

This instrument was prepared by: John W. Thomas, GeoMet, Inc., 5336 Stadium Trace Parkway, Suite 206, Birmingham, AL 35244

## RIGHT-OF-WAY AND EASEMENT AGREEMENT

STATE OF ALABAMA

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COUNTY OF SHELBY

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*\$1,500<sup>00</sup>  
Consideration*

This Right-of-Way and Easement Agreement is made and entered into this 3rd day of February, 2005, by and between **ALBERT J. NALLEY**, a married man, whose address is 3341 Highway 10, Montevallo, Alabama 35115, hereinafter referred to as "**Grantor**", and **GEOMET, INC.**, an Alabama corporation, whose address is 5336 Stadium Trace Parkway, Suite 206, Birmingham, Alabama 35244, hereinafter referred to as "**Grantee**". For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by Grantee, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby grant, bargain and convey to Grantee, its successors and assigns, the rights set forth hereinbelow on the following lands set out on **Exhibit "A"** (Premises) attached hereto and made a part hereof, no part of said Premises constitute any part of Grantor's homestead, located in Shelby County, AL., to wit:

An exclusive right of way and access easement thirty (30') feet in width for a distance of approximately 731.49 feet, more or less, following the route as shown on **Exhibit "B"** attached hereto, along with:

- (a) the right to construct, entrench, inspect, maintain, operate, repair, replace, alter, remove, protect, or abandon in place, a pipeline or pipelines including pipelines that may have been abandoned by prior operators, for the transportation of gas with appurtenances thereto, including but not limited to, valves, metering equipment, and cathodic equipment, along a right-of-way over, under, through or across the Premises, for the purposes of coalbed methane exploration, development and production operations, along with ingress and egress to same; and
- (b) the right to lay, construct, operate, inspect, maintain, repair, and substitute all pipes and facilities useful or necessary in connection with the transportation, transmission and distribution of hydrocarbons and water or other fluids upon, under and across the Premises; and
- (c) right to construct, install, inspect, maintain, operate, repair, replace, remove, protect or abandon in place, a powerline or powerlines with pole(s), wires, conduits, cables and facilities useful or necessary in connection with the overhead and/or

*Paul Thomas*

underground transmission and distribution of electric power along a right-of-way upon, over, under and across the Premises, and

- (d) the right of ingress and egress in, on, over and through the Premises for any and all purposes necessary or convenient to the exercise by Grantee of the rights and easements herein granted.

Grantor further grants to Grantee a non-exclusive easement ten feet (10.0') in width on, over, and across the Premises, as temporary work space for the purpose of flagging, surveying, constructing, installing, maintaining, and removing said pipeline and other improvements permitted hereunder. During the time of construction, repairing, alteration, replacement and removal of said pipelines and facilities thereto, Grantee shall also have the right to use a reasonable area as temporary work space necessary for Grantee's use thereof for its operations along the right-of-way at the crossing of roads, railroads, streams, or uneven terrain.

The full consideration paid to Grantor is to be inclusive of payment for any damages to growing crops and/or timber that may arise from the laying, maintaining, operating or removing said road and/or pipeline/powerline. Grantor does hereby agree that every claim or cause of action that Grantor has now or may have in the future that is attributable to the above described operations is hereby fully satisfied, released and discharged.

Grantee shall attempt to bury its pipelines to a depth where practical and agrees to properly backfill and grade the right of way area so that the construction or maintenance of such pipeline(s) will cause no appreciable adverse change in the normal grade of the right-of-way area.

Grantee may clear the right-of way areas and cut timber and other forest products in clearing and maintaining the right-of-way for the installation of road, pipeline, powerline, equipment and appurtenances authorized hereunder and in connection with Grantee's operations hereunder.

Grantee will clear debris which is caused by its construction or installation of the facilities provided for herein in a workmanlike manner and will maintain the easement and right-of-way free from unsightly and hazardous conditions.

In exercising its rights hereunder, Grantee is given a non-exclusive right to use the roads and bridges, if any, on the lands of Grantor adjacent to the right-of-way, but Grantee at its sole cost and expense shall promptly repair all damage or deterioration caused by Grantee's use. If Grantee in the exercise of its rights hereunder desires to cut any fences of Grantor for temporary access to the right-of-way, Grantee shall promptly thereafter brace, keep and restore any such fence in a workmanlike manner. If a fence line which establishes a property line is removed, Grantee will re-establish the line using standard survey practices.

Grantee agrees that it will exercise all rights hereunder in accordance with all present and future applicable laws, rules and regulations and in such a manner to reasonably prevent injury or damage to Grantor's adjoining property.



Grantee agrees to indemnify and forever hold harmless Grantor against each and every claim, demand, and cause of action for damages to property, personal injury or loss of life that may be made or come against Grantor by reason or in any way arising out of the construction, operation, maintenance or the facilities constructed under the provisions of this instrument except for such claims, demands, or causes of action for damages to property, personal injury or loss of life arising, wholly or in part, from the negligence or willful acts of Grantor or its agents, invitees, employees and servants.

The term of this agreement shall be from the date of this agreement and continue so long thereafter as Grantee, or its successors and assigns, uses or has use for the Premises for its operations thereof and for the purposes herein granted.

The undersigned Grantor hereby covenants and warrants that it is the sole surface owner of the Premises, and has the right to enter in to this agreement. Grantor agrees to warrant and forever defend all and singular, the rights and premises granted to Grantee, its successors and assigns, against every person lawfully claiming or to claim all or any part of those rights and premises.

In the event of reversion to Grantor of the right of way and easement herein granted, Grantee shall restore said Premises, except as to timber and other forest products removed hereunder and site shall be reclaimed according to standard business practices.

This agreement and the rights granted hereunder shall be covenants running with the land and binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. The rights of either party hereunder may be assigned or transferred in whole or in part.

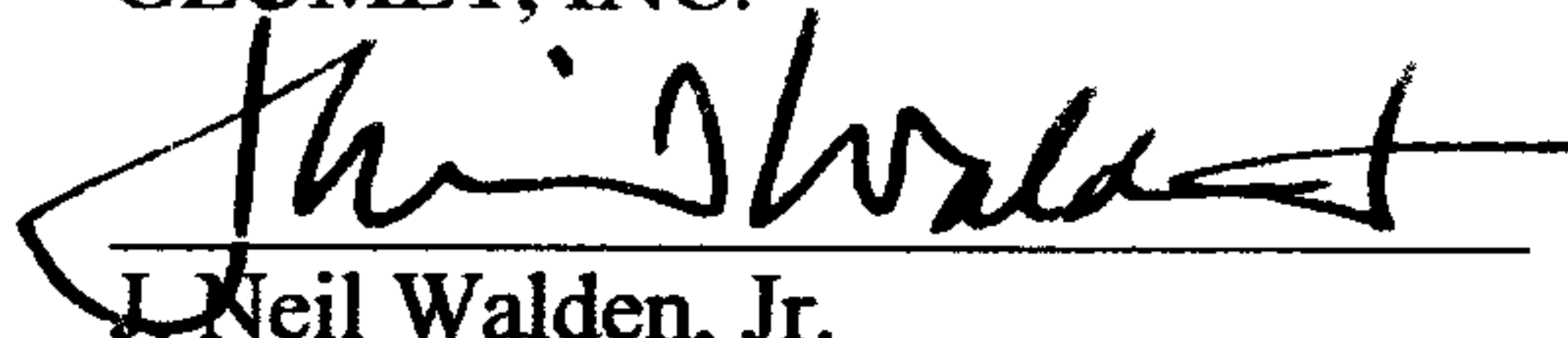
The Grantor herein expressly reserves for itself and its successors and assigns the right to use and enjoy the Premises described herein in so far as such use and enjoyment by the Grantor, its successors and assigns shall not unreasonably interfere with the use of said easement and right-of-way by said Grantee, its successors and assigns.

IN WITNESS WHEREOF, this agreement is executed on the date set forth hereinabove.


**GRANTEE:**

**GRANTOR:**

GEOMET, INC.



J. Neil Walden, Jr.  
Vice President

  
Albert J. Nalley

STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Albert J. Nalley, whose name is signed to the foregoing, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 3<sup>rd</sup> day of February, 2005.

Judy L. Santa Cruz  
Notary Public

**NOTARY PUBLIC, ALABAMA STATE AT LARGE**

My commission expires MY COMMISSION EXPIRES, DECEMBER 11, 2005

STATE OF ALABAMA )

)

COUNTY OF JEFFERSON )

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I, the undersigned, a Notary Public in and for said County in said State, hereby certify that J. Neil Walden, Jr. whose name as Vice-President of GeoMet, Inc., an Alabama Corporation, is signed to the foregoing, 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 11<sup>th</sup> day of February, 2005.

My Commission Expires:

Bette L. Vernon  
Notary Public

3-16-08

**EXHIBIT "A" (The Premises)**

ATTACHED TO AND MADE A PART OF THAT CERTAIN RIGHT-OF-WAY AND  
EASEMENT AGREEMENT DATED FEBRUARY 3, 2005 BY AND BETWEEN ALBERT J.  
NALLEY, GRANTOR AND GEOMET, INC., GRANTEE

**SHELBY COUNTY, ALABAMA**

**TOWNSHIP 21 SOUTH, RANGE 4 WEST**

Section 26: A parcel of land located in the Southeast quarter of the Southeast quarter of Section 26, Township 21 South, Range 4 West in Shelby County, Alabama. Said parcel is for the purpose of a 30 foot right-of-way being described with reference to the following described centerline:

Commence at the Southeast corner of the Southeast quarter of the Southeast quarter of said Section 26; thence run North 0°14'55" West and along the East boundary of said quarter-quarter for 455.23 feet to the POINT OF BEGINNING of the herein described centerline; thence South 32°00'18" West for 76.89 feet; thence South 37°49'29" West for 111.91 feet; thence South 48°53'34" West for 128.47 feet; thence South 65°47'14" West for 160.39 feet; thence South 70°39'02" West for 253.83 feet to the END of the herein described centerline.

Said right-of-way being 30 feet in width and being 15 feet opposite and adjacent to the above described centerline.

SIGNED:

  
ALBERT J. NALLEY


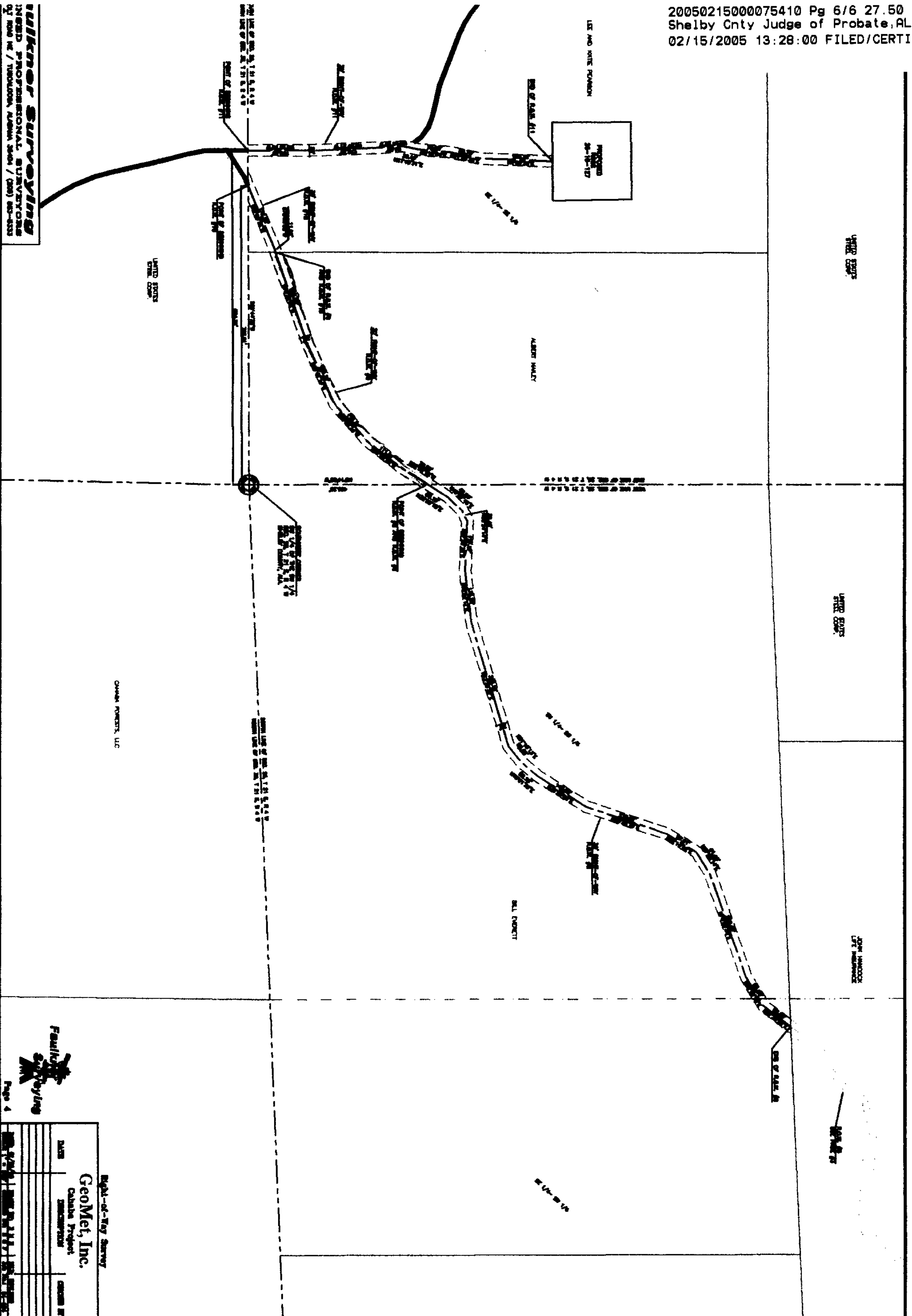
  
J. NEIL WALDEN, Jr.  
Vice President, GeoMet, Inc.

EXHIBIT "B"



**Wilkinson Surveying**  
 INCORPORATED PROFESSIONAL SURVEYORS  
 1000 W. / 11000000, ALABAMA 36601 / (205) 882-4333