20050708000342540 1/2 $14.00
Shelby Cnty Judge of Probate, AL
07/08/2005 11:27:43AM FILED/CERT

STATE OF ALABAMA }
}
SHELBY COUNTY }

RATIFICATION

WHEREAS, on the 26th day of May, 2004, LITTLE GEM COAL COMPANY, represented by its President, Fred B. Smith, as lessor, executed and delivered to CDX SEQUOYA, LLC, as lessee, an Oil, Gas and Mineral Lease, which is recorded as Document No. 2004/43836 of the Probate Records of Shelby County, Alabama (hereafter, "said Lease"), covering land lying in said County and State, particularly described as follows:

TOWNSHIP 21 SOUTH, RANGE 3 WEST:

Section 29: S/2SE/4; SE/4SW/4

Section 31: E/2SE/4; SW/4SE/4

Section 32: All L/E the N/2NW/4 and 22.81 acres in the SE corner thereof, more particularly described in Deed Book 286, page 637.

TOWNSHIP 22 SOUTH , RANGE 3 WEST:

Section 5: E.2 OF NW/4; SW/4 NW/4; W/2 NE/4 NE/4; SW/4SE/4; N/2SW/4; N/2SE/4

Section 6: E/2 NE/4; NW/4 NE/4; E/2 NW/4

Section 7: NE/4NE/4; N/2SE/4NE/4

AND WHEREAS, said Lease was subsequently assigned to CDX BISHOP CREEK, LLC and then to W. RAY WALLACE, so that said Lease is now owned by CDX BISHOP CREEK, LLC and W. RAY WALLACE;

AND WHEREAS, said Lease utilized an acknowledgment certificate that might be inadequate under Alabama law and undersigned wishes to correct the acknowledgment certificate for said Lease;

NOW THEREFORE, in consideration of the premises and the sum of ONE DOLLAR ($1.00) cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, LITTLE GEM COAL COMPANY does hereby ratify, adopt, approve and confirm the said Lease in all of its terms and

provisions, and does hereby lease, demise and let the above described land and all land covered by said lease by general boundary description exclusively unto CDX BISHOP CREEK, LLC and W. RAY WALLACE, present holders of said lease, subject to and in accordance with all of the terms and provisions of said lease, and LITTLE GEM COAL COMPANY does hereby agree and declare that said Lease in all of its terms and provisions is binding on it and is a valid and subsisting Oil, Gas and Mineral Lease.

EXECUTED this 21 day of June, 2005.

20050708000342540 2/2 $14.00
Shelby Cnty Judge of Probate, AL
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LITTLE GEM COAL COMPANY

By: Fred B. Smith
FRED B. SMITH

Its: PRESIDENT

STATE OF ALABAMA }

JEFFERSON COUNTY }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that FRED B. SMITH, whose name as President of LITTLE GEM COAL COMPANY, a corporation, is signed to the foregoing Ratification, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand this 21 day of June, 2005.

Ginger Jones
NOTARY PUBLIC

My Commission Expires:
2-24-2009