	11	NESW, S2SW, SWSE, N2SE	240.00	60.00
AL	Shelby	24N	11E	11	NE, NW	320.00	80.00
AL	Shelby	24N	11E	12	N2, SE4, N2SW	560.00	140.00
AL	Shelby	24N	11E	13	W2NE	80.00	20.00
AL	Shelby	24N	12E	5	NWSW, that part of the N2 of fractional section West of Southern Railroad r.o.w. except that part of the following tract which lies W. of said r.o.w.; commencing at a certain sweet gum tree on the West bank of Simmons Creek, run S. 86 degrees W. 13.31 chains, thence N. 3 degrees 30 minutes W. 9 chains to Section line, thence N. 86 degrees E. along Section line to aforesaid creek, thence down and along said creek to p.o.b., SWSW	160.00	40.00
AL	Shelby	24N	12E	6	NE, NESE, E2NW, NESW, NWSE, W2W2, E2SESE	520.00	130.00
AL	Shelby	24N	12E	7	N2NE, SWNE, S2NW, NWNW	240.00	60.00
AL	Shelby	24N	12E	7	SWSW	40.00	5.00
AL	Shelby	24N	12E	18	NWNW	40.00	10.00
Totals						23,468.74	5,933.85

20050303000100960 Pg 8/8 36.00
Shelby Cnty Judge of Probate, AL
03/03/2005 14:09:00 FILED/CERTIFIED