

STATE OF ALABAMA)
)
SHELBY COUNTY)

Contract No. SPR 12-07-010

SUBMERGED PIPELINE RIGHT-OF-WAY CONTRACT

KNOW ALL MEN BY THESE PRESENTS, that the State of Alabama, Department of Conservation and Natural Resources, Division of State Lands, acting by and through its Commissioner (hereinafter referred to as GRANTOR), for and in consideration of the sum of FIVE THOUSAND AND 00/100 DOLLARS (\$5,000.00), and other valuable consideration, in hand paid to the GRANTOR by GEOMET, INC., 5336 STADIUM TRACE PARKWAY, SUITE 206, BIRMINGHAM, ALABAMA 35244 (hereinafter referred to as GRANTEE) the receipt of which is acknowledged, and for and in consideration of the covenants, stipulations, conditions, and other valuable considerations elsewhere provided herein, does hereby grant unto the GRANTEE, the nonexclusive right and privilege to lay, construct, maintain, operate, alter, repair, replace and remove one sixteen (16") inch pipeline, 8.43 rods in length, for the transportation of produced water from coalbed methane gas wells, over, and through the following described land, situated in Shelby County, Alabama, to-wit:

The submerged water bottoms of the Cahaba River located in Township 21 South, Range 4 West, Section 9, Shelby County, Alabama, which property is more particularly described on that plat accompanying U.S. Army Corps of Engineers Application Number ALNW04-02431-K, which property is more particularly shown on Exhibit "A", attached hereto and made a part hereof.

1. **RIGHTS AND PRIVILEGES:** The rights and privileges herein granted shall include the right to replace said pipeline(s) with one(s) of an equal or smaller class as prescribed in applicable rules and regulations of the Department of Conservation and Natural Resources and shall be exercised over a course of up to, but not in excess of two (2') feet in width to revert to one and one-half (1.5') feet after construction. The route of the pipeline(s) is reflected on the plat marked Exhibit "A," which is incorporated herein and made a part of hereof.

2. **RESERVATION OF RIGHTS:** The GRANTOR for itself and its grantees, reserves the right to fully use and enjoy the said premises subject to the rights herein granted.

3. **ABATEMENT OF CONSTRUCTION:** The granting of this right-of-way shall not be a bar or defense to the right of the State of Alabama and its agencies, boards and commissions to take any or all action necessary to seek abatement of construction or operations that unreasonably or unlawfully interfere with or disturb the existing ecological regimen, including but not limited to the fishing or recreational industries, and to take action for any and all damage to the existing ecological regimen which does not result from a reasonable exercise of the rights herein granted.

4. **TERM OF CONTRACT:** It is understood and agreed that this right-of-way is for a term of TEN (10) YEARS, beginning August 22, 2012 and expiring at midnight August 21, 2022 with option to renew for additional terms as requested by GRANTEE, none of which may exceed ten years. The option to renew shall be on the same terms and conditions as the original agreement except that the consideration shall be adjusted to the rate in effect at the time of the renewal.

5. **COMPLIANCE WITH RULES AND ORDERS:** GRANTEE shall comply with all rules or orders which the Commissioner of Conservation and Natural Resources may from time to time determine to be proper and necessary in order to promote public safety and provide protection and conservation of the natural resources of public lands and waters. Specifically, Grantee shall mark both sides of the work corridor (a) during daylight hours with protruding poles and attached flagging, and (b) during hours of darkness with battery pack lights attached to protruding poles. A "safe crossing" point shall be designated ahead of and/or behind the working lay barge, which shall be properly marked and lighted for safety during hours of darkness.

6. **FILING OF PLAT:** It is further agreed that after the completion of the construction of the pipeline(s), GRANTEE shall file in the office of the Director of the Division of State Lands, Department of Conservation and Natural Resources, a plat showing the actual location of the pipeline(s) on the above described lands.

7. **INDEMNIFICATION**: GRANTEE agrees that due care shall be exercised in the construction, operation, and removal of the pipeline(s) and appurtenances and that GRANTEE shall be fully and solely responsible for and shall defend, protect, indemnify and hold the State of Alabama, its agencies, boards, and commissions free and harmless from and against any and all claims for damages and all costs and expenses arising out of or incidental to GRANTEE'S exercise of the rights herein granted.

8. **FORFEITURE AND TERMINATION**: It is understood and agreed that non-use of the right-of-way for a continuous period of two (2) years shall operate as a forfeiture by GRANTEE of this grant and consideration, and that all rights hereunder shall be thereupon terminated except when existing causes of force majeure actually prevent the use of the right-of-way and satisfactory evidence thereof is submitted to the Commissioner of Conservation and Natural Resources. In the event of such forfeiture, or termination for any cause, the GRANTEE shall have a period of 120 days from date of notice of forfeiture or termination to remove the pipeline(s) and appurtenances from the right-of-way, provided that GRANTEE restores such area of the grant disturbed by the removal as near as practicable to its natural state.

9. **ABANDONMENT OF PIPELINE**: Subject to the approval of the Commissioner of Conservation, GRANTEE shall be allowed to abandon in place the pipelines installed under this application, following industry acceptable abandonment procedures which include purging of all hydrocarbons, capping of buried lines and removal of all pipeline risers.

10. **ASSIGNMENT**: No assignment of any interest granted herein (not applicable to mortgage, deed of trust, pledge or other security contract, consent to which by GRANTOR shall not be required) will be effective without the prior written approval of the Commissioner of Conservation and Natural Resources, and the payment of such assignment fee as may be required by rules and regulations of the Department of Conservation and Natural Resources.

11. **ENFORCEMENT OF RIGHTS AND OBLIGATIONS**: Failure of GRANTOR to strictly or promptly enforce the rights and obligations herein shall not operate as a waiver thereof.

12. **COMPLIANCE WITH ALABAMA LAWS AND VENUE**: GRANTEE agrees that the Laws of the State of Alabama shall govern and be controlling and binding over the provisions of the rights herein granted, and that, notwithstanding any provision to the contrary, the venue of any legal action brought in connection herewith shall be the circuit court of Montgomery County, Alabama.

13. **NONDISCRIMINATION**: GRANTEE further agrees to comply with all state and federal laws which prohibit discrimination on the basis of race, color, religion, age, gender, national origin or disability.

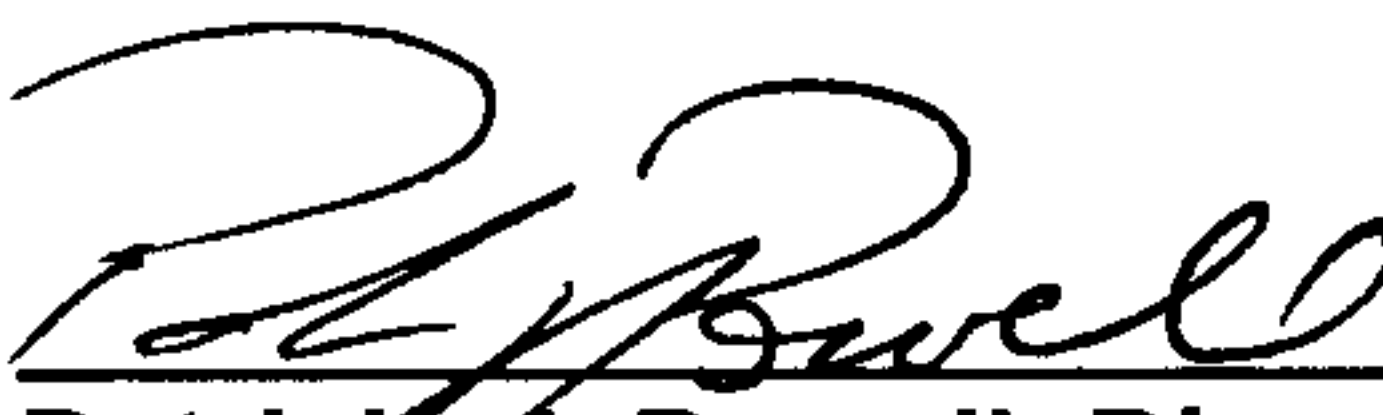
TO HAVE AND TO HOLD said rights and privileges unto said GRANTEE, without warranty and without recourse, until such pipeline(s) is constructed and so long as a pipeline is maintained thereon during the term hereof.

IN WITNESS WHEREOF, the State of Alabama, Department of Conservation and Natural Resources, has caused this instrument to be executed on the 22nd day of August, 2012.

STATE OF ALABAMA

RECOMMENDED:

Department of Conservation
And Natural Resources


Patricia J. Powell, Director
State Lands Division


N. Gunter Guy, Jr., Commissioner

CONTRACT ACCEPTED:
GEOMET, INC.

BY: Beth Chapman

ITS: SVP- OPERATIONS

APPROVED:

ATTEST:

Robert Bentley
Robert Bentley
Governor

Beth Chapman
Beth Chapman
Secretary of State

STATE OF ALABAMA)
MONTGOMERY COUNTY)

I, the undersigned authority a Notary Public in and for said State and County, hereby certify that N. Gunter Guy, Jr., whose name as Commissioner of Conservation and Natural Resources of the State of Alabama is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, in his capacity as such Commissioner of Conservation and Natural Resources of the State of Alabama, executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 22 day of August, 2012.

Paul A. G. Mitchell
Notary Public
 PAUL A. G. MITCHELL
NOTARY PUBLIC
STATE OF ALABAMA
MY COMM. EXP. 4-9-14

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority a Notary Public in and for said State and County, hereby certify that BRETT S. CAMP, whose name as SENIOR VP- OPERATIONS of GEOMET, INC., is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said GEOMET, INC., on the day the same bears date.

Given under my hand and seal this the 6TH day of AUGUST, 2012.

Jorey L. Steyer
Notary Public
My Commission
Expires 5/18/2016

This instrument prepared by
William A. Gunter, General Counsel
Department of Conservation and Natural Resources
64 North Union Street
Montgomery, Alabama 36130-1901



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Shelby Cnty Judge of Probate, AL
04/10/2013 01:06:16 PM FILED/CERT



VICINITY MAP

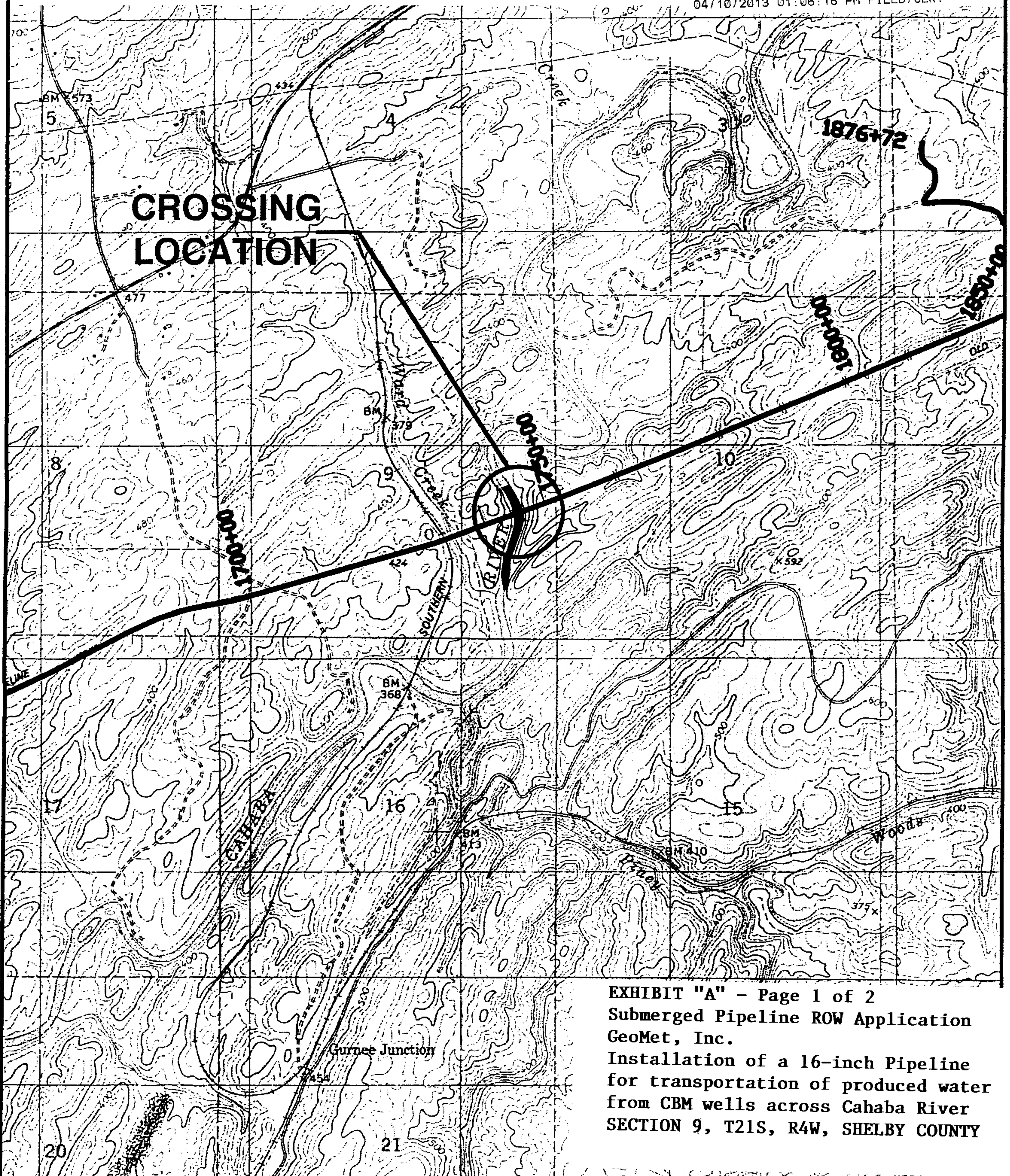


EXHIBIT "A" - Page 1 of 2
Submerged Pipeline ROW Application
GeoMet, Inc.
Installation of a 16-inch Pipeline
for transportation of produced water
from CBM wells across Cahaba River
SECTION 9, T21S, R4W, SHELBY COUNTY

Sentell
Engineering
Inc.

12-07-010

RIVER CROSSING PERMIT
WATERLINE CROSSING CAHABA RIVER
SECTION 9, TOWNSHIP 21 S, RANGE 4 W
SHELBY COUNTY, ALABAMA

FIGURE

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