

MEMORANDUM OF SURFACE AND DAMAGE AGREEMENT

State: Wyoming

County: Sheridan

Owner: Seven Brothers Ranches, Inc.
1700 Lincoln Street, Suite 4600
Denver, CO 80203

Operator: J. M. Huber Corporation
1050 17th Street, Suite 700
Denver, CO 80265

Effective Date: May 21, 2003

On the Effective Date, stated above, the named Owner and Operator entered into a Surface and Damage Agreement covering the lands described in Exhibit "A" to this Memorandum, for the purposes of exploring for and producing coalbed methane gas.

This Memorandum is executed by Owner and Operator and recorded in the records of the county where the Lands are located to serve as notice of the existence of the Agreement, and the Lands it covers. Owner and Operator each acknowledge they are bound by all of the terms and conditions of the agreement.

A complete copy of the Surface and Damage Agreement is maintained in the offices of Operator, at the address above, and any person or persons desiring to deal with the Lands may contact the Operator to obtain information as to all of the terms of the Agreement.

OWNER:
Seven Brothers Ranches, Inc.

B. Scott Adams

By: B. SCOTT ADAMS

Title: AREA LAND MANAGER

OPERATOR:
J. M. Huber Corporation

Keith Knapstad

By: Keith Knapstad

Title: PRB Asset Team Leader

State of WYOMING)
 County of SHERIDAN)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 8th day of APRIL, 2004, personally appeared B. SCOTT ADAMS known to me to be the identical person(s) who subscribed the name of the maker thereof to the within and foregoing instrument as its ~~REALTOR~~ ^{REALTOR} and acknowledged to me that HE executed the same as HIS free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year last above written.

Lori L. Badgett

My commission expires: 11-13-2007 Notary Public



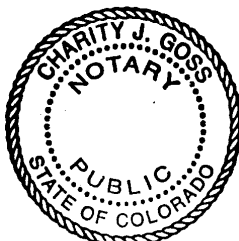
State of Colorado)
 County of Denver)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 8th day of April, 2004, personally appeared Keith J. Knapstad known to me to be the identical person(s) who subscribed the name of the maker thereof to the within and foregoing instrument as its ~~Team leader~~ ^{PRO ASSET} and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year last above written.

Charity J. Goss
 Notary Public

My commission expires: 4/4/2007



My Commission Expires 04/04/2007

EXHIBIT "A"

TOWNSHIP 56 NORTH, RANGE 83 WEST, 6TH P.M.
Section 6: Lots 1,2,3,4,5, S/2NE/4, SE/4NW/4 (a/d/a N/2)