



20070810000375150 1/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

<b>A. NAME &amp; PHONE OF CONTACT AT FILER (optional)</b> <b>JERI BARTUSH-PIRTLE (713) 221-2012</b>	
<b>B. SEND ACKNOWLEDGMENT TO: (Name and Address)</b>  <b>JERI BARTUSH-PIRTLE BRACEWELL &amp; GIULIANI LLP 711 LOUISIANA, SUITE 2300 HOUSTON, TEXAS 77002</b>	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

<b>1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names</b>				
<b>1a. ORGANIZATION'S NAME</b> <b>CDX BISHOP CREEK, LLC</b>				
<b>OR</b>				
<b>1b. INDIVIDUAL'S LAST NAME</b>		<b>FIRST NAME</b>	<b>MIDDLE NAME</b>	<b>SUFFIX</b>
<b>1c. MAILING ADDRESS</b> <b>5485 BELTLINE ROAD, SUITE 190</b>		<b>CITY</b> <b>DALLAS</b>	<b>STATE</b> <b>TX</b>	<b>POSTAL CODE</b> <b>75254</b>
<b>1d. SEE INSTRUCTIONS</b>		<b>1e. TYPE OF ORGANIZATION</b> <b>limited liability co.</b>	<b>1f. JURISDICTION OF ORGANIZATION</b> <b>DELAWARE</b>	<b>1g. ORGANIZATIONAL ID #, if any</b> <b>DE 4253432</b>
<input type="checkbox"/> NONE				
<b>2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names</b>				
<b>2a. ORGANIZATION'S NAME</b>				
<b>OR</b>				
<b>2b. INDIVIDUAL'S LAST NAME</b>		<b>FIRST NAME</b>	<b>MIDDLE NAME</b>	<b>SUFFIX</b>
<b>2c. MAILING ADDRESS</b>		<b>CITY</b>	<b>STATE</b>	<b>POSTAL CODE</b>
<b>2d. SEE INSTRUCTIONS</b>		<b>2e. TYPE OF ORGANIZATION</b>	<b>2f. JURISDICTION OF ORGANIZATION</b>	<b>2g. ORGANIZATIONAL ID #, if any</b>
<input type="checkbox"/> NONE				
<b>3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)</b>				
<b>3a. ORGANIZATION'S NAME</b> <b>BANK OF MONTREAL, AS COLLATERAL AGENT</b>				
<b>OR</b>				
<b>3b. INDIVIDUAL'S LAST NAME</b>		<b>FIRST NAME</b>	<b>MIDDLE NAME</b>	<b>SUFFIX</b>
<b>3c. MAILING ADDRESS</b> <b>115 SOUTH LASALLE STREET</b>		<b>CITY</b> <b>CHICAGO</b>	<b>STATE</b> <b>IL</b>	<b>POSTAL CODE</b> <b>60603</b>
<b>COUNTRY</b> <b>USA</b>				

**4. This FINANCING STATEMENT covers the following collateral:**

This financing statement covers all "Realty Collateral", "Personalty Collateral" and "Fixture Collateral" as defined in the instrument attached hereto as Exhibit 1 and incorporated herein for all purposes, and all other fixtures and as-extracted collateral attributable to the Oil and Gas Properties, as that term is described in Exhibit 1.

**RECORDER'S MEMORANDUM**  
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction.

<b>5. ALTERNATIVE DESIGNATION (if applicable):</b>		<b>LESSEE/LESSOR</b>	<b>CONSIGNEE/CONSIGNOR</b>	<b>BAILEE/BAILOR</b>	<b>SELLER/BUYER</b>	<b>AG. LIEN</b>	<b>NON-UCC FILING</b>
<b>6. [X] This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS - Attach Addendum (if applicable)</b>		<b>7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)</b>		<b>All Debtors</b>		<b>Debtor 1</b>	<b>Debtor 2</b>
<b>8. OPTIONAL FILER REFERENCE DATA</b> <b>Shelby County, Alabama</b>							

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

DEUCC1FNAT - 12/17/2002 C T System Online



20070810000375150 2/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME

OR **CDX BISHOP CREEK, LLC**

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

**10. MISCELLANEOUS:**

Accommodation Mortgage, Security Agreement, Financing Statement,  
Fixture Filing and Assignment of Production recorded separately under  
Instrument No. 20070730000351510

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names**

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. SEE INSTRUCTIONSADD'L INFO RE  
ORGANIZATION  
DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

☐ NONE**12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME

OR 12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted  
collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

**See Exhibit A and B to Exhibit 1 attached hereto.**

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate  
(if Debtor does not have a record interest):

**See Exhibit 1.**17. Check only if applicable and check only one box.Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate18. Check only if applicable and check only one box.☐ Debtor is a TRANSMITTING UTILITY☐ Filed in connection with a Manufactured-Home Transaction -- effective 30 years☐ Filed in connection with a Public-Finance Transaction -- effective 30 years

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV. 05/22/02)



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**ACCOMMODATION MORTGAGE, SECURITY AGREEMENT, FINANCING  
STATEMENT, FIXTURE FILING AND ASSIGNMENT OF PRODUCTION**

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY AND FUTURE ADVANCE PROVISIONS. THIS INSTRUMENT COVERS THE INTEREST OF MORTGAGOR IN MINERALS OR THE LIKE (INCLUDING OIL AND GAS) BEFORE EXTRACTION AND THE SECURITY INTEREST CREATED BY THIS INSTRUMENT ATTACHES TO SUCH MINERALS AS EXTRACTED AND TO THE ACCOUNTS RESULTING FROM THE SALE THEREOF AT THE WELLHEAD. THIS INSTRUMENT COVERS THE INTEREST OF MORTGAGOR IN FIXTURES. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS. PRODUCTS OF THE COLLATERAL ARE ALSO COVERED.

**A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE.  
A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE  
COLLATERAL AND SELL IT WITHOUT GOING TO COURT IN A  
FORECLOSURE ACTION UPON DEFAULT BY MORTGAGOR UNDER  
THIS MORTGAGE**

FROM

CDX BISHOP CREEK, LLC  
(Mortgagor, Debtor and Grantor)

TO

BANK OF MONTREAL, as Collateral Agent  
(Mortgagee, Secured Party and Grantee)

July 20, 2007

This Mortgage provides **ADDITIONAL SECURITY/COLLATERAL ONLY** for debts secured by those certain Mortgages previously recorded in Jefferson County, Alabama at Book LR200606, Page 6650, Tuscaloosa County, Alabama at Book 2006, Page 29060 and Walker County, Alabama at Document No. 279123, Book 2007, Page 641, to Bank of Montreal as Mortgagee, from CMV Joint Venture, CD Exploration, Inc., CDX East, Inc., CDX North, LLC and CDX Gas, LLC, all affiliates of CDX Gas, LLC, the Mortgagor herein, upon the filing of which all taxes provided by law were paid. The secured debt is unchanged in amount and time of maturity. Per Section 40-22-2(4) of the Code of Alabama (1975), no privilege tax is due and payable upon filing of this instrument.



For purposes of filing this Mortgage as a financing statement, the mailing address of Mortgagor is 5485 Belt Line Road Ste. 190, Dallas, TX 75254; the state of organization of CD Bishop Creek, LLC is Delaware and its organizational number is 4253432; and the mailing address of Mortgagee is 115 South LaSalle Street, Chicago, IL 60603, Attention of Agent Bank Services.

FOR SOURCES OF TITLE SEE EXHIBIT "A" ATTACHED HERETO.

\*\*\*\*\*

This instrument, prepared by David Sweeney, Bracewell & Giuliani LLP, 711 Louisiana, South Tower Pennzoil Place, Suite 2300, Houston, Texas 77002, (713) 223-2300, contains after-acquired property provisions and covers future advances and proceeds to the fullest extent allowed by applicable law.

**ATTENTION RECORDING OFFICER:** This instrument is a mortgage of both real and personal property and is, among other things, a Security Agreement and Financing Statement under the Uniform Commercial Code. This instrument creates a lien on rights in or relating to lands of Mortgagor which are described in Exhibit A hereto or in documents described in such Exhibit A.

**RECORDED DOCUMENT SHOULD BE RETURNED TO:**

BRACEWELL & GIULIANI LLP  
711 Louisiana, South Tower Pennzoil Place, Suite 2300  
Houston, Texas 77002  
Attn: Jeri Bartush-Pirtle

**ACCOMMODATION MORTGAGE, SECURITY AGREEMENT, FINANCING  
STATEMENT, FIXTURE FILING AND ASSIGNMENT OF PRODUCTION**

THIS ACCOMMODATION MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT, FIXTURE FILING, AND ASSIGNMENT OF PRODUCTION ("this Mortgage") dated as of the 20<sup>th</sup> day of July, 2007, is executed and delivered by CDX Bishop Creek, LLC, an Delaware limited liability company ("Mortgagor"), for the benefit of BANK OF MONTREAL ("Mortgagee") in its capacity as the first lien collateral agent under that certain Intercreditor Agreement (the "Intercreditor Agreement") dated of even date herewith, among CDX Acquisition Company, LLC, a limited liability company duly formed and existing under the laws of the State of Delaware ("Holdings"), CDX Funding, LLC, a limited liability company duly formed and existing under the laws of the State of Delaware (the "Borrower"), Credit Suisse, as Second Lien Collateral Agent (as defined in the Intercreditor Agreement), and Mortgagee, in its capacity as First Lien Collateral Agent (as defined in the Intercreditor Agreement; and in such capacity, the "Collateral Agent") on behalf of the Secured Parties (as hereinafter defined). The addresses of Mortgagor and Mortgagee appear in Section 7.12 of this Mortgage.

RECITALS



A. This Mortgage is executed in connection with, and pursuant to the terms of, that certain First Lien Credit Agreement dated of even date herewith, that provides for the extension of credit in the form of revolving loans and letters of credit in an aggregate principal or face amount not to exceed at any time \$150,000,000 (as hereafter renewed, extended, amended, supplemented and/or restated from time-to-time, the "Credit Agreement") among Borrower, the lenders party thereto from time to time (the "Lenders"), and Mortgagee as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Mortgagor expects to receive significant benefits from the advances of funds and extension of credit pursuant to the Credit Agreement.

B. One or more Loan Parties may from time-to-time enter into one or more Permitted Hedging Agreements (as defined in the Guarantee and Collateral Agreement) with an Approved Counterparty and Mortgagor will directly or indirectly benefit from such Permitted Hedging Agreements.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, and in order to induce Mortgagee, Administrative Agent, Collateral Agent, and the Lenders to enter into the Credit Agreement and the Intercreditor Agreement, as applicable, Mortgagor has agreed to execute and deliver this Mortgage in favor of Mortgagee and the other Secured Parties, to secure the Obligations (as hereinafter defined), and does hereby agree as follows:

## ARTICLE I

### Definitions

1.1 "Acceptable Security Interest" in any Property means a Lien which (a) exists in favor of Mortgagee, for the benefit of the Secured Parties or the Collateral Agent on behalf thereof, (b) is superior to all Liens or rights of any other Person in the Property encumbered thereby, with the exception of the Liens expressly permitted under Section 9.03 of the Credit Agreement, (c) secures the Obligations, and (d) is perfected and enforceable.

1.2 "Closing Date" means the Effective Date.

1.3 "Collateral" means the Realty Collateral, Personalty Collateral and Fixture Collateral.

1.4 "Contracts" means all contracts, agreements, operating agreements, farm-out or farm-in agreements, sharing agreements, mineral purchase agreements, contracts for the purchase, exchange, transportation, processing or sale of Hydrocarbons, rights-of-way, easements, surface leases, equipment leases, permits, franchises, licenses, pooling or unitization agreements, and unit or pooling designations and orders now or hereafter affecting any of the Oil and Gas Properties, Operating Equipment, Fixture Operating Equipment, or Hydrocarbons now or hereafter covered hereby, or which are useful or appropriate in drilling for, producing, treating, handling, storing, transporting or marketing oil, gas or other minerals produced from any of the Oil and Gas Properties, including the Permitted Hedging Agreements, and all as such



contracts and agreements as they may be amended, restated, modified, substituted or supplemented from time-to-time.

1.5 "Event of Default" shall have the meaning set forth in Article V hereof.

1.6 "Fixture Collateral" means all of Mortgagor's interest now owned or hereafter acquired in and to all Fixture Operating Equipment and all proceeds, products, renewals, increases, profits, substitutions, replacements, additions, amendments and accessions thereof, thereto or therefor.

1.7 "Fixture Operating Equipment" means any of the items described in the first sentence of Section 1.15 which as a result of being incorporated into realty or structures or improvements located therein or thereon, with the intent that they remain there permanently, constitute fixtures under the laws of the state in which such equipment is located.

1.8 "Hydrocarbon Interests" means the oil and gas and/or oil, gas and mineral leases and leasehold interests, record title interests, operating rights, fee mineral interests, term mineral interests, subleases, farmouts, royalties, overriding royalties, net profits interests, production payments and similar interests or estates described in Exhibit A attached hereto and made a part hereof for all purposes including the net revenue interests warranted on Exhibit A and Exhibit B and any reversionary or carried interests relating to any of the foregoing.

1.9 "Hydrocarbons" means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, including sulfur, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and the products and proceeds therefrom.

1.10 "Legal Requirement" means, as to any Person, any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including Regulations D, T, U, and X, which is applicable to such Person.

1.11 "Loan Documents" means the Loan Documents as that term is defined in the Credit Agreement.

1.12 "Loan Parties" means the Borrower, the Guarantors and any Subsidiary who executes a Permitted Hedging Agreement or otherwise owes any obligation to a Secured Party.

1.13 "Obligations" shall mean, collectively, all Indebtedness, liabilities and obligations of the Borrower and each other Loan Party to the Administrative Agent, the Lenders and each Secured Swap Provider party to a Permitted Hedging Agreement, of whatsoever nature and howsoever evidenced, due or to become due, now existing or hereafter arising, whether direct or indirect, absolute or contingent, which may arise under, out of, or in connection with the Credit Agreement, the other Loan Documents, each Permitted Hedging Agreement and all other agreements, guarantees, notes and other documents entered into by any party in connection



therewith, and any amendment, restatement or modification of any of the foregoing, including, but not limited to:

(a) The due and punctual payment of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, including amounts payable in respect of an early termination under any Permitted Hedging Agreement and (ii) all other monetary obligations of the Borrower to any of the Secured Parties under the Credit Agreement and each of the other Loan Documents, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding);

(b) The due and punctual performance of all other obligations of the Borrower under or pursuant to the Credit Agreement and each of the other Loan Documents;

(c) The due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to the Guarantee and Collateral Agreement and each of the other Loan Documents;

(d) The due and punctual payment or reimbursement of all sums advanced or costs or expenses incurred by Mortgagee or any of the other Secured Parties, which are made or incurred pursuant to, or allowed by, the terms of this Mortgage plus interest thereon from the date of the advance or incurrence until reimbursement of Mortgagee or such Secured Party charged at the maximum non-usurious rate permitted by applicable laws;

(e) The due and punctual payment or reimbursement of all future advances or other value, of whatever class or for whatever purpose, at any time hereafter made or given by Mortgagee or any of the other Secured Parties under or pursuant to any Loan Document or any other agreement, document, or instrument, whether or not the advances or value are given pursuant to a commitment, whether or not the advances or value are presently contemplated by the parties hereto, and whether or not Mortgagor, or other Loan Party, as applicable, is indebted to Mortgagee, Administrative Agent, Collateral Agent, any Lender or any other Secured Party at the time of such event; and

(f) All renewals, extensions, modifications, amendments, rearrangements and substitutions of all or any part of the above whether or not Mortgagor, or any other Loan Party, executes any agreement or instrument.

1.14 "Oil and Gas Property" or "Oil and Gas Properties" means (a) the Hydrocarbon Interests, (b) the Properties now or hereafter pooled or unitized with the Hydrocarbon Interests, (c) all presently existing or future unitization, pooling agreements and declaration of pooled units and the production units, and drilling and spacing units created thereby (and the Properties



covered thereby) which may affect all or any portion of such interests including those units which may be described or referred to on Exhibit A and any units created by agreement or designation or under orders, regulations, rules or other official acts of any Federal, state or other governmental body or agency having jurisdiction, (d) all operating agreements, contracts and any other Contracts, including production sharing contracts and agreements which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests, (e) all Hydrocarbons in, under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests, (f) all surface leases, easements and rights-of-way related to, appurtenant or which are used in the ownership and operation of the Hydrocarbon Interests described on Exhibit A attached hereto and made a part hereof for all purposes, (g) any and all non-consent interests owned or held by, or otherwise benefiting, Mortgagor or any other Loan Party and arising out of, or pursuant to, any of the Contracts, (h) any other interest in, to or relating to (I) all or any part of the land described in Exhibit A, the land relating to, or described in, the leases set forth in Exhibit A or in the documents described in Exhibit A, or (II) any of the estates, property rights or other interests referred to above, (i) any instrument executed in amendment, correction, modification, confirmation, renewal or extension of the same, and (j) all tenements, hereditaments and appurtenances now existing or hereafter obtained in connection with any of the aforesaid, including any rights arising under unitization agreements, orders or other arrangements, communitization agreements, orders or other arrangements or pooling orders, agreements or other arrangements.

1.15 "Operating Equipment" means all surface or subsurface machinery, equipment, facilities, supplies or other Property of whatsoever kind or nature now or hereafter located on any of the Property affected by the Oil and Gas Properties which are useful for the production, treatment, storage or transportation of Hydrocarbons, including all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, christmas trees, derricks, separators, gun barrels, flow lines, pipelines, tanks, gas systems (for gathering, treating and compression), water systems (for treating, disposal and injection), supplies, derricks, wells, power plants, poles, cables, wires, meters, processing plants, compressors, dehydration units, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks, shipping facilities and all additions, substitutes and replacements for, and accessories and attachments to, any of the foregoing. Operating Equipment shall not include any items incorporated into realty or structures or improvements located therein or thereon in such a manner that they no longer remain personalty under the laws of the State in which such equipment is located.

1.16 "Personalty Collateral" means all of Mortgagor's interest now owned or hereafter acquired in and to (a) all Operating Equipment, (b) all Hydrocarbons severed and extracted from or attributable to the Oil and Gas Properties, including oil in tanks, (c) all accounts (including accounts resulting from the sale of Hydrocarbons at the wellhead), contract rights and general intangibles attributable to the Oil and Gas Properties, including all accounts, contract rights and general intangibles now or hereafter arising regardless of whether any of the foregoing is in connection with the sale or other disposition of any Hydrocarbons or otherwise, including all Liens securing the same, (d) all accounts, contract rights and general intangibles attributable to



the Oil and Gas Properties and now existing or hereafter arising regardless of whether any of the foregoing is in connection with or resulting from any of the Contracts, including all Liens securing the same, (e) all proceeds and products of the Realty Collateral and any other contracts or agreements, (f) all information concerning the Oil and Gas Properties and all wells located thereon, including abstracts of title, title opinions, geological and geophysical information and logs, lease files, well files, and other books and records (including computerized records and data), (g) any options to acquire any Realty Collateral, (h) all as-extracted collateral, and (i) all proceeds, products, renewals, increases, profits, substitutions, replacements, additions, amendments and accessions of, to or for any of the foregoing.

1.17 "Property" means any property of any kind, whether real, personal, or mixed and whether tangible or intangible.

1.18 "Realty Collateral" means all of Mortgagor's interest now owned or hereafter acquired in and to the Oil and Gas Properties and all unsevered and unextracted Hydrocarbons (even though Mortgagor's interest therein may be incorrectly described in, or a description of a part or all of such interest may be omitted from, Exhibit A).

1.19 "Secured Parties" means (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) any Issuing Bank, (e) each Secured Swap Provider that is party to a Permitted Hedging Agreement, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (g) the successors and assigns of each of the foregoing.

All other capitalized terms defined in the Credit Agreement which are used in this Mortgage and which are not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. All meanings of or assigned to defined terms, unless otherwise indicated, are to be equally applicable to both the singular and plural forms of the terms defined. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Mortgage, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Mortgage shall refer to this Mortgage as a whole and not to any particular provision of this Mortgage. As used herein, the term "including" means "including, without limitation".

## ARTICLE II

### Creation of Security

2.1 Conveyance and Grant of Lien. In consideration of the advances or extensions by the Secured Parties to Mortgagor and the other Loan Parties of the funds or credit constituting the Obligations (including the making of Loans), and in further consideration of the mutual covenants contained herein, Mortgagor, by this Mortgage hereby GRANTS, BARGAINS, SELLS, ALIENS, TRANSFERS, ASSIGNS AND CONVEYS with a general warranty of title, and WITH THE POWER OF SALE, for the uses, purposes and conditions hereinafter set forth



all of its right, title and interest in and to the Realty Collateral, the Personalty Collateral and the Fixture Collateral unto Mortgagee, and to its successor or successors or substitutes, WITH POWER OF SALE, to secure the payment and performance of the Obligations for the benefit of Mortgagee and the ratable benefit of the Secured Parties.

TO HAVE AND TO HOLD the Realty Collateral, the Personalty Collateral and Fixture Collateral unto the Mortgagee and its successors, assigns or substitutes forever, for the benefit of the Secured Parties, together with all and singular the rights, hereditaments and appurtenances thereto in anywise appertaining or belonging, to secure payment and performance of the Obligations, subject, however, to the terms and conditions herein. Mortgagor does hereby bind itself, its successors and permitted assigns, to warrant and forever defend all and singular the Realty Collateral, the Personalty Collateral and the Fixture Collateral unto the Mortgagee and its successors and assigns, against every Person whomsoever lawfully claiming or to claim the same, or any part thereof.

2.2 **Future Advances and Maximum Amount Secured.** It is contemplated and acknowledged that the Obligations may include advances from time to time and that this Mortgage shall have effect as of the date hereof to secure all Obligations, regardless of whether any amounts are advanced on the date hereof or on a later date or, whether having been advanced, are later repaid in part or in whole and further advances made at a later date. This Mortgage secures all future advances and obligations constituting Obligations. The Obligations may, if provided in the Credit Agreement and the other Loan Documents, provide for revolving or open-end loan and advances, all of which shall be secured by this Mortgage. **THE TOTAL AMOUNT OF OBLIGATIONS AND ADVANCES SECURED HEREBY MAY DECREASE OR INCREASE FROM TIME TO TIME, BUT AT NO TIME SHALL THE TOTAL AMOUNT OF OBLIGATIONS AND ADVANCES SECURED HEREBY EXCEED THE SUM OF \$150,000,000.00.**

2.3 **Security Interest.** For the same consideration and to further secure the Obligations, Mortgagor hereby grants to Mortgagee for its benefit and the ratable benefit of the other Secured Parties a security interest in and to the Collateral.

### ARTICLE III

#### **Proceeds from Production**

##### 3.1 **Assignment of Production.**

(a) In order to further secure the Obligations, Mortgagor has assigned, transferred, conveyed and delivered and does hereby assign, transfer, convey and deliver unto Mortgagee, effective as of the date hereof at 7:00 a.m. Central Time, U.S.A., all Hydrocarbons produced from, and which are attributable to, Mortgagor's interest, now owned or hereafter acquired, in and to the Oil and Gas Properties, or are allocated thereto pursuant to pooling or unitization orders, agreements or designations, and all proceeds therefrom.



(b) Subject to the provisions of subsection (f) below, all parties producing, purchasing, taking, possessing, processing or receiving any production from the Oil and Gas Properties, or having in their possession any such production, or the proceeds therefrom, for which they or others are accountable to Mortgagee by virtue of the provisions of this Section 3.1, are authorized and directed by Mortgagor to treat and regard Mortgagee as the assignee and transferee of Mortgagor and entitled in its place and stead to receive such Hydrocarbons and the proceeds therefrom.

(c) Mortgagor directs and instructs each of such parties to pay to Mortgagee, for its benefit and the ratable benefit of the other Secured Parties, all of the proceeds of such Hydrocarbons until such time as such party has been furnished evidence that all of the Obligations have been paid and satisfied and that the Lien and security interest evidenced and created hereby has been released; provided, however, that until Mortgagee shall have exercised its right as provided in Section 6.4 hereof to instruct such parties to deliver such Hydrocarbons and all proceeds therefrom directly to Mortgagee, such parties shall be entitled to deliver such Hydrocarbons and all proceeds therefrom to Mortgagor for Mortgagor's use and enjoyment, and Mortgagor shall be entitled to execute division orders, transfer orders and other instruments as may be required to direct all proceeds to Mortgagor without the necessity of joinder by Mortgagee in such division orders, transfer orders or other instruments. Mortgagor agrees to perform all such acts, and to execute all such further assignments, transfers and division orders, and other instruments as may be reasonably required or desired by Mortgagee or any party in order to have said revenues and proceeds so paid to Mortgagee. None of such parties shall have any responsibility for the application of any such proceeds received by Mortgagee. Subject to the provisions of subsection (f) below, Mortgagor authorizes Mortgagee to receive and collect all proceeds of such Hydrocarbons.

(d) Subject to the provisions of subsection (f) below, Mortgagor will execute and deliver to Mortgagee any instruments Mortgagee may from time to time reasonably request for the purpose of effectuating this assignment and the payment to Mortgagee of the proceeds assigned.

(e) Neither the foregoing assignment nor the exercise by Mortgagee of any of its rights herein shall be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Oil and Gas Properties or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Mortgagee, in person or by agent, assumes actual possession thereof, nor shall appointment of a receiver for the Oil and Gas Properties by any court at the request of Mortgagee or by agreement with Mortgagor or the entering into possession of the Oil and Gas Properties or any part thereof by such receiver be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Oil and Gas Properties or the use, occupancy, enjoyment or operation of all or any portion thereof.

(f) Notwithstanding anything to the contrary contained herein, so long as no Event of Default shall have occurred and is continuing, Mortgagor shall have the right to collect all revenues and proceeds attributable to the Hydrocarbons that accrue to the Oil



and Gas Properties or the products obtained or processed therefrom, as well as any Liens and security interests securing any sales of said Hydrocarbons and to retain, use and enjoy same.

(g) Mortgagee may endorse and cash any and all checks and drafts payable to the order of Mortgagor or Mortgagee for the account of Mortgagor, received from or in connection with the proceeds of the Hydrocarbons affected hereby, and the same may be applied as provided herein. Mortgagee may execute any transfer or division orders in the name of Mortgagor or otherwise, with warranties and indemnities binding on Mortgagor; provided that Mortgagee shall not be held liable to Mortgagor for, nor be required to verify the accuracy of, Mortgagor's interests as represented therein.

(h) Mortgagee shall have the right at Mortgagee's election and in the name of Mortgagor, or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by Mortgagee in order to collect such proceeds and to protect the interests of Mortgagee or Mortgagor, with all costs, expenses and reasonable attorneys fees incurred in connection therewith being paid by Mortgagor. In addition, should any purchaser taking production from the Oil and Gas Properties fail to pay promptly to Mortgagee in accordance with this Article, Mortgagee shall have the right to demand a change of connection and to designate another purchaser with whom a new connection may be made without any liability on the part of Mortgagee in making such election, so long as ordinary care is used in the making thereof, and upon failure of Mortgagor to consent to such change of connection, the entire amount of all the Obligations may, at the option of Mortgagee, be immediately declared to be due and payable and subject to foreclosure hereunder.

(i) Without in any way limiting the effectiveness of the foregoing provisions, if Mortgagor receives any proceeds which under this Section 3.1 are payable to Mortgagee, Mortgagor shall hold the same in trust and remit such proceeds, or cause them to be remitted, immediately, to Mortgagee.

3.2 **Application of Proceeds.** All payments received by Mortgagee pursuant to this Article III attributable to the interest of Mortgagor in and to the Hydrocarbons shall be applied in the order set forth in Article X of the Credit Agreement and Section 5.02 of the Guarantee and Collateral Agreement.

3.3 **Mortgagor's Payment Duties.** Except as provided in Section 7.17 hereof, nothing contained herein will limit Mortgagor's absolute duty to make payment of the Obligations regardless of whether the proceeds assigned by this Article III are sufficient to pay the same, and the receipt by Mortgagee of proceeds from Hydrocarbons under this Mortgage will be in addition to all other security now or hereafter existing to secure payment of the Obligations.

3.4 **Liability of Mortgagee.** Mortgagee is hereby absolved from all liability for failure to enforce collection of any of the proceeds described in this Article III, and from all other responsibility in connection therewith except the responsibility to account to Mortgagor for proceeds actually received by Mortgagee.



3.5 **Actions to Effect Assignment.** Subject to the provisions of Section 3.1(f), Mortgagor covenants to use commercially reasonable efforts to cause all operators, pipeline companies, production purchasers and other remitters of said proceeds to pay promptly to Mortgagee the proceeds from such Hydrocarbons in accordance with the terms of this Mortgage, and to execute, acknowledge and deliver to said remitters such division orders, transfer orders, certificates and other documents as may be reasonably necessary, requested or proper to effect the intent of this assignment; and Mortgagee shall not be required at any time, as a condition to its right to obtain the proceeds of such Hydrocarbons, to warrant its title thereto or to make any guaranty whatsoever. In addition, Mortgagor covenants to provide to Mortgagee, upon Mortgagee's request, the name and address of every such remitter of proceeds from such Hydrocarbons, together with a copy of the applicable division orders, transfer orders, sales contracts and governing instruments. All reasonable expenses incurred by the Mortgagee in the collection of said proceeds shall be repaid promptly by Mortgagor; and prior to such repayment, such expenses shall be a part of the Obligations secured hereby. If under any existing contracts for the sale of Hydrocarbons, other than division orders or transfer orders, any proceeds of Hydrocarbons are required to be paid by the remitter directly to Mortgagor so that under such existing agreements payment cannot be made of such proceeds to Mortgagee in the absence of foreclosure, Mortgagor's interest in all proceeds of Hydrocarbons under such existing agreements shall, when received by Mortgagor, constitute trust funds in Mortgagor's hands and shall be immediately paid over to Mortgagee.

3.6 **Power of Attorney.** Without limitation upon any of the foregoing, Mortgagor hereby designates and appoints Mortgagee as true and lawful agent and attorney-in-fact (with full power of substitution, either generally or for such periods or purposes as Mortgagee may from time to time prescribe), with full power and authority, for and on behalf of and in the name of Mortgagor, to execute, acknowledge and deliver all such division orders, transfer orders, certificates and other documents of every nature, with such provisions as may from time to time, in the opinion of Mortgagee, be necessary or proper to effect the intent and purpose of the assignment contained in this Article III; and Mortgagor shall be bound thereby as fully and effectively as if Mortgagor had personally executed, acknowledged and delivered any of the foregoing orders, certificates or documents. The powers and authorities herein conferred on Mortgagee may be exercised by Mortgagee through any person who, at the time of exercise, is the president, a senior vice president or a vice president of Mortgagee. **The power of attorney conferred by this Section 3.6 is granted for valuable consideration and coupled with an interest and is irrevocable so long as the Obligations, or any portion thereof, shall remain unpaid.** All persons dealing with Mortgagee, or any substitute, shall be fully protected in treating the powers and authorities conferred by this Section 3.6 as continuing in full force and effect until advised by Mortgagee that the Obligations are fully and finally paid.

3.7 **Indemnification.** MORTGAGOR AGREES TO INDEMNIFY MORTGAGEE AND THE OTHER SECURED PARTIES, AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM, AND DISCHARGE, RELEASE AND HOLD EACH OF THEM HARMLESS AGAINST ALL LOSSES, DAMAGES, CLAIMS, ACTIONS, LIABILITIES, JUDGMENTS, COSTS, REASONABLE ATTORNEYS FEES OR OTHER CHARGES OF WHATSOEVER KIND OR NATURE (HEREAFTER REFERRED TO AS "CLAIMS") MADE AGAINST, IMPOSED ON, INCURRED BY OR ASSERTED AGAINST ANY OF THEM AS A CONSEQUENCE OF THE ASSERTION, EITHER BEFORE OR AFTER THE PAYMENT IN FULL OF THE OBLIGATIONS, THAT ANY OF THE INDEMNIFIED PARTIES



RECEIVED HYDROCARBONS OR PROCEEDS PURSUANT TO THIS MORTGAGE OR PURSUANT TO ANY RIGHT TO COLLECT PROCEEDS DIRECTLY FROM ACCOUNT DEBTORS WHICH ARE CLAIMED BY THIRD PERSONS. THE INDEMNIFIED PARTIES WILL HAVE THE RIGHT TO EMPLOY ATTORNEYS AND TO DEFEND AGAINST ANY SUCH CLAIMS AND UNLESS FURNISHED WITH REASONABLE INDEMNITY, THE INDEMNIFIED PARTIES WILL HAVE THE RIGHT TO PAY OR COMPROMISE AND ADJUST ALL SUCH CLAIMS. MORTGAGOR WILL INDEMNIFY AND PAY TO THE INDEMNIFIED PARTIES ALL SUCH AMOUNTS AS MAY BE PAID IN RESPECT THEREOF, OR AS MAY BE SUCCESSFULLY ADJUDICATED AGAINST ANY OF THE INDEMNIFIED PARTIES. THE INDEMNITY UNDER THIS SECTION SHALL APPLY TO CLAIMS ARISING OR INCURRED BY REASON OF THE PERSON BEING INDEMNIFIED'S OWN NEGLIGENCE BUT SHALL NOT APPLY TO CLAIMS ARISING OR INCURRED BY REASON OF THE PERSON BEING INDEMNIFIED'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE LIABILITIES OF MORTGAGOR AS SET FORTH IN THIS SECTION 3.7 SHALL SURVIVE THE TERMINATION OF THIS MORTGAGE.

## ARTICLE IV

### Mortgagor's Warranties and Covenants

4.1 **Payment of Obligations.** Mortgagor covenants that Mortgagor shall, and shall cause the other Loan Parties to, timely pay and perform the Obligations secured by this Mortgage.

4.2 **Representations and Warranties.** Mortgagor represents and warrants as follows:

(a) *Incorporation of Representations and Warranties from Credit Agreement.* The representations and warranties applicable to Mortgagor and to its Properties contained in Article VII of the Credit Agreement are hereby confirmed and restated, each such representation and warranty, together with all related definitions and ancillary provisions, being hereby incorporated into this Mortgage by reference as though specifically set forth in this Section.

(b) *Title to Collateral.* Except as set forth on Schedule 7.15 of the Credit Agreement, Mortgagor has good and defensible title to the material Oil and Gas Properties evaluated in the most recently delivered Reserve Report and good title to all its material personal Properties, in each case, free and clear of all Liens except Liens permitted by Section 9.03 of the Credit Agreement. After giving full effect to the Excepted Liens, Mortgagor owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such Properties shall not in any material respect obligate Mortgagor to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of each Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in Mortgagor's net revenue interest in such Property. Mortgagor's ownership of the Hydrocarbons and the undivided interests therein specified on attached Exhibit A-2 are the same interests as reflected in the most recently delivered Reserve Report.



(c) *Status of Leases, Term Mineral Interests and Contracts.* All of the leases and term mineral interests in the Oil and Gas Properties are valid, subsisting and in full force and effect, and except as disclosed pursuant to the Credit Agreement, Mortgagor has no knowledge that a default exists under any of the terms or provisions, express or implied, of any of such leases or interests or under any agreement to which the same are subject. All of the Contracts and obligations of Mortgagor that relate to the Oil and Gas Properties are in full force and effect and constitute legal, valid and binding obligations of Mortgagor. Except as disclosed pursuant to the Credit Agreement, neither Mortgagor nor, to the knowledge of Mortgagor, any other party to any lease or term mineral interest in the Oil and Gas Properties or any Contract (i) is in breach of or default, or with the lapse of time or the giving of notice, or both, would be in breach or default, with respect to any obligations thereunder, whether express or implied, or (ii) has given or threatened to give notice of any default under or inquiry into any possible default under, or action to alter, terminate, rescind or procure a judicial reformation of, any lease in the Oil and Gas Properties or any Contract.

(d) *Production Burdens, Taxes, Expenses and Revenues.* All rentals, royalties, overriding royalties, shut-in royalties and other payments due under or with respect to the Oil and Gas Properties have been properly and timely paid. All taxes have been properly and timely paid. All expenses payable under the terms of the Contracts have been properly and timely paid except for such expenses being contested in good faith by appropriate proceedings, and for which reserves shall have been made therefor and except for such expenses as are being currently paid prior to delinquency in the ordinary course of business. Except for Mortgagor's interests in certain Oil and Gas Properties, which Mortgagor represents do not constitute a material portion (with 2% or more being deemed material) of the value of the Collateral and all other Properties of Mortgagor securing the Obligations, all of the proceeds from the sale of Hydrocarbons produced from the Realty Collateral are being properly and timely paid to Mortgagor by the purchasers or other remitters of production proceeds without suspense.

(e) *Pricing.* The prices being received for the production of Hydrocarbons do not violate any Contract or any law or regulation. Where applicable, all of the wells located on the Oil and Gas Properties and production of Hydrocarbons therefrom have been properly classified under appropriate governmental regulations.

(f) *Gas Regulatory Matters.* Mortgagor has filed with the appropriate state and federal agencies all necessary rate and collection filings and all necessary applications for well determinations under the Natural Gas Act of 1938, as amended, the Natural Gas Policy Act of 1978, as amended, and the rules and regulations of the Federal Energy Regulatory Commission (the "FERC") thereunder, and each such application has been approved by or is pending before the appropriate state or federal agency.

(g) *Production Balances.* As of the date hereof, Mortgagor (i) is not obligated in any material respect by virtue of any prepayment made under any contract containing a "take-or-pay" or "prepayment" provision or under any similar agreement to deliver hydrocarbons produced from or allocated to Mortgagor's Oil and Gas Properties at some future date without receiving full payment therefor at the time of delivery, or (ii) has not,



except as has been disclosed to the Mortgagee, produced gas, in any amount, subject to, and none of Mortgagor's Oil and Gas Properties is subject to, any balancing rights of third parties or subject to balancing duties under governmental requirements.

(h) *Drilling Obligations.* Except as disclosed in writing to Mortgagee on or before the date hereof, there are no obligations under any Oil and Gas Property or Contract which require the drilling of additional wells or any additional operations to earn or to continue to hold any of the Oil and Gas Properties in force and effect.

(i) *Compliance With Laws.* All wells on or attributable to the Oil and Gas Properties have been drilled, completed and operated, and all production therefrom has been accounted for and paid to the Persons entitled thereto, in compliance with all applicable federal, state and local laws and applicable rules and regulations of the federal, state and local regulatory authorities having jurisdiction thereof.

(j) *Regulatory Filings.* All necessary regulatory filings have been properly made in connection with the drilling, completion and operation of the wells on or attributable to the Oil and Gas Properties and all other operations related thereto.

(k) *Allowables.* All production and sales of Hydrocarbons produced or sold from the Oil and Gas Properties have been made in accordance with any applicable allowables (plus permitted tolerances) imposed by any Governmental Authorities.

(l) *Refund Obligations.* Mortgagor has not collected any proceeds from the sale of Hydrocarbons produced from the Oil and Gas Properties which are subject to any refund obligation.

(m) *Proceed Suspense.* All proceeds from the sale of Mortgagor's interest in the Hydrocarbons from the Oil and Gas Properties are being received by Mortgagor in a timely manner and are not held in suspense for any reason.

(n) *Mortgagor's Address.* The address of Mortgagor's place of business, residence, chief executive office and office where Mortgagor keeps its records concerning accounts, contract rights and general intangibles is as set forth in Section 7.12, and there has been no change in the location of Mortgagor's place of business, residence, chief executive office and office where it keeps such records and no change of Mortgagor's name during the four months immediately preceding the date of this Mortgage. Mortgagor hereby represents and warrants that the organization number of CDX Bishop Creek, LLC is 4253432, its State of formation is Delaware, and the correct spelling of its name is as set forth in its signature block below.

#### 4.3 Further Assurances.

(a) Mortgagor covenants that Mortgagor shall execute and deliver such other and further instruments, and shall do such other and further acts as in the reasonable opinion of Mortgagee may be necessary or desirable to carry out more effectively the purposes of this Mortgage, including without limiting the generality of the foregoing, (i) prompt correction of any defect in the execution or acknowledgment of this Mortgage,



any written instrument comprising part or all of the Obligations, or any other document used in connection herewith; (ii) prompt correction of any defect which may hereafter be discovered in the title to the Collateral, (iii) prompt execution and delivery of all division or transfer orders or other instruments which in Mortgagee's opinion are required to transfer to Mortgagee, for its benefit and the ratable benefit of the other Secured Parties, the assigned proceeds from the sale of Hydrocarbons from the Oil and Gas Properties; and (iv) prompt payment when due and owing of all taxes, assessments and governmental charges imposed on this Mortgage or upon the interest of Mortgagee.

(b) Mortgagor covenants that Mortgagor shall maintain and preserve the Lien and security interest herein created as an Acceptable Security Interest so long as any of the Obligations remain unpaid or unsatisfied.

(c) Mortgagor shall immediately notify Mortgagee of any discontinuance of or change in the address of Mortgagor's place of business, residence, chief executive office or office where it keeps records concerning accounts, contract rights and general intangibles.

(d) Mortgagor shall not amend, supplement, modify or restate its articles or certificate of incorporation, bylaws, limited liability company agreements, or other equivalent organizational documents, or amend its name or change its jurisdiction of incorporation, organization or formation without prior written notice to, and prior consent of, the Mortgagee.

4.4 **Operation of Oil and Gas Properties.** As long as any of the Obligations remain unpaid or unsatisfied, and whether or not Mortgagor is the operator of the Oil and Gas Properties, Mortgagor shall (at Mortgagor's own expense):

(a) not enter into any operating agreement, contract or agreement which materially adversely affects the Collateral;

(b) do all things necessary and within the reasonable control of Mortgagor to keep, or cause to be kept, in full force and effect the Oil and Gas Properties and Mortgagor's interests therein;

(c) neither abandon, forfeit, surrender, release, sell, assign, sublease, farmout or convey, nor agree to sell, assign, sublease, farmout or convey, nor mortgage or grant security interests in, nor otherwise dispose of or encumber any of the Collateral or any interest therein, except as expressly permitted by the Credit Agreement;

(d) cause the Collateral to be maintained, developed and protected against drainage and continuously operated for the production and marketing of Hydrocarbons in a good and workmanlike manner as a prudent operator would in accordance with (i) generally accepted practices, (ii) applicable oil and gas leases and Contracts, and (iii) all applicable Federal, state and local laws, rules and regulations;

(e) promptly pay or cause to be paid when due and owing (i) all rentals and royalties payable in respect of the Collateral; (ii) all expenses incurred in or arising from



the operation or development of the Collateral; (iii) all taxes, assessments and governmental charges imposed upon Mortgagee because of its interest in the Collateral; and (iv) all taxes, assessments, and governmental charges imposed upon Mortgagor and/or the Collateral as provided in the Credit Agreement (and indemnify Mortgagee from all liability in connection with any of the foregoing);

(f) promptly take all action necessary to enforce or secure the observance or performance of any term, covenant, agreement or condition to be observed or performed by third parties under any Contract, or any part thereof, or to exercise any of its rights, remedies, powers and privileges under any Contract, all in accordance with the respective terms thereof;

(g) cause the Operating Equipment and the Fixture Operating Equipment to be kept in good and effective operating condition, and cause to be made all repairs, renewals, replacements, additions and improvements thereof or thereto, necessary or appropriate in connection with the production of Hydrocarbons from the Oil and Gas Properties;

(h) permit and do all things necessary or proper to enable the Mortgagee (through its agents and employees) to enter upon the Oil and Gas Properties for the purpose of investigating and inspecting the condition and operations of the Collateral in accordance with the terms of the Credit Agreement;

(i) cause the Collateral to be kept free and clear of Liens, charges, security interests and encumbrances of every character other than (i) the Liens and security interests created and assigned by this Mortgage and (ii) the Liens expressly permitted under Section 9.03 of the Credit Agreement;

(j) carry and maintain the insurance required by the Credit Agreement;

(k) furnish to Mortgagee, upon request, copies of any Contracts; and

(l) promptly perform all material covenants express or implied in any Contract.

4.5 **Recording.** Mortgagor shall promptly (at Borrower's and/or Mortgagor's own expense) record, register, deposit and file this Mortgage and every other instrument in addition or supplement hereto, including applicable financing statements, in such offices and places within the State where the Collateral is located and in Mortgagor's State of formation and at such times and as often as may be necessary to preserve, protect and renew the Lien and security interest herein created as an Acceptable Security Interest on real or personal property as the case may be, and otherwise shall do and perform all matters or things necessary or expedient to be done or observed by reason of any Legal Requirement for the purpose of effectively creating, perfecting, maintaining and preserving the Lien and security interest created hereby in and on the Collateral.

4.6 **Records, Statements and Reports.** Mortgagor shall keep proper books of record and account in which complete and correct entries shall be made of Mortgagor's transactions in accordance with the method of accounting required in the Credit Agreement and shall furnish or



cause to be furnished to Mortgagee the reports required to be delivered pursuant to the terms of the Credit Agreement.

4.7 **Insurance.** To the extent that insurance is carried by a third-party operator on behalf of Mortgagor, upon request by Mortgagee, Mortgagor shall obtain and provide Mortgagee with copies of certificates of insurance showing Mortgagor as a named insured. Subject to the provisions of the Credit Agreement to the contrary, Mortgagor hereby assigns to Mortgagee for its benefit and the benefit of the other Secured Parties any and all monies that may become payable under any such policies of insurance by reason of damage, loss or destruction of any of the Collateral and Mortgagee may receive such monies and apply all or any part of the sums so collected, at its election, toward payment of the Obligations, whether or not such Obligations are then due and payable, in such manner as Mortgagee may elect. Any insurance proceeds received by Mortgagor and due to Mortgagee shall be held in trust for the benefit of Mortgagee, shall be segregated from other funds of Mortgagor and shall be forthwith paid over to Mortgagee.

## ARTICLE V

### **Default**

5.1 **Events of Default.** An Event of Default under the terms of the Credit Agreement shall constitute an "Event of Default" under this Mortgage.

5.2 **Acceleration Upon Default.** Upon the occurrence and during the continuance of any Event of Default, Mortgagee may, or shall at the request of the Majority Lenders, declare the entire unpaid principal of, and the interest accrued on, and all other amounts owed in connection with, the Obligations to be forthwith due and payable, whereupon the same shall become immediately due and payable without any protest, presentment, demand, notice of intent to accelerate, notice of acceleration or further notice of any kind, all of which are hereby expressly waived by Mortgagor. Whether or not Mortgagee or the Majority Lenders elect to accelerate as herein provided, Mortgagee may simultaneously, or thereafter, without any further notice to Mortgagor, exercise any other right or remedy provided in this Mortgage or otherwise existing under the Credit Agreement or any other Loan Document or any other agreement, document, or instrument evidencing obligations owing from the Mortgagor to any of the Secured Parties.

## ARTICLE VI

### **Mortgagee's Rights**

#### **6.1 Rights to Realty Collateral Upon Default.**

(a) *Operation of Property by Mortgagee.* Upon the occurrence and during the continuance of any Event of Default, and in addition to all other rights of Mortgagee, Mortgagee shall have the following rights and powers (but no obligation):

(i) To enter upon and take possession of any of the Realty Collateral and exclude Mortgagor therefrom;



(ii) To hold, use, administer, manage and operate the Realty Collateral to the extent that Mortgagor could do so, and without any liability to Mortgagor in connection with such operations; and

(iii) To the extent that Mortgagor could do so, to collect, receive and receipt for all Hydrocarbons produced and sold from the Realty Collateral, to make repairs, to purchase machinery and equipment, to conduct workover operations, to drill additional wells, and to exercise every power, right and privilege of Mortgagor with respect to the Realty Collateral.

Mortgagee may designate any person, firm, corporation or other entity to act on its behalf in exercising the foregoing rights and powers. When and if the expenses of such operation and development (including costs of unsuccessful workover operations or additional wells) have been paid in full, and the Obligations have been paid and satisfied in full, the Realty Collateral shall be returned to Mortgagor or other person legally entitled thereto (in either case, provided no foreclosure sale has occurred).

(b) *Judicial Proceedings.* Upon the occurrence and during the continuance of any Event of Default, the Mortgagee, in lieu of or in addition to exercising the power of sale hereafter given, may proceed by a suit or suits, in equity or at law (i) for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, (ii) for the appointment of a receiver whether there is then pending any foreclosure hereunder or the sale of the Realty Collateral, or (iii) for the enforcement of any other appropriate legal or equitable remedy; and further, in lieu of the non-judicial power of sale hereafter given for Collateral located in the State of Alabama, Mortgagee may proceed by suit for a sale of the Realty Collateral.

(c) *Foreclosure by Private Power of Sale of Collateral.* Upon the occurrence and during the continuance of any Event of Default, the Mortgagee shall have the right and power to sell the Realty Collateral to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be required, where the Realty Collateral is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county or counties, as may be required, and, upon payment of the purchase money, Mortgagee or any person conducting the sale for Mortgagee is authorized to execute to the purchaser at said sale a deed to the Realty Collateral so purchased. Mortgagee may bid at said sale and purchase the Realty Collateral, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Realty Collateral may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner as Mortgagee may elect.

(d) *Certain Aspects of Sale.* Mortgagee will have the right to become the purchaser at any foreclosure sale and to credit the then outstanding balance of the Obligations against the amount payable by Mortgagee as purchaser at such sale. Statements of fact or other recitals contained in any conveyance to any purchaser or purchasers at any sale made hereunder will conclusively establish the occurrence of any



Event of Default, any acceleration of the maturity of the Obligations, the advertisement and conduct of such sale in the manner provided herein, the appointment of any successor-Mortgagee hereunder and the truth and accuracy of all other matters stated therein. Mortgagor does hereby ratify and confirm all legal acts that the Mortgagee may do in carrying out the Mortgagee's duties and obligations under this Mortgage, and Mortgagor hereby irrevocably appoints Mortgagee to be the attorney-in-fact of Mortgagor and in the name and on behalf of Mortgagor to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which Mortgagor ought to execute and deliver and do and perform any and all such acts and things which Mortgagor ought to do and perform under the covenants herein contained and generally to use the name of Mortgagor in the exercise of all or any of the powers hereby conferred on Mortgagee. Upon any sale, whether under the power of sale hereby given or by virtue of judicial proceedings, it shall not be necessary for Mortgagee or any public officer acting under execution or by order of court, to have physically present or constructively in his possession any of the Realty Collateral, and Mortgagor hereby agrees to deliver to the purchaser or purchasers at such sale, on the date of such sale, the Realty Collateral purchased by such purchasers at such sale and if it should be impossible or impracticable to make actual delivery of such Realty Collateral, then the title and right of possession to such Realty Collateral shall pass to the purchaser or purchasers at such sale as completely as if the same had been actually present and delivered.

(e) *Receipt to Purchaser.* Upon any sale made under the power of sale herein granted, the receipt of the Mortgagee will be sufficient discharge to the purchaser or purchasers at any sale for its purchase money, and such purchaser or purchasers will not, after paying such purchase money and receiving such receipt of the Mortgagee, be obligated to see to the application of such purchase money or be responsible for any loss, misapplication or non-application thereof.

(f) *Effect of Sale.* Any sale or sales of the Realty Collateral will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Mortgagor in and to the premises and the Realty Collateral sold, and will be a perpetual bar, both at law and in equity, against Mortgagor, Mortgagor's successors or assigns, and against any and all Persons claiming or who shall thereafter claim all or any of the Realty Collateral sold by, through or under Mortgagor, or Mortgagor's successors or assigns. Nevertheless, if requested by the Mortgagee to do so, Mortgagor shall join in the execution and delivery of all proper conveyances, assignments and transfers of the Property so sold. The purchaser or purchasers at the foreclosure sale will receive as incident to his, her, its or their own ownership, immediate possession of the Realty Collateral purchased and Mortgagor agrees that if Mortgagor retains possession of the Realty Collateral or any part thereof subsequent to such sale, Mortgagor will be considered a tenant at sufferance of the purchaser or purchasers and will be subject to eviction and removal by any lawful means, with or without judicial intervention, and all damages by reason thereof are hereby expressly waived by Mortgagor.

(g) *Application of Proceeds.* The proceeds of any sale of the Realty Collateral or any part thereof, whether under the power of sale herein granted and conferred or by virtue of judicial proceedings, shall either be, at the option of Mortgagee, applied at the



time of receipt, or held by Mortgagee in a cash collateral account as additional Collateral, and in either case, applied in the order set forth in Article X of the Credit Agreement and Section 5.02 of the Guarantee and Collateral Agreement.

(h) *Mortgagor's Waiver of Appraisalment, Marshalling, Exemption and Deficiency.* Mortgagor agrees, to the full extent that Mortgagor may lawfully so agree, that Mortgagor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisalment, valuation, stay, extension or redemption law, now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, the absolute sale of the Collateral, including the Realty Collateral, or the possession thereof by any purchaser at any sale made pursuant to this Mortgage or pursuant to the decree of any court of competent jurisdiction; and Mortgagor, for Mortgagor and all who may claim through or under Mortgagor, hereby waives the benefit of all such laws and, to the extent that Mortgagor may lawfully do so under any applicable law, any and all rights to have the Collateral, including the Realty Collateral, marshaled upon any foreclosure of the Lien hereof or sold in inverse order of alienation. Mortgagor agrees that the Mortgagee may sell the Collateral, including the Realty Collateral, in part, in parcels or as an entirety as directed by Mortgagee. Mortgagor further waives all rights of exemption pertaining to real or personal property as to any Obligations, and Mortgagor waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of such real or personal property be set off against any part of the Obligations.

**6.2 Rights to Personalty Collateral Upon Default.** Upon the occurrence and during the continuance of any Event of Default, Mortgagee may proceed against the Personalty Collateral in accordance with the rights and remedies granted herein with respect to the Realty Collateral, and in addition will have all rights and remedies granted by the Uniform Commercial Code as in effect in Alabama and otherwise in this Mortgage. Mortgagee shall have the right to take possession of the Personalty Collateral, and for this purpose Mortgagee may enter upon any premises on which any or all of the Personalty Collateral is situated and, to the extent that Mortgagor could do so, take possession of and operate the Personalty Collateral or remove it therefrom. Mortgagee may require Mortgagor to assemble the Personalty Collateral and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to both parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee will send Mortgagor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if such notice is mailed, postage prepaid, to Mortgagor at the address designated in Section 7.12 hereof (or such other address as has been designated as provided herein) at least ten days before the time of the sale or disposition. In addition to the expenses of retaking, holding, preparing for sale, selling and the like, Mortgagee will be entitled to recover attorney's fees and legal expenses as provided for in this Mortgage and in the writings evidencing the Obligations before applying the balance of the proceeds from the sale or other disposition toward satisfaction of the Obligations. Mortgagor will remain liable for any deficiency remaining after the sale or other disposition. Mortgagor hereby consents and agrees that any disposition of all or a part of the Personalty Collateral may be made without warranty of any kind whether expressed or implied.



6.3 **Rights to Fixture Collateral Upon Default.** Upon the occurrence and during the continuance of any Event of Default, Mortgagee may elect to treat the Fixture Collateral as either Realty Collateral or as Personalty Collateral (but not both) and proceed to exercise such rights as apply to the type of Collateral selected.

6.4 **Account Debtors; Hydrocarbon Parties.** Mortgagee may, in its discretion, after the occurrence and during the continuance of any Event of Default, (a) notify any account debtor to make payments directly to Mortgagee, (b) instruct any party described in Section 3.1(b) to deliver all Hydrocarbons assigned to Mortgagee as described in Section 3.1(a) and all proceeds therefrom directly to Mortgagee, and (c) contact such account debtors and other parties directly to verify information furnished by Mortgagor. Mortgagee shall not have any obligation to preserve any rights against prior parties.

6.5 **Costs and Expenses.** All sums advanced or costs or expenses incurred by Mortgagee (either by it directly or on its behalf by any receiver appointed hereunder) in protecting and enforcing its rights hereunder shall constitute a demand obligation owing by Mortgagor to Mortgagee as part of the Obligations. Mortgagor hereby agrees to repay such sums on demand plus interest thereon from the date of the advance or incurrence until reimbursement of Mortgagee at the maximum non-usurious rate permitted by applicable law.

6.6 **Set-Off.** Upon the occurrence and during the continuance of any Event of Default, each Secured Party shall have the right to set-off any funds of Mortgagor in the possession of such Secured Party against any amounts in connection with the Obligations then due by Mortgagor.

## ARTICLE VII

### **Miscellaneous**

7.1 **Advances by Mortgagee.** Each and every covenant of Mortgagor herein contained shall be performed and kept by Mortgagor solely at Mortgagor's expense. If Mortgagor fails to perform or keep any of the covenants of whatsoever kind or nature contained in this Mortgage, Mortgagee (either by it directly or on its behalf by any receiver appointed hereunder) may, but will not be obligated to, make advances to perform the same on Mortgagor's behalf, and Mortgagor hereby agrees to repay such sums and any reasonable attorneys' fees incurred in connection therewith on demand plus interest thereon from the date of the advance until reimbursement of Mortgagee at the maximum non-usurious rate permitted by applicable law. In addition, Mortgagor hereby agrees to repay on demand any costs, expenses and attorney's fees incurred by Mortgagee which are to be obligations of Mortgagor pursuant to, or allowed by, the terms of this Mortgage, including such costs, expenses and attorney's fees incurred pursuant to Section 3.1(h), Section 6.5 or Section 7.2 hereof, plus interest thereon from the date of the advance by Mortgagee until reimbursement of Mortgagee at the maximum non-usurious rate permitted by applicable law. Such amounts will be in addition to any sum of money which may, pursuant to the terms and conditions of the written instruments comprising part of the Obligations, be due and owing. No such advance will be deemed to relieve Mortgagor from any default hereunder.



7.2 **Defense of Claims.** Mortgagor shall promptly notify Mortgagee in writing of the commencement of any legal proceedings affecting Mortgagor's title to the Collateral or Mortgagee's Lien or security interest in the Collateral, or any part thereof, and shall take such action, employing attorneys agreeable to Mortgagee, as may be necessary to preserve Mortgagor's and Mortgagee's rights affected thereby. If Mortgagor fails or refuses to adequately or vigorously, in the sole judgment of Mortgagee, defend Mortgagor's or Mortgagee's rights to the Collateral, Mortgagee may, but shall have no obligation to, take such action on behalf of and in the name of Mortgagor and at Mortgagor's expense. Moreover, Mortgagee may take such independent action in connection therewith as they may in their discretion deem proper, including the right to employ independent counsel and to intervene in any suit affecting the Collateral. All costs, expenses and attorneys' fees incurred by Mortgagee pursuant to this Section 7.2 or in connection with the defense by Mortgagee of any claims, demands or litigation relating to Mortgagor, the Collateral or the transactions contemplated in this Mortgage shall be paid by Mortgagor as provided in Section 7.1 above.

7.3 **Termination.** If all the Obligations are paid and satisfied in full, the Commitments are terminated, and the covenants herein contained are well and fully performed, then all of the Collateral not previously sold pursuant hereto will revert to Mortgagor and the entire estate, right, title and interest of the Mortgagee will thereupon cease and shall be null and void without necessity of further action by Mortgagee; and Mortgagee in such case shall, upon the request of Mortgagor and the payment by Mortgagor of all attorneys' fees and other expenses, deliver to Mortgagor proper instruments acknowledging satisfaction of this Mortgage.

7.4 **Renewals, Amendments and Other Security.** Without notice to or the consent of Mortgagor, renewals and extensions of the written instruments constituting part or all of the Obligations may be given at any time and amendments may be made to agreements relating to any part of such written instruments or the Collateral. Mortgagee may take or hold other security for the Obligations without notice to or consent of Mortgagor. The acceptance of this Mortgage by Mortgagee shall not waive or impair any other security Mortgagee may have or hereafter acquire to secure the payment of the Obligations nor shall the taking of any such additional security waive or impair the Lien and security interests herein granted. The Mortgagee may resort first to such other security or any part thereof, or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action will not be a waiver of any rights conferred by this Mortgage. This Mortgage may not be amended, waived or modified except in a written instrument executed by both Mortgagor and Mortgagee.

7.5 **Security Agreement, Financing Statement and Fixture Filing.** This Mortgage will be deemed to be and may be enforced from time to time as an assignment, chattel mortgage, contract, deed of trust, financing statement, real estate mortgage, or security agreement, and from time to time as any one or more thereof if appropriate under applicable State law. **AS A FINANCING STATEMENT, THIS MORTGAGE IS INTENDED TO COVER ALL PERSONALTY COLLATERAL INCLUDING MORTGAGOR'S INTEREST IN ALL HYDROCARBONS AS AND AFTER THEY ARE EXTRACTED AND ALL ACCOUNTS ARISING FROM THE SALE THEREOF AT THE WELLHEAD. THIS MORTGAGE SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO FIXTURE COLLATERAL INCLUDED WITHIN THE**



**COLLATERAL.** This Mortgage shall be filed in the real estate records or other appropriate records of the county or counties in the State in which any part of the Realty Collateral and Fixture Collateral is located as well as the Uniform Commercial Code records or other appropriate office of the State in which any Collateral is located. At Mortgagee's request, Mortgagor shall execute financing statements covering the Personalty Collateral, including all Hydrocarbons sold at the wellhead, and Fixture Collateral, which financing statements may be filed in the Uniform Commercial Code records or other appropriate office of the county or State in which any of the Collateral is located or in any other location permitted or required to perfect Mortgagee's security interest under the Uniform Commercial Code. In addition, Mortgagor hereby irrevocably authorizes Mortgagee and any affiliate, employee or agent thereof, at any time and from time to time, to file in any Uniform Commercial Code jurisdiction any financing statement or document and amendments thereto, without the signature of Mortgagor where permitted by law, in order to perfect or maintain the perfection of any security interest granted under this Mortgage. A photographic or other reproduction of this Mortgage shall be sufficient as a financing statement.

7.6 **Unenforceable or Inapplicable Provisions.** If any term, covenant, condition or provision hereof is invalid, illegal or unenforceable in any respect, the other provisions hereof will remain in full force and effect and will be liberally construed in favor of the Mortgagee in order to carry out the provisions hereof.

7.7 **Rights Cumulative.** Each and every right, power and remedy herein given to the Mortgagee will be cumulative and not exclusive, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Mortgagee and the exercise, or the beginning of the exercise, of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Mortgagee in the exercise of any right, power or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

7.8 **Waiver by Mortgagee.** Any and all covenants in this Mortgage may from time to time by instrument in writing by Mortgagee and the Majority Lenders, be waived to such extent and in such manner as Mortgagee may desire, but no such waiver will ever affect or impair the Mortgagee's rights hereunder, except to the extent specifically stated in such written instrument.

7.9 **Terms.** The term "Mortgagor" as used in this Mortgage will be construed as singular or plural to correspond with the number of persons executing this Mortgage as Mortgagor. If more than one person executes this Mortgage as Mortgagor, his, her, its, or their duties and liabilities under this Mortgage will be joint and several. The terms "Mortgagee" and "Mortgagor" as used in this Mortgage include the heirs, executors or administrators, successors, representatives, receiver, trustees and assigns of those parties. Unless the context otherwise requires, terms used in this Mortgage which are defined in the Uniform Commercial Code of Alabama are used with the meanings therein defined.



7.10 **Counterparts.** This Mortgage may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular counties counterpart portions of Exhibit A hereto which describe properties situated in counties other than the counties in which such counterpart is to be recorded may have been omitted.

7.11 **Governing Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of Alabama.

7.12 **Notice.** All notices required or permitted to be given by Mortgagor or Mortgagee shall be made in the manner set forth in the Credit Agreement and shall be addressed as follows:

Mortgagor: CDX Bishop Creek, LLC  
5485 Belt Line Road Ste. 190  
Dallas, TX 75254  
Attention: President  
Facsimile: 972.392.1881

With a copy to: CDX Acquisition Company, LLC  
c/o David A. Lamb  
Milbank, Tweed, Hadley & McCloy  
601 South Figueroa, 30th Floor  
Los Angeles, CA 90017  
Facsimile: 213.892.4734

And a copy to: CDX Acquisition Company, LLC  
c/o Kurt Talbot  
333 Clay Street, Suite 4150  
Houston, TX 77002  
Facsimile: 713.615.7460

Mortgagee: Bank of Montreal  
Attention of Agent Bank Services  
115 South LaSalle Street  
Chicago, IL 60603  
Facsimile: 312.765.8078

With a copy to: Mayer, Brown, Rowe & Mawe, LLP  
700 Louisiana Street, Suite 3600  
Houston, Texas 77002-2730  
Attention: Michael E. Niebruegge  
Facsimile: 713.632.1800

7.13 **Duties of Mortgagee.** It shall be no part of the duty of the Mortgagee to see to any recording, filing or registration of this Mortgage or any other instrument in addition or supplemental hereto, or to see to the payment of or be under any duty with respect to any tax or



assessment or other governmental charge which may be levied or assessed on the Collateral, any part thereof, or against Mortgagor, or to see to the performance or observance by Mortgagor of any of the covenants and agreements contained herein. Mortgagee shall not be responsible for the execution, acknowledgment or validity of this Mortgage or of any instrument in addition or supplemental hereto or for the sufficiency of the security purported to be created hereby, and makes no representation in respect thereof or in respect of the rights of Mortgagee. Mortgagee shall have the right to seek the advice of counsel upon any matters arising hereunder and shall be fully protected in relying as to legal matters on the advice of counsel. Mortgagee shall not incur any personal liability hereunder except for his own willful misconduct; and the Mortgagee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine.

7.14 **Condemnation.** All awards and payments heretofore and hereafter made for the taking of or injury to the Collateral or any portion thereof whether such taking or injury be done under the power of eminent domain or otherwise, are hereby assigned and shall be paid to Mortgagee. Mortgagee is hereby authorized to collect and receive the proceeds of such awards and payments and to give proper receipts and acquittances therefor. Mortgagor hereby agrees to make, execute and deliver, upon request, any and all assignments and other instruments sufficient for the purpose of confirming this assignment of the awards and payments to Mortgagee free and clear of any encumbrances of any kind or nature whatsoever, with the exception of the Liens expressly permitted under Section 9.03 of the Credit Agreement. Any such award or payment may, at the option of Mortgagee, if there is outstanding an Event of Default, be retained and applied by Mortgagee after payment of reasonable attorneys' fees, costs and expenses incurred in connection with the collection of such award or payment toward payment of all or a portion of the Obligations, whether or not the Obligations are then due and payable, or be paid over wholly or in part to Mortgagor for the purpose of altering, restoring or rebuilding any part of the Collateral which may have been altered, damaged or destroyed as a result of any such taking, or other injury to the Collateral.

7.15 **Successors and Assigns.** This Mortgage is binding upon Mortgagor, Mortgagor's successors and assigns, and shall inure to the benefit of the Mortgagee, Administrative Agent, Collateral Agent, and each of the Lenders, and each of their respective successors and assigns, and to the benefit of the other Secured Parties, and each of their respective successors and assigns with the prior consent of the Mortgagee, and the provisions hereof shall likewise be covenants running with the land.

7.16 **Article and Section Headings.** The article and section headings in this Mortgage are inserted for convenience of reference and shall not be considered a part of this Mortgage or used in its interpretation.

7.17 **Usury Not Intended.** It is the intent of Mortgagor and Mortgagee in the execution and performance of this Mortgage, the Credit Agreement and the other Loan Documents to contract in strict compliance with applicable usury laws governing the Obligations including such applicable usury laws of the State of Alabama and the United States of America as are from time-to-time in effect. In furtherance thereof, Mortgagee and Mortgagor stipulate and agree that none of the terms and provisions contained in this Mortgage, the Credit



Agreement or the other Loan Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the maximum non-usurious rate permitted by applicable law and that for purposes hereof "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Mortgage, the Credit Agreement and the other Loan Documents; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Obligations, include amounts which by applicable law are deemed interest which would exceed the maximum non-usurious rate permitted by applicable law, then such excess shall be deemed to be a mistake and Mortgagee shall credit the same on the principal of the Obligations (or if the Obligations shall have been paid in full, refund said excess to Mortgagor). In the event that the maturity of the Obligations is accelerated by reason of any election of Mortgagee resulting from any Event of Default, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum non-usurious rate permitted by applicable law and excess interest, if any, provided for in this Mortgage, the Credit Agreement or other Loan Documents shall be canceled automatically as of the date of such acceleration and prepayment and, if theretofore paid, shall be credited on the Obligations or, if the Obligations shall have been paid in full, refunded to Mortgagor. In determining whether or not the interest paid or payable under any specific contingencies exceeds the maximum non-usurious rate permitted by applicable law, Mortgagor and Mortgagee shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal part during the period of the full stated term of the Obligations, all amounts considered to be interest under applicable law of any kind contracted for, charged, received or reserved in connection with the Obligation.

7.18 **Intercreditor Agreement and Credit Agreement.** To the fullest extent possible, the terms and provisions of Intercreditor Agreement and the Credit Agreement (collectively, the "Principal Credit Documents") shall be read together with the terms and provisions of this Mortgage so that the terms and provisions of this Mortgage do not conflict with the terms and provisions of the Principal Credit Documents; provided, however, notwithstanding the foregoing, in the event and to the extent that any of the terms or provisions of this Mortgage directly conflict with any terms or provisions of the Principal Credit Documents, the terms or provisions of the Principal Credit Documents shall govern and control for all purposes; provided further that (a) if the Principal Credit Documents and this Mortgage have a different standard or requirement for a representation, warranty, covenant or other obligation, the Mortgagor will be required to comply with the higher standard or more exacting requirement, and (b) the inclusion in this Mortgage of terms and provisions, supplemental rights or remedies in favor of the Secured Parties not addressed in the Principal Credit Documents shall not be deemed to be a conflict with the Principal Credit Documents and all such additional terms, provisions, supplemental rights or remedies contained herein shall be given full force and effect.

7.19 **Due Authorization.** Mortgagor hereby represents, warrants and covenants to Mortgagee that the obligations of Mortgagor under this Mortgage are the valid, binding and legally enforceable obligations of Mortgagor, that the execution, ensealing and delivery of this Mortgage by Mortgagor has been duly and validly authorized in all respects by Mortgagor, and that the Persons who are executing and delivering this Mortgage on behalf of Mortgagor have full power, authority and legal right to so do, and to observe and perform all of the terms and conditions of this Mortgage on Mortgagor's part to be observed or performed.



7.20 **No Offsets, Etc.** Mortgagor hereby represents, warrants and covenants to Mortgagee that there are no offsets, counterclaims or defenses at law or in equity against this Mortgage or the Obligations.

7.21 **Bankruptcy Limitation.** Notwithstanding anything contained herein to the contrary, it is the intention of the Mortgagor, the Mortgagee and the other Secured Parties that the amount of the Obligations secured by the Mortgagor's interests in any of its Property shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and other similar laws, rules or regulations of any Governmental Authority applicable to the Mortgagor. Accordingly, notwithstanding anything to the contrary contained in this Mortgage in any other agreement or instrument executed in connection with the payment of any of the Obligations, the amount of the Obligations secured by the Mortgagor's interests in any of its Property pursuant to this Mortgage shall be limited to an aggregate amount equal to the largest amount that would not render the Mortgagor's obligations hereunder or the Liens and security interest granted to the Mortgagee hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

7.22 **Instrument Under Seal.** This Mortgage is given under the seal of all parties hereto, and it is intended that this Mortgage is and shall constitute and have the effect of a sealed instrument according to law.

[SIGNATURE PAGES FOLLOW]



EXECUTED AND DELIVERED effective as of the date first written above.

MORTGAGOR:

CDX Bishop Creek, LLC

By: \_\_\_\_\_

Name: Arthur J. Wright

Title: Vice President





20070810000375150 31/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

MORTGAGEE:

BANK OF MONTREAL, as Collateral Agent

By: James V. Ducote  
Name: James Ducote  
Title: Director



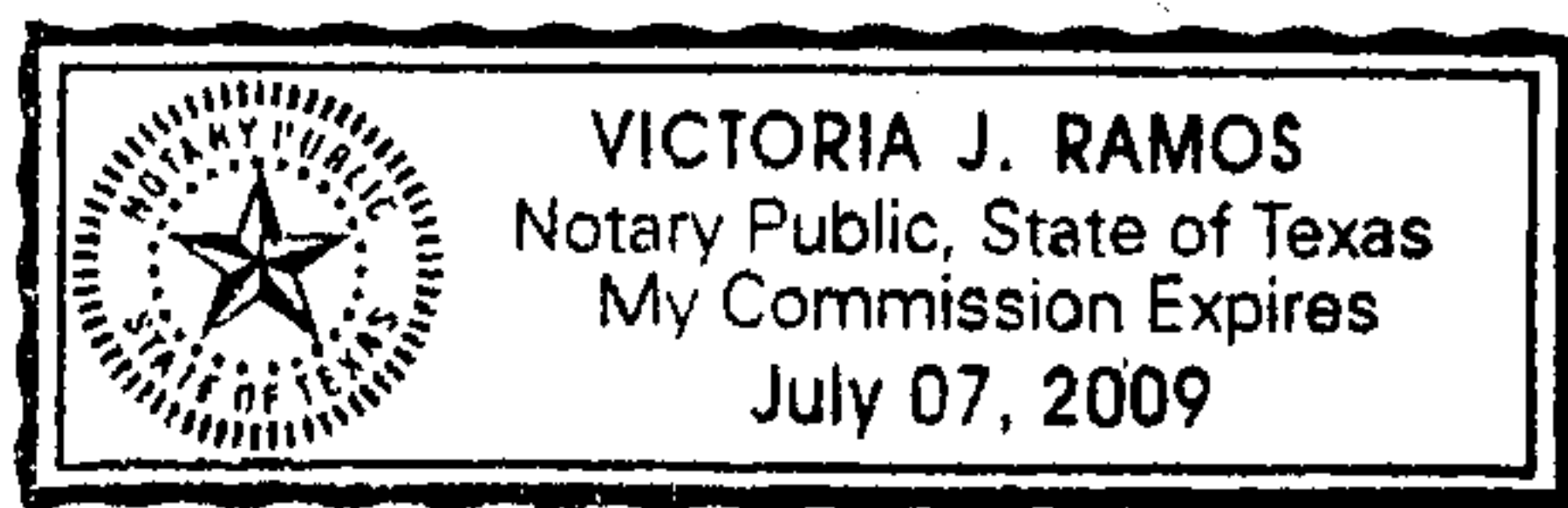
THE STATE OF TEXAS §

COUNTY OF Dallas §

20070810000375150 32/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Arthur J. Wright whose named as Vice President of CDX Bishop Creek, 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/she, as such Vice President 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 the 20<sup>th</sup> day of July 2007.



Victoria J. Ramos  
Notary Public

My Commission Expires: 7-7-2009



THE STATE OF TEXAS

COUNTY OF HARRIS

§  
§  
§

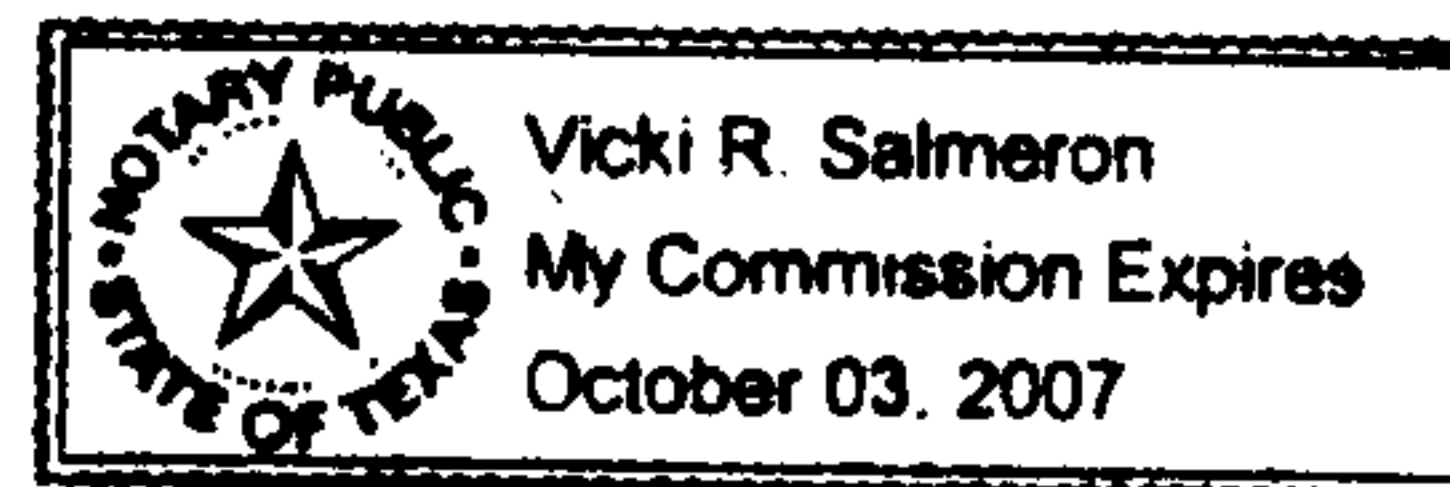
20070810000375150 33/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that James Ducote whose named as Director of Bank of Montreal, a Canadian banking institution, 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/she, as such Director of said bank and with full authority, executed the same voluntarily for and as the act of said bank.

Given under my hand and official seal this the 20<sup>th</sup> day of July, 2007.

Vicki R. Salmeron  
Notary Public


My Commission Expires: 10/3/07





## Exhibit "A"

### Leases

  
20070810000375150 34/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

Any reference in this Exhibit to wells or units is for warranty of interest, administrative convenience, and identification and shall not limit or restrict the right, title, interest, or properties covered by this Mortgage. All right, title, and interest of Mortgagor in the properties described herein are and shall be subject to this Mortgage, regardless of the presence of any units or wells not described herein.

Unless otherwise expressly provided, all recording references in this Exhibit A are references to the official public records of real property in the county or counties (or parish or parishes) in which the Mortgaged Property is located and in which record documents relating to the Mortgaged Property are recorded, whether Conveyance Records, Deed Records, Mortgage Records, Oil and Gas Records ("OGR"), Oil and Gas Lease Records, or other records. All references to "Volume" shall mean "Book" and all references herein to "Book" shall mean "Volume" for the purposes of identifying the proper place of recording in the office in which record documents are recorded. Any references to "Lease no." or to any particular "County" or "Parish" are merely for internal reference purposes and shall not limit the effectiveness of this Mortgage and this Exhibit whether for recording purposes or otherwise. The abbreviation "GWI" denotes Mortgagor's working interest or operating interest, which terms are used synonymously here, and which are intended to have the meaning commonly attributed to such terms in the oil and gas industry. The abbreviation "NRI" denotes Mortgagor's net revenue interest, which term is intended to have the meaning commonly attributed to such term in the oil and gas industry. The abbreviation "APO" means "after payout," and is intended to have the meaning commonly attributed to such term in the oil and gas industry. The abbreviation "BPO" means "before payout," and is intended to have the meaning commonly attributed to such term in the oil and gas industry. The abbreviation "ORRI" means "overriding royalty interest" and is intended to have the meaning commonly attributed to such term in the oil and gas industry.



**Exhibit "B"**

**Wells**

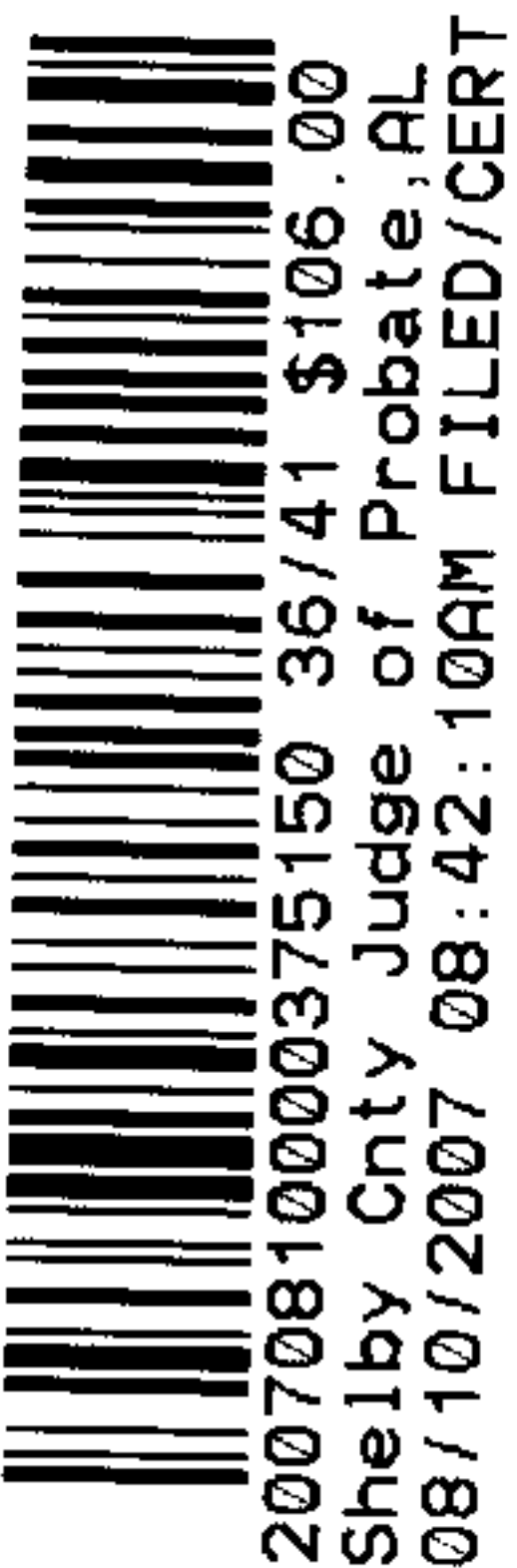
Any reference in this Exhibit to wells or units is for warranty of interest, administrative convenience, and identification and shall not limit or restrict the right, title, interest, or properties covered by this Mortgage. All right, title, and interest of Mortgagor in the properties described herein are and shall be subject to this Mortgage, regardless of the presence of any units or wells not described herein.

Unless otherwise expressly provided, all recording references in this Exhibit B are references to the official public records of real property in the county or counties (or parish or parishes) in which the Mortgaged Property is located and in which record documents relating to the Mortgaged Property are recorded, whether Conveyance Records, Deed Records, Mortgage Records, Oil and Gas Records ("OGR"), Oil and Gas Lease Records, or other records. All references to "Volume" shall mean "Book" and all references herein to "Book" shall mean "Volume" for the purposes of identifying the proper place of recording in the office in which record documents are recorded. Any references to "Lease no." or to any particular "County" or "Parish" are merely for internal reference purposes and shall not limit the effectiveness of this Mortgage and this Exhibit whether for recording purposes or otherwise. The abbreviation "GWI" denotes Mortgagor's working interest or operating interest, which terms are used synonymously here, and which are intended to have the meaning commonly attributed to such terms in the oil and gas industry. The abbreviation "NRI" denotes Mortgagor's net revenue interest, which term is intended to have the meaning commonly attributed to such term in the oil and gas industry. The abbreviation "APO" means "after payout," and is intended to have the meaning commonly attributed to such term in the oil and gas industry. The abbreviation "BPO" means "before payout," and is intended to have the meaning commonly attributed to such term in the oil and gas industry. The abbreviation "ORRI" means "overriding royalty interest" and is intended to have the meaning commonly attributed to such term in the oil and gas industry.



EXHIBIT A  
CAHABA  
LEASE SCHEDULE

LEASE ID	LEASE NAME	LSE DATE	TWP	RNG	SEC	DESCRIPTION	COUNTY	STATE	LSE NET		CO NET AC	CO W/	BOOK	PAGE NO	ENTRY NO
									GROSS AC	AC					
1013-001-01	GULF STATES PAPER CORPORATION	2/9/2004	21S	5W	13	NE, E2 NW, E2 SE, SW SE, W2 SW	SHELBY	AL	440	440	374.00	0.85	147	186	20050201000050200
		2/9/2004	21S	5W	14	NW NE, E2 NW EXCEPT THAT PART LYING W OF SHADES CREEK CREEK & N OF FIRST BRANCH FLOWING INTO SHADES CREEK WHICH IS S OF N BOUNDARY OF SE NW, SW SW, E2 SW, NW SE, E2 SE	BIBB	AL	342	342	290.70	0.85	147	186	
		2/9/2004	21S	5W	21	W2, SE, E2 NE, NW NE	BIBB	AL	600	600	510.00	0.85	147	186	
		2/9/2004	21S	5W	22	SE	BIBB	AL	160	160	136.00	0.85	147	186	
		2/9/2004	21S	5W	23	NE, N2 NW, SW NW, NE SE, S2 SW	BIBB	AL	400	400	340.00	0.85	147	186	20050201000050200
		2/9/2004	21S	5W	23	SE SE	SHELBY	AL	40	40	34.00	0.85			20050201000050200
		2/9/2004	21S	5W	24	NE NW, S2 N2, NW SE, THAT PART OF THE SE SE THAT LIES N&E OF CAHABA RIVER, S2 S W (FEE)NE SE, THAT PART OF THE SE SE THAT LIES S&W OF CAHABA RIVER (MIN RTS)	SHELBY	AL	400	400	340.00	0.85			20050201000050200
		2/9/2004	21S	5W	25	E2 E2, NW SE, NE SW	SHELBY	AL	240	240	204.00	0.85			20050201000050200
		2/9/2004	21S	5W	26	N2 NW, SW NW, N2 SW (FEE)SW SE, S2 SW (MIN RTS)	BIBB	AL	320	320	272.00	0.85	147	186	
		2/9/2004	21S	5W	26	THAT PART OF E2 NE LYING E OF SHADES CREEK (FEE)THAT PART OF E2 NE LYING W OF SHADES CREEK (MIN RTS)	SHELBY	AL	80	80	68.00	0.85			20050201000050200
		2/9/2004	21S	5W	27	ALL	BIBB	AL	640	640	544.00	0.85	147	186	
		2/9/2004	21S	5W	28	E2 SE	BIBB	AL	80	80	68.00	0.85	147	186	
		2/9/2004	21S	5W	29	ALL, LESS 1 AC IN SE/C	BIBB	AL	639	639	543.15	0.85	147	186	
		2/9/2004	21S	5W	30	W2 SE NE, SW NE, SE	BIBB	AL	220	220	187.00	0.85	147	186	
		2/9/2004	21S	5W	31	E2 NW, E2 NE, NE SE, NW SW (FEE) W2 NW, W2 E2, SE SE (MIN RTS)	BIBB	AL	520	520	442.00	0.85	147	186	
		2/9/2004	21S	5W	32	S2 NW, N2 SW, E2 SE SW, S2 SE, S2 NE SE (FEE) SW SW, W2 SE SW (MIN RTS)	BIBB	AL	340	340	289.00	0.85	147	186	
		2/9/2004	21S	5W	33	N2 NW, NE, NE SE, S2 S2 (FEE) SE NW, NW SE (MIN RTS)	BIBB	AL	520	520	442.00	0.85	147	186	
		2/9/2004	21S	5W	34	NW NW, S2 NW, NW NE, W2 SW (PART FEE) SE, W2 SW (PART MIN RTS)	BIBB	AL	400	400	340.00	0.85	147	186	
		2/9/2004	21S	5W	35	W2, SE, W2 NE	BIBB	AL	560	560	476.00	0.85	147	186	20050201000050200
		2/9/2004	21S	5W	35	SE NE	SHELBY	AL	40	40	34.00	0.85	147	186	
		2/9/2004	21S	5W	36	SW SW	BIBB	AL	40	40	34.00	0.85	147	186	
		2/9/2004	21S	5W	36	NW SW	BIBB	AL	40	26.66564	22.67	0.85	147	186	20050201000050200
		2/9/2004	21S	4W	4	NE SE	SHELBY	AL	40	40	34.00	0.85			
		2/9/2004	22S	4W	8	E2 SW, W2 SE, NE NW, SW NW, N2 NE, SE NE, E2 SW NE (FEE) SE NW, W2 SW NE (MIN INT)	BIBB	AL	440	440	374.00	0.85	147	186	
		2/9/2004	22S	4W	9	SW, NW SE (FEE) SE NE, E2 SE, SW SE (MIN INT)	SHELBY	AL	360	360	306.00	0.85			20050201000050200
		2/9/2004	22S	4W	10	W2 NW, NE NW, SW SW	SHELBY	AL	160	160	136.00	0.85			20050201000050200
		2/9/2004	22S	5W	2	NW NW, SW SW (FEE), SW NW, NW SW, NE NW, W2 SE (MIN INT)	BIBB	AL	280	280	238.00	0.85	147	186	
		2/9/2004	22S	5W	3	NW NE, E2 SE	BIBB	AL	120	120	102.00	0.85	147	186	
		2/9/2004	22S	5W	4	N2, SE	BIBB	AL	480	480	408.00	0.85	147	186	
		2/9/2004	22S	5W	10	N2, SW	BIBB	AL	480	480	408.00	0.85	147	186	
1013-001-02	WITTEN ELIZABETH E	2/9/2004	22S	5W	16	ALL	BIBB	AL	640	640	544.00	0.85	147	186	
		3/3/2004	22S	4W	4	NE SE	BIBB	AL	40	10	8.50	0.85	139	267	
		3/3/2004	22S	4W	8	NE, E2 NW, W2 SW, W2 SE	BIBB	AL	440	110	93.50	0.85	139	267	
		3/3/2004	22S	4W	9	S2, SE NE	BIBB	AL	360	90	76.50	0.85	139	267	
		3/3/2004	22S	4W	10	W2 NW, NE NW, SW SW	BIBB	AL	160	40	34.00	0.85	139	267	
		3/3/2004	22S	4W	4	NE SE	BIBB	AL	40	20	17.00	0.85	139	270	
		3/3/2004	22S	4W	8	NE, E2 NW, E2 SW, W2 SE	BIBB	AL	440	220	187.00	0.85	139	270	
		3/3/2004	22S	4W	9	S2, SE NE	BIBB	AL	360	180	153.00	0.85	139	270	
		3/3/2004	22S	4W	10	W2 NW, NE NW, SW SW	BIBB	AL	160	80	68.00	0.85	139	270	
		3/3/2004	22S	4W											
1013-001-03	RODEN DOROTHY	2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											
		2/9/2004	22S	4W											





CAHABA

LEASE SCHEDULE

LEASE ID	LEASE NAME	LSE DATE	TWP	RNG	SEC	DESCRIPTION	COUNTY	STATE	GROSS AC	AC	CO NET AC	CO WI	BOOK	PAGE NO	ENTRY NO
1013-001-04	WITTEN JOHN	5/21/2004	22S	4W	4	NE SE	SHELBY	AL	40	5	4.25	0.85			20040805000438450
		5/21/2004	22S	4W	9	S2, SE NE	SHELBY	AL	360	45	38.25	0.85			20040805000438450
		5/21/2004	22S	4W	10	W2 NW, NE NW, SW SW	SHELBY	AL	160	20	17.00	0.85			20040805000438450
1013-002-00	LITTLE GEM COAL COMPANY	5/26/2004	21S	3W	29	S2 SE, SE SW	SHELBY	AL	120	120	102.00	0.85			20040805000438360
		5/26/2004	21S	3W	31	E2 SE, SW SE	SHELBY	AL	120	120	102.00	0.85			20040805000438360
		5/26/2004	21S	3W	32	ALL LESS N2 NW AND 22.81 AC IN THE SE CORNER	SHELBY	AL	537.19	537.19	456.61	0.85			20040805000438360
		5/26/2004	22S	3W	5	E2 NW, SW NW, W2 NE, W2 NE NE, SW SE, N2 SW, N2 SE	SHELBY	AL	420	420	357.00	0.85			20040805000438360
		5/26/2004	22S	3W	6	E2 NE, NW NE, E2 NW	SHELBY	AL	200	200	170.00	0.85			20040805000438360
		5/26/2004	22S	3W	7	NE NE, N2 SE NE	SHELBY	AL	60	60	51.00	0.85			20040805000438360
1013-003-00	HOLLAND SHERMAN	3/16/2004	21S	5W	24	NE SE	SHELBY	AL	40	40	34.00	0.85			20040805000438430
		3/16/2004	21S	5W	25	E2 NE, NW SE	SHELBY	AL	120	120	102.00	0.85			20040805000438430
		3/16/2004	22S	5W	9	S2 SE, NE SE, SE NE	SHELBY	AL	160	160	136.00	0.85			20040805000438430
		3/16/2004	22S	5W	10	W2 NW, NE NW, SW SW	SHELBY	AL	160	160	136.00	0.85			20040805000438430
		4/19/2004	21S	5W	11	NE NE, NE SE NE	SHELBY	AL	50	50	42.50	0.85			20040805000438370
1013-004-00	SUTLEY EUGENE	4/19/2004	21S	5W	12	N2 NW	SHELBY	AL	80	80	68.00	0.85			20040805000438370
		4/19/2004	21S	5W	13	W2 NW, E2 SW, NW SE	SHELBY	AL	200	200	170.00	0.85			20040805000438370
		4/19/2004	21S	5W	14	E2 NE	SHELBY	AL	80	80	68.00	0.85			20040805000438370
		4/19/2004	21S	5W	24	NW NW	SHELBY	AL	40	40	34.00	0.85			20040805000438370
		6/23/2004	21S	5W	14	SW NE	BIBB	AL	40	40	34.00	0.85	141	120	
1013-006-00	ALEXANDER MARY DORIS	6/23/2004	21S	5W	14	SW NE	BIBB	AL	160	40	34.00	0.85	139	264	
1013-007-01	LOCKE J C FAMILY PARTNERSHIP	3/25/2004	22S	5W	14	NW	BIBB	AL	160	17.78	15.11	0.85	141	38	
1013-007-02	WILHOIT JEFFERY NCM	6/7/2004	22S	5W	14	NW	BIBB	AL	160	160	26.44	0.85	139	283	
1013-007-03	STEWART JUDY D	3/23/2004	22S	5W	14	NW	BIBB	AL	160	31.11	26.44	0.85	139	274	
1013-007-04	CATES BETTY RUTH	3/23/2004	22S	5W	14	NW	BIBB	AL	160	13.33	11.33	0.85	139	280	
1013-007-05	WEAVER DAVID CATES	3/23/2004	22S	5W	14	NW	BIBB	AL	160	13.33	11.33	0.85	139	286	
1013-007-06	CAVER ROSA LEE	5/28/2004	22S	5W	14	NW	BIBB	AL	160	40	34.00	0.85	139	286	
1013-007-07	WILHOIT JAMES E	7/21/2004	22S	5W	14	NW	BIBB	AL	160	4.44	3.77	0.85	141	42	
1013-008-01	BLAIR HENDERSON DIANA	12/4/2003	22S	4W	12	SW SW, N2 NW SW, SW NW SW, S2 SW NW, NE SW NW	SHELBY	AL	100	25	21.25	0.85			20040805000438390
		12/4/2003	22S	4W	13	NW SW, W2 NW NW, N2 SW NW, SW SW NW, 1.25 AC IN NE SW, 2.46 AC IN SE SW UNDER ROW TO SHELBY COUNTY	SHELBY	AL	93.71	23.4275	19.91	0.85			20040805000438390
1013-008-02	HENDERSON RALPH CRAIG	12/4/2003	22S	4W	14	SE NE, E2 NE SE	SHELBY	AL	60	15	12.75	0.85			20040805000438390
		12/4/2003	22S	4W	24	1.83 AC IN NE NE, 0.85 AC IN SE NE, 2.78 AC IN NW NE, 1.43 AC IN NE NW, ALL UNDER ROW TO SHELBY COUNTY	SHELBY	AL	6.89	1.7225	1.46	0.85			20040805000438390
		11/25/2003	22S	4W	12	SW SW, N2 NW SW, SW NW SW, S2 SW NW, NE SW NW	SHELBY	AL	100	25	21.25	0.85			20040805000438410
		11/25/2003	22S	4W	13	NW SW, W2 NW NW, N2 SW NW, SW SW NW, 1.25 AC IN NE SW, 2.46 AC IN SE SW UNDER ROW TO SHELBY COUNTY	SHELBY	AL	93.71	23.4275	19.91	0.85			20040805000438410
1013-008-03	SEALE EVE LYNN HENDERSON	11/25/2003	22S	4W	14	SE NE, E2 NE SE	SHELBY	AL	60	15	12.75	0.85			20040805000438410
		11/25/2003	22S	4W	24	1.83 AC IN NE NE, 0.85 AC IN SE NE, 2.78 AC IN NW NE, 1.43 AC IN NE NW, ALL UNDER ROW TO SHELBY COUNTY	SHELBY	AL	6.89	1.7225	1.46	0.85			20040805000438410
		11/25/2003	22S	4W	12	SW SW, N2 NW SW, SW NW SW, S2 SW NW, NE SW NW	SHELBY	AL	100	25	21.25	0.85			20040805000438400
		11/25/2003	22S	4W	13	NW SW, W2 NW NW, N2 SW NW, SW SW NW, 1.25 AC IN NE SW, 2.46 AC IN SE SW UNDER ROW TO SHELBY COUNTY	SHELBY	AL	93.71	23.4275	19.91	0.85			20040805000438400
1013-008-04	HENDERSON BETTY M ET AL	11/25/2003	22S	4W	14	SE NE, E2 NE SE	SHELBY	AL	60	15	12.75	0.85			20040805000438400
		11/25/2003	22S	4W	24	1.83 AC IN NE NE, 0.85 AC IN SE NE, 2.78 AC IN NW NE, 1.43 AC IN NE NW, ALL UNDER ROW TO SHELBY COUNTY	SHELBY	AL	6.89	1.7225	1.46	0.85			20040805000438400
		12/4/2003	22S	4W	12	SW SW, N2 NW SW, SW NW SW, S2 SW NW, NE SW NW	SHELBY	AL	100	25	21.25	0.85			20040805000438420
		12/4/2003	22S	4W	13	NW SW, W2 NW NW, N2 SW NW, SW SW NW, 1.25 AC IN NE SW, 2.46 AC IN SE SW UNDER ROW TO SHELBY COUNTY	SHELBY	AL	93.71	23.4275	19.91	0.85			20040805000438420
		12/4/2003	22S	4W	14	SE NE, E2 NE SE	SHELBY	AL	60	15	12.75	0.85			20040805000438420
		12/4/2003	22S	4W	24	1.83 AC IN NE NE, 0.85 AC IN SE NE, 2.78 AC IN NW NE, 1.43 AC IN NE NW, ALL UNDER ROW TO SHELBY COUNTY	SHELBY	AL	6.89	1.7225	1.46	0.85			20040805000438420



20070810000375150 38/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

CAHABA  
LEASE SCHEDULE

LEASE ID	LEASE NAME	LSE DATE	TWP	RNG	SEC	DESCRIPTION	COUNTY	STATE	GROSS AC	LSE NET AC	CO NET AC	CO WI	BOOK	PAGE NO	ENTRY NO
1013-009-00	DISMUKES DONIA R	4/4/2005	21S	4W	36	ONE AC OF LAND IN THE SE SE OF SEC 36 DESCRIBED AS FOLLOWS: COMMENCE AT THE NE CORNER OF SAID 1/4 1/4 SECTION; THEN RUN WEST ALONG THE NORTH 1/4 1/4 LINE 267.0 FT TO THE POINT OF BEGINNING; THENCE CONTINUE LAST COURSE 150.0 FT; THENCE TURN LEFT 88 DEG 16 MIN. 17 SEC. AND RUN SOUTH 235.26 FT TO THE NE ROW OF SHELBY COUNTY HWY NO. 22; THENCE TURN LEFT 08 DEG 30 MIN. 15 SEC. AND RUN SE ALONG SAID ROW 12.13 FT; THENCE TURN LEFT 98 DEG 53 MIN. 03 SEC. AND RUN EAST 252.12 FT; THENCE TURN LEFT 100 DEG. 13 MIN. 54 SEC. AND RUN NORTH 199.16 FT TO THE POINT OF BEGINNING.	SHELBY	AL	1	1	0.85	0.85			20050413000174820
1013-010-00	COX PAUL H ET UX	2/14/2005	21S	4W	36	FOUR AC IN THE FORM OF A SQUARE IN THE NE CORNER OF THE SE SE, LESS ONE AC, MORE PARTICULARLY DESCRIBED AS FOLLOWS: ONE AC OF LAND IN THE SE SE OF SEC 36 DESCRIBED AS FOLLOWS: COMMENCE AT THE NE CORNER OF SAID 1/4 1/4 SECTION; THEN RUN WEST ALONG THE NORTH 1/4 1/4 LINE 267.0 FT TO THE POINT OF BEGINNING; THENCE CONTINUE LAST COURSE 150.0 FT; THENCE TURN LEFT 88 DEG 16 MIN. 17 SEC. AND RUN SOUTH 235.26 FT TO THE NE ROW OF SHELBY COUNTY HWY NO. 22; THENCE TURN LEFT 08 DEG 30 MIN. 15 SEC. AND RUN SE ALONG SAID ROW 12.13 FT; THENCE TURN LEFT 98 DEG 53 MIN. 03 SEC. AND RUN EAST 252.12 FT; THENCE TURN LEFT 100 DEG. 13 MIN. 54 SEC. AND RUN NORTH 199.16 FT TO THE POINT OF BEGINNING.	SHELBY	AL	3	3	2.55	0.85			200503230000131230
1013-013-00	MUDD KATHERINE ENGEL TRUST	3/9/2004	22S	4W	7	N2 SE	BIBB	AL	80	80	68.00	0.85	139	277	
		3/9/2004	22S	4W	8	NW SW	BIBB	AL	40	40	34.00	0.85	139	277	
		3/9/2004	22S	4W	18	W2 NE, E2 NW	BIBB	AL	160	160	136.00	0.85	139	277	
		7/28/2004	21S	5W	31	SW SW	BIBB	AL	40	40	34.00	0.85	141	45	
1013-025-00	BAMBERG JO	6/1/2005	22S	3W	5	NW NW AND 14 AC IN THE SE SE WEST OF THE RAILROAD	SHELBY	AL	54	54	45.90	0.85			200507080000342550
1013-026-00	LITTLE GEM COAL COMPANY	6/30/2005	22S	4W	1	PARCEL 1: BEGIN AT SW/C OF NE NW, THENCE EAST FOR A DISTANCE OF 7.00 CHAINS TO THE POB; THENCE N 15 DEG EAST 5.50 CHAINS; THENCE N 8 DEG E 6.80 CHAINS; THENCE N 89 DEG E 1.84 CHAINS; THENCE N 65 DEG E 4.00 CHAINS; THENCE S 31 DEG W 4.60 CHAINS; THENCE S 30 DEG E 4.00 CHAINS TO THE S LINE OF THE NE NW; THENCE W ALONG SAID FORTY LINE 10.14 CHAINS TO POB; CONT 8.64 ACS M/L	SHELBY	AL	9.32	9.32	7.92	0.85			200507080000342570
1013-027-00	MACEDONIA SOUTH MISSIONARY BC					PARCEL 2: BEGIN AT THE POB DESC IN PARCEL 1; THENCE E 10.14 CHAINS; THENCE S 82 DEG W 10.50 CHAINS; THENCE N 4 DEG E 2.24 CHAINS TO POB, CONT 0.68 ACS, M/L	SHELBY	AL							
1013-059-00	UNIVERSITY OF ALABAMA	12/5/2003	22S	4W	22	SW NW, W2 SW	SHELBY	AL	120	120	120.00	1.00			200402230000091840
		12/5/2003	22S	4W	28	ALL OF FRACTIONAL SECTION	BIBB	AL	55	55	55.00	1.00	13	399	
		12/5/2003	24S	11E	4	N2, NW SW	BIBB	AL	360	360	360.00	1.00	13	399	
		4/9/2002	22S	4W	17	S2 SW	BIBB	AL	80	80	16.00	0.20	99	233	
1013-060-00	US STEEL CORP	4/9/2002	22S	4W	18	N2 SE	BIBB	AL	80	80	16.00	0.20	99	233	
		4/9/2002	22S	4W	20	N2 SW	BIBB	AL	80	80	16.00	0.20	99	233	





20070810000375150 39/41 \$106.00  
Shelby Cnty Judge of Probate,AL  
08/10/2007 08:42:10AM FILED/CERT

CAHABA  
LEASE SCHEDULE

LEASE ID	LEASE NAME	LSE DATE	TWP	RNG	SEC	DESCRIPTION	COUNTY	STATE	GROSS AC	LSE NET AC	CO NET AC	CO WI	BOOK	PAGE NO	ENTRY NO
1013-063-00	MARTINEZ DRUCILLA	11/20/2006	22S	4W	3	TRACT 1: COMMENCE AT THE NW CORNER OF THE SW SE. THEN RUN S ALONG THE W LINE OF SAID QUARTER-QUARTER SECTION A DISTANCE OF 240.94 FT, THEN TURN LEFT 59 DEG 22 MIN 54 SEC AND RUN SE A DISTANCE OF 397.85 FT TO THE POB, THEN CONTINUE LAST COURSE A DISTANCE OF 271.03 TO A POINT ON THE NW SIDE OF SHELBY COUNTY HWY #54, THEN LEFT 93 DEG, 25 MIN, 37 SEC TO A CHORD AND RUN NE 122.35 FT ALONG SAID CHORD, THEN LEFT 86 DEG 48 MIN 44 SEC FROM SAID CHORD AND RUN NW A DISTANCE OF 269.47 FT, THEN TURN LEFT 92 DEG 28 MIN 49 SEC AND RUN SW 121.33 FT TO THE POB. CONTAINING .75 AC MORE OR LESS.	SHELBY	AL	0.75	0.75	0.75	1.00			20061120000566920
1013-064-00	EDDINGS HORACE R JR ET UX	11/9/2006	22S	4W	3	LOT 4 AND THE ADJOINING "ACCESS EASEMENT", ACCORDING TO THE SURVEY OF FALLING ROCK, AS RECORDED IN MAP BOOK 19, PAGE 118 IN THE PROBATE OFFICE OF SHELBY COUNTY, AL.	SHELBY	AL	0.69	0.69	0.69	1.00			20061120000566930
1013-065-00	WOLFE W ANTHONY ET UX	11/13/2006	22S	4W	3	A PART OF THE SW SE. COMMENCE AT THE SE CORNER OF THE SW SE OF SEC 3 AND RUN WEST 581 FT TO THE POINT OF BEGINNING, THEN RUN N 86 DEG 33 MIN 23 SEC W 210 FT, THEN RUN N 3 DEG 28 MIN 54 SEC W 212.49 FT, THEN S 85 DEG 46 MIN 45 SEC E 209.99 FT, THEN S 03 DEG 34 MIN 53 SEC E 209.67 TO THE POINT OF BEGINNING. CONTAINING 1 AC MORE OR LESS.	SHELBY	AL	1	1	1.00	1.00			20061120000566900
1013-066-00	GORNATI SCOTT S ET UX	11/13/2006	22S	4W	3	LOT 3, ACCORDING TO THE SURVEY OF FALLING ROCK, PHASE ONE, AS RECORDED IN MAP BOOK 19, PAGE 118 IN THE PROBATE OFFICE OF SHELBY COUNTY.	SHELBY	AL	0.41	0.41	0.41	1.00			20061120000566910
1013-067-00	COLLEY RICHARD T ET UX	12/30/2006	22S	4W	3	LOT 2, ACCORDING TO THE SURVEY OF FALLING ROCK, PHASE ONE, RECORDED IN MAP BOOK 19, PAGE 118 IN THE PROBATE OFFICES OF SHELBY COUNTY, AL, CONTAINING .44 AC MORE OR LESS.	SHELBY	AL	0.44	0.44	0.44	1.00			200701030000000890
1013-068-00	CLECKLEY JAMISON L ET UX	11/13/2006	22S	4W	3	LOT 1, ACCORDING TO THE SURVEY OF FALLING ROCK, PHASE ONE, AS RECORDED IN MAP BOOK 19, PAGE 118 IN THE PROBATE OFFICE OF SHELBY COUNTY, AL.	SHELBY	AL	0.43	0.43	0.43	1.00			20061120000566890
1013-069-00	PARKER JONATHAN M ET UX	1/5/2007	22S	4W	3	LOTS 2 AND 3, ACCORDING THE SURVEY OF FALLING ROCK PHASE TWO, AS RECORDED IN MAP BOOK 20, PAGE 89 IN THE PROBATE OFFICE OF SHELBY COUNTY, AL.	SHELBY	AL	3.83	3.83	3.83	1.00			200701170000024590





20070810000375150 40/41 \$106.00  
Shelby Cnty Judge of Probate,AL  
08/10/2007 08:42:10AM FILED/CERT

CAHABA  
LEASE SCHEDULE

LEASE ID	LEASE NAME	LSE DATE	TWP	RNG	SEC	DESCRIPTION	COUNTY	STATE	GROSS AC	AC	CO NET AC	CO WI	BOOK	PAGE NO	ENTRY NO
1013-070-00	MITCHELL SUZANNE D ET AL	11/1/2006	22S	4W	3	TRACT 15: A PART OF THE SW SE OF SECTION 3 MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NW CORNER OF THE SW SE AND RUN S ALONG THE W LINE OF SAID 1/4 1/4 SECTION 240.04 FT, THEN TURN 59 DEG 22 MIN 54 SEC LEFT AND RUN SE 377.85 FT, THEN TURN 92 DEG 43 MIN 09 SEC LEFT AND RUN NE 121.23 FT THEN TURN 92 DEG 28 MIN 49 SEC RIGHT AND RUN SE 269.47 FT TO A POINT ON THE W MARGIN OF SHELBY COUNTY HIGHWAY NO 54, THEN TURN 89 DEG 12 MIN 50 SEC LEFT AND RUN NE ALONG SAID MARGIN OF SAID HIGHWAY 156.08 FT, THEN TURN 87 DEG 11 MIN 11 SEC LEFT AND RUN NW 163.53 FT, THEN TURN 99 DEG 48 MIN 04 SEC RIGHT AND RUN NE 115.59 FT, THEN TURN 9 DEG 35 MIN 34 SEC RIGHT AND CONTINUE NE 121.46 FT, THEN TURN 4 DEG 20 MIN 52 SEC LEFT AND CONTINUE NE 137.43 FT, THEN TURN 135 DEG 46 MIN 56 SEC LEFT AND RUN W ALONG THE N LINE OF SAID 1/4 1/4 SECTION 826.16 FT TO THE POINT OF BEGINNING.	SHELBY	AL	5.75	5.75	5.75	1.00		20061102000540600	
1013-071-00	JENNEY KAREN R	12/15/2006	22S	4W	3	TRACT 14: LOT 1, ACCORDING TO THE SURVEY OF FALLING ROCK PHASE TWO AS RECORDED IN MAP BOOK 20 PAGE 89 IN THE PROBATE OFFICE OF SHELBY COUNTY, AL, CONTAINING 3 AC MORE OR LESS.	SHELBY	AL	3	3	3.00	1.00			20061215000612550
1013-072-00	PARKER JONATHAN M ET UX	1/18/2007	22S	4W	3	LOTS 4 AND 5, FALLING ROCK PHASE 2 (SUBDIVISION), AS RECORDED IN MAP BOOK 20, PAGE 89, IN THE PROBATE OFFICE OF SHELBY COUNTY, AL, AND PARCEL II: COMMENCE AT THE NW CORNER OF THE SW SE OF SEC 3, T22S-R4W, SHELBY COUNTY, AL AND RUN SE ALONG THE W LINE OF SAID QTR-QTR 240.94 FT TO A STEEL PIN CORNER AND THE POINT OF BEGINNING OF THE PROPERTY BEING DESCRIBED, THEN CONTINUE S ALONG AN EXISTING FENCE LINE 544.40 FT TO A STEEL PIN CORNER, THEN TURN 108 DEG 27'07" LEFT AND RUN NE ALONG AN EXISTING FENCE LINE 315.65 FT TO A STEEL PIN CORNER MARKING THE SE CORNER OF LOT 4 OF SAID FALLING ROCK, PHASE TWO SUBDIVISION, THEN TURN 40 DEG 55'47" LEFT AND RUN N 30 DEG 36'51" E A DISTANCE OF 230.00 FT TO A STEEL PIN CORNER MARKING THE NW CORNER OF LOT 5, FALLING ROCK, PHASE TWO SUBDIVISION, THEN TURN 90 DEG 00'00" LEFT AND RUN NW 483.99 FT TO POB.	SHELBY	AL	4.02	4.02	4.02	1.00		200701190000029480	
1013-073-00	LAWLEY DON E	1/29/2007	22S	4W	3	TRACT NO 7: COM SE CORNER SW SE W 791 TO E ROW CO RD # 54 NLY 837.5 ALONG ROW TO POB SE 265 NE 121.5 NW 265 SW 121.5 TO POB. DIM 121.5 X 265.0. CONTAINING 0.75 AC MORE OR LESS. TAX PARCEL # 5.01	SHELBY	AL	0.75	0.75	0.75	1.00			200701310000047390
		1/29/2007	22S	4W	3	SW SE WEST OF SHELBY COUNTY HIGHWAY #54; CONTAINING 20 AC MORE OR LESS.LESS AND EXCEPT A PARCEL OF LAND CONTAINING APPROXIMATELY 3/4 ACRES AND ORIGINALLY CONVEYED PURSUANT TO A 1975 DEED AT DEED BOOK 293 PAGE 193 AND CURRENTLY COMPRISING TAX PARCEL 4.002 IN SHELBY COUNTY, AL.	SHELBY	AL	20	20	20.00	1.00			200701310000047400
TOTAL ACRES									18413.98	14918.837	12611.42				



20070810000375150 417/41 \$106.00  
Shelby Cnty Judge of Probate, AL  
08/10/2007 08:42:10AM FILED/CERT

EXHIBIT "B"

CAHABA PROSPECT  
WELL SCHEDULE

PROSPECT	API NO.	PROPERTY #	PROPERTY NAME	SEC	TWN	RNG	LOCATION	FIELD	COUNTY	STATE	GW	NRI	OPERATOR
Cahaba	01-117-20628	0038.0051.01	GSPC 09-10-36	09	22S	04W	W/2SE/4	GURNEE	SHELBY	AL	0.85000000	0.68000000	CDX GAS, LLC
Cahaba	01-117-20627	0038.0053.01	GSPC 09-14-38	09	22S	04W	E/2SW/4	GURNEE	SHELBY	AL	0.85000000	0.68000000	CDX GAS, LLC
Cahaba	01-117-20707	0038.0054.01	GSPC 09-16-39	09	22S	04W	E/2SE/4	GURNEE	SHELBY	AL	0.85000000	0.68000000	CDX GAS, LLC
Cahaba	01-117-20716	0038.0112.01	GSPC 10-04-146	10	22S	04W	W/2NW/4	GURNEE	SHELBY	AL	0.85000000	0.68000000	CDX GAS, LLC