

STATE OF ALABAMA \*  
COUNTY OF SHELBY \*  
& BIBB \*

MEMORANDUM OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that GEOMET, INC. ("Lessee"), an Alabama corporation, by virtue of a Coal Seam Gas Lease dated April 9, 2002 (the "Lease"), did lease certain surface and mineral interests in lands of UNITED STATES STEEL CORPORATION located Shelby and Bibb Counties, Alabama consisting of approximately 28,000 acres, as described in detail in "Exhibit A", attached hereto and made a part hereof, for the limited purpose of investigating, exploring, prospecting drilling for, and producing Coal Seam Gas. Said lease shall be for a primary term of one (1) year with provisions for an extended term of four (4) years, contingent on certain performances by the Lessee.

This Memorandum of Lease is to be placed of record to serve as notice of the execution and existence of said Lease, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Lease. The terms and conditions of said Lease are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein.

This is the 8th day of MAY, 2002.



UNITED STATES STEEL CORPORATION

GEOMET, INC.

By: Pt Mll  
Its Peter Moller, President  
USS Real Estate,  
a division of United States Steel  
Corporation

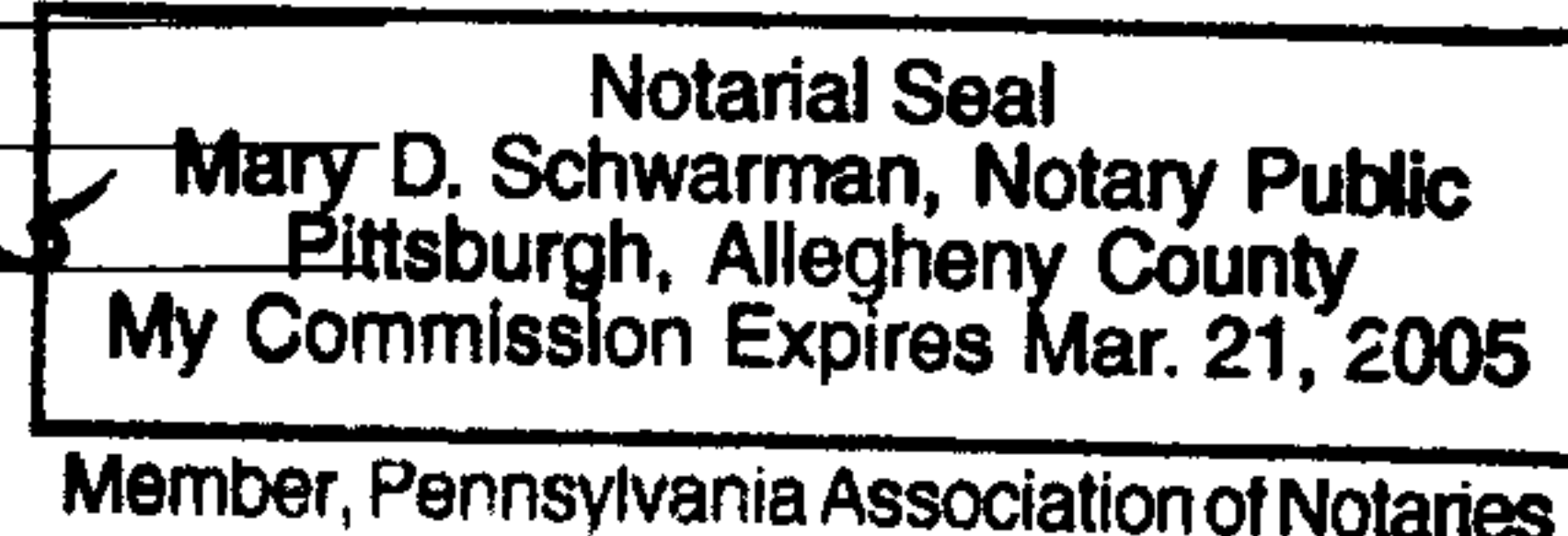
By: J. Neil Walden, Jr.  
Its J. Neil Walden, Jr.  
Vice President

STATE OF PENNSYLVANIA \*  
COUNTY OF ALLEGHENY \*

Before me, the undersigned, a Notary Public in and for said County and State, on this 8TH day of MAY, 2002, personally appeared PETER MOLLER, known to me to be the identical person who subscribed the name of UNITED STATES STEEL CORPORATION to the foregoing instrument as its officer and acknowledged to me that he executed the same as his free and voluntary act and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal this 8TH day of MAY, 2002.

Mary D. Schwarman  
Notary Public  
State of PENNSYLVANIA  
County of ALLEGHENY  
My Commission Expires 03/21/05



STATE OF Alabama \*  
COUNTY OF Jefferson \*

Before me, the undersigned, a Notary Public in and for said County and State, on this 7th day of June, 2002, personally appeared J. Neil Walden, Jr., known to me to be the identical person who subscribed the name of GEOMET, INC. to the foregoing instrument as its officer and acknowledged to me that he executed the same as his free and voluntary act and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal this 7th day of June, 2002.

Bettie S. Vernon  
Notary Public  
State of Alabama  
County of Jefferson  
My Commission Expires 3-16-04

**EXHIBIT A**  
**SHELBY COUNTY, ALABAMA**

Group NO. 1 – Lands in which USX Corporation owns all interests.

SECTION	DESCRIPTION	ACRES
<b><u>TOWNSHIP 21 SOUTH, RANGE 3 WEST</u></b>		
5	The North-West quarter; the West half of South-West quarter	240.00
6	The entire Section	640.00
7	The entire Section	640.00
8	The West half of North-West quarter; the North-West quarter of South-West quarter; the South-West quarter of South-West quarter except that part of the following described tract lying in said quarter-quarter section: Begin at the southwest corner; thence north along west boundary 601.30 feet to center line of main tract of Southern Railway Company; thence east and southeast along center line 1,170.00 feet; thence southwest at right angles to center line 50.00 feet to point of beginning of boundary of tract herein excepted; thence southeast parallel with said center line and 50.00 feet distant therefrom 700.00 feet; thence south at right angles to center line 100.00 feet; thence northwest parallel with and 150.00 feet distant from center line 768.40 feet; thence northeast at right angles to center line 100.00 feet to point of beginning	158.66
<b>TOTAL TOWNSHIP</b>		<b>1,678.66</b>
<b><u>TOWNSHIP 21 SOUTH, RANGE 4 WEST</u></b>		
1	The entire section	640.00
2	The Southeast quarter; the Southeast quarter of the Southwest quarter; the eastern 10 acres of the Southwest quarter of the Southwest quarter	210.00
10	The Northeast quarter of the Southeast quarter; the Southeast quarter of the Southeast quarter; the Southwest quarter of the Southeast quarter	120.00
11	The entire Section	640.00
12	The entire Section	640.00
13	The North half of North-West quarter; the South-West diagonal half of South-West quarter	160.00

14	The North-East quarter of Section; the West half of South-East quarter	240.00
15	The North-West quarter of North-East quarter; the South half of North-East quarter; the North-West quarter; the North-East quarter of South-West quarter; the South-East quarter	480.00
20	The Southeast quarter of the Southeast quarter EXCEPT Commence at the Southeast corner of Section 20, Township 21 South, Range 4 West; thence run northwesterly 290 feet to more or less, along the north line of the south diagonal of the South half of the Southeast quarter of the Southeast quarter of Section 20, Township 21 South, Range 4 west to the east right of way line of Southern railroad Company, said point being the point of beginning; thence continue northwesterly 1201 feet more or less , to the Northwest corner of the Southwest quarter of the Southeast quarter of the Southeast quarter of said Section 20; thence run southerly along the west line of said Southeast quarter of the Southeast quarter 660 feet more or less, to the Southwest corner of the Southeast quarter of the Southeast quarter of said Section 20, Township 21 South, Range 4 West, and also being on the south line of said Section 20, Township 21 South, Range 4 West, and also Being on the north line of Section 29, Township 21 South, Range 4 West; thence run 1,040 feet more or less and run easterly along said section line to the east right-of-way line of Southern Railway Company; thence run northeasterly along said right-of-way 140 feet more or less back to the point of beginning.	30.00
21	The entire Section except the following described tract; Begin at the southwest corner of the North-east quarter of North-West quarter; thence east along the south boundary 90.50 feet; thence turning an angle of 68 degrees 37 minutes to the left northeast 341.90 feet to point of beginning of boundary of tract herein excepted; thence turning an angle of 90 degrees 00 minutes to the right southeast 200.00 feet; thence turning an angle of 90 degrees 00 minutes to the left northeast 400.00 feet; thence turning an angle of 90 degrees 00 minutes to the left northwest 200.00 feet; thence turning an angle of 90 degrees 00 minutes to the left southwest 400.00 feet to point of beginning. ALSO EXCLUDING, the west half of the North-West quarter of said section.	558.20
22	The entire Section	640.00



23	The entire Section	640.00
24	The West half of the Section	320.00
25	The North half of North-West quarter except the South-East diagonal half of North-East quarter of North-West quarter; the West half of South-West quarter of North-West quarter; the West half of North-West quarter of South-West quarter	100.00
26	The entire Section except the South half of South-East quarter	560.00
27	The entire Section	640.00
28	The entire Section except the South-East quarter of South-West quarter	600.00
29	The entire east half of the Section except the following described tract; Beginning at the North-East corner of the Section and run westerly along the north section line to the intersection of the east right-of-way line of Southern Railway Company, said point of intersection being the point of beginning of said tract; continue westerly along section line 1693 feet more or less, thence turn and run southwesterly 1474 feet to the southeast corner of the Southwest quarter of the Southwest quarter of the Northwest quarter of the Northeast quarter of the section, said point also being on the south line of the North half of the Northeast quarter of the section, thence turn and run easterly 1116 feet to the intersection of the west boundary line of a tract of land quitclaimed by USX Corporation to Oak Mountain Energy Corporation by deed dated August 24, 1996; thence run Southwesterly along west line of said tract 328.51 feet to a point, then turn an angle of 88 degrees 19 minutes 36 seconds to the right and run 257.94 feet to a point, then turn an angle of 124 degrees 38 minutes 53 seconds to the right and run 303.48 feet to a point, then turn an angle of 159 degrees 02 minutes 44 seconds to the right and run 801.74 feet to a point, then turn an angle of 163 degrees 40 minutes 32 seconds to the right and run 322.74 feet to a point, then turn an angle of 118 degrees 06 minutes 42 seconds to the right and run 96.69 feet to the intersection of the east right-of-way line of Southern Railway Company, then turn and run northeasterly along said right-of-way to the point of beginning.	266.00
32	The North half of the Section; the North half of South half except that part of the North-East quarter of South-East quarter lying south of center line of Antioch-Marvel Public Road; the South half of South-East quarter of South-East quarter	565.00
33	The entire Section except: (1) the North-East quarter of North-West quarter; (2) the West half of South-West quarter of South-West quarter; (3) that part of the	

West half of North-East quarter described as follows:  
 Begin at the southwest corner of the North-West quarter of North-East quarter; thence east along south boundary of said quarter-quarter section 499.60 feet to point of beginning of boundary of said excepted tract; thence turning an angle of 55 degrees 47 minutes to the left northeast 521.40 feet to center line of right of way for public road conveyed by United States Steel Corporation to Shelby County, Alabama by deed dated June 1, 1955; thence turning an angle of 134 degrees 10 minutes right in a southeasterly direction along a straight line which is the center line of said right of way 513.26 feet to point of beginning of the arc of a curve tangent to said straight line, said arc turning to the left, having a radius of 1,910.08 feet, being subtended by a central angle of 15 degrees 28 minutes and having a chord of 514.04 feet in length; thence in a southeasterly direction along said arc which is the center line of right of way 512.62 feet; thence turning an angle 125 degrees 22 minutes to the right from said chord in a northwesterly direction 617.66 feet; thence turning an angle of 18 degrees 13 minutes to the right in a northwesterly direction 195.00 feet; thence turning an angle of 90 degrees 00 minutes to the right in a north-easterly direction 334.25 feet to point of beginning

572.42

34	The North half of North-East quarter; the North-West quarter of North-West quarter; the South half of North-West quarter; the North half of South-West quarter; the South-West quarter of South-West quarter; the North-West quarter of South-East quarter	360.00
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35	The North half of Section except the South-East diagonal half of the South half of North-East quarter; the North-West diagonal half of the South-West quarter of Section	360.00
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TOTAL TOWNSHIP	9,341.62
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SHELBY COUNTY	TOTAL GROUP NO. I	11,020.28
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GROUP NO. II - Land in which USX Corporation owns mineral interest only.

TOWNSHIP 21 SOUTH, RANGE 3 WEST

8	That part of the following described tract lying within the South-West quarter of South-West quarter; Begin at the southwest corner of said quarter-quarter section; thence north along west boundary 601.30 feet to center line of main track of Southern Railway Company; thence east and southeast along said center line 1,170.00 feet; thence southwest at right angles to center line 50.00 feet to point of beginning of boundary of tract herein excepted; thence southeast parallel with said center line and 50.00 feet distant here from 700.00 feet; thence south at right angles to
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center line 100.00 feet; thence northwest parallel with  
and 150.00 feet distant from center line 768.40 feet;  
thence northeast at right angles to center line 100.00  
feet to point of beginning

1.34

TOTAL TOWNSHIP

1.34

TOWNSHIP 21 SOUTH. RANGE 4 WEST

- |    |   |       |
|----|---|-------|
| 21 | Begin at the southwest corner of the North-East quarter of North-West quarter; thence east along the south boundary 90.50 feet; thence turning an angle of 68 degrees 37 minutes to the left northeast 341.90 feet to point of beginning of boundary of tract herein described; thence turning an angle of 90 degrees 00 minutes to the right southeast 200.00 feet; thence turning an angle of 90 degrees 00 minutes to the left northeast 400.0 feet; thence turning an angle of 90 degrees 00 minutes to the left northwest 200.00 feet; thence turning an angle of 90 degrees 00 minutes to the left southwest 400.00 feet to point of beginning  | 1.80  |
| 25 | The West half of South-West quarter of South-West quarter   | 20.00 |
| 26 | The South half of South-East quarter  | 80.00 |
| 28 | The South-East quarter of South-West quarter  | 40.00 |
| 29 | Beginning at the North-East corner of the Section and run westerly along the north section line to the intersection of the east right-of-way line of Southern Railway Company, said point of intersection being the point of beginning of said tract; continue westerly along section line 1693 feet more or less, thence turn and run southwesterly 1474 feet to the southeast corner of the Southwest quarter of the Southwest quarter of the Northwest quarter of the Northeast quarter of the section, said point also being on the south line of the North half of the Northeast quarter of the section, thence turn and run easterly 1116 feet to the intersection of the west boundary line of a tract of land quitclaimed by USX Corporation to Oak Mountain Energy Corporation by deed dated August 24, 1996; thence run Southwesterly along west line of said tract 328.51 feet to a point, then turn an angle of 88 degrees 19 minutes 36 seconds to the right and run 257.94 feet to a point, then turn an angle of 124 degrees 38 minutes 53 seconds to the right and run 303.48 feet to a point, then turn an angle of 159 degrees 02 minutes 44 seconds to the right and run 801.74 feet to a point, then turn an angle of 163 degrees 40 minutes 32 seconds to the right and run 322.74 feet to a point, then turn an angle of 118 degrees 06 minutes 42 seconds to the right an run 96.69 feet to the intersection of the east right-of-way line of Southern Railway Company, then turn and run northeasterly along said right-of-way to the point of beginning. | 54.00 |



32	That part of the North-East quarter of South-East quarter lying south of center line of Antioch-Marvel Road; the North half of South-East quarter of South-East quarter	35.00
33	The North-East quarter of North-West quarter; the West half of south-West quarter of South-West quarter; that part of the West half of North-East quarter described as follows: Begin at the southwest corner of the North-West quarter of North-East quarter; thence east along south boundary of said quarter-quarter section 499.60 feet to point of beginning; thence turning an angle of 55 degrees 47 minutes to the left northeast 521.40 feet to center line of right of way for public road conveyed by United States Steel Corporation to Shelby County, Alabama by deed dated June 1, 1955; thence turning an angle of 134 degrees 10 minutes right in a southeasterly direction along a straight line which is the center line of said right of way 513.16 feet to point of beginning of the arc of a curve tangent to said straight line, said arc turning to the left having a radius of 1,910.08 feet, being subtended by a central angle of 15 degrees 28 minutes and having a chord of 514.04 feet in length thence in a southeasterly direction along said arc which is the center line of said right of way 512.62 feet; thence turning an angle of 125 degrees 22 minutes to the right from said chord in a northwesterly direction 627.66 feet; thence turning an angle of 18 degrees 13 minutes to the right in a northwesterly direction 195.00 feet; thence turning an angle of 90 degrees 00 minutes to the right in a northeasterly direction 334.25 feet to point of beginning	67.58
34	The South half of North-East quarter; the South-East quarter of South-West quarter; the North-East quarter of South-East quarter; the South half of South-East quarter	<u>240.00</u>
TOTAL TOWNSHIP		538.48
SHELBY COUNTY TOTAL GROUP NO. II		539.86