

This instrument was prepared by:

Send Tax Notice to:

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Burr & Forman, L.L.P.  
3100 SouthTrust Tower  
420 North Twentieth Street  
Birmingham, Alabama 35206  
(205) 251-3000

STATE OF ALABAMA       )  
COUNTY OF SHELBY     )

\$ 7,500,000.00  
600%

**STATUTORY WARRANTY DEED**

**KNOW ALL MEN BY THESE PRESENTS:** That for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration to the undersigned grantor, **TACOA MINERALS, LLC**, an Alabama limited liability company (the "Grantor"), in hand paid by **KODIAK MINING COMPANY, LLC**, an Alabama limited liability company ("Grantee"), the receipt and sufficiency whereof are hereby acknowledged, Grantor does hereby grant, bargain, sell, and convey unto Grantee that certain real estate (the "Property") situated in Shelby County, Alabama, which is more particularly described on Exhibit A attached hereto.

Subject, however, to those matters set forth on Exhibit B attached hereto (the "Permitted Encumbrances").

All of the consideration paid pursuant to this deed is being advanced pursuant to and secured by a purchase money mortgage recorded concurrently herewith.

**TO HAVE AND TO HOLD** the Property unto the Grantee and the Grantee's heirs and assigns, forever.

**IN WITNESS WHEREOF**, Grantor has caused this Deed to be properly executed on this 25th day of October, 2005.

**GRANTOR:**


**TACOA MINERALS, LLC,**  
an Alabama limited liability company

By: 

Name: Jerry C White

Its member

STATE OF ALABAMA           )  
Jefferson COUNTY        )

  
20051026000557940 2/5 \$24.00  
Shelby Cnty Judge of Probate, AL  
10/26/2005 04:23:29PM FILED/CERT

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that \_\_\_\_\_  
Jerry C. Whit, as member, of TACOA MINERALS, LLC, an Alabama limited liability company, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 25<sup>th</sup> day of October, 2005.

Ellen C. Prescott  
NOTARY PUBLIC  
My Commission expires: 2/3/08



**EXHIBIT A**

**LEGAL DESCRIPTION**

**PARCEL I**

A tract of land, situated in the East half of the Northeast quarter of Section 29, Township 21 South, Range 4 West of the Huntsville Principal Meridian, Shelby County, Alabama being more particularly described as follows:

Commence at the Northeast corner of Section 29, Township 21 South, Range 4 West; thence in a Westerly direction along the North boundary of said Section 180.22 feet; thence turning an angle of 50 degrees 31 minutes 33 seconds to the left in a Southwesterly direction, 482.08 feet to the point of beginning of tract herein described; thence turning an angle of 93 degrees 21 minutes 45 seconds to the left in a Southeasterly direction 96.69 feet; thence turning an angle of 61 degrees 53 minutes 18 seconds to the right in a Southwesterly direction, 323.04 feet; thence turning an angle of 16 degrees 19 minutes 28 seconds to the right in a Southwesterly direction, 801.74 feet; thence turning an angle of 20 degrees 57 minutes 16 seconds to the right in a Southwesterly direction, 303.15 feet; thence turning an angle of 55 degrees 21 minutes 07 seconds to the right in a Northwesterly direction 258.54 feet; thence turning an angle of 91 degrees 40 minutes 24 seconds to the right in a Northeasterly direction, 535.80 feet; thence turning an angle of 7 degrees 42 minutes 34 seconds to the right in a Northeasterly direction 122.28 feet thence turning on an angle of 10 degrees 18 minutes 36 seconds to the right in a Northeasterly direction 193.10 feet; thence turning an angle of 2 degrees 11 minutes 48 seconds to the right in a Northeasterly direction, 191.47 feet; thence turning an angle of 6 degrees 59 minutes 06 seconds to the right in a Northeasterly direction, 490.22 feet; thence turning an angle of 86 degrees 36 minutes 15 seconds to the right in a Southeasterly direction 121.64 feet to the point of beginning.

**PARCEL II**

Commence at the Southeast corner of Section 20, Township 21 South, Range 4 West; thence run Northwesterly 292.73 feet along the North line of the South diagonal of the South half of the Southeast quarter of the Southeast quarter of said Section 20, Township 21 South, Range 4 West to the East right-of-way line of Southern Railway Company, said point being the point of beginning; thence continue Northwesterly 1,198.36 feet to the Northwest corner of the Southwest quarter of the Southeast quarter of the Southeast quarter of said Section 20, Township 21 South, Range 4 West; thence run Southwesterly 933.19 feet to the Southwest corner of the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section 20, Township 21 South, Range 4 West, said point also being on the South line of said Section 20, Township 21 South, Range 4 West; and also being on the North line of Section 29, Township 21 South, Range 4 West; thence run 1,361.87 feet to the Southeast corner of the Southwest quarter of the Southwest quarter of the Northwest quarter of the Northeast quarter of said Section 29, Township 21 South, Range 4 West, said point also being on the South line of the North half of the Northeast quarter of said Section 29, Township 21, South, Range 4 West; thence run Easterly 1,127.39 feet along the South line of said North half of the Northeast quarter of said Section 29, Township 21 South, Range 4 West, to a point on the West line of a tract of land quitclaimed by USX Corporation to Oak Mountain Energy Corporation by deed dated August 24, 1996; thence run Northeasterly along the West line of said tract 208.38 feet; thence turn a deflection angle to the right of 7 degrees 42 minutes 34 seconds and run Northeasterly along the West line of said tract 122.28 feet; thence turn a deflection angle to the right of 10 degrees 18 minutes 36 seconds and run Northeasterly along the West line of said tract 193.10 feet; thence turn a deflection angle to the right of 2 degrees 11 minutes 48 seconds and run Northeasterly along the West line of said tract 191.47 feet thence turn a deflection angle to the right of 6



degrees 59 minutes 06 seconds and run Northeasterly 490.22 feet; thence turn a deflection angle to the right of 86 degrees 36 minutes 15 seconds and run Southeasterly 100 feet to the East right-of-way line of Southern Railroad Company; thence run Northeasterly along said East right-of-way line of Southern Railway Company 547.31 feet to the point of beginning.

### PARCEL III

A tract of land lying in the Northwest quarter of the Southwest quarter and the Northeast quarter of the Southwest quarter of Section 28, Township 21 South, Range 4 West, more particularly described as follows:

Commence at the Southwest corner of the Southwest quarter of the Southwest quarter of Section 28, Township 21 South, Range 4 West; Thence run North along the West line of said Section 28 a distance of 1760.98 feet; thence turn right 90 degrees 0 minutes 00 seconds and run Easterly 1274.44 feet to the point of beginning; thence turn left 78 degrees 39 minutes 30 seconds and run Northeasterly 219.49 feet; thence turn right 89 degrees 59 minute 56 seconds and run Southeasterly 87.15 feet; thence turn right 90 degrees 00 minutes 00 seconds and run Southwesterly 219.49 feet; thence turn right 90 degrees 00 minutes 19 seconds and run Northwesterly 87.15 feet to the point of beginning.

### PARCEL IV

A tract of land, situated in the Southeast quarter of the Northwest quarter of Section 28, Township 21 South, Range 4 West more particularly described as follows:

Commence at the Southwest corner of Section 28, Township 21 South, Range 4 West; thence run North along the West line of said Section 28 a distance of 3388.73 feet; thence turn right 90 degrees and run Easterly a distance of 1942.04 feet to the point of beginning; thence turn left 48 degrees 49 minutes 55 seconds and run Northeasterly a distance of 189.06 feet; thence turn right 72 degrees 12 minutes 18 seconds and run Southeasterly a distance of 203.99 feet; thence turn right 90 degrees 42 minutes 46 seconds and run Southwesterly a distance of 200.80 feet; thence turn right 93 degrees 52 minutes 03 seconds and run Northwesterly a distance of 260.10 feet to the point of beginning.

### PARCEL V

A tract of land lying in the Southeast quarter of the Southeast quarter of Section 20, Township 21 South, Range 4 West and also in the West half of the Southwest quarter of Section 21, Township 21 South, Range 4 West more particularly described as follows:

Commence at the Southwest corner of the Southwest quarter of the Southwest quarter of Section 21, Township 21 South, Range 4 West; thence run North along the West line of said Section 21, 890.01 feet to the point of beginning; thence turn left 88 degrees 31 minutes 17 seconds and run Westerly 103.06 feet to a point on the Westerly right of way of Southern Railroad; thence turn right 107 degrees 37 minutes 39 seconds and run Northeasterly along said right of way 708.44 feet; thence turn 90 degrees and run Southeasterly 184.26 feet; thence turn right 30 degrees 13 minutes 17 seconds and run Southeasterly 226.97 feet; thence turn right 33 degrees 50 minutes 13 seconds and run Southeasterly 144.96 feet; thence turn left 0 degrees 19 minutes 22 seconds and run Southeasterly 192.25 feet; thence turn right 107 degrees 11 minutes 36 seconds and run Northwesterly 96.36 feet; thence turn left 45 degrees 53 minutes 31 seconds and run Southwesterly 217.55 feet; thence turn right 37 degrees 20 minutes 08 seconds and run Westerly 220.97 feet to the point of beginning.



**EXHIBIT B**

**PERMITTED ENCUMBRANCES**

1. Ad valorem taxes for 2005, due and payable October 1, 2005, but not delinquent until December 31, 2005, and for subsequent years.
2. 100 foot Southern Railway right of way. (as to Parcels I, II and V)
3. Title to all minerals within and underlying the premises, together with all mineral rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument #2004-14856 and Instrument #2004-14857.
4. Title to all minerals within and underlying the premises, together with all mineral rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument #1996-21551. (as to Parcel I)
5. Title to all minerals within and underlying the premises, together with all mineral rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument #1997-18712 and corrected by Instrument #2004-1730. (as to Parcel II)
6. Reservation of Royalties, Easements and Right of Ways contained in Deed and Map as recorded in Instrument #1997-18712 and corrected by Instrument #2004-1730. (as to Parcel II)
7. Agreement with Respect to Surface and Subsurface Uses between United States Steel Corporation and RGGS Land and Minerals, LTD., L.P. as recorded in Instrument #2004-14860. (as to Parcels III, IV and V)
8. Non-Exclusive Easements reserved by United States Steel Corporation and also conditions, restrictions, reservations, limitations as set out in Instrument #2004-67584 and Instrument #2005-354. (as to Parcels III, IV and V)
9. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges, immunities and release of damages relating thereto, as recorded in Instrument #2004-67584 and Instrument #2005-354. (as to Parcels III, IV and V)
10. Hunting Agreement dated May 8, 1996 between USX Corporation and State of Alabama Department of Conservation and Natural Resources. (as to Parcels III, IV and V)
11. Terms and Conditions of that Coal Seam Gas Lease, dated April 9, 2002, between United States Steel Corporation and Geomet, Inc., as set out in Memorandum of Lease recorded in Instrument #2002-29918 and notice of extension in Instrument #2004-22412 and Fourth Amendment recorded in Instrument #2005-26637 and Instrument #2005-26638. (as to Parcels II, III, IV and V)