

This Instrument prepared by:  
CDX Gas, LLC  
5485 Belt Line Rd., Suite 190  
Dallas, TX 75254

## PARTIAL ASSIGNMENT

STATE OF ALABAMA       §  
                                  §       **KNOW ALL MEN BY THESE PRESENTS:**  
COUNTY OF SHELBY     §

WHEREAS, **CDX GAS, LLC**, formerly a Texas limited liability company now reorganized as a Delaware limited liability company, **CDX SEQUOYA, LLC**, a Texas limited liability company, and **CD Exploration, Inc.**, an Oklahoma corporation, all with addresses of 5485 Belt Line Road, Suite 190, Dallas, Texas 75254, and **W. Ray Wallace**, a resident of the state of Texas, whose address is 5500 Preston Road, Suite 220, Dallas, Texas 75205, hereinafter referred to collectively as "Assignor" and **GEOMET, INC.**, a Delaware corporation, whose address is 5336 Stadium Trace Parkway, Suite 206, Birmingham, Alabama 35244, hereinafter referred to as "Assignee" have entered into a certain unrecorded Agreement dated August 15, 2006 covering certain Coalbed Methane Gas Leases described on the attached Exhibit "A" (the "Leases"); and

WHEREAS, pursuant to the terms and conditions of the Agreement, Assignee is to receive certain rights in and to the Leases, to the extent, and only to the extent that the Leases cover the lands (the "Lands") more particularly described on Exhibit "A". The terms and conditions of the Agreement are incorporated herein by reference for all purpose as if fully stated herein; and

NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00), the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby grant, bargain, assign and convey unto Assignee all of Assignor's right, title and interest in and to the Leases described on the attached Exhibit "A" hereto, and further subject to the reserved overriding royalty interest described below, and only insofar as the Leases cover the Lands, all as more particularly described on the attached Exhibit "A" hereto.

ASSIGNOR excepts from this assignment and reserves from the Lands set out on each of the Leases an overriding royalty interest equal to the difference between royalties, overriding royalties, and other like burdens of record on the Leases as of the effective date of above referenced unrecorded Agreement dated August 15, 2006 and Twenty Percent (20%). If the existing burdens equal Twenty Percent (20%), no overriding royalty is reserved. Total burdens shall not exceed Twenty Percent (20%). Such overriding royalty shall be free and clear of all costs related to exploring, drilling, testing, developing, operating, processing, all transportation charges prior to the point of sale, compression charges, water disposal charges, storage charges, and other claims, charges, expenses and taxes (except severance taxes). With respect to each Lease, the price per MMBTU of natural gas used to calculate the payment of this reserved and assigned overriding royalty shall be the price used to calculate the payment of royalty to the lessor of that Lease.

Assignor warrants and will defend title to the lease acreage herein assigned against any person claiming by, through, or under Assignor, but not otherwise.

Assignee agrees to fully defend, protect, indemnify and hold harmless Assignor, and its employees and agents, from and against each and every claim, demand, action, cause of action, or lawsuit,

ma. Paul



and any liability, cost, expense, damage or loss, including court costs and attorney's fees, that may be asserted against Assignor or Assignee, including Assignee's employees and agents, arising from or on account of any operations conducted by Assignee, or caused or permitted to be conducted by Assignee on or in connection with the Lands.

From and after the effective date of this Assignment, Assignee and subsequent holders of the working interest shall be liable for and shall assume all obligations and perform all duties resulting from the ownership of the Lease or imposed by the lessor or the Lease or by any governmental authority asserting jurisdiction over the acreage covered by the Lease, including, without limitation, cost or obligations to plug and abandon wells, cleanup well or production sites, or any other obligations arising under applicable laws and regulations pertaining to the status of well sites.

To the extent that less than one hundred percent of the leasehold interest in a Lease is assigned hereunder, the reserved overriding royalty interest shall be proportionately reduced.

GeoMet, Inc. hereby accepts and agrees to perform the Minimum Drilling Commitments, and produce the minimum production or in the alternative, pay the minimum royalty based upon minimum production as set out in that certain Consent Letter dated June 27, 2006, which is made a part hereof by reference as if printed fully herein, as to the assigned acreage described in Exhibit "A" and hereby agrees to abide by the terms and provisions of that certain Corrected and Restated Coalbed Methane Gas Lease dated July 9, 2004, between Alabama Power Company and Southern Electric Generating Company, collectively as Lessor, and CDX Gas, LLC and CDX Sequoya, LLC, collectively as Lessee, as amended, as to the assigned acreage described in Exhibit "A".

GeoMet, Inc. hereby accepts and agrees to perform the Minimum Drilling Commitments, and pay the Advance Minimum Royalty Payments as set out in that certain Consent Letter dated July 24, 2006, which is made a part hereof by reference as if printed fully herein, as to the assigned acreage described in Exhibit "A" and hereby agrees to abide by the terms and provisions of that certain Coalbed Methane Gas Lease dated October 12, 2004, between Bowater Alabama Inc., as Lessor, and CDX Sequoya, LLC, as Lessee, as to the assigned acreage described in Exhibit "A".

GeoMet, Inc. hereby accepts and agrees to perform the Minimum Drilling Commitments, and pay the Advance Minimum Royalty Payments as set out in that certain Consent Letter dated July 12, 2006, which is made a part hereof by reference as if printed fully herein, as to the assigned acreage described in Exhibit "A" and hereby agrees to abide by the terms and provisions of that certain Coalbed Methane Gas Lease dated November 29, 2004, between Kimberly-Clark Corporation, as Lessor, and CDX Sequoya, LLC, CDX Gas, LLC and CD Exploration Inc., collectively, as Lessee, as to the assigned acreage described in Exhibit "A".

The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of Assignor and Assignee, and their respective successors and assigns; and such terms, covenants and conditions shall be covenants running with the interests assigned and with each conveyance thereof.

This instrument may be executed in counterparts, no one of which needs to be executed by all parties hereto. Each counterpart shall be binding upon the executory party thereto as fully as if all parties had executed one instrument and said parties may combine said counterparts to form one single instrument for recording purposes.



IN WITNESS WHEREOF, this assignment is executed and effective for all purposes as of the 1<sup>st</sup>  
day of November, 2006.

ASSIGNOR:

CDX SEQUOYA, LLC

X

By: Gilbert A. Smith

Its: Vice President

CDX GAS, LLC

X

By: Gilbert A. Smith

Its: Vice President

CD EXPLORATION, INC

X

By: Gilbert A. Smith

Its: Vice President

W. RAY WALLACE

By: W. Ray Wallace

W. Ray Wallace

ASSIGNEE:

GEOMET, INC.

X

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

Its: CON



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Shelby Cnty Judge of Probate, AL  
12/15/2006 12:39:38PM FILED/CERT

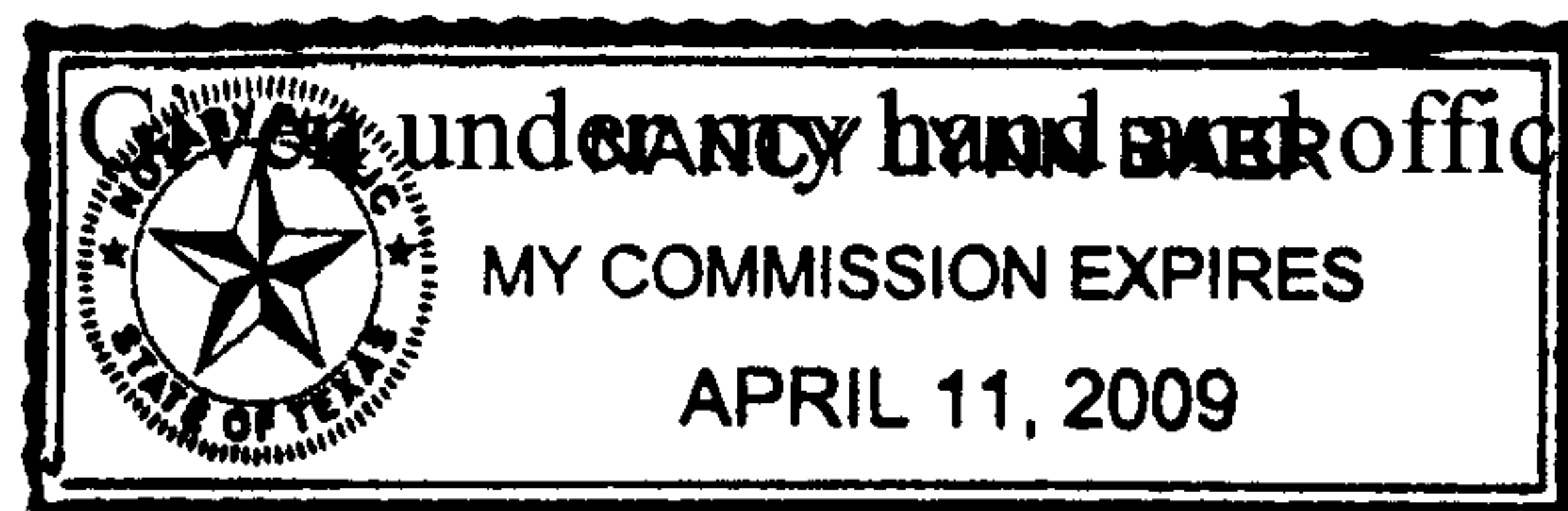
THE STATE OF TEXAS

§

COUNTY OF DALLAS

§

I, Nancy Lynn Baer, a Notary Public in and for said County in said State, hereby certify that Gilbert A. Smith as Vice President of CDX Sequoya, LLC a Texas limited liability company, who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.



Given under my hand and official seal this the 16<sup>th</sup> day of November, 2006.

Nancy Lynn Baer  
Notary Public, State of Texas

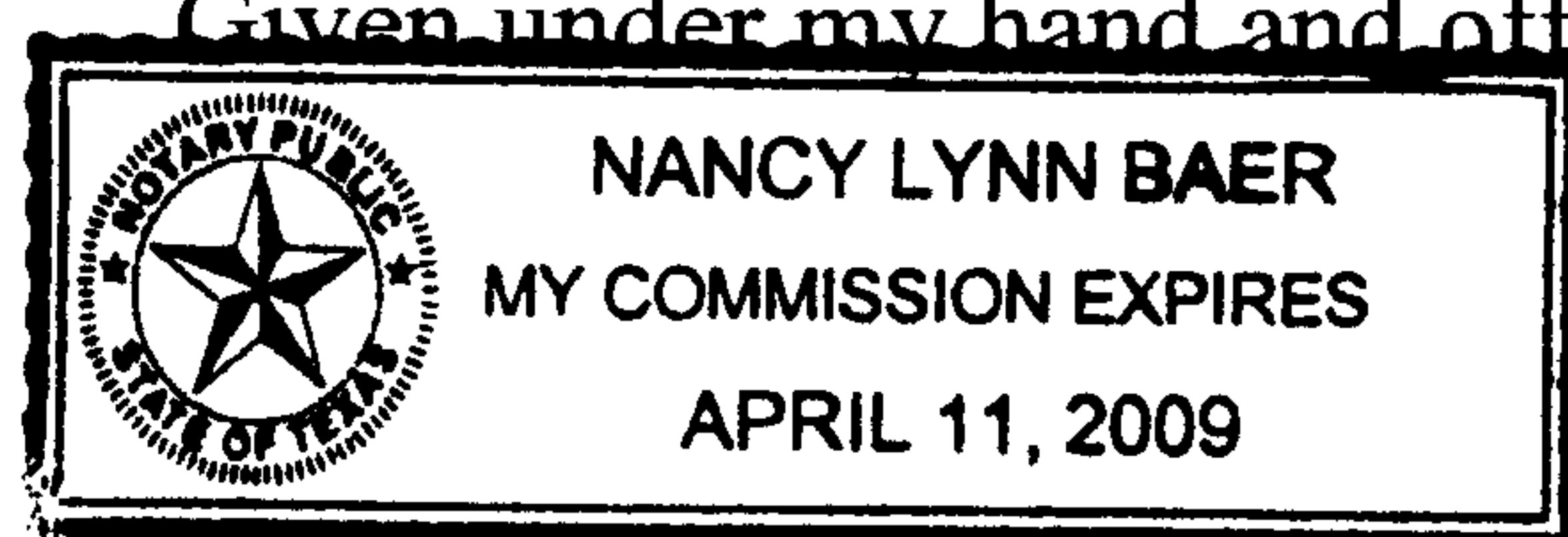
THE STATE OF TEXAS

§

COUNTY OF DALLAS

§

I, NANCY Lynn Baer, a Notary Public in and for said County in said State, hereby certify that Gilbert A. Smith as Vice President of CDX Gas, LLC a Delaware limited liability company, who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.



Given under my hand and official seal this the 16<sup>th</sup> day of November, 2006.

Nancy Lynn Baer  
Notary Public, State of Texas

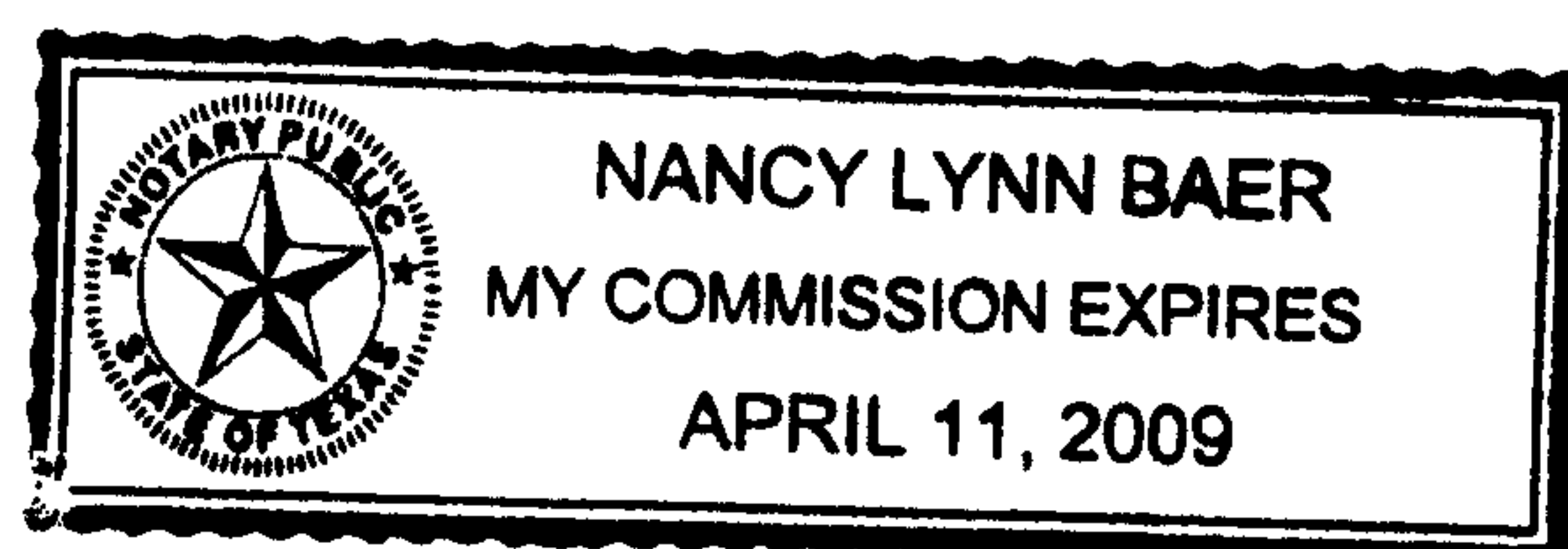
THE STATE OF TEXAS

§

COUNTY OF DALLAS

§

I, Nancy Lynn Baer, a Notary Public in and for said County in said State, hereby certify that Gilbert A. Smith as Vice President of CD Exploration, Inc., an Oklahoma corporation, who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.



Given under my hand and official seal this the 16<sup>th</sup> day of November, 2006.

Nancy Lynn Baer  
Notary Public, State of Texas

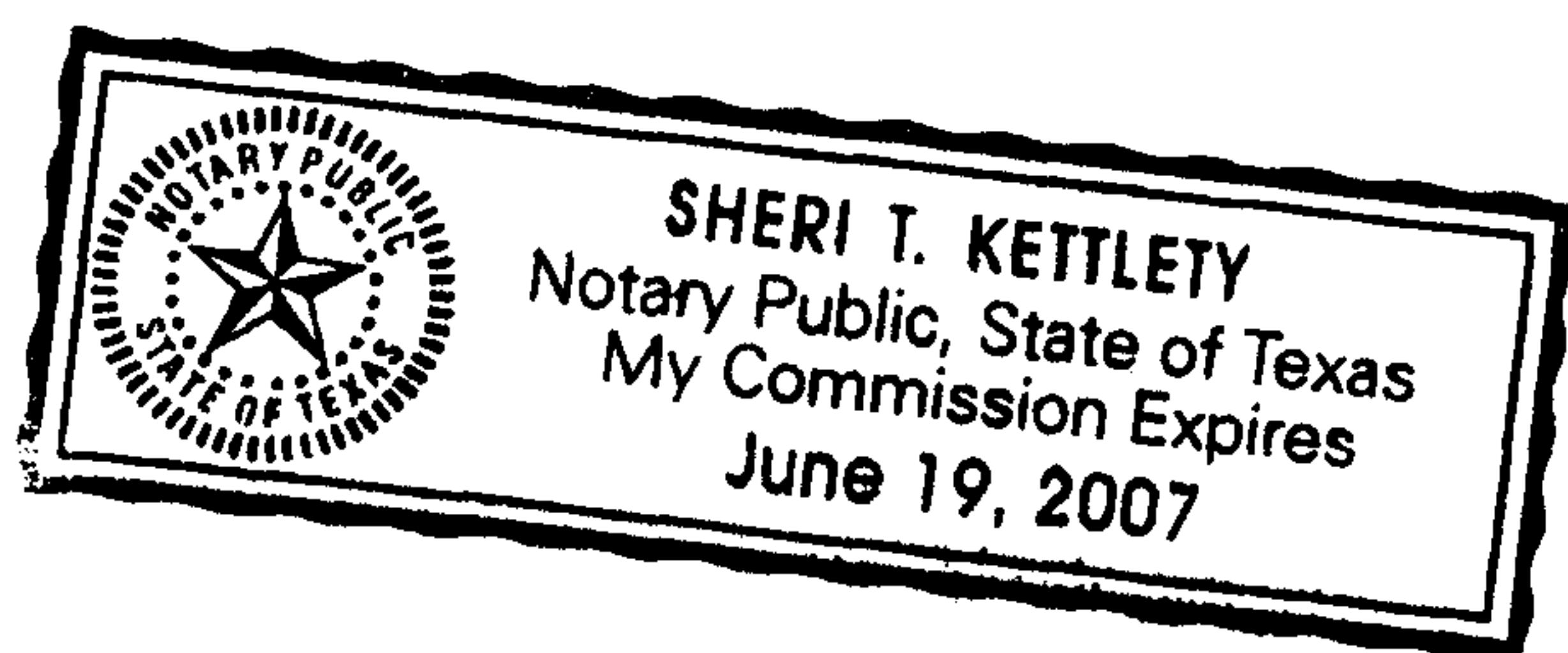


THE STATE OF Texas §  
COUNTY OF Dallas §

20061215000611770 5/6 \$29.00  
Shelby Cnty Judge of Probate, AL  
12/15/2006 12:39:38PM FILED/CERT

I, Sheri T. Kettley, a Notary Public in and for said County in said State, hereby certify that W. Ray Wallace, an individual, whose name is signed to the foregoing, and who is known to me, acknowledged before me on this day that, being informed of the contents of foregoing instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 16<sup>th</sup> day of November, 2006.

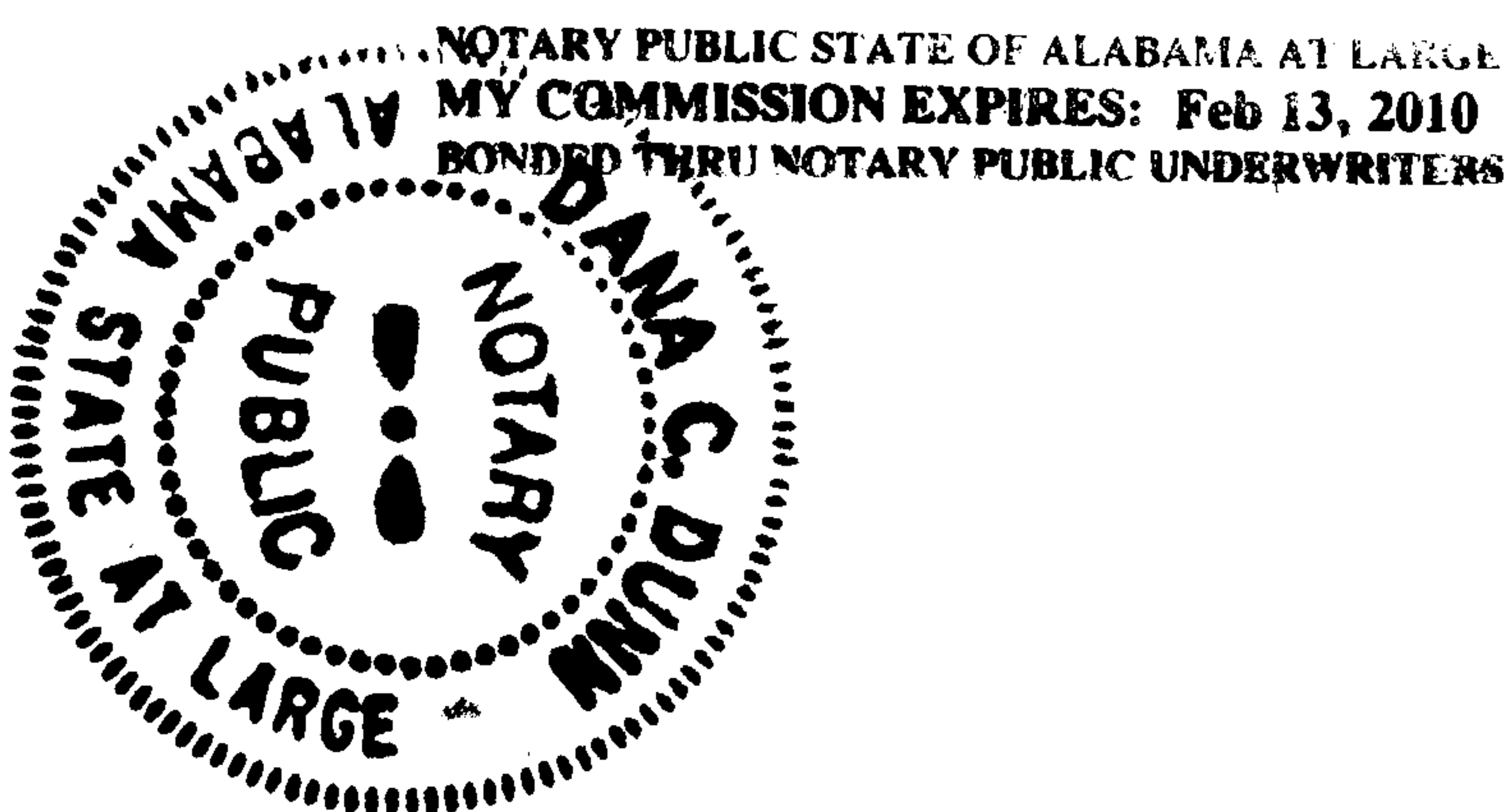


[Signature]  
Notary Public, State of Texas

THE STATE OF Alabama §  
COUNTY OF Jefferson §

I, Dana C. Dunn, a Notary Public in and for said County in said State, hereby certify that J. Neil Walden, Jr. as Vice President of GeoMet, Inc., a Delaware corporation, who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 20<sup>th</sup> day of November, 2006.



[Signature]  
Notary Public, State of Alabama

**EXHIBIT "A"**

attached to and made a part of that certain Partial Assignment dated effective as of the 1<sup>st</sup> day of November, 2006, between CDX Sequoya, LLC, et al, as Assignor and GEOMET, INC., as Assignee.

TOWNSHIP 21 SOUTH, RANGE 4 WEST, SHELBY COUNTY, ALABAMA

Section 15: West Half of Southwest Quarter (W/2 SW/4); and  
Southeast Quarter of Southwest Quarter (SE/4 SW/4). 120 Acres  
Section 16: All. 640 Acres

LEASE NO. 1: COALBED METHANE GAS LEASE  
Lessor: Alabama Power Company and Southern Electric Generating Company  
Lessee: CDX Gas, LLC and CDX Sequoya, LLC  
Date: July 9, 2004  
Primary Term: Five years  
Filed: Memorandum filed March 23, 2005  
Recorded: Memorandum recorded at 2005/131220

LEASE NO. 2: COALBED METHANE GAS LEASE  
Lessor: Bowater Alabama, Inc.  
Lessee: CDX Sequoya, LLC  
Date: October 12, 2004  
Primary Term: Five years  
Filed: Memorandum filed March 3, 2005  
Recorded: Memorandum recorded at 2005/100960

LEASE NO. 3: COALBED METHANE GAS LEASE  
Lessor: Kimberly-Clark Corporation  
Lessee: CDX Sequoya, LLC and CDX Gas, LLC and CD Exploration, Inc.  
Date: November 29, 2004  
Primary Term: Five years  
Filed: Memorandum filed March 3, 2005  
Recorded: Memorandum recorded at 2005/100950