

**FIRST AMENDMENT TO  
COALBED METHANE GAS LEASE**

STATE OF ALABAMA

COUNTIES OF BIBB AND SHELBY

This agreement is made and entered to as of November 29, 2004, by and between Kimberly-Clark Corporation, a Delaware corporation and CDX Sequoya, LLC, a Texas limited liability company, CDX Gas, LLC formerly a Texas limited liability company now reorganized as a Delaware limited liability company, and CD Exploration, Inc., an Oklahoma corporation.

**WITNESSETH:**

WHEREAS, Kimberly Clark Corporation (referred to herein as "Lessor") and CDX Sequoya, LLC, CDX Gas, LLC and CD Exploration (collectively referred herein as "Lessee") entered into a COALBED METHANE GAS LEASE dated November 29, 2004 (the "Effective Date") wherein Lessee leased certain interests from Lessor in Bibb and Shelby Counties, Alabama ("Said Lease"); and

WHEREAS, Lessee has requested Lessor to amend articles 2.1 and 3.11 of Said Lease, and Lessor has agreed to make such amendments;

NOW, THEREFORE, the said Lessor and Lessee, for and in consideration of the mutual benefits to be derived by the parties hereto, do hereby amend Said Lease as follows:

1. Article 2.1 of Said Lease is hereby amended to read in its entirety as follows:

It is the intention of Lessee to diligently and continuously develop the Leased Premises and Lessee hereby covenants and agrees to meet the following Minimum Drilling Commitment: Lessee agrees to drill, a minimum of fifty-one (51) wells prior to the end of the second Lease Year (as defined in Section 3.10), a minimum of ninety (90) additional wells prior to the end of the fourth Lease Year, a minimum of sixty (60) additional wells prior to the end of the sixth Lease Year, and a minimum of sixty (60) additional wells in each subsequent two (2) Lease Year period until the Leased Premises are fully developed in a diligent, prudent manner. The number of wells drilled in excess of the minimum required in any two (2) Lease Year period shall be applicable to satisfy future minimum wells requirements. The number of wells drilled shall be determined by the total number of acres contained, or intended to be contained, in Production Units (as defined in Section 7.1(a)), divided by eighty (80). Provided, however, when Lessee needs to drill wells on a more dense spacing in order to handle excessive water or when Lessee has good title only to forty (40) acres, the number of wells drilled shall be determined as follows: (a) a conventional





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(vertical) well, whether drilled on a forty (40) acre production unit approved by the State Board or an eighty (80) acre production unit approved by the State Board, shall count as one well toward the minimum drilling commitment; and (b) for horizontal wells, each eighty (80) acres included in the production unit approved by the State Board shall count as one well toward the minimum drilling commitment. For the purpose of this Section 2, only wells drilled by Lessee on the Leased Premises or lands pooled therewith shall be applicable to Lessee's Minimum Drilling Commitment.

2. Article 3.11 of Said Lease is hereby amended to read in its entirety as follows:

Partial Release. At any time and from time to time, Lessee shall have the right to release from the terms of this Agreement any and all of the Leased Premises. Upon delivery of a recorded release of acreage from the terms of this Agreement, Lessee shall be relieved from any and all further obligations hereunder relating to the net mineral acres released, including, without limitation, minimum production or royalty payments, shut-in and venting payments, well drilling obligations and the obligation to protect such acreage from drainage from offset property production; provided that Lessee shall not be relieved of any liability accrued prior to the date of the release and further provided that no release under this Section 3.11 shall relieve Lessee of its restoration obligations under Articles 18 and 19 of this Lease for Lessee's activities on the Leased Premises. No release shall include less than eighty (80) acres in surface area unless such released acreage is contained within the boundaries of a drilling and production unit that has been approved by the State Board, the length of which released track shall not be more than twice its width and shall be situated so as not to prevent reasonable development of such tract.

The purpose of this Amendment is to amend the Said Lease by changing the language set forth above in Article 2.1, and to amend the Said Lease by adding the language set forth above to Article 3.11. In all other respects Said Lease shall remain unchanged and shall remain in full force and effect as hereby corrected and amended, and subject to all terms and provisions contained therein.

[Remainder of page intentionally left blank. Signatures appear on the following page 3 . . . ]



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In WITNESS WHEREOF, this Amendment is executed by Lessor and Lessee in duplicate originals to be effective as of the day and year first written above.

**KIMBERLY-CLARK CORPORATION**



*Leonard J. Anderson*  
By: Leonard J. Anderson  
Its: Director - Real Estate

**CDX SEQUOYA, LLC**

*Gilbert A. Smith*  
By: Gilbert A. Smith  
Its: Vice President

**CDX GAS, LLC**

*Gilbert A. Smith*  
By: Gilbert A. Smith  
Its: Vice President

**CD EXPLORATION, INC.**

*Gilbert A. Smith*  
By: Gilbert A. Smith  
Its: Vice President

Prepared by:  
CDX GAS, LLC  
5485 Beltline Rd., Suite 190  
Dallas, TX 75254





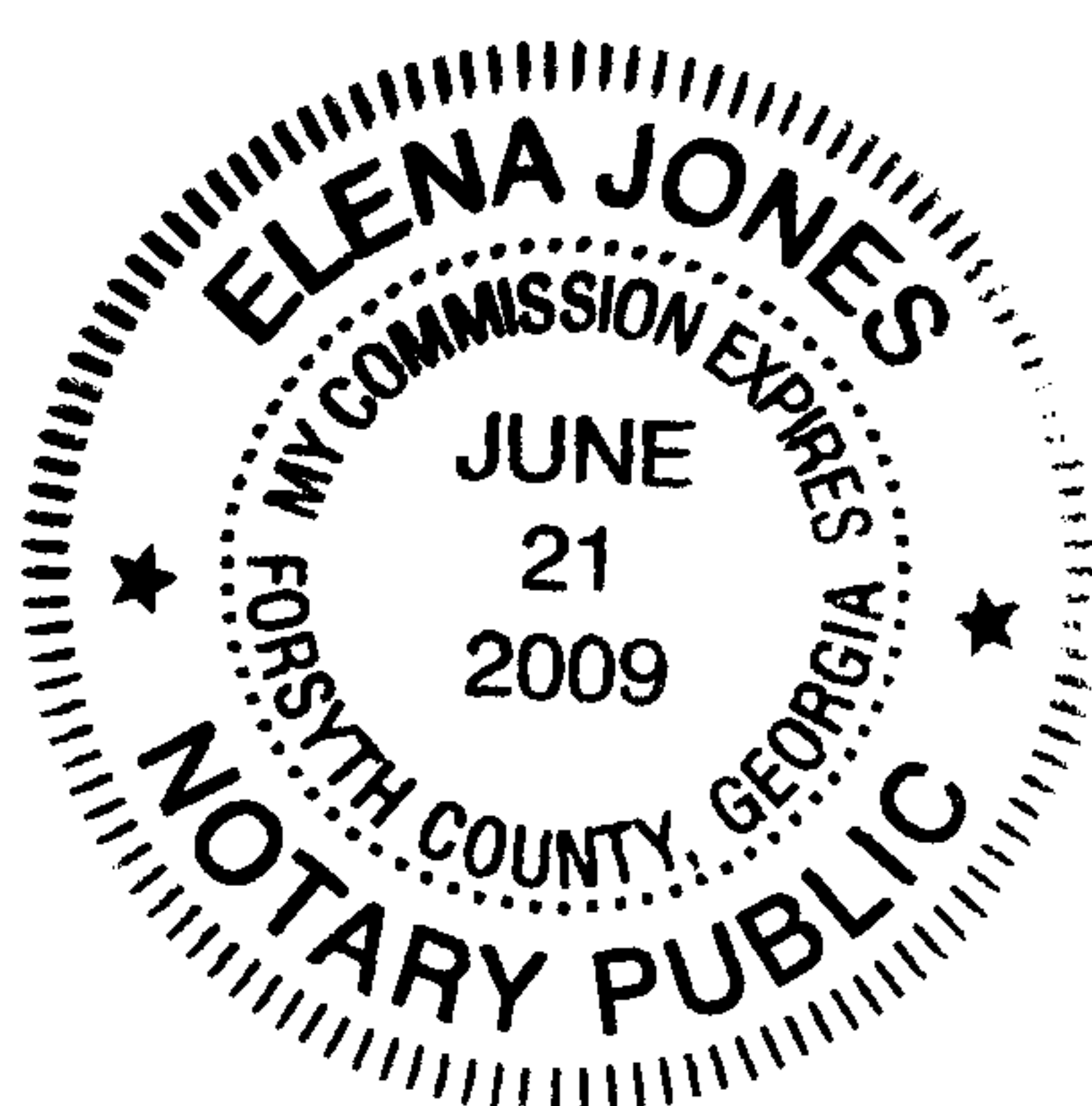
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### ACKNOWLEDGMENT

STATE OF GEORGIA  
COUNTY OF FULTON

I, THE UNDERSIGNED, a Notary Public in and for said County and State, hereby certify that LEONARD J. ANDERSON, whose name as DIRECTOR - REAL ESTATE of KIMBERLY-CLARK CORPORATION, a Delaware corporation is signed to the foregoing instrument 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 and seal this 8 day of NOVEMBER, 2006.



My Commission Expires:

JUNE 21 2009

Elena Jones  
NOTARY PUBLIC  
in and for FORSYTH County, GA

### ACKNOWLEDGMENT

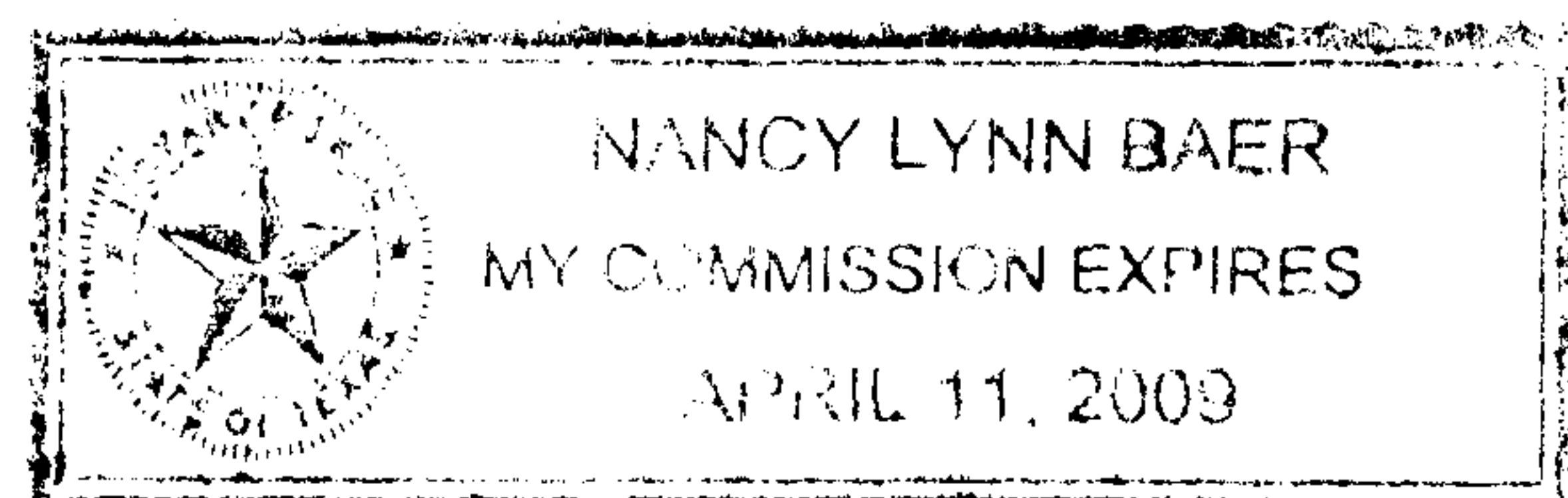
STATE OF TEXAS  
COUNTY OF DALLAS

THE UNDERSIGNED, a Notary Public in and for said County and 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 instrument 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 company.

Given under my hand and seal this 28th day of November, 2006.

Nancy Lynn Baer  
NOTARY PUBLIC  
in and for Dallas County, Texas

My Commission Expires: 04/11/09



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# ACKNOWLEDGMENT

STATE OF TEXAS  
 COUNTY OF DALLAS

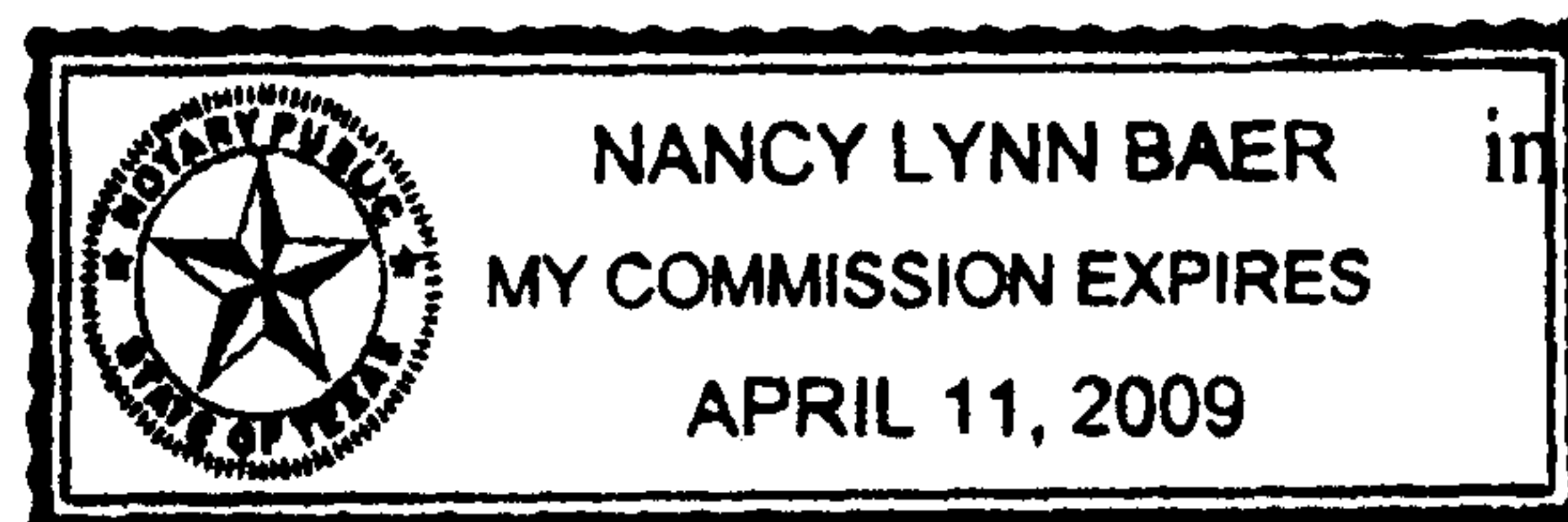
I, THE UNDERSIGNED, a Notary Public in and for said County and State, hereby certify that Gilbert A. Smith, whose name as Vice President of CDX GAS, LLC, a Delaware limited liability company is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed 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 company.

Given under my hand and seal this 28th day of November, 2006.

*Nancy Lynn Baer*

NOTARY PUBLIC

Dallas County, Texas



My Commission Expires:

04/11/09

# ACKNOWLEDGMENT

STATE OF TEXAS  
 COUNTY OF DALLAS

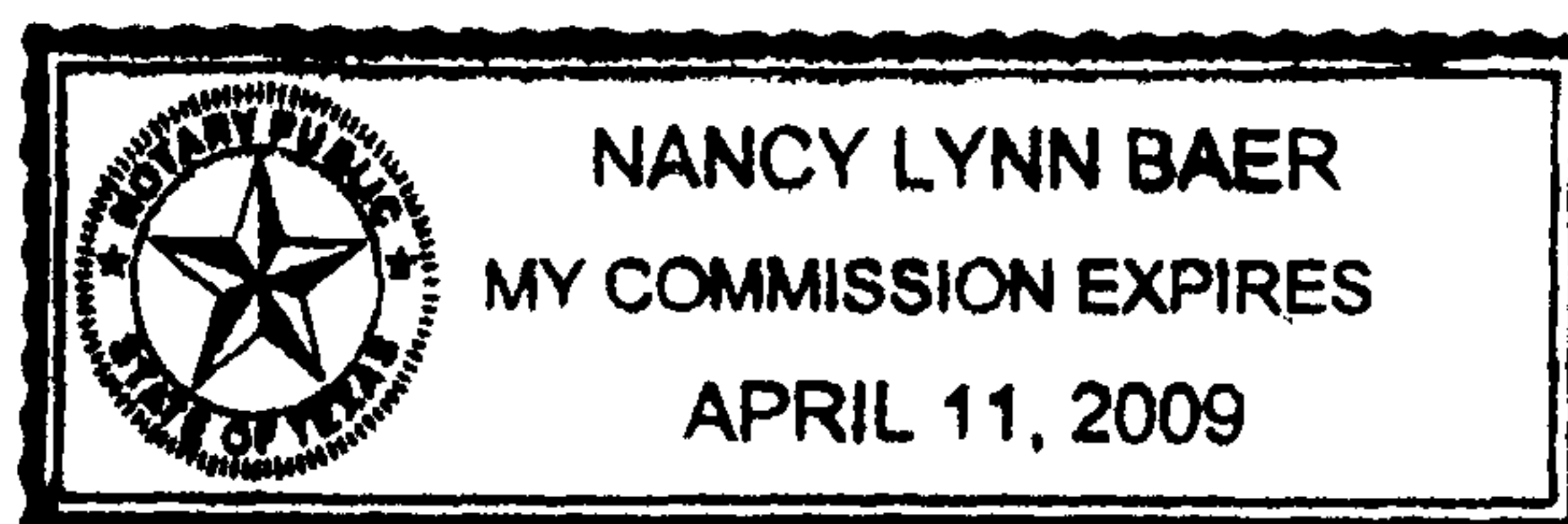
I, THE UNDERSIGNED, a Notary Public in and for said County and State, hereby certify that Gilbert A. Smith, whose name as Vice President of CD EXPLORATION, INC., an Oklahoma corporation is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed 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 and seal this 28th day of November, 2006.

*Nancy Lynn Baer*

NOTARY PUBLIC

in and for Dallas County, Texas



My Commission Expires:

04/11/09