

This instrument prepared by and, after recording, please return to:
Vinson & Elkins L.L.P.
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201
Attention: Susan D. Hamilton

STATE OF ALABAMA
COUNTIES OF SHELBY AND BIBB

§
§

**MORTGAGE, SECURITY AGREEMENT,
FINANCING STATEMENT AND ASSIGNMENT OF PRODUCTION FROM
GEOMET, INC., AS MORTGAGOR,
TO FLEET NATIONAL BANK, AS ADMINISTRATIVE AGENT FOR THE BANKS,
AS MORTGAGEE,
DATED AS OF NOVEMBER 22, 2004**

THIS MORTGAGE IS, AMONG OTHER THINGS, A FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE COVERING AS EXTRACTED COLLATERAL, MINERALS AND THE LIKE (INCLUDING OIL AND GAS), ACCOUNTS RESULTING FROM THE SALE OF AS EXTRACTED COLLATERAL, MINERALS AND THE LIKE (INCLUDING OIL AND GAS), AND SERVES AS A FIXTURE FILING FOR GOODS WHICH ARE, OR ARE TO BECOME, FIXTURES ON THE REAL/IMMOVABLE PROPERTY HEREIN DESCRIBED PURSUANT TO SECTION 7-9A-502(c), CODE OF ALABAMA 1975, AS AMENDED. THE OIL AND GAS INTERESTS OR ACCOUNTS INCLUDED IN THE MORTGAGED PROPERTY (AS HEREINAFTER DEFINED) WILL BE FINANCED AT THE WELLHEADS LOCATED ON THE REAL/IMMOVABLE PROPERTY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO. THIS MORTGAGE IS TO BE RECORDED IN THE REAL ESTATE OR COMPARABLE RECORDS OF THE COUNTY RECORDER OF EACH COUNTY IN EACH STATE IN WHICH IS SITUATED ANY OF THE COLLATERAL COVERED HEREBY. THE REAL/IMMOVABLE PROPERTY SUBJECT HERETO IS DESCRIBED IN EXHIBIT "A" ATTACHED HERETO.

THIS MORTGAGE CONTAINS AFTER ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF COLLATERAL.

MORTGAGOR OWNS A RECORD INTEREST IN THE MORTGAGED PROPERTY.

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

EMPLOYER IDENTIFICATION NUMBER OF MORTGAGOR:
EMPLOYER IDENTIFICATION NUMBER OF MORTGAGEE:



This Mortgage is being granted as additional security for the same indebtedness secured by that certain Mortgage, Security Agreement, Financing Statement and Assignment of Production dated December 14, 2001, and filed for record on (i) February 7, 2002 in Book 2002, Page 10653 in the Office of the Judge of Probate of Tuscaloosa County, Alabama, as amended and filed in Book 2003, Page 142260 and as further amended and filed in Book 2005, Page 10162 and on (ii) February 5, 2002 in Book 1764, Page 177 in the Office of the Judge of Probate of Walker County, Alabama, as amended in Book 1869, Page 334 and as further amended in Book 1939, Page 643

**MORTGAGE, SECURITY AGREEMENT,
FINANCING STATEMENT AND ASSIGNMENT OF PRODUCTION**

STATE OF ALABAMA

COUNTIES OF SHELBY AND BIBB

§

§

§

KNOW ALL MEN BY THESE PRESENTS

THIS MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF PRODUCTION (this "**Mortgage**") is from GEOMET, INC., an Alabama corporation, as Mortgagor ("**Mortgagor**"), to FLEET NATIONAL BANK, a national banking association, as Administrative Agent for Banks (as hereinafter defined). In its capacity as Administrative Agent for Banks, Fleet National Bank is hereinafter referred to as "**Mortgagee**". The addresses of Mortgagor and Mortgagee are set forth in Section 7.14 hereof.

ARTICLE I

DEFINITIONS

1.1 Certain Defined Terms. For all purposes of this Mortgage, unless the context otherwise requires:

"Accounts and Contract Rights" shall mean all accounts (including accounts in the form of joint interest billings under applicable operating agreements), contract rights and general intangibles of Mortgagor now or hereafter existing, or hereafter acquired by, or on behalf of, Mortgagor, or Mortgagor's successors in interest, relating to or arising from the ownership, operation and development of the Mortgaged Property and to the production, processing, treating, sale, purchase, exchange or transportation of Hydrocarbons produced or to be produced from or attributable to the Mortgaged Property or any units or pooled interest units in which all or a portion of the Mortgaged Property forms a part, together with all accounts and proceeds accruing to the Mortgagor attributable to the sale of Hydrocarbons produced from the Mortgaged Property or any units or pooled interest units in which all or a portion of the Mortgaged Property forms a part.

"Affiliate" shall mean, as to any Person, any Subsidiary of such Person, or any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, **"control"** (including with correlative meanings, the terms **"controlled by"** and **"under common control with"**), as used with respect to any Person, shall mean the possession directly or indirectly of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership interests, or by contract or otherwise.

"Authorized Officer" shall mean, as to any Person, its Chairman, Chief Executive Officer, Vice-Chairman, President, Executive Vice President(s), Senior Vice President(s), Vice President, Secretary or Assistant Secretary duly authorized to act on behalf of such Person.

"Banks" shall mean the financial institutions which are parties to the Credit Agreement, and **"Bank"** shall mean any of such financial institutions.

"Commitment" shall mean, with respect to any Bank at any time, the amount set forth opposite such Bank's name on Schedule 1 of the Credit Agreement, as such amount may be terminated or reduced from time to time in accordance with the provisions of the Credit Agreement.

"Credit Agreement" shall mean the Amended and Restated Credit Agreement, dated as of November 21, 2003, by and among Mortgagor, Mortgagee, and Banks named therein, as amended by the First Amendment to Credit Agreement and as the same may be subsequently amended, restated, supplemented or otherwise modified from time to time.

"Default" shall have the meaning given such term in the Credit Agreement.

"Effective Date" shall mean November 22, 2004.

"Event of Default" shall have the meaning given such term in the Credit Agreement.

"Exhibit A" shall mean, unless specifically indicated otherwise, Exhibit A attached hereto and incorporated herein by reference for all purposes.

"First Amendment to Credit Agreement" shall mean that certain First Amendment to Amended and Restated Credit Agreement, dated as of November 22, 2004, by and among Mortgagor, Mortgagee and Banks named herein.

"Governmental Authority" shall mean any court or governmental department, commission, board, bureau, agency, or instrumentality of any nation or of any province, state, commonwealth, nation, territory, possession, county, parish, or municipality, whether now or hereafter constituted or existing.

"Hedge Transaction" shall mean any commodity, interest rate, currency or other swap, option, collar, exchange – traded future contract or other contract pursuant to which a Person hedges risks related to commodity prices, interest rates, currency exchange rates, securities prices or financial market conditions. Hedge Transactions expressly include Oil and Gas Hedge Transactions.

"Hydrocarbons" shall mean as-extracted collateral, oil, gas, coal bed methane and occluded gasses, casinghead gas, drip gasolines, natural gasoline, condensate, distillate and all other liquid or gaseous hydrocarbons produced or to be produced in conjunction therewith, and all products, by-products and all other substances derived therefrom or the processing thereof, including, without limitation, all gas resulting from the in-situ combustion of coal or lignite.

"Lands" shall mean the lands described in Exhibit A and shall include any lands, the description of which is contained in Exhibit A or incorporated in Exhibit A by reference to another instrument or document, including, without limitation, all lands described in the Oil and Gas Leases, and shall also include any lands now or hereafter unitized, pooled, spaced or otherwise combined, whether by statute, order, agreement, declaration or otherwise, with lands the description of which is contained in Exhibit A or is incorporated in Exhibit A by reference.

"Laws" shall mean all applicable statutes, laws, ordinances, regulations, orders, units, injunctions or decrees of any state, commonwealth, nation, territory, possession, county, township, parish, municipality or Governmental Authority.

“Letter of Credit” shall mean letters of credit issued for the account of Mortgagor pursuant to the Credit Agreement.

“Letter of Credit Exposure” of any Bank shall mean, collectively, such Bank’s aggregate participation in (a) the unfunded portion of Letters of Credit outstanding at any time, and (b) the funded but unreimbursed portion of Letters of Credit outstanding at such time.

“Lien” shall mean, with respect to any asset, any mortgage, lien, pledge, charge, financing statement, security interest or similar encumbrance of any kind in respect of such asset.

“Loan” shall mean the revolving credit loan in an aggregate amount outstanding at any time not to exceed the amount of the Total Commitment then in effect less the amount of the Letter of Credit Exposure then outstanding to be made by Banks to Mortgagor in accordance with the Credit Agreement.

“Loan Papers” shall mean the Credit Agreement, the First Amendment to Credit Agreement, the Notes, each Facility Guaranty now or hereafter executed, the Amendments to Mortgages, the Mortgages, the Subordination Agreement, each Borrower Pledge Agreement now or hereafter executed, each Subsidiary Pledge Agreement now or hereafter executed, the Certificate of Effectiveness, and all other certificates, documents or instruments delivered in connection with the Credit Agreement, as the foregoing may be amended from time to time.

“Material Adverse Change” shall mean any circumstance or event that has or would reasonably be expected to have a Material Adverse Effect.

“Material Adverse Effect” shall mean a material adverse effect on (a) the assets, liabilities, financial condition, results of operations or prospects of Mortgagor and its Subsidiaries, taken as a whole, (b) the right or ability of Mortgagor or any of its Subsidiaries to fully, completely and timely perform its obligations under the Loan Papers, (c) the validity or enforceability of any Loan Papers against Mortgagor or any of its Subsidiaries (to the extent a party thereto), (d) the validity, perfection or priority of any Lien on a material portion of the assets intended to be created under or pursuant to any Loan Paper to secure the Obligations.

“Maximum Lawful Rate” shall have the meaning given such term in the Credit Agreement.

“Mineral Interests” shall mean rights, estates, titles, and interests in and to Oil and Gas Leases, coal bed methane leases, and any oil and gas interests, royalty and overriding royalty interests, production payments, net profits interests, oil and gas fee interests, and other rights therein, including, without limitation, any reversionary or carried interests relating to the foregoing, together with rights, titles and interests created by or arising under the terms of any unitization, communitization, and pooling agreements or arrangements, and all properties, rights and interests covered thereby, whether arising by contract, by order, or by operation of Law, which now or hereafter include all or any part of the foregoing.

“Mortgaged Property” shall have the meaning stated in Article II of this Mortgage.

“Net Revenue Interest” shall mean Mortgagor’s share of all Hydrocarbons produced from the Lands, after deducting the appropriate proportionate part of all lessors’ royalties, overriding royalties, production payments and other payments out of or measured by production which burden Mortgagor’s share of all such production, subject to non-consent provisions contained in operating agreements.

“Notes” shall mean collectively the promissory notes of Mortgagor payable to the order of each Bank in the amount of such Bank’s Commitment, evidencing the obligation of Mortgagor to repay to such Bank, its Commitment Percentage of the Loan, together with all modifications, extensions, renewals and rearrangements thereof.

“Notice” shall have the meaning set forth in Section 6.1(f) of this Mortgage.

“Obligations” shall mean, collectively, all present and future indebtedness, obligations and liabilities, and all renewals and extensions thereof, or any part thereof (regardless of whether such indebtedness, obligations and liabilities are direct, indirect, fixed, contingent, liquidated, unliquidated, joint, several or joint and several), of Mortgagor and its Subsidiaries to any Bank or any Affiliate of any Bank (a) arising pursuant to the Loan Papers, and all interest accrued thereon and costs, expenses and reasonable attorneys’ fees incurred in the enforcement or collection thereof, and (b) arising under or in connection with any Hedge Transaction entered into between Mortgagor or any of its Subsidiaries and any Bank or any Affiliate of any Bank; provided, that if any Bank or any Affiliate of a Bank ceases to be either a Bank or an Affiliate of a Bank hereunder, “Obligations” shall only include indebtedness, obligations, and liabilities and all renewals and extensions thereof, or any part thereof, of Mortgagor to such Bank or such Affiliate of a Bank that arose from transactions entered into while such Bank was a Bank hereunder or while such Affiliate was an Affiliate of a Bank hereunder.

“Oil and Gas Hedge Transactions” shall mean Hedge Transactions pursuant to which any Person hedges the price to be received by it for future production of Hydrocarbons.

“Oil and Gas Leases” shall mean oil, gas and mineral leases, oil and gas leases, coal bed methane leases, oil leases, gas leases, other mineral leases, subleases, top leases, any rights resulting in an ownership interest in Hydrocarbons and all operating rights relating to any of the foregoing (whether operated by virtue of such leases, or assignments or applicable operating agreements), and all other interests pertaining to any of the foregoing, including, without limitation, all royalty and overriding royalty interests, production payments and net profit interests, mineral fee interests, and all reversionary, remainder, carried and contingent interests relating to any of the foregoing and all other rights therein which are described and/or to which reference may be made on Exhibit A and/or which cover or relate to any of the Lands.

“Operating Equipment” shall mean all Personal Property and fixtures affixed or situated upon all or any part of the Mortgaged Property, including, without limitation, all surface or subsurface machinery, equipment, facilities or other property of whatsoever kind or nature (excluding drilling rigs, trucks, automotive equipment or other property taken to the premises to drill a well or for other similar temporary uses) now or hereafter located on any of the Lands which are useful for the production, treatment, storage or transportation of oil or gas, including, but not by way of limitation, all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, derricks, separators, gun barrels, flow lines, tanks, gas systems (for gathering, treating and compression), water systems (for treating, disposal and injection), power plants, poles, 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 and shipping facilities.

“Other Liable Party” shall mean any Person, other than Mortgagor, but including each Subsidiary of Mortgagor, who may now or may at any time hereafter be primarily or secondarily liable for any of the Obligations or who may now or may at any time hereafter have granted to Mortgagee or Banks a Lien upon any property as security for the Obligations.

“Permitted Encumbrances” shall mean with respect to the Mortgaged Property:

(a) Liens securing the Obligations in favor of Banks or their Affiliates under the Loan Papers;

(b) minor defects in title which do not secure the payment of money and otherwise have no material adverse effect on the value or operation of oil and gas properties, and for the purposes of this Mortgage, a minor defect in title shall include (i) those instances where record title to an Oil and Gas Lease is in a predecessor in title to Mortgagor or any of its Subsidiaries, but where Mortgagor or any of its Subsidiaries, by reason of a farmout or other instrument is presently entitled to receive an assignment of its interest or other evidence of title and the appropriate Person is proceeding diligently to obtain such assignment, and (ii) easements, rights-of-way, servitudes, permits, surface leases and other similar rights in respect of surface operations, and easements for pipelines, streets, alleys, highways, telephone lines, power lines, railways and other easements and rights-of-way, on, over or in respect of any of the properties of Mortgagor (or its Subsidiaries, as applicable) that are customarily granted in the oil and gas industry; so long as, with respect to any of such minor defects in title, the same are minor defects which are customary and usual in the oil and gas industry and which are customarily accepted by a reasonably prudent operator dealing with its properties;

(c) inchoate statutory or operators' liens securing obligations for labor, services, materials and supplies furnished to Mineral Interests which are not delinquent (except to the extent permitted by Section 8.6 of the Credit Agreement);

(d) mechanic's, materialmen's, warehouseman's, journeyman's and carrier's liens and other similar Liens arising in the ordinary course of business which are not delinquent (except to the extent permitted by Section 8.6 of the Credit Agreement);

(e) production sales contracts, gas balancing agreements and joint operating agreements; provided, that the amount of all gas imbalances known to any Authorized Officer of Mortgagor and the amount of all production which has been paid for but not delivered shall have been disclosed as and when required under the terms of the Credit Agreement;

(f) Liens for Taxes or assessments not yet due or not yet delinquent, or, if delinquent, that are being contested in good faith in the normal course of business by appropriate action, as permitted by Section 8.6 of the Credit Agreement;

(g) all rights to consent by, required notices to, filings with, or other actions by, Governmental Authorities in connection with the sale or conveyance of oil and gas leases or interests therein if Mortgagor or the applicable Subsidiary is entitled to such consent, the same are customarily obtained subsequent to such sale or conveyance and the appropriate Person is proceeding diligently to obtain such consent, notice or filing and has not been advised and has no reason to believe that such consent will not be forthcoming in a timely manner;

(h) the terms and provisions of any of the Oil and Gas Leases and amendments thereto pursuant to which Mortgagor (or its Subsidiaries, as applicable) derives its interests;

(i) lease burdens payable to third parties which are granted in the ordinary course of business in the oil and gas industry and which are deducted in the calculation of discounted present value in the reserve reports delivered to Banks pursuant to the terms of the Credit Agreement, including, without limitation, any royalty, overriding royalty, carried interest or reversionary working interest;

(j) all applicable Laws, rules and orders of Governmental Authorities having jurisdiction over the affairs of Mortgagor;

(k) Liens encumbering assets securing Debt incurred to finance the purchase of such assets, including, without limitation, the interests of a lessor under a Capital Lease, provided, that (i) the principal amount of the Debt secured by a purchased asset shall not exceed one-hundred percent (100%) of the purchase price of such asset, (ii) such Liens shall not extend to or encumber any other asset of Mortgagor or any of its Subsidiaries, (iii) such Liens shall attach to such purchased asset substantially simultaneously with the purchase of such asset, and (iv) the aggregate amount of all Debt secured by such Liens shall not exceed an amount equal to \$250,000;

(l) pledges of cash and cash equivalents to secure Oil and Gas Hedge Transactions that are permitted pursuant to the terms of the Credit Agreement; and

(m) Liens securing bonding obligations (such as plugging and abandonment bonds) incurred in the ordinary course of business.

“Person” shall mean an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Governmental Authority.

“Personal Property” shall mean that portion of the Mortgaged Property that is personal property.

“Section” and **“Article”** shall mean and refer to a section, subsection or article of this Mortgage, unless specifically indicated otherwise.

“Subject Interests” shall have the meaning stated in Article II of this Mortgage.

“Subsidiary” shall mean, for any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions (including that of a general partner) are at the time directly or indirectly owned, collectively, by such Person and any Subsidiaries of such Person. The term Subsidiary shall include Subsidiaries of Subsidiaries (and so on).

“Taxes” shall mean all taxes, assessments, filing or other fees, levies, imposts, duties, deductions, withholdings, stamp taxes, interest equalization taxes, capital transaction taxes, foreign exchange taxes or other charges of any nature whatsoever, from time to time or at any time imposed by Law or any federal, state or local governmental agency. **“Tax”** shall mean any one of the foregoing.

“Total Commitment” shall mean the Commitments of all Banks in an initial aggregate amount of \$150,000,000 as such amount may be reduced from time to time pursuant to the terms of the Credit Agreement.

“UCC” shall mean the Uniform Commercial Code in effect in each of the jurisdictions where the Mortgaged Property or a portion thereof is situated.

“Well Data” shall mean all logs, drilling reports, division orders, transfer orders, operating agreements, contracts and other agreements, abstracts, title opinions, files, records, memoranda and other information in the possession or control of Mortgagor or to which Mortgagor has access relating to the Lands and/or any wells located thereon.

1.2 Other Terms. Unless otherwise defined herein, all terms with their initial letter capitalized shall have the meaning given such term in the Credit Agreement.

ARTICLE II

GRANTING CLAUSE; MORTGAGED PROPERTY

Mortgagor, for and in consideration of the sum of \$10.00 and other good and valuable consideration, in hand paid by Mortgagee, the receipt and adequacy of which are hereby acknowledged and confessed by Mortgagor, and for and in consideration of the debt and purposes hereinafter set forth, to secure the full and complete payment and performance of the Obligations and to secure the performance of the covenants, obligations, agreements and undertakings of Mortgagor hereinafter described, has GRANTED, BARGAINED, SOLD, WARRANTED, MORTGAGED, ASSIGNED, TRANSFERRED and CONVEYED, and by these presents does GRANT, BARGAIN, SELL, WARRANT, MORTGAGE, ASSIGN, TRANSFER and CONVEY unto Mortgagee and Mortgagee's successors in title and assigns, with power of sale, as herein provided, for the uses and purposes herein set forth, with warranties and covenants of title only to the extent provided herein and in the Credit Agreement, all of Mortgagor's right, title and interest, whether now owned or hereafter acquired, in all of the hereinafter described properties, rights and interests; and, insofar as such properties, rights and interests consist of equipment, as extracted collateral, general intangibles, accounts, contract rights, inventory, goods, chattel paper, instruments, documents, money, fixtures, proceeds and products of collateral or any other Personal Property of a kind or character defined in or subject to the applicable provisions of the UCC, Mortgagor hereby grants to Mortgagee a security interest therein, whether now owned or hereafter acquired, namely:

(a) all of those certain Oil and Gas Leases and Lands (all such Oil and Gas Leases and Lands being herein called the "Subject Interests", as hereinafter further defined) which are described in Exhibit A and/or to which reference may be made in Exhibit A and/or which are covered by any of the leases described on Exhibit A, which Exhibit A is made a part of this Mortgage for all purposes, and is incorporated herein by reference as fully as if copied at length in the body of this Mortgage at this point;

(b) all rights, titles, interests and estates now owned or hereafter acquired by Mortgagor in and to (i) any and all properties now or hereafter pooled or unitized with any of the Subject Interests, and (ii) all presently existing or future operating agreements and unitization, communitization and pooling agreements and the units operated thereby to the extent the same relate to all or any part of the Subject Interests, including, without limitation, all units formed under or pursuant to any applicable laws (the rights, titles, interests and estates described in this paragraph (b) also being included within the term "Subject Interests" as used herein);

(c) all presently existing and future agreements entered into between Mortgagor and any third party that provide for the acquisition by Mortgagor of any interest in any of the properties or interests specifically described in Exhibit A or which relate to any of the properties and interests specifically described in Exhibit A;

(d) the Hydrocarbons (including inventory) which are in, under, upon, produced or to be produced by or attributable to the Lands;

(e) the Accounts and Contract Rights;

(f) the Operating Equipment;

(g) the Well Data;

(h) the rights and security interests of Mortgagor held by Mortgagor to secure the obligation of the first purchaser to pay the purchase price of the Hydrocarbons;

(i) all surface leases, rights-of-way, franchises, easements, servitudes, licenses, privileges, tenements, hereditaments and appurtenances now existing or in the future obtained in connection with any of the aforesaid, and all other things of value and incident thereto which Mortgagor may, at any time, have or be entitled; and

(j) all and any different and additional rights of any nature, of value or convenience in the enjoyment, development, operation or production, in any wise, of any property or interest included in any of the foregoing clauses, and in all revenues, income, rents, issues, profits and other benefits arising therefrom or from any contract now in existence or hereafter entered into pertaining thereto, and in all rights and claims accrued or to accrue for the removal by anyone of Hydrocarbons from, or other act causing damage to, any of such properties or interests;

all the aforesaid properties, rights and interests, together with any and all proceeds, substitutions, replacements, corrections or amendments thereto, or renewals, extensions or ratifications thereof, or of any instrument relating thereto, and together with any additions thereto which may be subjected to the lien of this Mortgage by means of supplements hereto, being hereinafter called the "Mortgaged Property".

Subject, however, to (i) Permitted Encumbrances, and (ii) the condition that Mortgagee shall not be liable in any respect for the performance of any covenant or obligation of Mortgagor with respect to the Mortgaged Property.

TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee and its successors, legal representatives and assigns, forever, subject to Section 7.3 hereof; to secure, in each such instance, the payment and performance of the Obligations and to secure the performance of the Obligations of Mortgagor contained herein; provided, however, that if Mortgagor shall pay, perform and discharge (or cause to be paid, performed or discharged) the Obligations as and when the same become due and payable and are to be performed and discharged, then the liens, security interests, estates and rights granted by this Mortgage shall terminate; otherwise the same shall remain in full force and effect.

ARTICLE III

INDEBTEDNESS SECURED

This Mortgage is given to secure the Loan in an initial aggregate amount up to \$150,000,000 and all of the Obligations under and as described in the Credit Agreement, including, without limitation,

(a) interest on all credit outstanding under the Credit Agreement at the rates provided in the Credit Agreement;

(b) the Obligations, including, without limitation, the indebtedness evidenced by the Notes, including, without limitation, (1) that certain Note dated November 22, 2004, executed by Mortgagor payable to the order of Fleet National Bank, in the original principal amount of \$60,000,000.00, (2) that certain Note dated November 22, 2004, executed by Mortgagor payable to the order of BNP Paribas, in the original principal amount of \$52,500,000.00, and (3) that certain Note dated November 22, 2004, executed by Mortgagor payable to the order of Bank of Scotland, in the original

principal amount of \$37,500,000.00; each such Note bearing interest as therein provided and with interest and principal being payable as therein provided;

(c) any sums advanced as expenses or costs incurred by, or on behalf of, Mortgagee or any Bank (or any receiver appointed hereunder) which are made or incurred pursuant to the terms of this Mortgage or any other Loan Paper, plus interest thereon at the rate set forth in Section 2.5(d) of the Credit Agreement from the date of advance or expenditure until reimbursed;

(d) all other and additional debts, obligations and liabilities of every kind and character of Mortgagor now existing or hereafter arising in connection with any of the Loan Papers; and

(e) payment and performance of any and all present and future obligations of Mortgagor according to the terms of any present or future Hedge Transaction, including, without limitation, any present or future swap agreements, cap, floor, collar, exchange transaction, forward agreement or other exchange or protection agreements relating to any such transaction, now existing or hereafter entered into between Mortgagor, on the one hand, and Mortgagee, any Bank, or any Affiliate of Mortgagee or any Bank, on the other hand.

ARTICLE IV

COVENANTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby covenants, represents, warrants and agrees that:

4.1 Payment of Obligations. Mortgagor will duly and punctually pay or cause to be paid when due all of the Obligations.

4.2 Warranties. (a) Mortgagor, to the extent of the interests specified in Exhibit A (which interests are subject to the additional disclosures set out in Section 7.8 of the Credit Agreement, has good, valid and defensible title, subject to Permitted Encumbrances, to each property right or interest constituting the Mortgaged Property, and has a good and legal right to make the grant and conveyance made in this Mortgage; (b) subject to the additional disclosures set out in Section 7.8 of the Credit Agreement, Mortgagor's present Net Revenue Interest in the Mortgaged Property is not less than that specified in Exhibit A and if no interest is specified, includes all of its interests however specified in and to the Oil and Gas Leases and Lands described on Exhibit A; and (c) the Mortgaged Property is free from all Liens other than Permitted Encumbrances. Mortgagor will warrant and forever defend the Mortgaged Property unto Mortgagee and Mortgagee's successors, legal representatives and assigns, against every Person whomsoever lawfully claiming the same or any part thereof by, through or under Mortgagor but not otherwise, and Mortgagor will maintain and preserve the Lien hereby created so long as any of the Obligations remain unpaid and/or unperformed, except where such failure to comply would not result in a Material Adverse Change.

4.3 Further Assurances. Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the reasonable discretion 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, (a) prompt correction of any material defect which may hereafter be discovered in the title to the Mortgaged Property or in the execution and acknowledgment of this Mortgage, any Notes, or any other document executed or delivered in connection herewith or at any time delivered to Mortgagee in connection with any Obligations, and (b) prompt execution and delivery of all

division or transfer orders that in the reasonable discretion of Mortgagee are needed to transfer effectively the assigned proceeds of production from the Mortgaged Property to Mortgagee.

4.4 Taxes. To the extent and in the manner required by the Credit Agreement, Mortgagor will promptly pay, or cause to be paid, all Taxes legally imposed upon this Mortgage or upon the Mortgaged Property or upon the interest of Mortgagee therein, or upon the income, profits, proceeds and other revenues thereof.

4.5 Operation of the Mortgaged Property. So long as the Obligations or any part thereof remains unpaid:

(a) Mortgagor shall maintain, develop and operate the Subject Interests in a good and workmanlike manner and will observe and comply in all material respects with all of the terms and provisions, express or implied, of all Oil and Gas Leases relating to the Subject Interests so long as such Oil and Gas Leases are capable of producing Hydrocarbons in paying quantities, except where such failure to comply would not result in a Material Adverse Change;

(b) Mortgagor shall comply in all material respects with all material contracts and agreements applicable to or relating to the Mortgaged Property or the production and sale of Hydrocarbons therefrom, except to the extent a failure to so comply would not result in a Material Adverse Change;

(c) Mortgagor shall, at all times, maintain, preserve and keep all Operating Equipment used with respect to the Mortgaged Property in proper repair, working order and condition, and make all necessary or appropriate repairs, renewals, replacements, additions and improvements thereto so that the efficiency of such Operating Equipment shall at all times be properly preserved and maintained, except where such failure to comply would not result in a Material Adverse Change; provided that no item of Operating Equipment need be so repaired, renewed, replaced, added to or improved, if Mortgagor shall in good faith determine that such action is not necessary or desirable for the continued efficient and profitable operation of the Subject Interests;

(d) Mortgagor shall cause the Mortgaged Property to be kept free and clear of all Liens other than Permitted Encumbrances;

(e) Mortgagor shall keep adequately insured by insurers of recognized responsibility, all of the Mortgaged Property of an insurable nature and of a character usually insured by Persons engaged in the same or similar business, against all risks customarily insured against by such Persons. Without limiting the foregoing, Mortgagor will maintain such insurance covering such risks as required by the terms of the Credit Agreement.

(f) Mortgagor shall not sell, convey, trade or exchange any portion of the Mortgaged Property or any of Mortgagor's rights, titles or interests therein or thereto, except as specifically permitted in the Credit Agreement.

4.6 Recording. Mortgagor will promptly and at Mortgagor's sole cost and expense, record, register, deposit and file this Mortgage and every other instrument in addition or supplemental hereto in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the Lien and security interest hereof as a first Lien and security interest on real or personal property, as the case may be, and the rights and remedies of Mortgagee, and otherwise will do and perform all matters or things necessary or expedient to be done or observed by reason of any Law or regulation of any state or

of the United States or of any other competent authority, for the purpose of effectively operating, maintaining and preserving the Lien and security interest hereof on the Mortgaged Property.

4.7 Records, Statements and Reports. Mortgagor will keep proper books of record and account in which complete correct entries will be made of Mortgagor's transactions in accordance with sound accounting principles consistently applied and will, to the extent required by the Credit Agreement, furnish or cause to be furnished to Mortgagee (a) all reports required under the Loan Papers, and (b) such other information concerning the business and affairs and financial condition of Mortgagor as Mortgagee may from time to time reasonably request.

4.8 No Government Approvals. Mortgagor warrants that no approval or consent of any Person, with the exception of Banks, is necessary to authorize the execution and delivery of this instrument, or any of the other Loan Papers or the Notes, or to authorize the observance or performance by Mortgagor of the covenants herein or therein contained.

4.9 Right of Entry. To the extent required by the Credit Agreement, Mortgagor will permit Mortgagee, or the agents or designated representatives of Mortgagee, to enter upon the Mortgaged Property, and all parts thereof, for the purposes of investigating and inspecting the condition and operation thereof.

The representations and warranties set forth in Article VII of the Credit Agreement are incorporated herein by reference as if set forth herein, and each such representation and warranty is true and correct.

ARTICLE V

ADDITIONS TO MORTGAGED PROPERTY

5.1 Additions to Mortgaged Property. It is understood and agreed that Mortgagor may periodically subject additional properties to the Lien of this Mortgage. In the event that additional properties are to be subjected to the Lien hereof, the parties hereto agree to execute an additional or supplemental mortgage, satisfactory in form and substance to Mortgagee, together with any security agreement, financing statement or other security instrument required by Mortgagee, all in form and substance satisfactory to Mortgagee and in a sufficient number of executed (and, where necessary or appropriate, acknowledged) counterparts for recording purposes. Upon the execution of such additional or supplemental mortgage, all additional properties thereby subjected to the Lien of this Mortgage shall become part of the Mortgaged Property for all purposes.

ARTICLE VI

ENFORCEMENT OF THE SECURITY

6.1 General Remedies. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may do any one or more of the following, subject to and in accordance with any applicable provisions of the Credit Agreement and to any mandatory requirements or limitations of applicable Law then in force:

(a) Exercise all of the rights, remedies, powers and privileges of Mortgagor with respect to the Mortgaged Property or any part thereof, give or withhold all consents required therein which with respect to the Mortgaged Property or any part thereof Mortgagor would otherwise be entitled to give or withhold, and perform or attempt to perform any covenants in this Mortgage which Mortgagor

is obligated to perform; provided that, no payment or performance by Mortgagee shall constitute a waiver of any Event of Default, and Mortgagee shall be subrogated to all rights and Liens securing the payment of any debt, claim, Tax or assessment for the payment of which Mortgagee may make an advance or pay;

(b) Execute and deliver to such Person or Persons as may be designated by Mortgagee appropriate powers of attorney to act for and on behalf of Mortgagor in all transactions with any federal, state or local agency with respect to any of the Mortgaged Property;

(c) Exercise any and all other rights or remedies granted to Mortgagee pursuant to the provisions of any of the Loan Papers;

(d) If Mortgagor has failed to keep or perform any covenant whatsoever contained in any Loan Paper, Mortgagee may, at its option, perform or attempt to perform such covenant. Any payment made or expense incurred in the performance or attempted performance of any such covenant shall be a part of the Obligations, and Mortgagor promises, upon demand, to pay to Mortgagee, at the place where the Notes are payable, or at such other place as Mortgagee may direct by written notice, all sums so advanced or paid by Mortgagee, with interest at the rate set forth in Section 2.5(d) of the Credit Agreement from the date when paid or incurred by Mortgagee or any such Bank. No such payment by Mortgagee shall constitute a waiver of any Default or Event of Default. In addition to the Liens hereof, Mortgagee shall be subrogated to all rights and Liens securing the payment of any debt, claim, Tax or assessment for the payment of which Mortgagee may make an advance, or which Mortgagee may pay;

(e) The Credit Agreement provides for the acceleration of the maturity of the indebtedness thereunder in certain circumstances described therein;

(f) Upon the occurrence of an Event of Default, this Mortgage may be foreclosed as to the Mortgaged Properties, or any part thereof, in any manner permitted by applicable Law;

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

Mortgagee may proceed with foreclosure, and to the extent permitted by applicable Law, sell all or any part of the Mortgaged Property at one or more sales, as an entirety or in parcels, at such place or places and otherwise in such manner and upon such notice as may be required by applicable Law, or, in the absence of any such requirement, as Mortgagee may deem appropriate, and to make conveyance to the purchaser or purchasers thereof. If an Event of Default shall have occurred, Mortgagee may sell the Mortgaged Property at public outcry to the highest bidder or bidders for cash in front of the Court House door in the county where said property 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 all counties in which portion of the Mortgaged Property is located, 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 Mortgaged Property so purchased. Mortgagee may bid at said sale and purchase said Mortgaged Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Property 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 Mortgagee may elect. After such sale, Mortgagee shall make to the purchaser or purchasers thereunder good and sufficient deeds, assignments or bills of sale in the name of Mortgagor, conveying or transferring the Mortgaged

Property, or any part thereof, so sold to the purchaser or purchasers containing such warranties of title as are customarily given, which warranties shall be binding upon Mortgagor.

Sale of a part of the Mortgaged Property shall not exhaust the power of sale, but sales may be made from time to time until the Obligations are paid and performed in full. It shall not be necessary to have present or to exhibit at any such sale of any of the Personal Property. In addition to the rights and other powers of sale granted under the preceding provisions of this Section 6.1(f), if Default is made in the payment of any installment of the Obligations, Mortgagee may, subject to, and in accordance with, the applicable provisions of the Credit Agreement, at its option, at once or at any time thereafter while any matured installment remains unpaid, without declaring the entire Obligations to be due and payable, orally or in writing, enforce the Liens created by this Mortgage and sell the Mortgaged Property subject to such matured indebtedness and the Liens securing its payment, in the same manner, on the same terms, at the same place and time and after having given notice in the same manner, all as provided in the preceding provisions of this Section 6.1(f). After such sale, Mortgagee shall make due conveyance to the purchaser or purchasers. Sales made without maturing the Obligations may be made hereunder whenever there is a Default in the payment of any installment of the Obligations without exhausting the power of sale granted hereby and without affecting in any way the power of sale granted under this Section 6.1(f), the unmatured balance of the Obligations (except as to any proceeds of any sale which Mortgagee may apply as prepayment of the Obligations), or the Liens securing payment of the Obligations. The sale or sales of less than the whole of the Mortgaged Property shall not exhaust the power of sale herein granted, and Mortgagee is specifically empowered to make successive sale or sales under such power until the whole of the Mortgaged Property shall be sold. It is intended by each of the foregoing provisions of this Section 6.1(f) that Mortgagee may sell not only the Subject Interests but also all other items constituting a part of the Mortgaged Property along with the Subject Interests, or any part thereof, all as a unit and as a part of a single sale, or may sell any part of the Mortgaged Property separately from the remainder of the Mortgaged Property. If the proceeds of such sale or sales of less than the whole of such Mortgaged Property shall be less than the aggregate of the Obligations and the expense of enforcing the trust created by this instrument, the Liens of this Mortgage shall remain in full force and effect as to the unsold portion of the Mortgaged Property just as though no sale or sales of less than the whole of the Mortgaged Property had occurred, but Mortgagee shall have the right, at its sole election, to sell less than the whole of the Mortgaged Property. In the event any questions should be raised as to the regularity or validity of any sale hereunder, Mortgagee shall have the right and is hereby authorized to make resale of said property so as to remove any questions or doubt as to the regularity or validity of the previous sale, and as many resales may be made as may be appropriate. It is agreed that, in any deed or deeds given by Mortgagee, any and all statements of fact or other recitals therein made as to the identity of Mortgagee, or as to the occurrence or existence of any Event of Default, or as to the request to sell, notice of sale, time, place, terms, and manner of sale, and receipt, distribution, and application of the money realized therefrom, and, without being limited by the foregoing, as to any other act or thing having been duly done by Mortgagee, shall be taken by any Governmental Authority as prima facie evidence that the said statements or recitals are true and correct and are without further question to be so accepted;

(g) Mortgagee may, in lieu of or in addition to exercising the power of sale provided for in Section 6.1(f) hereof, proceed by suit or suits, at Law or in equity, to enforce the payment and performance of the Obligations in accordance with the terms hereof, and of the other Loan Papers evidencing it, to foreclose the Liens and this Mortgage as against all or any part of the Mortgaged Property, and to have all or any part of the Mortgaged Property sold under the judgment or decree of a court of competent jurisdiction;

(h) To the extent permitted by Law, upon the acceleration of the Obligations under the Credit Agreement, Mortgagee, as a matter of right and without regard to the sufficiency of the Mortgaged Property, and without any showing of insolvency, fraud or mismanagement on the part of

Mortgagor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers of the Mortgaged Property, or any part thereof, and of the income, royalties, revenues, bonuses, production payments, delay rentals, benefits, rents, issues and profits thereof. Mortgagor hereby consents to the appointment of such receiver or receivers and agrees not to oppose any application therefor by Mortgagee;

(i) Upon the acceleration of the Obligations under the Credit Agreement, Mortgagee may (without notification, if permitted by applicable Law) enter upon the Mortgaged Property, take possession of the Mortgaged Property, and remove the Personal Property, or any part thereof, with or without judicial process, and, in connection therewith, without any responsibility or liability on the part of Mortgagee, take possession of any property located on or in the Mortgaged Property which is not a part of the Mortgaged Property and hold or store such property at Mortgagor's expense. If necessary to obtain the possession provided for in this Section 6.1(i), Mortgagee may undertake any and all remedies to dispossess Mortgagor, including, specifically, one or more actions for forcible entry and detainer, trespass to try title, and restitution;

(j) Mortgagee may require Mortgagor to assemble any Personal Property and any other items of the Mortgaged Property, or any part thereof, and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to Mortgagor and Mortgagee;

(k) If, and to the extent, provided in the Credit Agreement, Mortgagee may surrender the insurance policies maintained pursuant to Section 8.5 of the Credit Agreement, or any part thereof, and receive and apply the unearned premiums as a credit on the Obligations, and, in connection therewith, Mortgagor hereby appoints Mortgagee as the agent and attorney-in-fact for Mortgagor (with full powers of substitution) to collect such premiums, which power of attorney shall be deemed to be a power coupled with an interest and therefore irrevocable until the release of the Liens evidenced by this Mortgage;

(l) Mortgagee may retain the Personal Property and any other items of the Mortgaged Property, or any part thereof, in satisfaction of the Obligations whenever the circumstances are such that Mortgagee is entitled to do so under the UCC;

(m) Any of the Banks shall have the right to become the purchaser at any sale of the Mortgaged Property by any court, receiver or public officer, and Mortgagee shall have the right to credit upon the amount of the bid made therefor, the amount payable out of the net proceeds of such sale to any such Bank. Recitals contained in any conveyance made to any purchaser at any sale made hereunder shall conclusively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing, nonpayment of the unpaid principal sum of, interest accrued on, and fees payable in respect of, the Obligations after the same have become due and payable, and advertisement and conduct of such sale in the manner provided herein;

(n) Mortgagee and any of the Banks may buy any Personal Property and any other items of the Mortgaged Property, or any part thereof, at any private disposition if the Mortgaged Property or the part thereof being disposed of, is a type customarily sold in a recognized market or a type which is the subject of widely distributed standard price quotations; and

(o) Mortgagee shall have and may exercise any and all other rights which Mortgagee may have under the UCC, by virtue of the Loan Papers, at Law, in equity or otherwise;

provided, that Mortgagee shall have no obligation to do or refrain from doing any of the acts, or to make or refrain from making any payment, referred to in this Section 6.1.

6.2 Foreclosure by Judicial Proceedings. Upon the occurrence of an Event of Default, Mortgagee may proceed, where permitted by Law, by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Mortgaged Property, or for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Mortgaged Property, or for the enforcement of any other appropriate legal or equitable remedy.

6.3 Receipt to Purchaser. Upon any sale by virtue of judicial proceedings, the receipt of the officer making such sale under judicial proceedings shall be sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, or his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of such officer therefor, be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or non-application thereof.

6.4 Effect of Sale. Any sale or sales of the Mortgaged Property or portions thereof where permitted by Law, shall operate to divest all right, title, interest, claim and demand whatsoever either at law or in equity, of Mortgagor of, in and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against Mortgagor, and Mortgagor's successors, legal representatives or assigns, and against any and all Persons claiming or who shall thereafter claim all or any of the property sold by, through or under Mortgagor, or Mortgagor's successors, legal representatives and assigns. Nevertheless, Mortgagor, if requested by Mortgagee to do so, shall join in the execution and delivery of all proper conveyances, assignments and transfers of the properties so sold.

6.5 Application of Proceeds. The proceeds of any sale of the Mortgaged Property, or any part thereof shall be applied in the manner required by the Credit Agreement or applicable Law.

6.6 Mortgagor's Waiver of Appraisal, Marshalling, etc. Rights. 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 whatsoever, claim the benefit of any stay, extension or redemption Law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or any portion thereof or the possession thereof by any purchaser at any sale made pursuant to any provision hereof, or pursuant to the decree of any court of competent jurisdiction; but Mortgagor, and all who may claim through or under Mortgagor, so far as Mortgagor or those claiming through or under Mortgagor now or hereafter lawfully may, hereby waives the benefit of all such Laws. Mortgagor and all who may claim through or under Mortgagor, waives, to the extent that Mortgagor or those claiming through or under Mortgagor may lawfully do so, any and all right to have the Mortgaged Property marshalled upon any foreclosure of the lien hereof, or sold in inverse order of alienation, and agrees that any court having jurisdiction to foreclose such Lien may sell the Mortgaged Property as an entirety. If any Law in this Section 6.6 referred to and now in force, of which Mortgagor or Mortgagor's successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such Law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the operation or application of the provisions of this Section 6.6.

6.7 Mineral Leasing Act. Notwithstanding any other provisions of this Mortgage, any Oil and Gas Leases covered by this Mortgage which are subject to the Mineral Leasing Act of 1920, as amended, and the regulations promulgated thereunder, shall not be sold or otherwise disposed of to any party other than citizens of the United States, or to associations of such citizens or to any corporation organized under the Laws of the United States, or any state or territory thereof that are qualified to own or control interests in such Oil and Gas Leases under the provisions of such Act and regulations, or to persons who may acquire ownership or interest in such Oil and Gas Leases under the provisions of

30 U.S.C. § 184(g), if applicable, as such Act or regulations are now or may be from time to time in effect.

6.8 Costs and Expenses. All reasonable costs, expenses (including attorneys' fees) and payments incurred or made by Mortgagee in protecting and enforcing its rights hereunder, shall constitute a demand obligation owing by Mortgagor to the party incurring such or making such costs, expenses or payments and shall bear interest at a rate per annum equal to the rate set forth in Section 2.5(d) of the Credit Agreement, all of which shall constitute a portion of the Obligations.

6.9 Operation of the Mortgaged Property by Mortgagee. Upon the occurrence and continuance of an Event of Default and the acceleration of the Obligations under the Credit Agreement, and in addition to all other rights herein conferred on Mortgagee, Mortgagee (or any Person designated by Mortgagee) shall, to the extent permitted by applicable Law, have the right and power, but not the obligation, to enter upon and take possession of any of the Mortgaged Property, and to exclude Mortgagor, and Mortgagor's agents or servants, wholly therefrom, and to hold, use, administer, manage and operate the same to the extent that Mortgagor shall be at the time entitled to do any of such things and in Mortgagor's place and stead. Mortgagee (or any Person designated by Mortgagee) may operate the same without any liability or duty to Mortgagor in connection with such operations, except to use ordinary care in the operation of such Mortgaged Property, and Mortgagee or any Person designated by Mortgagee, shall have the right to collect and receive all Hydrocarbons produced and sold from the Mortgaged Property, to make repairs, purchase machinery and equipment, conduct workover operations, drill additional wells and to exercise every power, right and privilege of Mortgagor with respect to the Mortgaged Property. When and if such expenses of such operation and development (including costs of unsuccessful workover operations or additional wells) have been paid and the Obligations paid, such Mortgaged Property shall, if there has been no sale or foreclosure thereof, be returned to Mortgagor

ARTICLE VII

MISCELLANEOUS

7.1 Advances by Mortgagee. Each and every covenant herein contained shall be performed and kept by Mortgagor solely at Mortgagor's expense. If Mortgagor shall fail to perform or keep any of the covenants of whatsoever kind or nature contained in this Mortgage, Mortgagee, any Bank or any receiver appointed hereunder, may, but shall not be obligated to, make advances to perform the same on Mortgagor's behalf, and Mortgagor hereby agrees to repay such sums upon demand plus interest at a rate per annum equal to the rate of interest applicable to principal outstanding on the Notes. No such advance shall be deemed to relieve Mortgagor from any Event of Default hereunder.

7.2 Defense of Claims. Mortgagor will notify Mortgagee, in writing, promptly of the commencement of any legal proceedings of which Mortgagor has notice affecting or which could adversely affect the Lien hereof or the status of or title to the Mortgaged Property, or any material part thereof, and will take such action, employing attorneys agreeable to Mortgagee, as may be necessary to preserve Mortgagor's or Mortgagee's rights affected thereby; and should Mortgagor fail or refuse to take any such action, Mortgagee may take such action on behalf and in the name of Mortgagor and at Mortgagor's sole cost and expense, Mortgagor hereby agreeing that all sums advanced or all expenses incurred in such actions plus interest at a rate per annum equal to the rate of interest applicable to principal outstanding on the Notes, will, on demand, be reimbursed to Mortgagee or any receiver appointed hereunder.

7.3 Defeasance. If the Obligations shall be paid and discharged in full, then, and in that case only, this Mortgage shall be null and void and the interests of Mortgagor in the Mortgaged Property shall

become wholly clear of the Lien created hereby, and such Lien shall be released in due course at the cost of Mortgagor. Mortgagee will, at Mortgagor's sole expense, execute and deliver to Mortgagor all releases and other instruments reasonably requested of the Lien created hereunder. Otherwise, this Mortgage shall remain and continue in full force and effect.

7.4 Renewals, Amendments and Other Security. Renewals and extensions of the Obligations may be given at any time and amendments may be made to this Mortgage, the Loan Papers and any other agreements relating to any part of the Obligations, and Mortgagee may take or may hold other security for the Obligations. Any amendment of this Mortgage shall be by written instrument and need be executed only by the party against whom enforcement of such amendment is asserted. 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 shall not be a waiver of any rights conferred by this Mortgage, which shall continue as a first Lien and security interest upon the Mortgaged Property not expressly released until all Obligations secured hereby are fully paid.

7.5 Instrument and Assignment, etc. This Mortgage shall be deemed to be and may be, enforced from time to time as an assignment, chattel mortgage, contract, financing statement, real estate mortgage, pledge or security agreement, and from time to time as any one or more thereof; and to the extent that any particular jurisdiction wherein a portion of the Mortgaged Property is situated does not recognize or permit Mortgagor to grant, bargain, sell, warrant, mortgage, assign, transfer or convey Mortgagor's rights, titles and interests to Mortgagee in the manner herein adopted, then, with respect to the Mortgaged Property located in such jurisdiction, Mortgagor does hereby grant, bargain, sell, warrant, mortgage, assign, transfer and convey unto Mortgagee, the Mortgaged Property to secure the Obligations and the Obligations of Mortgagor contained herein.

7.6 Limitation on Interest. Regardless of any provision contained in this Mortgage or any of the other Loan Papers, Banks shall never be entitled to receive, collect, or apply, as interest on the Loan, any amount in excess of the Maximum Lawful Rate, and in the event any Bank ever receives, collects or applies as interest any such excess, such amount which would be deemed excessive interest shall be deemed a partial prepayment of principal and treated hereunder as such; and if the Loan is paid in full, any remaining excess shall promptly be paid to the Mortgagor. In determining whether or not the interest paid or payable under any specific contingency exceeds the Maximum Lawful Rate, Mortgagor and Banks shall, to the extent permitted under applicable Law, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effect thereof, and (c) amortize, prorate, allocate and spread, in equal parts, the total amount of the interest throughout the entire contemplated term of the Notes, so that the interest rate is the Maximum Lawful Rate throughout the entire term of the Notes; provided, however, that if the unpaid principal balance thereof is paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the Maximum Lawful Rate, Banks shall refund to Mortgagor the amount of such excess and, in such event, Banks shall not be subject to any penalties provided by any Laws for contracting for, charging, taking, reserving or receiving interest in excess of the Maximum Lawful Rate.

7.7 Unenforceable or Inapplicable Provisions. If any provision of this Mortgage or in any of the other Loan Papers is invalid or unenforceable in any jurisdiction, the other provisions hereof or of any of the other Loan Papers shall remain in full force and effect in such jurisdiction, and the remaining provisions hereof shall be literally construed in favor of Mortgagee in order to effectuate the provisions hereof, and the invalidity of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction. Any reference herein contained to statutes

or Laws of a state in which no part of the Mortgaged Property is situated shall be deemed inapplicable to, and not used in, the interpretation hereof.

7.8 Rights Cumulative. Each and every right, power and remedy herein given to Mortgagee shall 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 so often and in such order as may be deemed expedient by Mortgagee and the exercise, or the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time and thereafter, any other right, power or remedy. No delay or omission by Mortgagee in the exercise of any right, power or remedy shall 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.

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

7.10 Successors and Assigns. This Mortgage is binding upon Mortgagor, and Mortgagor's heirs, devisees, successors, personal and legal representatives and assigns, and shall inure to the benefit of Mortgagee and its successors, legal representatives and assigns, and the provisions hereof shall likewise be covenants running with the Lands.

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

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

7.13 Special Filing as Financing Statements. This Mortgage shall likewise be a security agreement and a financing statement by virtue of Mortgagor, as debtor, granting to Mortgagee, its successors, legal representatives and assigns, as secured party, a security interest in all personal property, fixtures, as extracted collateral, accounts, contract rights, general intangibles, inventory, goods, chattel paper, instruments, documents and money described or referred to in granting clauses (a) through (j) of hereof and all proceeds and products from the sale, lease or other disposition of the Mortgaged Property or any part thereof. The addresses shown in Section 7.14 hereof are the addresses of Mortgagor, as debtor and Mortgagee, as secured party and information concerning the security interest may be obtained from Mortgagee, as secured party at its address. Without in any manner limiting the generality of any of the foregoing provisions hereof: (a) some portion of the goods described or to which reference is made herein are or are to become fixtures on the Lands described or to which reference is made herein; (b) the minerals, as extracted collateral, and the like (including oil and gas) included in the Mortgaged Property and the accounts resulting from the sale thereof will be financed at the wellhead(s) or minehead(s) of the well(s) or mine(s) located on the Lands described or to which reference is made herein; and (c) this Mortgage is to be filed of record, among other places, in the real estate records of each county in which the Lands, or any part thereof, are situated, as a financing statement, but the failure to do so will not otherwise affect the validity or enforceability of this instrument.

7.14 Notices. Whenever this Mortgage requires or permits any consent, approval, notice, request or demand from one party to another, such consent, approval, notice or demand shall, unless otherwise required under applicable Laws, be given in accordance with the provisions of the Credit

Agreement, addressed to the party to be notified at the address stated below (or such other address as may have been designated in accordance with the provisions of the Credit Agreement):

MORTGAGOR—DEBTOR

GeoMet, Inc.
5336 Stadium Trace Parkway, Suite 206
Birmingham, Alabama 35244
Attn: J. Neil Walden, Jr.

MORTGAGEE—SECURED PARTY

Fleet National Bank
100 Federal Street, MA DE 10009H
Boston, Massachusetts 02110
Attn: Allison Goodwin

7.15 GOVERNING LAW. THIS MORTGAGE, THE NOTES AND THE OTHER LOAN PAPERS SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ALABAMA AND THE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT TO THE EXTENT THAT THE LAWS OF ANY STATE IN WHICH THE MORTGAGED PROPERTY IS LOCATED NECESSARILY GOVERNS THE VALIDITY, PERFECTION, PRIORITY AND ENFORCEABILITY, AND THE EXERCISE OF ANY REMEDIES WITH RESPECT TO ANY LIEN OR SECURITY INTEREST INTENDED TO BE CREATED HEREBY ON THE MORTGAGED PROPERTY LOCATED IN SUCH STATE.

7.16 Future Advances; Maximum Secured Principal Amount. IT IS THE INTENT OF THE MORTGAGEE THAT THIS MORTGAGE SECURE ALL FUTURE ADVANCES (INCLUDING OPTIONAL AND PROTECTIVE ADVANCES) MADE PURSUANT TO THE CREDIT AGREEMENT. This Mortgage covers not only the proceeds of the Loan, but all advances hereafter made by Banks to or for the benefit of Mortgagor (the "Future Advances"), including, without limitation, any amounts advanced by Banks in satisfying, on Mortgagor's behalf, any of Mortgagor's Obligations, and any advances made in accordance herewith by Mortgagee or any Bank to protect its security, and any other advances by Mortgagee or any Bank. The maximum amount secured hereby may be advanced and repaid, and again advanced and repaid from time to time, in Banks' sole and absolute discretion, and this Mortgage shall become enforceable upon recording and shall have priority over all other parties whose rights arose after the recording hereof, with respect to all funds advanced by Banks to Mortgagor, regardless of whether such funds were advanced before or after the arising of such other party's rights. Nothing herein shall be interpreted as requiring Banks to make any Future Advances hereunder. **This Mortgage is given to secure the Obligations; provided, however, that notwithstanding anything to the contrary contained herein: (i) the maximum principal amount of the Obligations secured by this Mortgage (the "Principal Obligations") shall not exceed \$44,160,000 (the "Maximum Principal Amount") at any one time outstanding; (ii) the Maximum Principal Amount of the Principal Obligations secured by this Mortgage shall be deemed to be the first Obligations to be advanced and the last Obligations to be repaid; (iii) the security afforded by this Mortgage for the Obligations shall not be reduced by any payments or other sums applied to the reduction of the Obligations so long as the total amount of outstanding Principal Obligations exceeds the Maximum Principal Amount and thereafter shall be reduced only to the extent that any such payments and other sums are actually applied by Mortgagee, in accordance with the Credit Agreement, to reduce the outstanding Principal Obligations to an amount less than the Maximum Principal Amount; (iv) if at any time after the reduction of the Principal Obligations to an amount less than the Maximum Principal Amount, Principal Obligations should subsequently be incurred that increase the total outstanding Principal Obligations to an amount equal to or exceeding the Maximum Principal Amount, the security afforded by this Mortgage shall thereupon be increased to the maximum Principal Amount; and (v) the limitation contained in this section on the Maximum Principal Amount shall only pertain to Principal Obligations and shall not be construed as limiting the amount of interest, fees, expenses, indemnified amounts and other Obligations secured hereby that are not Principal Obligations, it being the intention of Mortgagor and Mortgagee that this**

Mortgage shall secure any Principal Obligations remaining unpaid at the time of foreclosure up to the Maximum Principal Amount, plus interest thereon, all costs of collection and all other amounts (except Principal Obligations in excess of the Maximum Principal Amount) included in the Obligations.

7.17 Annexed Properties. Executed original counterparts of this instrument are to be filed for record in the records of the jurisdictions wherein the Mortgaged Property is situated, and shall have annexed thereto as Exhibit "A", only the portions or divisions containing specific descriptions of the Mortgaged Property relating to the Lands located in such jurisdictions. Whenever a recorded counterpart of this instrument contains specific descriptions which are less than all of the descriptions contained in any full counterpart lodged with Mortgagee, the omitted descriptions are hereby included by reference in such recorded counterpart as if each recorded counterpart conformed to any full counterpart lodged with Mortgagee.

7.18 No Paraphed Notes. Mortgagor acknowledges that no promissory note or other instrument has been presented to the undersigned notary public(s) to be paraphed for identification herewith.

7.19 Other Liable Party. Neither this Mortgage nor the exercise by Mortgagee or any Bank or the failure of Mortgagee or any Bank to exercise any right, power or remedy conferred herein or by law shall be construed as relieving any Other Liable Party from liability on the Obligations or any deficiency thereon. This Mortgage shall continue irrespective of the fact that the liability of any Other Liable Party may have ceased or irrespective of the validity or enforceability of any other Loan Paper to which Mortgagor or any Other Liable Party may be a party, and notwithstanding the reorganization, death, incapacity or bankruptcy of any Other Liable Party, and notwithstanding the reorganization or bankruptcy or other event or proceeding affecting any Other Liable Party.

ARTICLE VIII

ASSIGNMENT OF PRODUCTION

8.1 Assignment. For the purpose of further securing the Obligations and the performance of Mortgagor's covenants hereunder, Mortgagor does hereby TRANSFER, ASSIGN, AND CONVEY unto Mortgagee any and all of the interests of Mortgagor in and to the Hydrocarbons that may be produced from, or attributable to, the Mortgaged Property together with the proceeds of the sale thereof and attributable thereto on and after the Effective Date. This assignment is made upon the following terms and conditions: (a) pipeline companies and others purchasing the oil, gas, minerals and other substances listed above produced and to be produced from said property are hereby authorized and directed to pay directly to Mortgagee the interests of Mortgagor in and to the proceeds of the sale of the oil, gas, minerals and other substances listed above produced, to be produced and attributable to said property, and to continue such payments until they have been furnished with a release hereof executed in writing by Mortgagee, and the receipt of Mortgagee for monies so paid to it shall be a full and complete release, discharge and acquittance to any such pipeline company or other purchaser, to the extent of all amounts so paid, (b) Mortgagee is hereby authorized to receive and collect the proceeds of the sale of the oil, gas, minerals and other substances listed above assigned to it hereunder, and to apply the funds so received first toward the payment of the expenses, if any, incurred in the collection thereof, then, in compliance with the Credit Agreement, toward the payment of the Obligations, any balance remaining after the full and final payment of the Obligations to be held subject to the order of Mortgagor, (c) Mortgagee shall have the right, at its sole option, at any time, and from time to time, to release to, or on the order of, Mortgagor all or any portion of the funds assigned to Mortgagee hereunder, and no such releases shall affect or impair the Lien of this Mortgage or the validity and effect of the assignment contained in this

Article VIII, (d) Mortgagee shall never be under any obligation to enforce the collection of the funds assigned to it hereunder, nor shall it ever be liable for failure to exercise diligence in the collection of such funds, but it shall only be accountable for the sums that it shall actually receive, (e) Mortgagor covenants to cause all pipeline companies or other purchasers of the oil, gas, minerals and other substances listed above produced from and attributable to said property, to pay promptly to Mortgagee, at the office of Mortgagee at the address of Mortgagee stated above, the interests of Mortgagor in and to the proceeds of the sale thereof, and (f) upon the full and final payment of the Obligations, Mortgagee, at the request of Mortgagor, and at Mortgagor's sole cost and expense, shall execute and deliver to Mortgagor a reassignment hereof, without recourse, representations or warranties. Notwithstanding the foregoing provisions of this Section 8.1, so long as no Event of Default has occurred and shall be continuing, Mortgagor may continue to receive from the purchasers of production, all such Hydrocarbons and proceeds of the sale thereof, subject, however, to the Liens created under this Mortgage. Upon the occurrence of an Event of Default, Mortgagee may exercise all rights and remedies granted hereunder, including, without limitation, the right to obtain possession of all Hydrocarbons and proceeds of the sale thereof then held by Mortgagor or to receive directly from the purchasers all other Hydrocarbons and proceeds of the sale thereof.

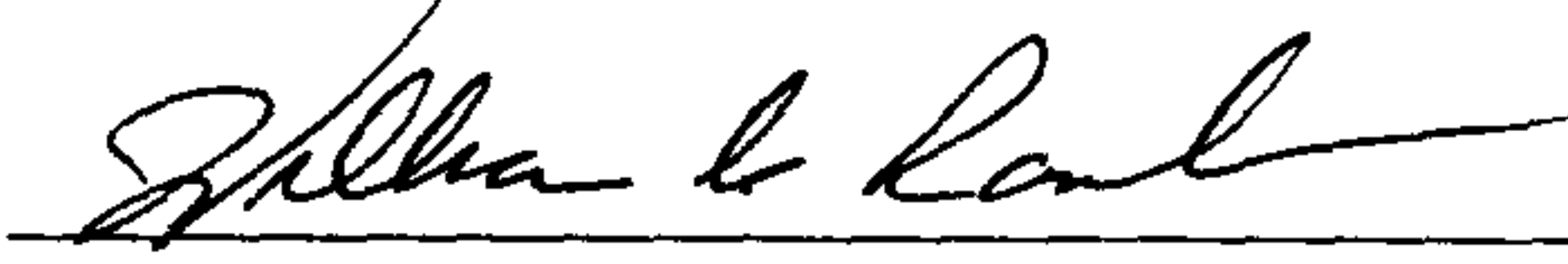
8.2 Power of Attorney. In consideration of the Loan evidenced by the Notes, Mortgagor hereby designates and appoints Mortgagee as Mortgagor's true and lawful agent and attorney-in-fact (with full power of substitution, either generally or for such limited periods or purposes as Mortgagee may, from time to time, prescribe), with full power and authority, for and on behalf and in the name of Mortgagor, to execute, acknowledge and deliver all such division orders, transfer orders, certificates and any and all other documents of every nature as may, from time to time, be necessary or proper to effectuate the intent and purpose of the assignment contained in Section 8.1 hereof. Mortgagor shall be bound thereby as fully and effectively as if Mortgagor had personally executed, acknowledged and delivered any such division order, transfer order, certificate or other documents. The powers and authorities herein conferred on Mortgagee may be exercised by Mortgagee through any person who, at the time of the execution of a particular instrument, is the president, a senior vice-president or a vice-president of Mortgagee. The power of attorney conferred by this Section 8.2 is granted for a valuable consideration and hence is coupled with an interest and is irrevocable so long as the Obligations, or any part thereof, shall remain unpaid. All Persons dealing with Mortgagee, any officer thereof above designated or any substitute thereof, shall be fully protected in treating the powers and authorizations conferred by this paragraph as continuing in full force and effect until advised by Mortgagee that all of the Obligations are fully and finally paid.

(signature page to immediately follow)

IN WITNESS WHEREOF, Mortgagor, acting by and through its duly Authorized Officer, has executed this Mortgage effective as of the Effective Date.

GEOMET, INC.

By:


William C. Rankin,
Executive Vice President

The address of Mortgagor is:

5336 Stadium Trace Parkway
Suite 206
Birmingham, Alabama 35244
Attn: J. Neil Walden, Jr.

The address of Mortgagee is:

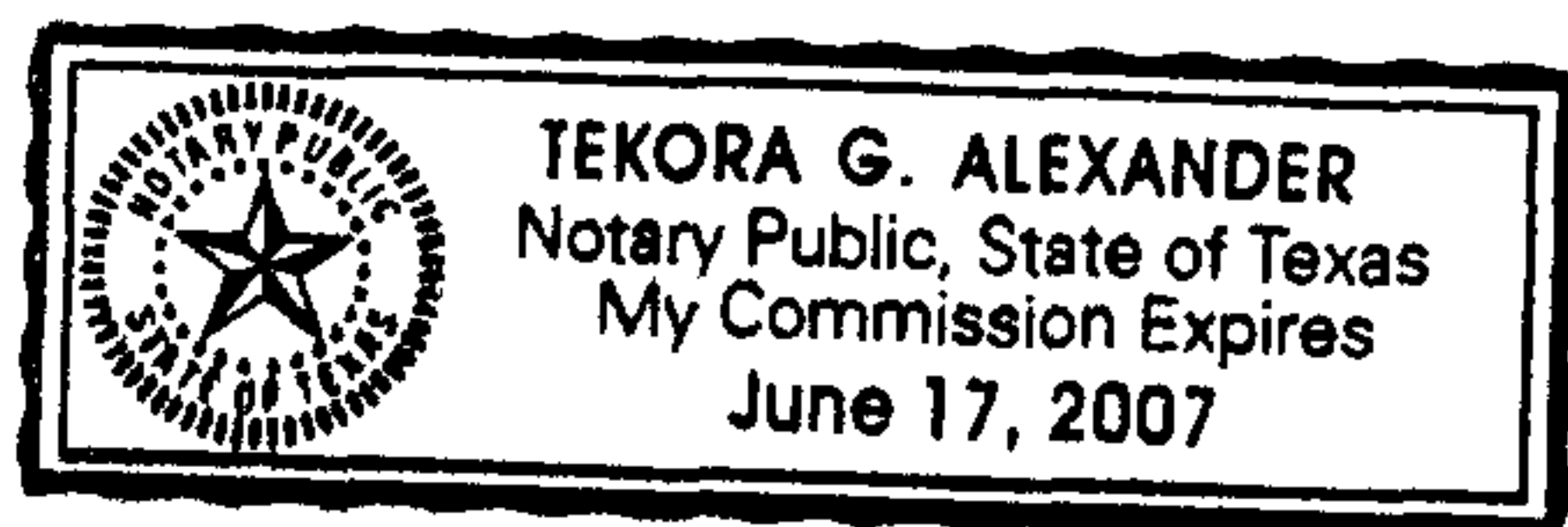
100 Federal Street
Mail Stop 010802
Boston, Massachusetts 02110
Attn: Allison Goodwin

ACKNOWLEDGMENT FOR MORTGAGOR

STATE OF Texas §
COUNTY OF Harris §

I, the undersigned Notary Public in and for said County, in said State, hereby certify that William C. Rankin, whose name as Executive Vice President of 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 this instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation, acting in his capacity as Executive Vice President as aforesaid.

Given under my hand and official seal, this 18th day of November, 2004.



Tekora G. Alexander
NOTARY PUBLIC

My Commission Expires: 6/17/2007

Exhibit A

DESCRIPTION OF LEASES

**CAHABA PROSPECT
Shelby and Bibb Counties, Alabama**

Coalseam Gas Lease dated April 9, 2002, as amended, between United States Steel Corporation, as Lessor, and GeoMet, Inc., as Lessee, covering approximately 37,551.96 acres, as recorded by Memorandum of Lease dated May 8, 2002 in Number 20020625000299180, Page 1/7 of the records of Shelby County, Alabama and by Memorandum of Lease dated May 8, 2002 in the Deed Records of Book 99, Page 233 of the records of Bibb County, Alabama.

**EXHIBIT A, CONT.
WELLS**

**CAHABA PROSPECT
Shelby County, Alabama**

Property Number	GeoMet Well Name and Number				Permit #	API Number	Total Depth Drilled	Twp	Rng	Sec	Unit Description	GeoMet Working Interest	Total Royalty	GeoMet NRI
01103-001	USS	5	4	1	16559-C	01-117-20544	4000	21S	3W	5	N2NW	100%	12.50%	87.50%
01103-002	USS	6	2	2	13484-C	01-117-20523	3675	21S	3W	6	N2NE	100%	12.50%	87.50%
01103-003	USS	6	8	3	13424-C	01-117-20520	4075	21S	3W	6	SENE & NESE	100%	12.50%	87.50%
01103-004	USS	6	6	4	13423-C	01-117-20519	3710	21S	3W	6	SENE & SWNE	100%	12.50%	87.50%
01103-005	USS	6	10	5	13422-C	01-117-20518	4020	21S	3W	6	NWSE & NESW	100%	12.50%	87.50%
01103-006	USS	6	4	6	13421-C	01-117-20517	3250	21S	3W	6	N2NW	100%	12.50%	87.50%
01103-007	USS	6	12	7	13420-C	01-117-20516	3725	21S	3W	6	NWSW & SWNW	100%	12.50%	87.50%
01103-008	USS	1	8	8	13416-C	01-117-20512	3680	21S	4W	1	E2NE	100%	12.50%	87.50%
01103-009	USS	1	16	9	13227-C	01-117-20484	3325	21S	4W	1	E2SE	100%	12.50%	87.50%
01103-010	USS	12	2	10	13191-C	01-117-20472	3350	21S	4W	12	W2NE	100%	12.50%	87.50%
01103-011	USS	1	10	11	13290-C	01-117-20491	3400	21S	4W	1	W2SE	100%	12.50%	87.50%
01103-012	USS	1	14	12	13251-C	01-117-20487	3565	21S	4W	1	E2SW	100%	12.50%	87.50%
01103-013	RGGS	1	12	13	13494-C	01-117-20524	3450	21S	4W	1	W2SW	100%	12.50%	87.50%
01103-014	USS	12	6	14	13164-C	01-117-20462	3425	21S	4W	12	E2NW	100%	12.50%	87.50%
01103-015	USS	12	4	15	13162-C	01-117-20460	3605	21S	4W	12	W2NW	100%	12.50%	87.50%
01103-017	USS	2	16	17	13286-C	01-117-20490	3150	21S	4W	2	S2SE	100%	12.50%	87.50%
01103-018	USS	11	9	18	13226-C	01-117-20483	3310	21S	4W	11	N2SE	100%	12.50%	87.50%
01103-019	USS	12	12	19A	13284-C	01-117-20489	3400	21S	4W	12	W2SW	100%	12.50%	87.50%
01103-020	USS	12	16	20	13238-C	01-117-20485	3310	21S	4W	12	E2SE	100%	12.50%	87.50%
01103-021	USS	7	12	21	13291-C	01-117-20492	3590	21S	3W	7	W2SW	100%	12.50%	87.50%
01103-022	USS	7	14	22	13471-C	01-117-20522	3425	21S	3W	7	SESW & SWSE	100%	12.50%	87.50%
01103-023	USS	12	8	23	13192-C	01-117-20473	3820	21S	4W	12	E2NE	100%	12.50%	87.50%
01103-024	USS	7	4	24	13330-C	01-117-20498	3410	21S	3W	7	W2NW	100%	12.50%	87.50%
01103-025	USS	6	14	25	13419-C	01-117-20515	3810	21S	3W	6	S2SW	100%	12.50%	87.50%
01103-026	USS	7	2	26	13425-C	01-117-20521	3650	21S	3W	7	N2NE	100%	12.50%	87.50%
01103-027	USS	6	16	27	13418-C	01-117-20514		21S	3W	6	S2SE	100%	12.50%	87.50%
01103-028	RGGS	8	4	28				21S	3W	8	W2NW	100%	12.50%	87.50%
01103-029	RGGS	8	12	29				21S	3W	8	W2SW	100%	12.50%	87.50%
01103-030	USS	7	16	30	13561-C	01-117-20546		21S	3W	7	E2SE	100%	12.50%	87.50%
01103-031	USS	12	14	31	13163-C	01-117-20461	3480	21S	4W	12	E2SW	100%	12.50%	87.50%
01103-033	USS	13	4	33	13165-C	01-117-20463	3300	21S	4W	13	N2NW	100%	12.50%	87.50%
01103-034	USS	11	16	34	13073-C	01-117-20453	3315	21S	4W	11	S2SE	100%	12.50%	87.50%
01103-035	USS	14	8	35	13166-C	01-117-20464	3120	21S	4W	14	S2NE	100%	12.50%	87.50%
01103-037	USS	14	2	37	13075-C	01-117-20455	3200	21S	4W	14	N2NE	100%	12.50%	87.50%
01103-038	USS	11	11	38	13078-C	01-117-20458	3350	21S	4W	11	N2SW	100%	12.50%	87.50%
01103-039	USS	11	7	39	13077-C	01-117-20457	3155	21S	4W	11	W2NE	100%	12.50%	87.50%
01103-040	USS	11	13	40	13079-C	01-117-20459	3400	21S	4W	11	S2SW	100%	12.50%	87.50%

Page 2 of 4

Property Number	GeoMet Well Name and Number				Permit #	API Number	Total Depth Drilled	Twp	Rng	Sec	Unit Description	GeoMet Working Interest	Total Royalty	GeoMet NRI
01103-042	USS	10	16	42	13074-C	01-117-20454	3085	21S	4W	10	S2SE	100%	12.50%	87.50%
01103-043	USS	10	9	43	13250-C	01-117-20486	3025	21S	4W	10	N2SE	100%	12.50%	87.50%
01103-044	RGGS	15	4	44	13550-C	01-117-20538	3080	21	4W	15	NWNW	100%	12.50%	87.50%
01103-046	RGGS	10	14	46	13562-C	01-117-20547	3080	21S	4W	10	S2SW	100%	12.50%	87.50%
01103-048	USS	15	8	48	12777-C	01-117-20450	1975	21S	4W	15	SENE	100%	12.50%	87.50%
01103-049	USS	15	7	49	12757-C	01-117-20449	1920	21S	4W	15	SWNE	100%	12.50%	87.50%
01103-050	USS	15	11	50	12853-C	01-117-20451	3375	21S	4W	15	SENE & NESW	100%	12.50%	87.50%
01103-051	USS	15	2	51	13076-C	01-117-20456	2390	21S	4W	15	NWNE & NENW	100%	12.50%	87.50%
01103-055	USS	14	10	55	13564-C	01-117-20549	2540	21S	4W	14	W2SE	100%	12.50%	87.50%
01103-056	USS	24	4	56	13295-C	01-117-20496	3450	21S	4W	24	W2NW	100%	12.50%	87.50%
01103-057	USS	23	8	57	13180-C	01-117-20467	3355	21S	4W	23	E2NE	100%	12.50%	87.50%
01103-058	USS	23	6	58	13178-C	01-117-20465	3025	21S	4W	23	E2NW	100%	12.50%	87.50%
01103-059	USS	23	2	59	13179-C	01-117-20466	2610	21S	4W	23	W2NE	100%	12.50%	87.50%
01103-061	USS	22	2	61	13294-C	01-117-20495	3060	21S	4W	22	N2NE	100%	12.50%	87.50%
01103-062	USS	15	16	62	13292-C	01-117-20493	3100	21S	4W	15	S2SE	100%	12.50%	87.50%
01103-063	USS	15	10	63	13184-C	01-117-20471	3000	21S	4W	15	N2SE	100%	12.50%	87.50%
01103-066	USS	23	4	66	13181-C	01-117-20468	3000	21S	4W	23	W2NW	100%	12.50%	87.50%
01103-067	USS	22	7	67	13337-C	01-117-20500	3240	21S	4W	22	SWNE & SENW	100%	12.50%	87.50%
01103-069	USS	22	3	69	13293-C	01-117-20494	3000	21S	4W	22	N2NW	100%	12.50%	87.50%
01103-070	RGGS	22	12	70	13516-C	01-117-20537	3410	21S	4W	22	NWSW & NESE of 21	100%	12.50%	87.50%
01103-071	USS	22	5	71	13336-C	01-117-20499	3210	21S	4W	22	SWNW	100%	12.50%	87.50%
01103-072	RGGS	21	7	72				21S	4W	21	S2NE	100%	12.50%	87.50%
01103-079	USS	28	9	79	13563-C	01-117-20548	3250	21S	4W	28	N2SE	100%	12.50%	87.50%
01103-080	USS	33	10	80				21S	4W	33	N2SE	100%	12.50%	87.50%
01103-081	RGGS	28	8	81				21S	4W	28	S2NE	100%	12.50%	87.50%
01103-083	RGGS	21	16	83				21S	4W	21	SESE	100%	12.50%	87.50%
01103-086	RGGS	33	2	86	13502-C	01-117-20532	3560	21S	4W	33	N2NE	100%	12.50%	87.50%
01103-087	RGGS	28	16	87	13501-C	01-117-20531	3600	21S	4W	28	S2SE	100%	12.50%	87.50%
01103-088	RGGS	33	11	88	13515-C	01-117-20536	3550	21S	4W	33	N2SW	100%	12.50%	87.50%
01103-089	RGGS	33	8	89	13503-C	01-117-20533	3260	21S	4W	33	S2NE	100%	12.50%	87.50%
01103-090	RGGS	22	14	90	13500-C	01-117-20530	3710	21S	4W	22	S2SW	100%	12.50%	87.50%
01103-091	RGGS	34	4	91	13505-C	01-117-20535	3525	21S	4W	34	W2NW	100%	12.50%	87.50%
01103-092	USS	27	12	92	13367-C	01-117-20505	3235	21S	4W	27	W2SW	100%	12.50%	87.50%
01103-093	USS	27	14	93	13368-C	01-117-20506	3595	21S	4W	27	E2SW	100%	12.50%	87.50%
01103-094	RGGS	34	6	94	13555-C	01-117-20543	3860	21S	4W	34	SENE	100%	12.50%	87.50%
01103-095	RGGS	34	10	95	13554-C	01-117-20542	3575	21S	4W	34	N2SE	100%	12.50%	87.50%
01103-096	RGGS	34	12	96	13504-C	01-117-20534	3350	21S	4W	34	N2SW	100%	12.50%	87.50%
01103-101	USS	35	2	101	13392-C	01-117-20509		21S	4W	35	N2NE	100%	12.50%	87.50%
01103-104	RGGS	24	14	104				21S	4W	24	S2SW	100%	12.50%	87.50%
01103-105	RGGS	24	8	105				21S	4W	24	E2NW	100%	12.50%	87.50%
01103-106	RGGS	24	12	106				21S	4W	24	N2SW	100%	12.50%	87.50%
01103-107	USS	26	10	107	13377-C	01-117-20507	3500	21S	4W	26	W2SE	100%	12.50%	87.50%

Page 3 of 5

Property Number	GeoMet Well Name and Number				Permit #	API Number	Total Depth Drilled	Twp	Rng	Sec	Unit Description	GeoMet Working Interest	Total Royalty	GeoMet NRI
01103-108	USS	26	8	108	13220-C	01-117-20477	3715	21S	4W	26	S2NE	100%	12.50%	87.50%
01103-109	USS	26	2	109	13219-C	01-117-20476	3600	21S	4W	26	N2NE	100%	12.50%	87.50%
01103-110	USS	23	16	110	13222-C	01-117-20479	3400	21S	4W	23	E2SE	100%	12.50%	87.50%
01103-111	USS	23	10	111	13221-C	01-117-20478	3110	21S	4W	23	W2SE	100%	12.50%	87.50%
01103-112	RGGS	26	14	112	13551-C	01-117-20539	3525	21S	4W	26	E2SW	100%	12.50%	87.50%
01103-113	USS	26	12	113	13394-C	01-117-20550	3800	21S	4W	26	W2SW	100%	12.50%	87.50%
01103-114	USS	26	6	114	13582-C	01-117-20475	3300	21S	4W	26	S2NW	100%	12.50%	87.50%
01103-115	USS	27	16	115	13362-C	01-117-20502	3775	21S	4W	27	S2SE	100%	12.50%	87.50%
01103-116	USS	27	10	116	13378-C	01-117-20508	3750	21S	4W	27	N2SE	100%	12.50%	87.50%
01103-117	USS	27	8	117	13363-C	01-117-20503	3600	21S	4W	27	S2NE	100%	12.50%	87.50%
01103-118	USS	27	6	118	13366-C	01-117-20504	3460	21S	4W	27	SENE	100%	12.50%	87.50%
01103-119	USS	27	2	119	13361-C	01-117-20501	3020	21S	4W	27	N2NE	100%	12.50%	87.50%
01103-121	USS	23	14	121	13252-C	01-117-20488	3355	21S	4W	23	E2SW	100%	12.50%	87.50%
01103-122	USS	22	16	122	13224-C	01-117-20481	3355	21S	4W	22	S2SE	100%	12.50%	87.50%
01103-123	USS	23	12	123	13182-C	01-117-20469	3250	21S	4W	23	W2SW	100%	12.50%	87.50%
01103-125	USS	22	8	125	13183-C	01-117-20470	3350	21S	4W	22	SENE & NESE	100%	12.50%	87.50%
01103-126	USS	26	4	126	13217-C	01-117-20474	3450	21S	4W	26	N2NW	100%	12.50%	87.50%
01103-127	RGGS	26	16	127				21S	4W	26	E2SE	100%	12.50%	87.50%
01103-128	RGGS	34	2	128	13553-C	01-117-20541	3830	21S	4W	34	N2NE	100%	12.50%	87.50%
01103-139	USS	22	10	139	13223-C	01-117-20480	3610	21S	4W	22	NWSE & NESW	100%	12.50%	87.50%
01103-140	USS	15	5	140	13300-C	01-117-20497	3120	21S	4W	15	SWNW	100%	12.50%	87.50%
01103-141	USS	7	10	141	13393-C	01-117-20510	3510	21S	3W	7	NWSE & NESW	100%	12.50%	87.50%
01103-143	RGGS	1	6	143	13496-C	01-117-20526	2950	21S	4W	1	S2NW	100%	12.50%	87.50%
01103-144	RGGS	1	2	144	13495-C	01-117-20525	2750	21S	4W	1	W2NE	100%	12.50%	87.50%
01103-145	RGGS	33	16	145	13552-C	01-117-20540	2810	21S	4W	33	S2SE	100%	12.50%	87.50%
01103-146	RGGS	7	6	146	13560-C	01-117-20545	3575	21S	3W	7	E2NW	100%	12.50%	87.50%
01103-147	RGGS	11	1	147	13499-C	01-117-20529	3575	21S	4W	11	E2NE	100%	12.50%	87.50%
01103-148	RGGS	11	13	148A	13618-C	01-117-20551	3475	21S	4W	11	N2NW	100%	12.50%	87.50%
01103-149	RGGS	11	5	149	13497-C	01-117-20527	3280	21S	4W	11	S2NW	100%	12.50%	87.50%
01103-150	RGGS	10	2	150				21S	4W	10	N2NE	100%	12.50%	87.50%
01103-151	RGGS	36	16	151				20S	4W	36	S2SE	100%	12.50%	87.50%
01103-152	RGGS	31	14	152	13264-C	01-117-20552		20S	3W	31	E2SW	100%	12.50%	87.50%
01103-153	RGGS	31	16	153				20S	3W	31	E2SE	100%	12.50%	87.50%