

**MEMORANDUM OF SUPPLEMENTAL IRRIGATION
AND WATER TREATMENT AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

Pilch Ranch, LLC, with a mailing address of 897 Lower Praire Dog Road, Sheridan, WY 82801 ("Owner") and J. M. Huber Corporation, a New Jersey corporation, with offices located at 1050 17th Street, Suite 700, Denver, CO 80202 ("Huber"), have entered into that certain Supplemental Irrigation and Water Treatment Agreement dated July 19th, 2004 (the "Agreement") covering that real property located in Sheridan County, Wyoming described on the attached Exhibit "A" (the "Lands").

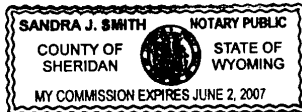
Huber owns oil and gas leases which also cover the Lands. Pursuant to those leases Huber conducts coalbed methane exploration, development and production operations on the Lands. It also produces coalbed methane on the lands of others. Such production results in the production of water. Pursuant to the Agreement, Owner and Huber have agreed upon, among other things, the dispersal of such produced water through the use of irrigation equipment on the Lands and the construction of roads, pipelines and power lines relating to the irrigation equipment. In addition, the parties have agreed upon the manner in which water treatment equipment shall be located on the Lands and the discharge of produced water. The parties have also entered into certain agreements concerning the construction of roads, pipelines and power lines relating to the water treatment equipment.

This Memorandum is executed by Owner and Huber and recorded in Sheridan County, Wyoming to serve as notice of the existence of the Agreement. Owner and Huber each acknowledges it is bound by all the terms and conditions of the Agreement.

A complete copy of the Agreement is maintained at the offices of Huber at the address above. Any person desiring to deal with the Lands may contact Huber to information as to all of the terms of the Agreement.

In witness whereof, the parties have executed this Memorandum of Supplemental Irrigation and Water Treatment Agreement effective as of July 19th, 2004.

PILCH RANCH, LLC



Edward S. Pilch
Edward S. Pilch, Co-Manager

Joe A. Pilch
Joe A. Pilch, Co-Manager

#563607.2
05/18/04 8:50 AM

483149 MEMORANDUM OF AGREEMENT
BOOK 455 PAGE 0412
RECORDED 08/03/2004 AT 08:45 AM
AUDREY KOLTISKA, SHERIDAN COUNTY CLERK

J. M. HUBER CORPORATION

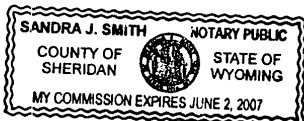
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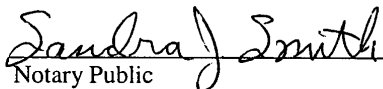
Keith Knapstad
Powder River Basin Asset Team Leader

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 19 day of ^{July, 2004}~~May, 2004~~, by
Edward S. Pilch, Co-Manager of Pilch Ranch, LLC, a Wyoming limited liability company.

Witness my hand and official seal.



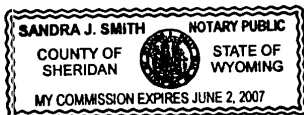

Notary Public

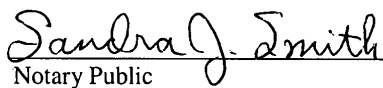
My commission expires: 6/2/07

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 19 day of ^{July, 2004}~~May, 2004~~, by
Joe A. Pilch, Co-Manager of Pilch Ranch, LLC, a Wyoming limited liability company.

Witness my hand and official seal.




Notary Public

My commission expires: 6/2/07

STATE OF COLORADO)
 CITY &) ss.
 COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 20th day of ^{July}~~May~~, 2004,
 by Keith Knapstad, Powder River Basin Asset Team Leader of J. M. Huber Corporation, a New
 Jersey corporation.

Witness my hand and official seal.



My Commission Expires 04/04/2007

Charity J. Goss
 Notary Public
 1050 17th Street, Suite 700
 Denver, CO 80202
 My commission expires: 4/4/2007

Exhibit "A"

Township 57 North, Range 83 West, 6th P.M.

Section 2: Lots 1, 2, 3, 4, SWNW, SENE, S/2

Section 3: Lots 1, 2, 3, 4, S/2N/2, N/2SE, E/2SW

Section 4: S/2N/2, N/2SW, SWSW, SE

Section 5: A tract of land lying East and South of the Beatty Gulch Road situated in the SE and E/2NE of Section 5, more particularly described as follows: Beginning at a point which is 1160 feet South from the NE Corner of said Section 5 (which said point is also located in the center of the Beatty Gulch Road) thence South 55° 50' West 230 feet; thence South 32° 20' West 147 feet; thence South 39° 45' West 285 feet; thence South 50° 30' West 935 feet; thence South 30° 20' West 170 feet; thence South 13° 00' West 445 feet; thence South 5° 00' West 2650 feet to appoint, which point is located on the South line of said Section 5; thence East along the South line of Section 5 to the SE Corner of said Section 5; thence North along the East Boundary line of Section 5 to a point which is located South 1160 feet from the NE Corner of said Section 5, said point being the point beginning, said tract containing 119.00 acres, more or less.

Section 9: NWNE

Section 10: E/2W/2

Section 11: NESW, SWSE, NWSE, NE, SESW, except a 5.9 acre tract of land located in the SESW of Section 11, T57N-R83W, Sheridan County, Wyoming described as follow: Beginning at the SW Corner of said SESW, thence North 0° 41'24" East, 247 feet; thence South 87° 59' 24" East, 1111 feet; thence South 7° 26'30" East, 215 feet more or less to the South line of said SESW; thence North 89° 24'54" West, 1125 feet more or less to the point of beginning. Said tract contains 5.9 acres more or less. NESE except 4.3 acres described as follows: A tract of land located in the NESE of Section 11, T57N-R83W, Sheridan County, Wyoming described as follows: Beginning at the SW Corner of said NESE; thence North 120.9 feet; thence South 0° 31' West.161.9 feet to the SE Corner of said NESE; thence North 89° 15' West, 1325 feet to the point of beginning. Said tract contains 4.3 acres, more or less.

Section 14: NWNE, except 3.57 acres described as follows: A tract of land located in the NWNE of Section 14, T57N-R83W, Sheridan County, Wyoming described as follows: Commencing at the SW Corner of the NWNE of Section 14, thence East along the quarter section line to a point, which is 914.22 feet from the SE Corner of the NWNE, thence North 31° 25'05" West 867.92 feet to a point on the center line to the point of beginning.

Section 15: NWNE

Township 58 North, Range 83 West, 6th P.M.

Section 34: E/2SE, S/2SW, W/2SE, SWNE

Section 35: S/2

Containing 2824.96 acres, more or less