



3752019 02/23/2011 03:17P Weld County, CO
5 of 13 R 71.00 D 0.00 Steve Moreno Clerk & Recorder

Exhibit "B"

Attached to and made a part of that certain Oil and Gas Lease dated the 22nd day of February, 2011 and between James G. Postle an Individual, and as President of Postle Properties III, LLC as Lessor and HRM Resources, LLC as Lessee.

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is made and entered into this 27th day of December, 2010, between Jim Postle and Postle Properties III, LLC, whose address is 3168 5th. St., Boulder, CO 80304 ("OWNER"), and HRM Resources, LLC, a Colorado Corporation, whose address is 555 17th St., Suite 950, Denver, Colorado 80202 ("COMPANY").

RECITALS

A. OWNER is the owner of the surface estate for approximately 370 acres, more or less, in that tract of land covering parts of Section 2, 11 and 12 Township 3 North, Range 68 West, Weld County, Colorado and more particularly described on Exhibit "A" (the "Property") attached hereto and made a part hereof.

B. OWNER owns the mineral estate underlying the Property. The mineral estate in and under the Property is or shall be, upon execution of the oil and gas lease by and between the parties hereto and of even date herewith, subject to valid and subsisting oil and gas lease (the "Lease"), which is owned in part by COMPANY and others. OWNER owns certain royalty interests under the Leases.

C. Colorado Oil & Gas Conservation Commission ("Commission") rules and regulations allow the owner of the oil and gas rights under the Property to drill, twin, deepen or recomplete a well for production from any of the Cretaceous Age formations within drilling locations as described in and pursuant to rule 318 A (e) of the the Commission among others.

D. The leasehold rights owned by COMPANY, include among other things, the right of ingress and egress for the purposes of exploration, development, drilling, re-drilling, testing, completion, recompletion, re-entry, deepening, fracturing, re-fracturing, twinning, stimulation, reworking, drilling replacement wells, production and maintenance operations associated with oil and gas wells and associated pipelines and production facilities ("Oil and Gas Operations") located on the Property. COMPANY has or shall have rights to drill wells as permitted by the Colorado Oil and Gas Conservation Commission on the Property ("Wells").

E. OWNER desires to develop the Property for residential and/or commercial purposes. OWNER is the owner of the surface estate in the Property. COMPANY and OWNER enter into this Agreement to provide for the coexistence and joint development of the surface estate and the oil and gas estate for the Property and to delineate the process with which the parties shall comply with respect to the development of the two estates.

NOW THEREFORE, in consideration of the covenants and the mutual promises set forth herein, including the representations set forth in the recitals, the parties agree as follows:

1. Drillsite Location and Access

a. COMPANY agrees to limit its Oil and Gas Operations conducted in connection with the Wells to those locations depicted on Exhibit B and identified as "Oil and Gas Operations Areas" and sometimes abbreviated as "OGOAs." The Oil and Gas Operations Areas may be used for Oil and Gas Operations and the location of associated oil and gas production equipment and facilities and also the location and drilling of oil and gas wells that produce from and drain the Property, as well as lands which are pooled with the Property and/or are directionally or horizontally drilled to bottomhole locations outside the Property, whether or not on pooled lands. The Oil and Gas Operations Areas shall be limited in size and general configuration as depicted on Exhibit B, which, except as specifically set forth herein below, shall be the only locations on the Property on which Oil and Gas Operations may be conducted. The well heads, separators, and tanks shall all be located within the Oil and Gas Operations Area. Except as to the rights to the use of the surface as aforementioned and as provided by this

Agreement, COMPANY, for itself and its successors and assigns, hereby permanently relinquishes and quitclaims to OWNER., its successors and assigns, any and all rights of COMPANY and its successors and assigns to enter upon the surface of all or any portion of the Property for any purpose in connection with the development or utilization of any minerals or mineral rights, mineral substances, coal, oil, or gas or oil and gas rights owned or leased by COMPANY and its successors and assigns.

b. Except as described above, COMPANY agrees to locate, build, repair and maintain tanks, separators, dehydrators, and all other associated oil and gas drilling and production equipment and facilities only within the Oil and Gas Operations Area as depicted on **Exhibit B**. COMPANY reserves the right to expand these facilities within the Oil and Gas Operations Area as needed to accommodate Future Wells. Such expansion may involve, among other things, installation and connection of flowlines, and installation of additional tank batteries, separators, combustors, and water and oil tanks, all of which shall be adjacent to existing tanks, separators, wells, etc. Any expansion of the COMPANY's facilities that causes additional damages to OWNER's property outside the OGOA shall be the sole financial responsibility of the COMPANY.

c. OWNER agrees that, other than the oil and gas production equipment, as described above, no temporary or permanent building, structure, or other improvement shall be constructed or installed by OWNER within the Oil and Gas Operations Areas.

d. The Oil and Gas Operations Area shall be for the use of COMPANY its heirs, successors and assigns solely for Oil and Gas Operations.

e. Access to the Oil and Gas Operations Area shall be along the routes depicted on **Exhibit B**. However, at its option, OWNER may choose to designate an alternate access route in the future (the "Designated Roads"). At such time as paved roads are constructed, OWNER or OWNER's assignee shall construct the Designated Roads so they can withstand the weight of 104,000 pounds and 26,000 pounds per axle over the design life of the pavement.

f. OWNER shall keep the portions of paved access roads jointly used by both OWNER and its subdivision occupants and COMPANY in good condition and repair until such roads are dedicated to the local jurisdiction; provided, however, if COMPANY causes damage to a portion of a road that is jointly used by both COMPANY and OWNER or its subdivision occupants and which is constructed to the specifications set forth in Section 1.(e.), COMPANY agrees to promptly repair any damage that is a direct result of its use of the road.

g. No party shall unreasonably interfere with the use by the other of an access road.

h. The following shall govern the construction and width of access roads:

(1) Access roads or portions of access roads that are used exclusively by COMPANY shall be thirty (30) feet in width, and COMPANY shall install and maintain them to Commission standards that apply to Oil and Gas Operations.

(2) OWNER may, at his own cost and expense, install such landscaping and burning within the Oil and Gas Operations Area as may seem appropriate to OWNER, so long as such landscaping does not cause safety concerns in COMPANY's sole opinion, does not interfere with COMPANY's operations and has been approved in advance in writing by COMPANY. Maintenance of such landscaping shall be the sole responsibility of OWNER.

i. At OWNER's request, COMPANY shall paint its surface equipment with colors selected by OWNER so long as such color is acceptable to the COGCC and local governmental agencies.

j. OWNER, at its sole cost, may landscape and install fences within the Oil and Gas Operating Area, subject to the prior written approval of COMPANY. COMPANY shall not be liable for damage thereto.

k. Except for the space included within the Oil and Gas Operations Area, the Pipeline Easements, and the designated access roads provided for in this Agreement, COMPANY shall not use the surface of other portions of the Property except in the event of an emergency, and COMPANY shall be liable for damages that it causes as a result of its activity on such other portions of the Property.

l. COMPANY shall keep the Oil and Gas Operations Area clean of trash and debris and maintain all facilities in good repair, including painted surfaces.

m. If COMPANY installs production equipment within the Oil and Gas Operations Area, all tanks shall be low profile tanks and all separators shall be low profile separators.



n. COMPANY agrees to bear all costs and risks associated with drilling operations in the Oil and Gas Operations Area, including directional or horizontal drilling.

o. COMPANY agrees to fence all wellheads, separators, and tank batteries, with 8 foot tall chain link fencing within 60 days of OWNER's request. However, OWNER agrees it shall not make such request unless or until such time as OWNER actually begins to develop the property. The phrase "actually begins to develop" shall mean the point where OWNER begins to construct improvements designed for the permanent human occupation of the property. Once such fencing has been installed, COMPANY agrees to keep said fencing in proper repair and secure at all times.

p. COMPANY agrees to post and to keep posted on a continuous basis "No Trespassing" signage in and around all tanks, separators, and wellheads.

q. In the event electric power is required as a part of the oil and gas operations all power lines shall be under ground by COMPANY.

r. Notwithstanding anything herein contained, at such time as COMPANY shall actually enter onto the lands and begin actual operations, which shall mean the activity of clearing the drillsite for the initial well to be drilled on an OGOA, COMPANY shall pay OWNER the sum of \$5000.00 (five thousand dollars) for each OGOA upon which actual operations are commenced, as a one time payment for crop and/or other damages as may occur in the normal course of drilling, completing, equipping and operating oil and gas wells. OWNER shall accept such payment as full and final settlement for such usual and customary damages. The foregoing shall not include extraordinary damages to OWNER'S property or to OWNER'S buildings or livestock. In the event of any such extraordinary damages, OWNER and COMPANY shall meet and reach an agreement as to the amount of such extraordinary damages.

s. COMPANY agrees not to conduct any drilling operations, on the Property excepting surveying and staking of wells, until OWNER'S crops have been removed from the field and the end of the 2011 crop season.

2. Pipelines and Flowlines

a. Non-Exclusive Easements for flowlines and pipelines to be installed in the future shall be at the locations as shown on Exhibit B, and such flowlines and pipelines shall be installed by COMPANY at depths of at least forty-eight (48) inches below the surface of the ground.

b. Locations of existing and future flowlines, pipelines and non-exclusive easements may be changed at the request of OWNER provided that the change does not unreasonably interfere with Oil and Gas Operations and is paid for by OWNER. In the event that OWNER requests the relocation of an existing pipeline or flowline, COMPANY shall provide OWNER with a written estimate of the relocation costs, which amount OWNER shall remit to COMPANY prior to the commencement of the relocation work by COMPANY. COMPANY will schedule the work with the OWNER at the time a written estimate is presented to the OWNER. After completion of the work, COMPANY shall provide to OWNER an itemized statement showing the actual cost of the work. If the actual cost of the work is less than the estimate, COMPANY shall pay the difference to OWNER within thirty (30) days. If the actual cost of the work is greater than ten (10%) percent of the original estimate, COMPANY shall notify OWNER in advance of completion and, OWNER shall pay the difference to COMPANY within thirty (30) days of receipt of the itemized statement. COMPANY shall designate the contractor to complete the work.

c. All current and future pipeline non-exclusive easements shall be fifty (50) feet in width during original construction activities and twenty (20) feet in width for all other operations, maintenance and transportation activities. Flowline non-exclusive easements shall be twenty (20) feet in width for all operations. COMPANY agrees to stake the easements before construction and install pipelines within (5) feet of the permanent easement boundaries to allow space for other future utilities.

d. OWNER shall have the right to cross the pipeline easements, and OWNER shall also have the right to install and maintain access to such easements for utility lines, including those for water, gas, sewer, electric, telephone, cable, television and fiber optic and other pipelines that travel along, and within, the pipeline easements provided for herein; provided, however, i) any new underground facilities which travel along a pipeline easement identified herein shall be located a distance horizontally of at least ten (10) feet from parallel existing pipelines; ii) any new underground facilities shall have at least twenty-four (24) inches of vertical/horizontal clearance between such new facility and a pipeline provided for herein; and iii) any overhead power lines shall be at least twenty (20) feet above the ground. OWNER shall pay COMPANY all costs and expenses incurred by COMPANY to encase its pipelines and flowlines to the extent that such pipelines and flowlines intersect and underlie any street or any other



road either in advance of or at the time that OWNER commences construction of any street and/or such other road, at the place where COMPANY pipelines and flowlines intersect with any street or such other road.

e. OWNER shall provide at its option the flowline and pipeline non-exclusive easements in a recordable document to COMPANY within fifteen (15) days of execution of this document.

f. OWNER shall maintain a minimum ground cover of 48 inches and not more than 72 inches over pipelines and flowlines in the conduct of its operations and its construction activities on the Property.

3. **Application to Governing Agencies:** If OWNER is required, for any reason, by Weld County the City of Mead or any other governmental agency, to file a site plan or any type of development plat, OWNER shall show locations of Oil and Gas Operations Areas, access roads, existing wellsites, pipelines/flowlines and facilities on such plan or plat. In partial consideration of this Agreement, COMPANY consents to OWNER's subdivision and development of the property and agrees not to oppose such subdivision application, or any associated building permits or such permits necessary to develop the property. OWNER agrees not to oppose COMPANY in any application for drilling and operation of oil and gas wells when presented to Weld County, the State of Colorado or any municipality to which the Property may be annexed subsequent to the date of this Agreement.

4. **Indemnities:** COMPANY, its contractors and sub-contractors and OWNER shall each defend, indemnify and hold the other harmless for injuries to persons and damage to property caused by its own negligence or willful misconduct and for claims for which it is strictly liable.

5. **Successors and Assigns:** This Agreement and all of the terms included in this Agreement shall be binding upon the heirs, successors and assigns of COMPANY and OWNER, and the benefits of this Agreement shall inure to their heirs, successors and assigns.

6. **Covenants Run With the Land:** This Agreement and all of the covenants in it shall be covenants running with the land and shall be binding on all parties who succeed to any interest of OWNER in the Property. Any subsequent sale of the Property shall be subject to the terms of this agreement. OWNER agrees to provide notice to any and all builders, homeowners or other buyers of the Property that there are likely to be oil and gas operations and production on the surface of or in the vicinity of the Property; that buyers, as successors in interest to OWNER, will be acquiring all of the rights of OWNER under this Agreement and assuming those obligations undertaken by OWNER pursuant to this Agreement.

7. **Incorporation of Attachment:** Exhibits "A" and "B" are hereby incorporated into this Agreement by this reference.

8. **Remedy of Default:** In the event the operations of either COMPANY or OWNER are not at any time being conducted in compliance with this Agreement, the defaulting party shall be notified in writing by certified mail of the facts relied upon as constituting a breach thereof, and that party, if in default, shall, within fourteen (14) days after receipt of such notice, commence compliance with the obligations imposed by this Agreement. If the defaulting party does not commence compliance with the obligations imposed by this Agreement within said fourteen (14) day period, the non-defaulting party may enforce its rights under this Agreement

9. **Term:** This Agreement shall become effective when it is fully executed and shall remain in full force and effect until COMPANY's leasehold estate expires or is terminated, and COMPANY has plugged and abandoned the wells and complied with the requirements of the applicable oil and gas lease pertaining to removal of equipment, reclamation, cleanup and all other applicable provisions of the lease and laws and regulations. When this Agreement ceases to be in full force and effect, the parties shall execute any and all releases necessary to evidence the fact that this Agreement shall no longer apply to the Property.

10. **Entire Agreement:** This Agreement sets forth the entire understanding between the parties and supersedes any previous communications, representations or agreements, whether oral or written. No change of any of the terms or conditions herein shall be valid or binding on any party unless in writing and signed by an authorized representative of each party.

11. **Notices:** Notices provided for in this Agreement shall be considered given when placed in the U.S. Mail, Certified / Return Receipt with postage prepaid to the parties at the following address or addresses provided subsequently by the parties or their assigns by virtue of certified mail:



OWNER:

James G. Postle
3168 5th Street
Boulder, Colorado 80304

COMPANY:

HRM Resources, LLC
555 17th St, Ste 950
Denver, Colorado 80202

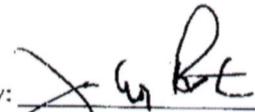
12. **Production OGOA.** The parties agree that at such time as all wells legally permitted to be drilled with in the OGOA have been drilled and placed on production or plugged and abandoned as dry holes, the OGOA shall contract on the north, east and west sides to a distance no closer than 75 feet from the nearest producing well.

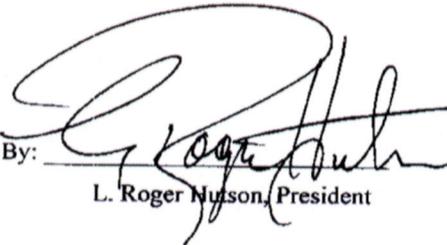
COMPANY and OWNER recognize that COMPANY is agreeing to significantly restrict the area in which it may conduct its ongoing operations. In recognition of such fact, OWNER agrees that until such time as development actually commences on the property, COMPANY may temporarily exceed the boundaries of the OGOA as set forth on Exhibit B, but only during drilling operations. The term "Temporarily" as used in this case shall mean, only for that period of time drilling and completion operations are actually being conducted on a given well. As soon as reasonably possible following the cessation of drilling operations on any given well, COMPANY shall reclaim any damage to the lands outside the OGOA and withdraw all subsequent operations back within the boundaries of the OGOA.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by a duly authorized representative on the day and year first above written.

James G. Postle and
Postle Properties III, LLC

HRM Resources, LLC.

By: 
James G. Postle, Individually
and as President of Postle Properties
III, LLC

By: 
L. Roger Nutson, President

ACKNOWLEDGEMENTS

STATE OF COLORADO)
)
COUNTY OF Boulder)ss
)

On this 23rd day of February, 2011 before me personally appeared James G. Postle who, being by me duly sworn, did acknowledged that he is the identical individual who has affixed his name above as an individual and as President of Postle Properties III, LLC and that he executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and affix my official seal the day and year first above written.

My Commission Expires: My Commission Expires 09/25/2011
1615 California, Suite 702
Denver, Colorado 80202

(SEAL)

Notary Public: Michael L. Tucker



STATE OF COLORADO)
)
COUNTY OF DENVER)ss
)

On this 23rd day of February, 2011, before me personally appeared L. Roger Hutson who, being by me duly sworn, did say that he is the President of HRM Resources, LLC, and acknowledged that he executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and affix my official seal the day and year first above written.

My Commission Expires: My Commission Expires 09/25/2011
1615 California, Suite 702
Denver, Colorado 80202

(SEAL)

Notary Public: Michael L. Tucker

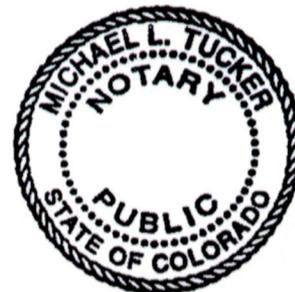




Exhibit A

Attached to and made a part of that certain Surface Use Agreement dated the 22nd day of February, 2011, between James G Postle Individually and as President of Postle Properties III, LLC. and HRM Resources, LLC.

Legal Description

Township 3 North, Range 68 West, 6th P.M.

Sections 2, 11 and 12:

A parcel of land being a part of the Southwest One-Quarter (SW $\frac{1}{4}$) of Section Two (2) and part of the North One-Half (N $\frac{1}{2}$) of Section Eleven (11), Township Three (3) North, Range Sixty-Eight (68) West of the 6th P.M., Weld County, Colorado, being more particularly described:

Considering the north line of the Northeast One-Quarter of said Section Eleven (11) to bear South 89°35'25" West, and all bearings contained herein being relative thereto:

Commencing at the Southwest (SW) Corner of said Section Two (2), thence along the south line of the Southwest One-Quarter (SW $\frac{1}{4}$) of said Section Two (2), North 89°10'00" East, 50.00 feet to the Point of Beginning; thence leaving the south line of the Southwest One-Quarter (SW $\frac{1}{4}$) of said Section Two (2), North 00°35'52" West, 30.00 feet to a point on the northerly rights-of-way line of County Road 36; thence along said northerly rights-of-way line of County Road 36, North 89°10'00" East, 253.14 feet; thence leaving said northerly rights-of-way line of County Road 36, North 00°19'57" West, 545.00 feet; thence, North 57°43'03" East, 287.95 feet; thence, South 86°12'57" East, 328.87 feet; thence, North 89°10'00" East, 313.47 feet; thence, South 23°20'00" East, 27.33 feet; thence, South 86°20'36" East, 132.09 feet; thence, South 00°37'12" East, 633.15 feet to a point on the northerly rights-of-way line of County Road 36; thence along said northerly rights-of-way line of County Road 36 the following two (2) courses, North 89°10'00" East, 1319.32 feet; thence, North 89° 35'25" East, 191.43 feet to a point; thence leaving said northerly rights-of-way line of County Road 36; South 00°24'35" East, 30.00 feet; thence, South 02°15'49" East, 265.14 feet; thence, South 59°34'55" East, 413.09 feet; thence, South 31°52'33" East, 676.54 feet to the northerly rights-of-way line of the Great Western Railway; thence, South 14°18'09" East, 80.01 feet to a point on the southerly rights-of-way line of the Great Western Railway; thence along said southerly rights-of-way line of the Great Western Railway and a curve (C1) bearing to the left which has a central angle of 24°26'28" and a radius of 1232.68 feet, the chord of which bears North 63°30'25" East, 521.85 feet and along the arc 525.83 feet; thence leaving said southerly rights-of-way line of the Great Western Railway, North 70°12'22" East, 541.06 feet; thence, South 19°47'38" East, 43.35 feet; thence, (L1), South 70°57'38" West, 32.42 feet; thence, (L2), South 11°18'01" East, 63.02 feet; thence, (L3), South 32°27'54" East, 22.86 feet; thence, (L4), South 61°23'31" East, 20.55 feet; thence, (L5), North 87°14'51" East, 24.13 feet; thence, North 70°12'22" East, 140.00; thence, North 00°18'22" East, 119.30 feet; thence, North 70°53'34" East, 592.56 feet to a point on the east line of the Northeast One-Quarter (NE $\frac{1}{4}$) of said Section Eleven (11); thence along the east line of the Northeast One-Quarter (NE $\frac{1}{4}$) of said Section Eleven (11), South 00°02'43" East, 976.33 feet; thence leaving the east line of the Northeast One-Quarter (NE $\frac{1}{4}$) of said Section Eleven (11), South 89°25'08" West, 2640.05 feet to a point on the north-south centerline of the North One-Half (N $\frac{1}{2}$) of said Section Eleven (11); thence along said north-south centerline of the North One-Half (N $\frac{1}{2}$) of said Section Eleven (11); North 00°34'52" West, 118.54 feet to a point on the southerly rights-of-way line of the Great Western Railway; thence along said southerly rights-of-way line of the Great Western Railway, South 74°52'19" West, 2658.54 feet to a point on the easterly rights-of-way line of Interstate I-25; thence along said easterly rights-of-way line of Interstate I-25 the following three (3) courses, North 00°35'53" West, 82.64 feet; thence, North 06°14'20" West, 305.22 feet; thence, North 00°35'53" West, 1208.16 feet; thence leaving said easterly rights-of-way line of Interstate I-25, North 89°10'00" East, 500.00 feet; thence, North 00°35'53" West, 435.60 feet to a point on the north line of Northwest One-Quarter (NW $\frac{1}{4}$) of said Section Eleven (11); thence, South 89°10'00" West, 500.00 feet to the Point of Beginning.

The above-described parcel contains 163.16 acres, more or less,



AND

A parcel of land being a part of the East One-Half (E½) of Section Eleven (11) and part of the West One-Half (W½) of Section Twelve (12), Township Three (3) North, Range Sixty-Eight (68) West of the 6th P.M., Weld County, Colorado, being more particularly described:

Considering the north line of the Northeast One-Quarter of said Section Eleven (11) to bear South 89°35'25" West, and all bearings contained herein being relative thereto:

Beginning at the Center One-Quarter (C ¼) Corner of said Section Eleven (11); thence along the west line of the Northeast One-Quarter (NE¼) of said Section Eleven (11), North 00°34'52" West, 1161.45; thence leaving the west line of the Northeast One-Quarter (NE¼) of said Section Eleven (11), North 89°25'08" East, 2640.05 feet; thence, South 86°28'10" East, 212.69 feet; thence South 88°37'14" East, 589.99 feet; thence, South 67°28'28" East, 114.62 feet; thence, North 88°24'57" East, 180.64 feet; thence, South 83°38'23" East, 50.63 feet; thence, South 74°25'05" East, 84.82 feet; thence, South 01°10'40" West, 1056.44 feet; thence, South 30°04'15" East, 80.18 feet; thence, South 19°20'28" East, 207.73 feet; thence, South 01°04'25" East, 730.73 feet; thence South 05°10'40" East, 101.88 feet; thence, South 15°43'25" East, 238.86 feet; thence, South 89°09'20" West, 158.40 feet; thence, South 00°50'40" East, 287.16 feet; thence, South 61°14'50" East, 104.38 feet; thence, South 00°07'25" East, 1002.52 feet to a point on the southerly rights-of-way line of County Road 34; thence along said southerly rights-of-way line of County Road 34 the following two (2) courses, South 88°58'20" West, 1331.77 feet; thence, South 89°31'48" West, 837.62 feet to a point; thence leaving said southerly rights-of-way line of County Road 34, North 00°22'40" West, 220.60 feet; thence, South 89°49'20" West, 242.93 feet; thence North 00°08'23" East, 685.77 feet; thence, South 89°48'29" West, 229.87 feet to a point on the west line of the Southeast One-Quarter Southeast One-Quarter (SE¼SE¼) of said Section Eleven (11); thence, North 00°18'50" West, 445.55 feet to the Southeast One-Sixteenth (SE 1/16) Corner of said Section Eleven (11); thence, South 89°30'34" West, 15.39 feet; thence, North 00°22'38" East, 20.94 feet; thence, South 89°23'44" West, 623.36 feet; thence, North 00°22'48" West, 794.32 feet; thence, South 88°47'27" West, 672.74 feet to a point on the west line of the Southeast One-Quarter (SE¼) of said Section Eleven (11); thence, North 00°34'53" West, 518.31 feet to the Point of Beginning.

The above described parcel contains 283.68 acres, more or less

Less and Except any land in SW¼ of Section 12

EXHIBIT "B"

Attached to and made a part of that certain Surface Use Agreement by and between James G. Postle as an Individual and President of Postle Properties III, LLC and HRM Resources, LLC.

