

MEMORANDUM OF SURFACE AND DAMAGE AGREEMENT

State: Wyoming
County: Sheridan

Owner: Clayton Hamilton
Caroline Hamilton
7 Grouse Lane
Sheridan, Wy. 82801

Operator: J. M. Huber Corporation
2266 NORTH MAIN
P. O. Box 6850, Sheridan, Wy, 82801

Effective Date: February 18, 2002

On the Effective Date, stated above, the named Owner and Operator entered into a Surface and Damage Agreement in which Operator owns leasehold interests in Oil & Gas Leases 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: Clayton Hamilton
Clayton Hamilton
Caroline Hamilton
Caroline Hamilton

OPERATOR: J. M. Huber Corp.
David Gomendi
David Gomendi, Operations Manager *wjg*

State of WYOMING)
)ss. Acknowledgement for use by corporation
County of SHERIDAN)

The foregoing instrument was acknowledged before me this 19th of April, 2002 by Clayton and Caroline Hamilton, Husband and Wife.

Witness my hand and official seal.

My commission expires: 10-18-05
COLORADO
State of WYOMING)
DENVER)ss. Acknowledgement for use by corporation
County of SHERIDAN)



The foregoing instrument was acknowledged before me this 14th of MARCH, 2002, by David Gomendi, being duly sworn before me, did say that he is the Operations Manager of JM Huber Corporation, Inc. -Coal Bed Methane Business Unit,

Witness my hand and official seal.

My commission expires: 1-2-02

Janis K. Hayes

EXHIBIT A

Attached to made a part of that certain Surface and Damage Agreement, dated February 18, 2002, between Clayton and Caroline Hamilton, Husband and Wife ("Owner"), whose address is 7 Grouse Lane, Sheridan, Wyoming 82801, and **JM Huber Corporation**, whose address is 1050 17th Street, Suite 700, Denver, CO 80265 ("Operator")

LEGAL DESCRIPTION:

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

Section 1: Lot 4, SW/4NW/4 & That Part Of The NW/4SW/4 Lying North of County Road.