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MEMORANDUM OF OPERATING AGREEMENT
OPERATING AGREEMENT AND FINANCING STATEMENT

THIS AGREEMENT, entered into by and between **CDX Gas, LLC**. Hereinafter referred to as "Operator," and the signatory party or parties other than Operator, hereinafter referred to individually as "Non-Operator," and collectively as "Non-Operators."

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit "A: (said land, Leases and interests being hereinafter called the "Contract Area"), and in any instance in which the Leases or Interests of a party are not of record, the record owner and the party hereto that owns the interest or right therein are reflected on Exhibit "A";

WHEREAS, the parties hereto have executed an Operating Agreement dated **September 28, 2005**. (herein the "Operating Agreement"), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interest for Oil and Gas; and

WHEREAS, the parties hereto have executed this agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection.

NOW, THEREFORE, in consideration of the mutual rights and obligations of the parties hereto, it is agreed as follows:

1. This agreement supplements the Operating Agreement, which Agreement in its entirety is incorporated herein by reference, and all terms used herein shall have the meaning ascribed to them in the Operating Agreement.

2. The parties do hereby agree that:

A. The Oil and Gas Leases and/or Oil and Gas Interests of the parties comprising the Contract Area shall be subject to and burdened with the terms and provisions of this agreement and the Operating Agreement, and the parties do hereby commit such Leases and Interest to the performance thereof.

B. The exploration and development of the Contract Area for Oil and Gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this agreement.

C. All costs and liabilities incurred in operations under this agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.

D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit "A," all production of Oil and Gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this agreement shall be deemed an assignment or cross-assignment of interests covered hereby.

E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.

F. An overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments or production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden., and (iii) subject to the lien and security interest hereinafter provided if the party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.

G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns, and the terms hereof shall be deemed to run with the leases or interests included within the lease Contract Area.

H. The parties shall have the right to acquire an interest in renewal, extension and replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.

I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, each party's right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.

J. Each party's interest under this agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party's share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.

K. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.

3. The parties hereby grant reciprocal liens and security interests as follows:

A. Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreements and the Operating Agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid under this agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this agreement and the Operating Agreement, and the proper performance of operations under this agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement and the Operating Agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from the sale of production at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.

B. Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement and the Operating Agreement by, through or under such

Please return this copy to the following address. Thank you.

CDX Gas, LLC
Attn: Nancy Baer
5485 Beltline Rd., Suite 190
Dallas, TX 75254

party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.

C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of its share of expenses, interest or fees, or upon the improper use of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owned by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party or parties stating the amount due as a result of the default, and all parties waive any from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.

D. If any party fails to pay its share of expenses within one hundred twenty (120) days after rendition of a statement therefore by Operator the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in this paragraph 3 and in the Operating Agreement, and each paying party may independently pursue any remedy available under the Operating Agreement or otherwise.

E. If any party does not perform all of its obligations under this agreement or the Operating Agreement, and the failure to perform subject such party to foreclosure or execution proceedings pursuant to the provisions of this agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisement of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshalling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a poer of sale as to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.

F. The lien and security interest granted in this paragraph 3 supplements identical rights granted under the Operating Agreement.

G. To the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due under this agreement and the Operating Agreement for services performed or materials supplied by Operator.

H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Recording Supplement may be filed in the land records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above-described security interest, and any part hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.

4. This agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this agreement and the Operating Agreement and the satisfaction of all obligations thereunder, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon the request of Operator, if Operator has complied with all of its financial obligations.

5. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. No sale, encumbrance, transfer or other disposition shall be made by any party of any interest in the Leases or Interests subject hereto except as expressly permitted under the Operating Agreement and, if permitted, shall be made expressly subject to this agreement and the Operating Agreement and without prejudice to the rights of the other parties. If the transfer is permitted, the assignee of an ownership interest in any Oil and Gas Lease shall be deemed a party to this agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation conducted under this agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations.

6. In the event of a conflict between the terms and provisions of this agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.

7. This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, and interest in the Contract Area, in the event that any provision herein is illegal or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.

8. Other provisions.

CDX Gas, LLC, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On-A-Disk, Inc. No changes have been made to the form.

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11/03/2005 03:17:45PM FILED/CERT

IN WITNESS WHEREOF, this agreement shall be effective as of the **28th** day of **September**, year **2005**.

ATTEST OR WITNESS:

OPERATOR

CDX Gas, LLC

By MW

Gilbert A. Smith
Type or print name

Title **Vice President**

Date 9/28/05

Tax ID or S.S. No.

NON-OPERATORS

W. Ray Wallace

By

W. Ray Wallace
Type or print name

Title

Date

Tax ID or S.S. No.

CDX Sequoya, LLC

By KW

Gilbert A. Smith
Type or print name

Title **Vice President**

Date 9/28/05

Tax ID or S.S. No.

CD Exploration, Inc.

By KW

Gilbert A. Smith
Type or print name

Title **Vice President**

Date 9/28/05

Tax ID or S.S. No.

20051103000573110 3/9 $35.00
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ACKNOWLEDGMENTS

Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

State of Texas)

) ss.

County of Dallas)

This instrument was acknowledged before me on September 28, 2005 by **Gilbert A. Smith** as **Vice President** of **CDX Gas, LLC**.

(Seal, if any)

Title (and Rank) _____

My commission expires: 05/13/2009

State of Texas)

) ss.

County of Dallas)

This instrument was acknowledged before me on September 28, 2005 by **W. Ray Wallace**.

(Seal, if any) KRISTI E. GROSS MY COMMISSION EXPIRES May 20, 2009

Title (and Rank) _____

My commission expires: _____

State of Texas)

) ss.

County of Dallas)

This instrument was acknowledged before me on September 28, 2005 by **Gilbert A. Smith** as **Vice President** of **CDX Sequoya, LLC**.

(Seal, if any)

Title (and Rank) _____

My commission expires: 05/13/2009

State of Texas)

) ss.

County of Dallas)

This instrument was acknowledged before me on September 28, 2005 by **Gilbert A. Smith** as **Vice President** of **CD Exploration, Inc.**.

(Seal, if any)

Title (and Rank) _____

My commission expires: 05/13/2009

20051103000573110 4/9 $35.00
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EXHIBIT "A"
To Memorandum of Operating Agreement

LANDS SUBJECT TO AGREEMENT:

County	Township	Range	Section	Description
Shelby	21N	3W	5	W/2NE, E/2SW
Shelby	21S	3W	17	NESE, less 1 ac near the NW corner for cemetery, and less 1.29 acres being that part of the Kendric-Holcomb lot as described by deed recorded in DB 139, page 299, and the SWSE, less .50 acres as described by deed recorded in DB 26 page 394, in the Office of the Probate Judge of Shelby Co., AL
Shelby	21S	3W	17	SWNE, S/2NW, SW, NWSE, SESE, N/2N/2NWNE, N/2NW
Shelby	21S	3W	18	NWSW, NENW, SWNW
Shelby	21S	3W	18	All L/E NENW, SWNW, NWSW, L/E N/2N/2SWSW
Shelby	21S	3W	18	NW NW
Shelby	21S	3W	19	N/2N/2, S/2NW, W/2SW
Shelby	21S	3W	19	S/2NE, SE, E/2SW
Shelby	21S	3W	20	NENE, NESE
Shelby	21S	3W	20	W/2NE, SENE, W/2SE, SESE, W/2
Shelby	21S	3W	21	NW/4NW/4 lying W of the Montevallo-Bessemer Road, less lots described in DB 148, page 178, and DB 163, page 553, and DB 173, page 463 and less the Church lot described as beginning at the intersection of the N line of Section 21, Township 21 S, Range 3 W, and the West boundary of the r.o.w. of the Montevallo-Bessemer public road and run West along the N line of said Section 21 a distance of 300 feet to the west boundary of said road, run thence N along W boundary of said road 100 feet to the point of beginning, AND the SW/4NW/4 lying W of the Montevallo-Bessemer Road and West of Lots 39, 40 and 41, AND that part of the SE/4NW/4 lying E. of the Southern Railroad r.o.w., except for Church and Cemetery lot in the SE corner, AND the NW/4SW/4 less lots in the NE corner of said forty described in deeds recorded in DB 25, page 270, DB 62, page 339 and DB 62, page 436, respectively, as recorded in the Office of the Probate Judge of Shelby Co., AL.
Shelby	21S	3W	29	S/2NW/4, N/2SW/4, SW/4NE/4, NW/4SE/4
Shelby	21S	3W	29	N/2N/2, SENE, NESE, SWSW
Shelby	21S	3W	30	S/2N/2, N/2NW, NWSW
Shelby	21S	3W	30	SE, E/2SW, SWSW, N2NE
Shelby	21S	3W	31	N/2, NWSE, SW
Shelby	21S	3W	32	NENW
Shelby	21S	4W	3	S2, NENW
Shelby	21S	4W	6	SWNW
Shelby	21S	4W	6	SWSW
Shelby	21S	4W	7	N/2NW
Shelby	21S	4W	8	N2/SE, S/2NE
Shelby	21S	4W	13	S/2NE, SE
Shelby	21S	4W	13	NE DIAGONAL 1/2 OF SW, NENE, E/2E/2NWNE, W/2NWNE, W/2E/2NWNE, S/2NW
Shelby	21S	4W	14	E2SE
Shelby	21S	4W	15	NWSW, S/2SW
Shelby	21S	4W	16	ALL
Shelby	21S	4W	17	S/2SE, NWSE, W/2SW
Shelby	21S	4W	19	W/2NE, NENW, E/2NWNW, SESW, NWSE, N/2SW, SWSW
Shelby	21S	4W	24	E2
Shelby	21S	4W	25	NE
Shelby	21S	4W	25	SE DIAGONAL 1/2 OF NENW, NW DIAGONAL HALF OF E/2SWNW, SE, NESW, E/2NWSW, SE DIAGONAL HALF OF E/2SWNW, SESW, E/2SWSW, SENW
Shelby	21S	4W	29	NWNW
Shelby	21S	4W	30	SW, N/2NE, NENW, 10 ACRES IN NE CORNER OF NWSE, S/2NE, W/2NW, SWSE
Shelby	21S	4W	31	SENW, NESW, SWSW

20051103000573110 5/9 $35.00
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LANDS SUBJECT TO AGREEMENT:

County	Township	Range	Section	Description
Shelby	21S	4W	35	SE DIAGONAL HALF OF S/2NE, SE DIAGONAL HALF OF SW, SE
Shelby	21S	4W	36	NE, NWNW, S/2NW, S/2 EXCEPT 4 ACRES IN THE NE CORNER OF SESE, NENW
Shelby	21S	5W	1	SESE
Shelby	21S	5W	2	NENE
Shelby	21S	5W	12	W/2NWNE, SENWNE, NENE
Shelby	21S	5W	24	N/2NE, N/2SW
Shelby	21S	5W	25	SENW, SWSW
Shelby	21S	5W	26	SESE
Shelby	21S	5W	35	NENE
Shelby	21S	5W	36	NWSW
Shelby	21S	5W	36	NWNW, E/2NE
Shelby	21S	5W	36	N/2SE, NESW, NWSW
Shelby	22S	3W	6	SWNE, W/2NW, W/2E/2SE, W/2SE, SW
Shelby	22S	3W	7	NWNE, W/2, SWSE
Shelby	22S	3W	18	W/2W/2, N/2NESW West of Old Montevallo-Tuscaloosa dirt road, a parcel of land in the SW corner of the E/2NW more fully described as: Begin at SW corner of E/2NW, thence NE about 150 yards to a certain spring, thence down said spring branch 50 yards, thence direct to the Tuscaloosa road, thence down said Tuscaloosa road about 150 yards to the South boundary of SENW, thence W. along the line between the NW and SW of said Section to the P.O.B.
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 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

20051103000573110 6/9 $35.00
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County	Township	Range	Section	Description
				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 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.
Shelby	22S	3W	30	All of Fractional Section W. of Southern Railroad R.O.W.
Shelby	22S	4W	1	NE, SE, S/2 SW, S/2 NE, N/2 SW, NE NW Less 9 acres, North 31 acres NW NW
Shelby	22S	4W	2	ALL
Shelby	22S	4W	3	ALL LESS SENW AND LESS NESE
Shelby	22S	4W	3	NESE
Shelby	22S	4W	4	NESE
Shelby	22S	4W	4	ALL, EXCEPT NESE
Bibb	22S	4W	5	ALL
Bibb	22S	4W	6	ALL
Bibb	22S	4W	7	SW4, S2SE, N2
Bibb	22S	4W	8	NWNW, SWSW, E/2SE
Shelby	22S	4W	9	W/2NW, NENE
Shelby	22S	4W	9	E/2NW, W/2NE
Shelby	22S	4W	10	SE, SESW
Shelby	22S	4W	10	NE, N/2SW, SENW
Shelby	22S	4W	11	W2SW, S2SWSE
Shelby	22S	4W	11	S/2NE, NWNE, E/2NW, NWNW, E/2SW, N/2SE, SESE, N/2SWSE, NENE
Shelby	22S	4W	12	E/2, E/2W/2, NWNW, NESWNW, SENWSW
Shelby	22S	4W	13	E/2, E/2W/2, E/2NWNW, SESWNW, SWSW
Shelby	22S	4W	14	W2NW, E2NW, W2NE
Shelby	22S	4W	14	S/2 LESS E/2NESE
Shelby	22S	4W	15	W2NW, SENW, S2SW, S2SE, E/2NE
Shelby	22S	4W	15	W/2NE, N/2S/2
Shelby	22S	4W	16	NW
Shelby	22S	4W	16	NE, S/2
Bibb	22S	4W	17	NESW, SE4, N/2
Bibb	22S	4W	18	E/2NE
Bibb	22S	4W	20	N2, SE
Shelby	22S	4W	21	ALL
Shelby	22S	4W	22	E/2, N/2NW, SENW, E/2SW
Shelby	22S	4W	23	ALL
Shelby	22S	4W	24	ALL
Shelby	22S	4W	25	ALL FRACTIONAL SECTION
Shelby	22S	4W	26	ALL FRACTIONAL SECTION
Shelby	22S	4W	27	FRACTIONAL NE
Bibb	22S	4W	29	N2NE of FRACTIONAL SECTION
Bibb	22S	5W	1	NE, SE, NW

20051103000573110 7/9 $35.00
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Bibb	22S	5W	1	SW
Bibb	22S	5W	2	SENE, E/2SE
Bibb	22S	5W	3	NENE, S/2NE, W/2SE, W/2
Bibb	22S	5W	5	ALL
Bibb	22S	5W	6	N/2NW
Bibb	22S	5W	9	ALL
Bibb	22S	5W	11	NE, W/2NW, SW, W/2SE
Bibb	22S	5W	11	E/2NW, E/2SE
Bibb	22S	5W	12	N/2NE
Bibb	22S	5W	12	W/2NW, SWSW
Bibb	22S	5W	12	SE, E/2 W/2, SW NE, NW SW
Bibb	22S	5W	14	NENE, SWNE
Bibb	22S	5W	15	ALL
Bibb	22S	5W	26	ALL FRACTIONAL SECTION
Bibb	22S	5W	27	ALL FRACTIONAL SECTION
Bibb	22S	6W	1	W2SW
Bibb	22S	6W	2	SENE, NENW, S/2NW, NESE
Bibb	23N	11E	2	NWNE, N/2NW
Bibb	23N	11E	3	N/2N/2
Bibb	24N	09E	1	SENE, SE, SE2SWNE, SE2NESW
Bibb	24N	09E	3	SE4
Bibb	24N	09E	4	SESE, SWSW
Bibb	24N	09E	10	N2NE
Bibb	24N	09E	11	ALL
Bibb	24N	09E	12	W2NW, SENW, NESW, W2NE
Bibb	24N	09E	13	NENE, S2NE, NESE, W2SE, W2
Bibb	24N	09E	14	E2NW
Bibb	24N	09E	15	NE, N2NW, SENW, E2SW, SE
Bibb	24N	09E	23	N2NW, NESW, S2SW, E2
Bibb	24N	09E	24	N2NW, SWNW, NWSW, S2SW
Bibb	24N	09E	27	S2NE, NESW
Bibb	24N	10E	1	ALL
Bibb	24N	10E	3	NENE, S/2NE, SE, W/2
Bibb	24N	10E	11	ALL
Bibb	24N	10E	12	NE, N/2NW, SWNW
Bibb	24N	10E	15	N/2NE, SWNE, W/2SE, SESE, W/2
Bibb	24N	10E	21	SENW, 2 ACRES IN THE NE CORNER OF SWNW
Shelby	24N	11E	1	ALL
Shelby	24N	11E	2	ALL
Bibb	24N	11E	3	NENE, W/2NW
Bibb	24N	11E	3	SENE, W/2NE, E/2W/2, NWSW, SE
Bibb	24N	11E	4	NESW, S/2SW, SE
Bibb	24N	11E	5	NWSE
Bibb	24N	11E	5	SW, NESE, S/2SE
Bibb	24N	11E	6	N2SW
Bibb	24N	11E	6	NE, N/2SE
Bibb	24N	11E	7	NENE, NWSW
Bibb	24N	11E	8	NENE, less 2.7 acres in the East side thereof
Bibb	24N	11E	9	NWNW, less and except 2.6 acres in the SW corner
Bibb	24N	11E	11	NESW, S/2SW, SWSE, N/2SE
Shelby	24N	11E	11	NW, NE
Shelby	24N	11E	12	N/2, SE, N/2SW
Shelby	24N	11E	13	W/2NE
Shelby	24N	12E	5	NWSW, that part of the N/2 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.
Shelby	24N	12E	6	W/2W/2, E/2SESE, NWSE, NESW, E/2NW, NESE, FRACTIONAL NE
Shelby	24N	12E	7	SWSW

20051103000573110 8/9 $35.00
Shelby Cnty Judge of Probate,AL
11/03/2005 03:17:45PM FILED/CERT

EXHIBIT "A"
To Memorandum of Operating Agreement

LANDS SUBJECT TO AGREEMENT:

County	Township	Range	Section	Description
Shelby	24N	12E	7	N/2NE, SWNE, S/2NW, NWNW
Shelby	24N	12E	18	NWNW

Exhibit "A" (continued)

Oil and gas leases subject to the agreement:

1. Coalbed Methane Gas Lease dated July 9, 2004 executed by Alabama Power Company and Southern Electric Generating Company in favor of CDX Gas, LLC and CDX Sequoya, LLC, a Memorandum of which was recorded on March 22, 2005 at RPB 149, page 668 of the records in the office of the Judge of Probate of Bibb County, Alabama, and on March 23, 2005 at 2005/131220 of the records in the office of the judge of Probate of Shelby County.

2. Coalbed Methane Gas Lease dated October 12, 2004 executed by Bowater Alabama, Inc. in favor of CDX Sequoya, LLC, a Memorandum of which was recorded on March 3, 2005 at RPB 148, page 500 of the records in the office of the Judge of Probate of Bibb County, Alabama, and on March 3, 2005 at 2005/100960 of the records in the office of the Judge of Probate of Shelby County, Alabama.

3. Coalbed Methane Gas Lease dated November 29, 2004, executed by Kimberly-Clark Corporation in favor of CDX Sequoya, LLC, CDX Gas, LLC and CD Exploration, Inc., a Memorandum of which was recorded on March 3, 2005 at RPB 148, page 508, of the records in the office of the Judge of Probate of Bibb County, Alabama, and on March 3, 2005 at 2005/100950 of the records in the office of the Judge of Probate of Shelby County, Alabama.

20051103000573110 9/9 $35.00
Shelby Cnty Judge of Probate,AL
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