

SURFACE USE AND
HAULAGE AGREEMENT

THIS AGREEMENT, made effective June 1st 2007, by and between Lonesome Country Limited, a Wyoming Corporation, with a mailing address of 426 Lonesome Country Road, Alzada, Montana 59311, (hereinafter called the "Owner") and Bentonite Performance Minerals, a New Jersey limited liability company, with a mailing address of 554 U. S. Hwy 212, Belle Fourche, South Dakota 57717, (hereinafter called "BPM").

W I T N E S S E T H

WHEREAS, the Owner holds surface rights to certain lands situated in Crook County, Wyoming, hereinafter called the "Property", a description of which is set forth in Exhibit "A" which is attached and incorporated by this reference; and

WHEREAS, BPM holds mineral rights and operating interests to certain portions of the Property; and

WHEREAS, the Owner and BPM desire to enter into an agreement for the payment of future usage of the surface occasioned by BPM's mining, hauling and related activities on the Property; and

WHEREAS, the Owner and BPM intend that this Agreement be a covenant running with the Property and to be binding for the duration of its term upon the Owner and BPM, and their respective successors, heirs and assigns.

NOW THEREFORE, in consideration of these premises, and the mutual covenants and conditions set forth, the parties hereto agree as follows:

SECTION 1

TERM OF AGREEMENT

Unless terminated earlier as provided herein, the term of this Agreement shall be for a period of ten (10) years commencing on June 1, 2007 and expiring on May 31, 2017.

BPM is committed to mining all bentonite on the Property that BPM determines to be economically useful to BPM. After BPM has exhausted all such bentonite that, in BPM's sole and absolute judgment, is economical for BPM's use, BPM may elect to terminate this Agreement at any time by providing Owners with thirty (30) days prior written notice.

SECTION 2

PAYMENT FOR SURFACE USAGE

During the term of this Agreement, BPM shall make yearly payments ("Surface Usage Payments") to the Owner, no later than March 31, in the amount of \$250 per acre for each acre that is newly disturbed by BPM during the 12-month period immediately preceding the date on which the Surface Payment is due. However, BPM shall not be required to pay more than \$250 for a particular acre throughout the entirety of the term of this Agreement. If a particular acre is disturbed by BPM during two separate 12-month periods for which a Surface Payment is calculated, BPM shall not be required to make any additional Surface Usage Payment for that particular acre after the initial Surface Usage Payment is made for that particular acre.

The Surface Usage Payment shall be calculated on a per acre basis, and shall be full and complete satisfaction for damages to the surface resulting from surface disturbance occasioned by virtue of BPM's mining, hauling and related activities on the Property.

As used in this Agreement, "Surface Disturbance" shall mean the surface areas from which soils, overburden or bentonite have been removed or deposited thereon. For the purpose of accounting for Surface Disturbance and surface acreage which has actually been disturbed, said acreage shall correspond to the disturbed acreage reported annually by BPM to the Wyoming Department of Environmental Quality.

SECTION 3

GRANTING OF HAULAGE EASEMENT AND PAYMENT OF HAULAGE FEE

3.1 The Owner hereby gives, grants and conveys unto BPM and its successors-in-interest for the term of this Agreement, an easement for the purpose of transporting bentonite ore across over and through all or any portion of the Property.

3.2 As consideration for Owner granting such easement and entering into this Agreement, BPM shall make an advance haulage payment ("Advance Haulage Payment") of ten thousand dollars (\$10,000.00) upon execution of this Agreement. Advance Haulage Payments, of similar amount, shall be made by BPM to Owner on or before the yearly anniversary of the effective date of this Agreement, subject to the earlier termination of this Agreement as described in Section 1.

3.3 Subject to the deduction as stated in Section 3.5 below, as further consideration for Owner granting said easement and entering this Agreement, BPM

shall make additional haulage payments ("Earned Haulage Payment") to Owner, based on the number of tons (2,000 avoirdupois pounds) of bentonite ore that are mined and transported across the Property by BPM.

Said Earned Haulage Payments shall be calculated at the following rates:

<u>For Bentonite hauled During the period:</u>	<u>Payment Per Ton:</u>
June 1, 2007 through May 31, 2012	\$0.20
June 1, 2012 through May 31, 2017	\$0.23

3.4 Subject to Section 3.5 below, BPM shall pay Owner said Earned Haulage Payment annually, within thirty (30) days after the anniversary of the effective date of this Agreement, for bentonite hauled during the 12 months immediately preceding the anniversary date.

3.5 Notwithstanding any of the foregoing, the Earned Haulage Payment shall be reduced by the Advance Haulage Payment as provided in this Section 3.5. When an Earned Haulage Payment comes due, BPM shall first deduct the amount of the Advance Haulage Payment paid to the Owner from the amount of the Earned Haulage Payment. If the amount of the Earned Haulage Payment for a certain 12-month period is less than the amount of the Advance Haulage Payment for such 12-month period, BPM shall not owe an Earned Haulage Payment to the Owner for that 12-month period, and the balance of the Advance Haulage Payment amount shall be carried forward to be applied as a deduction against each succeeding Earned Haulage Payment due the Owner. If the amount of the Earned Haulage Payment for a certain 12-month period is greater than the Advance Haulage Payment (and any carry over of the balance of a Advance Haulage Payment from previous 12-month periods) for such 12-month period, BPM shall pay to Owner the amount by which the Earned Haulage Payment exceeds the Advance Haulage Payment for that 12-month period.

The tonnage of all bentonite removed from the Property shall be determined by weights taken on BPM's certified truck scale at Colony Wyoming. BPM shall keep full and accurate records of all bentonite removed from the Property. Owner shall have the right, during BPM's business hours, to inspect the scale and to audit scale records for all bentonite removed from the Property.

SECTION 4

METHOD OF PAYMENT

BPM shall deliver the Advance Haulage Payment, Earned Haulage Payment (if any), and the Surface Use Payment to the Owner's account #18-546 at the Sundance State Bank in Sundance, Wyoming via wire transfer.

Any change to this method of payment shall be submitted to BPM in writing by Owner at least 30 days prior to the payment due dates.

SECTION 5

MISCELLANEOUS

Memorandum of Agreement. A short form of this Agreement setting forth the pertinent terms necessary for the purpose of giving notice to the public of the rights of both parties shall be filed in a place of record in Crook County, Wyoming.

Weed Control. BPM shall use reasonable efforts to control undesirable weeds on Disturbed Acres detailed in Section 2.

Final Reclamation. BPM shall complete final reclamation by the first Fall following final hauling, Weather permitting. BPM's mining permit with Wyoming Department of Environmental Quality stipulates seeding of topsoiled areas is to take place between October 15th and first freeze of each year.

Enclosure Fence. BPM shall construct and maintain fenced enclosures, consisting of four strands of barbed wire, while mining on the Property. Owner consents to using existing fence, where practical, for the purpose of establishing reasonably secure enclosures. When the enclosure is no longer needed, BPM is responsible for dismantling and removing fence it has constructed, but shall have no responsibility to remove fences not constructed by BPM.

Livestock Losses. BPM shall compensate Owner for Owner's livestock losses directly caused by virtue of BPM's mining and hauling activities

Reservoirs. BPM will cooperate with Owner to establish reservoirs in practical locations during the reclamation process. Reservoirs that need to be removed during mining will be replaced with a reservoir of equal or better condition and capacity.

Obtaining Permits. Owner will use its best efforts and cooperate in good faith with BPM in obtaining necessary local, state and federal operating permits and will consent, in writing, to the mutually agreeable mining and reclamation plan to be submitted to Wyoming Department of Environmental Quality

Deficiency Notice. BPM shall conduct itself in a workman-like manner and maintain a reasonably safe operation at all times while on the Property. In the event BPM fails to do this, Owner may notify BPM in writing via us mail of such deficiency. BPM shall have 30 days after receipt of said notice to correct or address said deficiency.

Annual Accounting. During the term of this agreement, BPM shall remit to the Owner in writing via US mail, no later than March 31, an annual accounting of the acres of Owners Property disturbed by BPM during the preceding calendar year.

SECTION 6

INDEMNIFICATION AND REPRESENTATIONS

So long as this Agreement remains in full force and effect, except to the extent of the negligence or willful misconduct of the Owner, its agents or assigns, and except for those permitted activities and rights granted to BPM under this Agreement, BPM agrees to indemnify, defend and hold the Owner harmless from and against any and all claims, damages, liability and causes of action resulting from or arising out of BPM's negligence or willful misconduct in its operations on the Property as of the effective date of this Agreement.

Except to the extent of the negligence or willful misconduct of the BPM, its employees, agents or assigns, Owner agrees to indemnify, defend and hold BPM harmless from and against any and all claims, damages, liability and causes of action resulting from the negligence or willful misconduct of Owner or Owner's employees, contractors, or agents.

In order to induce BPM to enter into this Agreement, the Owner herewith represents and covenants to BPM that (1) it owns the surface rights to the Property and is empowered to make its grants hereunder; (2) the Agreement does not violate any agreement or instrument respecting the Property to which Owner is a party; and (3) no approvals or consents are required from any third party with respect to Owners entry into this Agreement

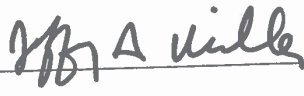
SECTION 7

LAW

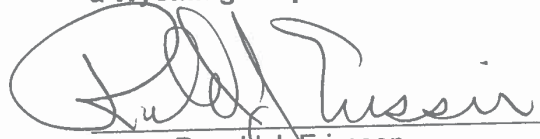
This Agreement, and all of the terms, provisions and conditions hereof, shall be construed and determined in accordance with the laws of the State of Wyoming.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date written above.

**BENTONITE PERFORMANCE
MINERALS, a New Jersey
Limited Liability Company**

By 
Vice President

**LONESOME COUNTRY LIMITED,
a Wyoming Corporation - Owner**


Ronald J. Ericsson
President

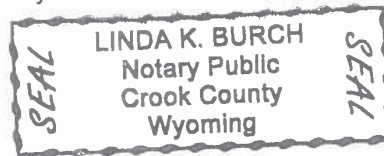
APPROVED
Law Dept.
By 
Date 5/1/02

STATE OF Wyoming)
) ss.
COUNTY OF Crook)

On this 1 day of June, 2007, personally appeared before me, a Notary Public in and for the county and state aforesaid, Ronald J. Ericsson, known to me to be the person whose name is subscribed to the within instrument as President of Lonesome Country Limited, and who acknowledged to me that he subscribed the name of said corporation thereto as principal, and his own name as President freely and voluntarily and for the uses and purposes therein mentioned.

Linda K Burch
Notary Public

My Commission Expires: 4-15-09



STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 6 day of June, 2007, personally appeared before me, a Notary Public in and for the county and state aforesaid, Jeff A. Miller, known to me to be the person whose name is subscribed to the within instrument as Vice President of Bentonite Performance Minerals, LLC, and who acknowledged to me that he subscribed the name of said corporation thereto as principal, and his own name as Vice President freely and voluntarily and for the uses and purposes therein mentioned.

Heann Biles
Notary Public

My Commission Expires: 02-28-2008

EXHIBIT A

PROPERTY

STATE OF WYOMING, COUNTY OF CROOK

ACRES

Township 56 North, Range 62 West, 6th P. M.

Section 3	Lot 17 (SWSW),	37.18
Section 4,	Lots 8, 9 (W2NW); Lots 17, 18, 19, 20 (S2S2);	226.02
Section 5	ALL	672.76
Section 6	Lots 8, 9, 14, 15, 16, 17, 22, 23 (E2); Lots 10, 13 (E2NW);	443.20

Township 57 North, Range 62 West, 6th P. M.

Section 31	SENE, Lots 10, 11, 14, 15 (SE); Lots 12, 13 (E2SW);	326.34
Section 32:	SW4NW4, <u>Lots 10, 11 (W2SW4);</u>	122.14
TOTAL ACRES		<u>1827.64</u>