


✓ This instrument was prepared by:
Clay C. Dickinson
GeoMet, Inc., 5336 Stadium Trace Parkway, Suite 206
Birmingham, AL 35244

Value: \$2,500⁰⁰ x 2


20040129000048290 Pg 1/14 52.50
Shelby Cnty Judge of Probate, AL
01/29/2004 13:37:00 FILED/CERTIFIED

**MEMORANDUM OF
GAS PIPELINE EASEMENT AGREEMENT**

STATE OF ALABAMA §
 §
COUNTY OF SHELBY §

THIS MEMORANDUM OF GAS PIPELINE EASEMENT AGREEMENT, dated effective the 8th day of December, 2003 ("Effective Date"), between **United States Steel Corporation**, a Delaware corporation, hereinafter referred to as "USS", and **GeoMet, Inc.** an Alabama corporation, hereinafter referred to as "Grantee".

WHEREAS, USS and Grantee are parties to that certain "Coal Seam Gas Lease" dated April 9, 2002, as amended on March 24, 2003, and August 14, 2003, covering certain lands of USS located in Shelby County, Alabama (the "CSG Lease"); and

WHEREAS, there exists a certain twelve-inch (12") diameter gas pipeline on certain of said lands of USS that are included in the CSG Lease and on certain lands of USS that are not included in the CSG Lease, the location of which gas pipeline has not heretofore been described and placed of record in the Probate Office of Shelby County, Alabama; and

WHEREAS, on November 21, 2003, USS granted to Grantee a Gas Pipeline Easement Agreement ("Pipeline Easement") on certain lands of USS that are included in the CSG Lease and on certain lands of USS that are not included in the CSG Lease for said existing twelve-inch (12") gas pipeline, as well as an option for an easement for another twelve-inch (12") diameter gas pipeline; and

WHEREAS, USS desires that the legal description and term of said existing gas pipeline be recorded in said Probate Office and the use thereof by Grantee be governed by said Pipeline Easement rather than the CSG Lease;

NOW THEREFORE, notice is hereby given that USS has executed and delivered to Grantee a Gas Pipeline Easement Agreement more particularly described as:

(1) PREMISES / OPTION PREMISES / USE.

(a) USS, in consideration of the covenants of Grantee as expressed to be kept and performed, and in further consideration of the Rent set forth therein, USS granted to Grantee an easement for a right-of-way two feet (2.0') in width on, over, under, and across certain lands of USS for a single twelve inch (12") diameter gas pipeline with appurtenances thereto (the

"Premises"), which right-of-way shall be used by Grantee for the construction, installation, maintenance, use, operation, and removal of said pipeline for the transportation of coal bed methane gas, gob gas, conventional natural gas or gases and associated fluids, whether such coal bed methane gas, gob gas, conventional natural gas or gases and associated fluids are produced for the CSG Lease or from Lands owned by others in the Cahaba Basin in Shelby and Bibb Counties, Alabama, the Premises being located in Shelby County, Alabama, a part thereof being more particularly described by metes and bounds as "Tract 1", "Tract 2", and "Tract 3" on "EXHIBIT A-1" and shown on map marked "EXHIBIT A-2" attached hereto and made a part hereof and the remaining part thereof (without a metes and bounds description) being shown on map marked "EXHIBIT B" attached hereto and made a part hereof (the "Premises")

(b) For additional consideration of the covenants of Grantee, USS further granted to Grantee an option for a term of two (2) years from the date hereof for a second easement (the "Option") for a right-of-way two feet (2.0') in width on, over, under, and across certain lands of USS lying East of and parallel to the Premises (the "Option Premises"). The Option Premises shall be used for a second twelve inch (12") diameter gas pipeline appurtenances thereto, which right-of-way shall run adjacent to and parallel to the Premises and shall be used by Grantee for the same purposes granted in Section 1(a) above for a term concurrent with the term of this Agreement as set forth in Section 3. In the event that Grantee elects to exercise the Option, Grantee shall be allowed up to three feet (3') of space between the two above stated twelve-inch (12") pipelines. The total right-of-way space allowed for the location of said pipelines pursuant to this Agreement and the Option shall not exceed seven feet (7.0') in width.

(c) USS further granted to Grantee an easement thirty feet (30.0') in width on, over, and across the surface only of certain lands of USS, said easement being five feet (5.0') west and twenty-five (25.0') feet east of the centerline of the Premises, for the purpose of constructing, installing, maintaining, and removing said pipeline and other improvements permitted hereunder (the "Construction Easement").

(d) USS further granted to Grantee an easement containing approximately twenty seven thousand two hundred twenty five (27,225.0) square feet on, over, and across the surface only of certain lands of USS for the construction, installation, maintenance, use, operation, and removal of a gas meter station facility with appurtenances thereto, including valves, meters, and a security fence, said easement being located in Shelby County, Alabama, and being more particularly described by metes and bounds as "Tract 4" on "EXHIBIT C-1" attached hereto and made a part hereof and shown on EXHIBIT C-2 (the "Meter Station Easement").

(e) USS and Grantee acknowledge and agree that the easements granted in Section 1(a), 1(b) and 1(d) above are for the exclusive use of Grantee, subject to the rights reserved by USS as set forth therein, and that the easement granted in Section 1(c) is for the non-exclusive use of Grantee and USS, subject to the rights reserved by USS as set forth therein.

(2) TERM / RENEWAL / ABANDONMENT.

(a) Said Pipeline Easement shall be effective upon the execution thereof and shall continue in effect for a term of thirty-five (35) years, unless otherwise terminated as provided herein or if Grantee has abandoned the Premises and/or the Option Premises as provided below.

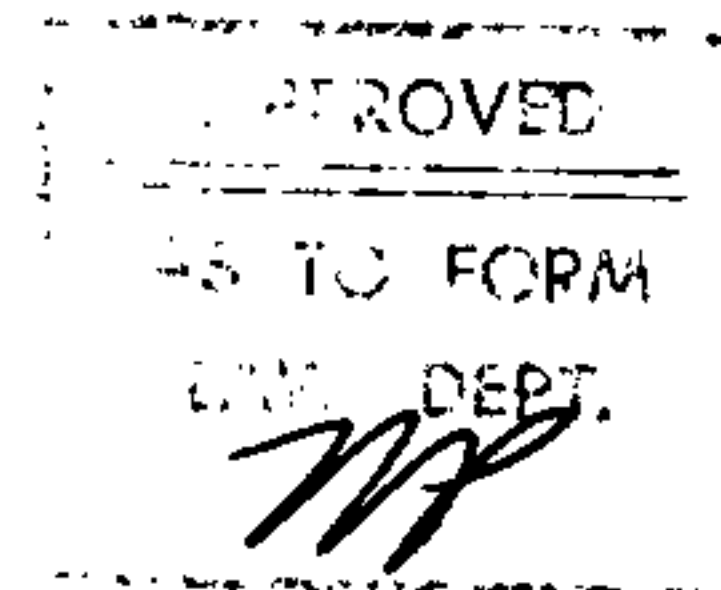
(b) Said Pipeline Easement shall terminate notwithstanding the term of the Agreement in the event that Grantee abandons the use of the Premises and/or the Option Premises for the purposes stated therein during a continuous period of twenty-four (24) months, after which all rights granted shall revert automatically to USS, its successors and assigns.

This Memorandum shall serve as notice of the execution and existence of said Pipeline Easement, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of the parties. All the terms, conditions and covenants of the Pipeline Easement shall be binding upon and shall inure to the benefit of the successors and assigns, of each respective party hereto.

UNITED STATES STEEL CORPORATION

By: *D F Hurley*

Title: *President*
USS Real Estate, a division of United
States Steel Corporation



GEOMET, INC.

J. Neil Walden, Jr.
J. Neil Walden, Jr.
Vice President

STATE OF *Alabama*

COUNTY OF *Jefferson*

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that *D F Hurley*, whose name as *President, USS Real Estate*, of *United States Steel Corporation*, a Delaware Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the *8th* day of *December*, 2003.

Mary Ann N McCraw
Notary Public in and for the
State of Alabama

My Commission Expires:

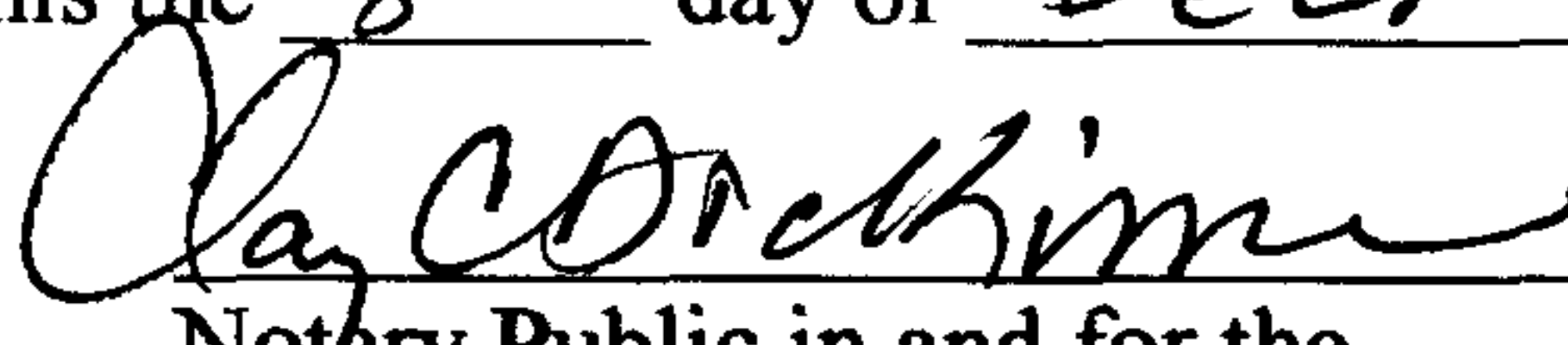
3/14/2006

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that J. Neil Walden Jr., whose name as Vice President, GeoMet, Inc., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing, he, as such officer and with full authority executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the 8th day of Dec., 2003.


Notary Public in and for the
State of Alabama

My Commission Expires:

4-16-2005

CLAY C. DICKINSON
Notary Public
STATE OF ALABAMA

State of Alabama)
Shelby County)

Tract No. 1
Geomet Gas Line R.O.W.
October 31, 2003

A strip of land for a Right-of-Way located in part of the north half of the northwest quarter of Section 21, Township 20 South, Range 3 West, Shelby County, Alabama, and being more particularly with reference to a survey line as described as follows:

Commence at the northwest corner of Section 21, Township 20 South, Range 3 West; thence run easterly and along the north line of said quarter-quarter for a distance of 1508.71 feet to a point on the west right-of-way margin of County Road No. 52; thence with an angle left of 116 degrees 54 minutes, run southeasterly along said west right-of-way margin for a distance of 183.40 feet to the POINT OF BEGINNING; thence with a deflection angle right of 57 degrees, 45 minutes, run southwesterly for a distance of 560.28 feet; thence with an angle left of 100 degrees, 08 minutes, run northwesterly for a distance of 221.74 feet; thence with an angle right of 135 degrees, 07 minutes, run southwesterly for a distance of 145.79 feet; thence with an angle right of 164 degrees, 09 minutes, run southwesterly for a distance of 186.73 feet to the POINT OF ENDING.

Said strip of being 30 feet in width and being 5 feet in width on the West side and 25' in width on the East side of and adjacent to the above described survey line.

EXHIBIT A-1

State of Alabama)
Shelby County)

Tract No. 2
Geomet Gas Line R.O.W.
October 31, 2003

A strip of land for a Right-of-Way located in part of the northwest quarter of Section 21, and a part of the southeast quarter of the northeast quarter, and the north half of the southeast quarter of Section 20, all lying Township 20 South, Range 3 West, Shelby County, Alabama, and being more particularly with reference to a survey line as described as follows:

Commence at the northwest corner of Section 21, Township 20 South, Range 3 West; thence run easterly and along the north line of said quarter-quarter for a distance of 1508.71 feet to a point on the west right-of-way margin of County Road No. 52; thence with an angle left of 116 degrees 54 minutes, run southeasterly along said west right-of-way margin for a distance of 183.40 feet; thence with a deflection angle right of 57 degrees, 45 minutes, run southwesterly for a distance of 560.28 feet; thence with an angle left of 100 degrees, 08 minutes, run northwesterly for a distance of 221.74 feet; thence with an angle right of 135 degrees, 07 minutes, run southwesterly for a distance of 145.79 feet; thence with an angle right of 164 degrees, 09 minutes, run southwesterly for a distance of 186.73 feet to the POINT OF BEGINNING; thence with an angle left of 179 degrees 01 minutes, run southwesterly for a distance of 167.10 feet; thence with an angle right of 143 degrees 34 minutes, run southwesterly for a distance of 504.70 feet; thence with an angle left of 166 degrees 14 minutes, run southwesterly for a distance of 232.07 feet; thence with an angle left of 165 degrees 56 minutes, run southwesterly for a distance of 697.02 feet; thence with an angle right of 175 degrees 16 minutes, run southwesterly for a distance of 556.86 feet; thence with an angle right of 173 degrees 01 minutes, run southwesterly for a distance of 106.38 feet; thence with an angle left of 166 degrees 27 minutes, run southwesterly for a distance of 190.44 feet; thence with an angle right of 178 degrees 31 minutes, run southwesterly for a distance of 1394.34 feet; thence with an angle right of 177 degrees 51 minutes, run southwesterly for a distance of 352.63 feet to the POINT OF ENDING.

Said strip of being 30 feet in width and being 5 feet in width on the West side and 25' in width on the East side of and adjacent to the above described survey line.

EXHIBIT A-1

State of Alabama)
Shelby County)

Tract No. 3
Geomet Gas Line R.O.W.
October 31, 2003

A strip of land for a Right-of-Way located in part of the southwest quarter of the southeast quarter, part of the southeast quarter of the southwest quarter of Section 20, part of the west half of Section 29, part of the southeast quarter of the southeast quarter of Section 30, and part of the east half of Section 31, all lying Township 20 South, Range 3 West, Shelby County, Alabama, and being more particularly described with reference to a survey line as described as follows:

Commence at the northwest corner of the southwest quarter of the southeast quarter of Section 21, Township 20 South, Range 3 West; thence run easterly and along the north line of said quarter-quarter for a distance of 814.12 feet to the POINT OF BEGINNING; thence with a deflection angle right of 133 degrees, 35 minutes, run southwesterly for a distance of 751.70 feet; thence with a deflection angle left of 10 degrees, 07 minutes, run southwesterly and along a curve to the left, said curve having a radius of 572.37 feet for a chord distance of 200.98 feet; thence with a deflection angle left of 8 degrees, 44 minutes, run southwesterly for a distance of 111.95 feet; thence with a deflection angle right of 4 degrees, 37 minutes, run southwesterly for a distance of 209.37 feet; thence with a deflection angle right of 7 degrees, 13 minutes, run southwesterly for a distance of 249.04 feet; thence with a deflection angle right of 00 degrees, 41 minutes, run southwesterly for a distance of 169.82 feet; thence with a deflection angle right of 8 degrees, 51 minutes, run southwesterly for a distance of 348.31 feet; thence with a deflection angle left of 52 degrees, 01 minutes, run southerly along a curve to the left, said curve having a radius of 105.79 feet for a chord distance of 131.87 feet; thence with a deflection angle left of 39 degrees, 32 minutes, run southeasterly for a distance of 138.16 feet; thence with a deflection angle right of 7 degrees, 53 minutes, run southeasterly 499.50 feet; thence with a deflection angle right of 63 degrees, 57 minutes, run southwesterly for a distance of 93.04 feet; thence with a deflection angle right of 7 degrees, 31 minutes, run southwesterly for a distance of 98.14 feet; thence with a deflection angle left of 12 degrees, 4 minutes, run southwesterly for a distance of 99.25 feet; thence with a deflection angle right of 26 degrees, 42 minutes, run southwesterly for a distance of 176.08 feet; thence with a deflection angle left of 8 degrees, 24 minutes, run southwesterly for a distance of 326.93 feet; thence with a deflection angle left of 6 degrees, 32 minutes, run southwesterly for a distance of 586.65 feet; thence with a deflection angle right of 2 degrees, 46 minutes, run southwesterly for a distance of 717.63 feet; thence with a deflection angle left of 4 degrees, 49 minutes, run southwesterly for a distance of 586.44 feet; thence with a deflection angle right of 4 degrees, 10 minutes, run southwesterly for a distance of 295.81 feet; thence with a deflection angle left of 6 degrees, 15 minutes, run southwesterly for a distance of 663.00 feet; thence with a deflection angle right of 4 degrees, 39 minutes, run southwesterly for a distance of 601.35 feet; thence with a deflection angle left of 9 degrees, 39 minutes, run southwesterly along a curve to the left, said curve having a radius of 1645.50 feet for a chord distance of 551.76 feet; thence with a deflection angle left of 7 degrees, 13 minutes, run southwesterly for a distance of 465.89 feet; thence with a deflection angle left of 4 degrees, 46 minutes, run southwesterly for a distance of 534.84 feet; thence with a deflection angle left of 5 degrees, 32 minutes, run southwesterly for a distance of 967.86 feet; thence with a deflection angle left of 19 degrees, 43 minutes, run

EXHIBIT A-1

southeasterly for a distance of 832.38 feet; thence with a deflection angle right of 17 degrees, 30 minutes, run southwesterly for a distance of 2521.44 feet; thence with a deflection angle right of 46 degrees, 40 minutes, run southwesterly for a distance of 492.73 feet; thence with a deflection angle right of 5 degrees, 59 minutes, run southwesterly for a distance of 435.06 feet to the POINT OF ENDING.

Said strip of being 30 feet in width and being 5 feet in width on the West side and 25' in width on the East side of and adjacent to the above described survey line.

EXHIBIT A-2

Page 1 of 3

NORTH LINE OF SEC. 20 T 20S, R 3W

NORTH LINE OF SEC. 21 T 20S, R 3W

NORTHWEST CORNER
SEC. 21, T 20S, R 3W
SHELBY COUNTY, AL

POINT OF BEGINNING
TRACT No. ONE

20' GASLINE RIGHT-OF-WAY
TRACT No. ONE
1114.53 L.F.

POINT OF ENDING
TRACT No. ONE
POINT OF BEGINNING
TRACT No. TWO

METER STATION

20' GASLINE RIGHT-OF-WAY
TRACT No. TWO
4201.53 L.F.

CSX TRANSPORTATION (100' R.O.W.)
(ABANDONED)

POINT OF ENDING
TRACT No. TWO

COALMONT RD
COUNTY RD No. 91
(80' R.O.W.)

500 0 500

Scale 1" = 500 ft

SOUTH LINE OF SEC. 20 T 20S, R 3W

SOUTH LINE OF SEC. 21 T 20S, R 3W

Gas Line Right-of-Way

IRON PIPE/PIN FOUND
CAPPED PIPE/PIN SET
CAPPED PIPE/PIN FOUND
CONCRETE MONUMENT FOUND
PINE KNOT
AXLE FOUND
RECORD BOOK
RIGHT-OF-WAY
MINIMUM BUILDING LINE
CHAINLINK FENCE
WOOD FENCE
BARBED WIRE FENCE
POINT-OF-BEGINNING
POINT-OF-COMMENCEMENT
PLAT BOOK
DEED BOOK

SEC.
T
R
SE
NE
SW
NW
PAGE
QUARTER-SECTION LINES
UTILITY POLES

SECTION
TOWNSHIP
RANGE
SOUTHEAST
NORTHEAST
SOUTHWEST
NORTHWEST
PG.

BAR IS ONE INCH ON ORIGINAL DRAWING
IF NOT ONE INCH ON THIS SHEET,
ADJUST SCALES ACCORDINGLY

SCALE: 1"=500'

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Cahaba Project - Shelby County, Alabama

GeoMet, Inc.



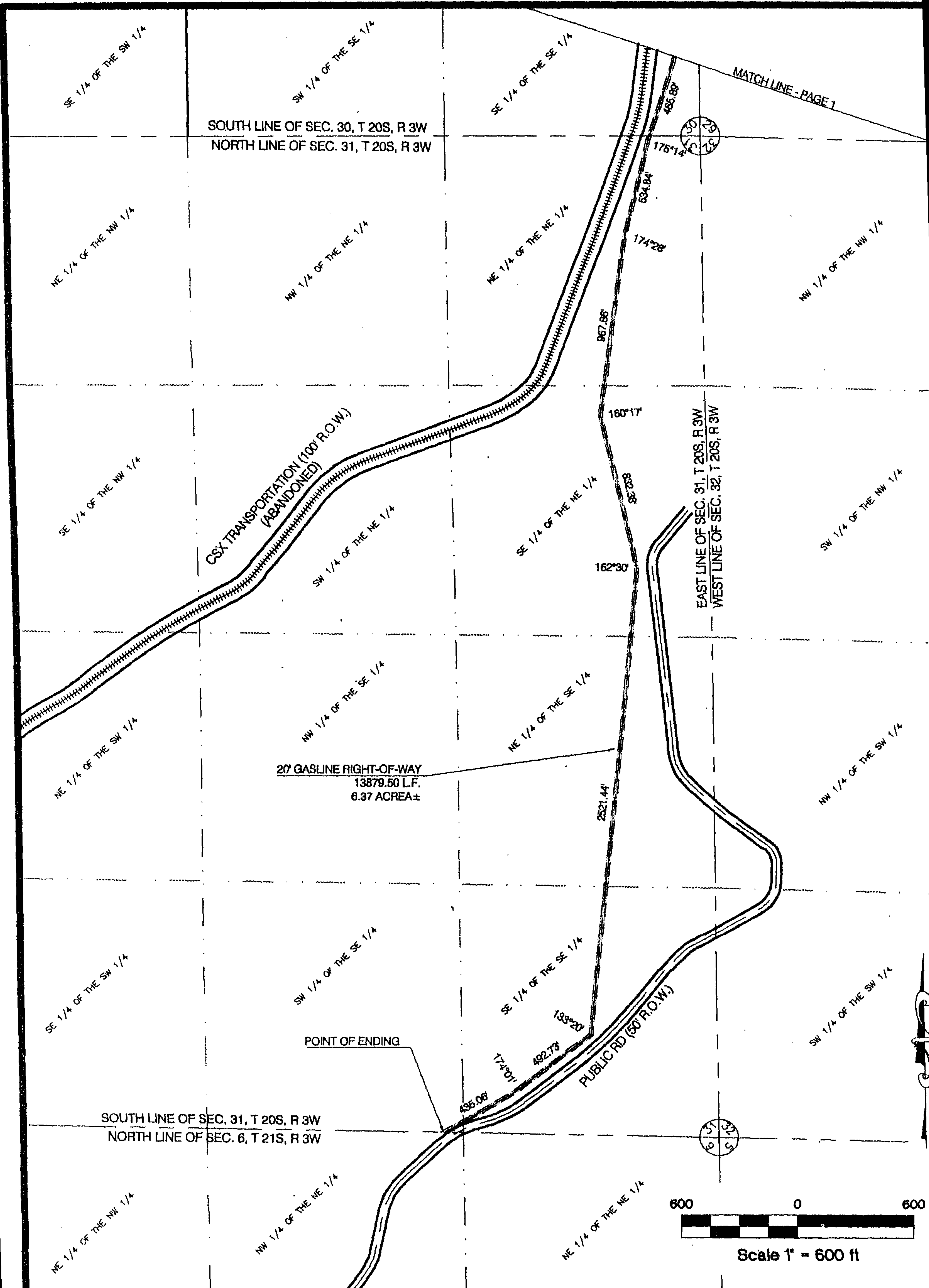
5336
STADIUM TRACE PKWY
SUITE 206
HOOVER, AL 35244

SENTELL ENGINEERING, INC.

P.O. BOX 1246 / 639 17th STREET
TUSCALOOSA, ALABAMA 35403

DRAWN BY	DATE DRAWN	DATE OF SURVEY	FIELD BK	JOB NO.
EMH	6-17-03	6/03	GPS	02-200

29_31-20-3.DWG



Gas Line Right-of-Way

IRON PIPE/PIN FOUND
 CAPPED PIPE/PIN SET
 CAPPED PIPE/PIN FOUND
 CONCRETE MONUMENT FOUND
 PINE KNOT
 AXLE FOUND
 RECORD BOOK
 RIGHT-OF-WAY
 MINIMUM BUILDING LINE
 CHAINLINK FENCE
 WOOD FENCE
 BARBED WIRE FENCE
 POINT-OF-BEGINNING
 POINT-OF-COMMENCEMENT
 PLAT BOOK
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SECTION
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 RANGE
 SOUTHEAST
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 SOUTHWEST
 NORTHWEST
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Cahaba Project - Shelby County, Alabama

GeoMet, Inc.



5336
 STADIUM TRACE PKWY
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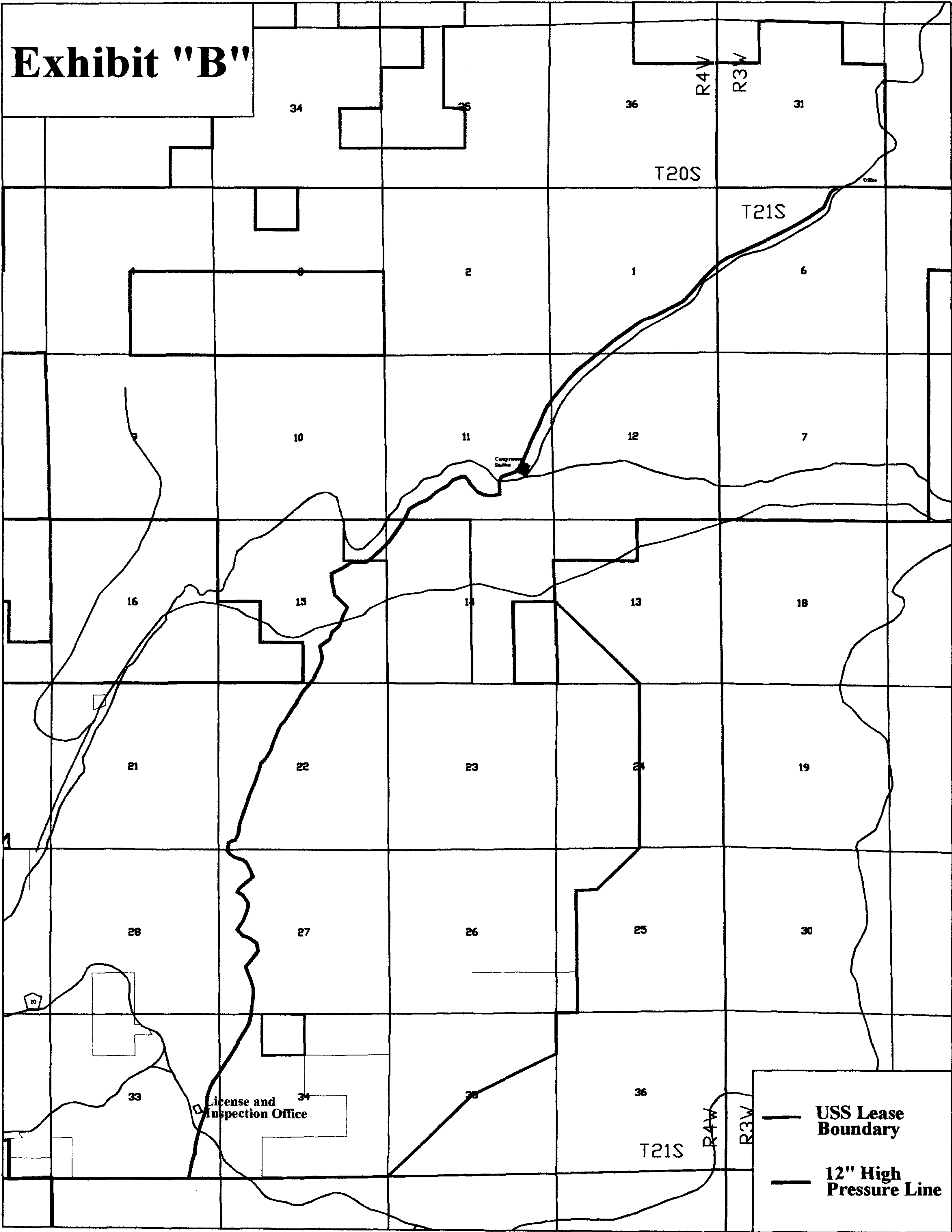
P.O. BOX 1246 / 639 17th STREET
 TUSCALOOSA, ALABAMA 35403

DRAWN BY	DATE DRAWN	DATE OF SURVEY	FIELD BK	JOB NO.
EMH	7-12-03	6/03	GPS	02-200

SCALE: 1"=600'

29_31-20-3.DWG

Exhibit "B"



State of Alabama)
Shelby County)

Tract 4
Geomet Gas Line Meter Station
November 4, 2003

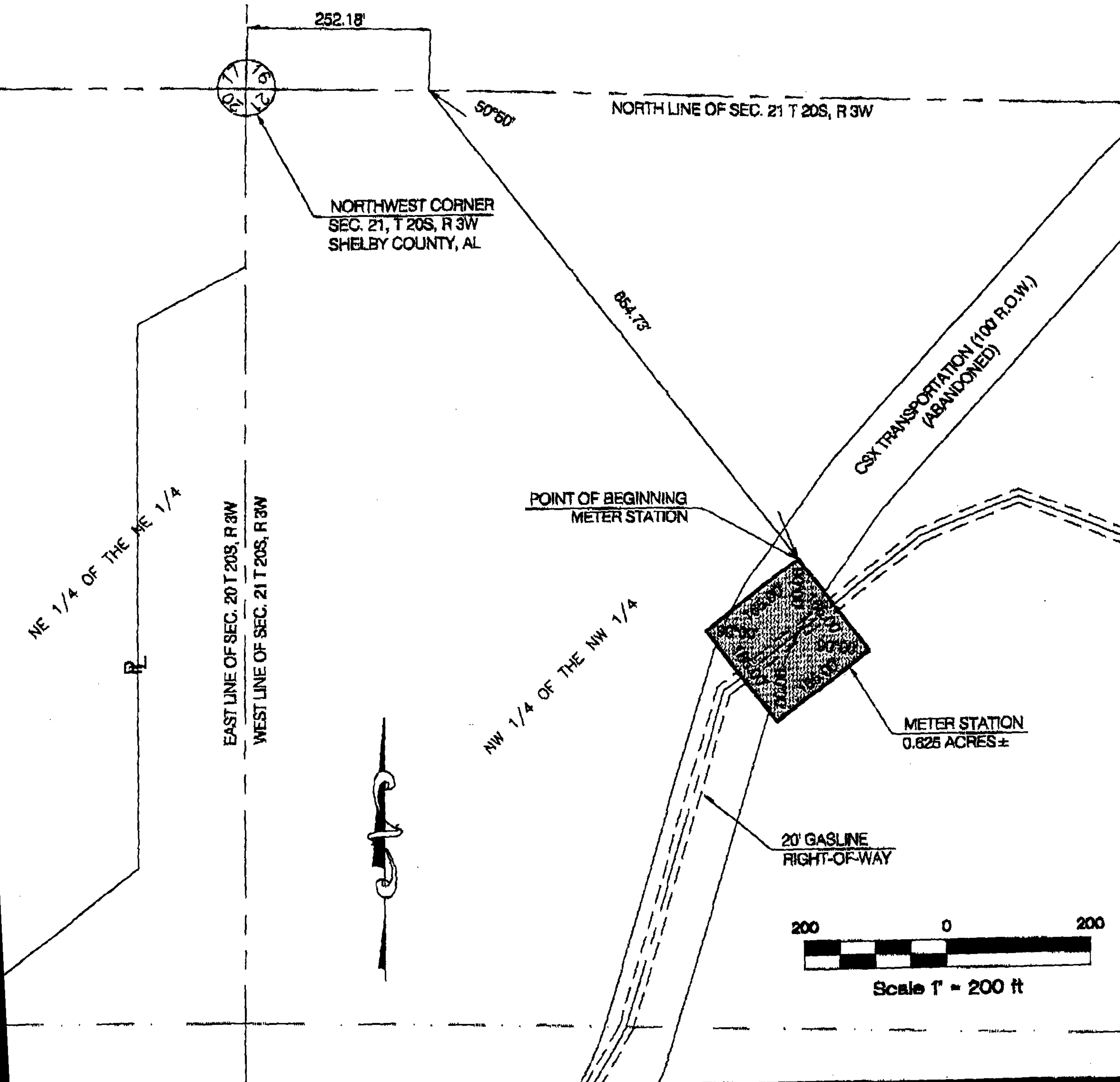
A parcel or tract of land in part of the northwest quarter of the northwest quarter of Section 21, Township 20 South, Range 3 West, Shelby County, Alabama, containing zero and sixty-three hundredths acre (0.63), more or less and being more particularly described as follows:

Commence at the northwest corner of Section 21, Township 20 South, Range 3 West; thence run easterly and along the north line of said quarter-quarter for a distance of 252.18 feet to a point; thence with a deflection angle right of 50 degrees 50 minutes, run southeasterly for a distance of 854.73 feet to the POINT OF BEGINNING; thence continue along the same bearing southeasterly for a distance of 165.00 feet; thence with an angle left of 90 degrees, 00 minutes, run southwesterly for a distance of 165.00 feet; thence with an angle left of 90 degrees, 00 minutes, run northwesterly for a distance of 165.00 feet; thence with an angle left of 90 degrees, 00 minutes, run northeasterly for a distance of 165.00 feet to the POINT OF BEGINNING.

EXHIBIT C-1

EXHIBIT C-2

20040129000048290 Pg 14/14 52.50
 Shelby Cnty Judge of Probate, AL
 01/29/2004 13:37:00 FILED/CERTIFIED



Proposed Metering Station Site

IN PIPE/PIN FOUND
 PIPED PIPE/PIN SET
 PIPED PIPE/PIN FOUND
 CONCRETE MONUMENT FOUND
 E KNOT
 E FOUND
 FORD BOOK
 HT-OF-WAY
 MUM BUILDING LINE
 INLINK FENCE
 OD FENCE
 BED WIRE FENCE
 HT-OF-BEGINNING
 HT-OF-COMMENCEMENT
 BOOK
 BOOK

SEC.
 T
 R
 SE
 NE
 SW
 NW
 PAGE
 QUARTER-SECTION LINES
 UTILITY POLES

R.O.W.
 M.B.L.

P.O.B.
 P.O.C.
 P.B.
 D.B.

BAR IS ONE INCH ON ORIGINAL DRAWING
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 ADJUST SCALES ACCORDINGLY

SCALE: 1"=200'

MeterSta.DWG

Cahaba Project - Shelby County, Alabama

GeoMet, Inc.



5338
 STADIUM TRACE PKWY
 SUITE 208
 HOOVER, AL 35244

SENTELL ENGINEERING, INC.

P.O. BOX 1246 / 639 17th STREET
 TUSCALOOSA, ALABAMA 35403

DRAWN BY	DATE DRAWN	DATE OF SURVEY	FIELD BK	JOB NO.
EMH	7-21-03	6/03	GPS	02-200