



State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax (303) 894-2109



FOR OGCC USE ONLY

PERFORMANCE BOND

BOND NO: RLB0016115. This bond is a perpetual instrument which shall remain in force and effect until all obligations have been met and the bond is released by the Colorado Oil and Gas Conservation Commission.

Surety Provider No:

OGCC Oper. No:

FATS No:

KNOW ALL PERSONS BY THESE PRESENTS, That we, SG Interests I, Ltd of the County of Harris, in the State of Texas as principals, and RLI Insurance Company as surety, authorized to do business in the State of Colorado, are held hereby and firmly bound unto the State of Colorado, in the penal sum of (\$ 193,346.00), One Hundred Ninety Three Thousand Three Hundred Forty Six and no/100 Dollars, lawful money of the United States, for the faithful payment of which we hereby bind ourselves, our heirs, executors, administrators and assigns.

The condition of this obligation is that whereas the above bounden principals propose the following oil and gas operation(s) on lands situated in the State of Colorado.

Type of Bond	Coverage	Location
<input type="checkbox"/> Plugging	<input type="checkbox"/> Blanket	Complete for Individual Bonds
<input type="checkbox"/> Surface	<input checked="" type="checkbox"/> Individual	Well Name and Number: <u>Mcintyre Flowback Pits 1&2, Facility ID #421065</u>
<input type="checkbox"/> Seismic	<input type="checkbox"/> Plugging 1 well	Owner of lands where off-site land-treatment facility is located: _____
<input checked="" type="checkbox"/> E&P Waste Facility	<input type="checkbox"/> Surface for 1 well	QtrQtr, Sec, Twp, Rng, Meridian: _____ _____
<input type="checkbox"/> Downstream Gas Facilities	<input type="checkbox"/> Irrigated	County: _____
	<input type="checkbox"/> Non-irrigated	
	<input type="checkbox"/> Excess Inactive Wells	

NOW, THEREFORE, If the above bounden principals shall comply with all of the provisions of the laws of the State of Colorado and the rules, regulations and requirements of the Oil and Gas Conservation Commission of the State of Colorado, with reference to properly plugging of said well or wells; with reference to land damages and the restoration of the land, as nearly as possible, to its condition at the beginning of the lease; with reference to seismic operations the proper surface restoration and plugging of any shot holes, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

Witness our hands, this _____ day of _____, _____.

Principal: SG Interests I, Ltd
Address: 100 Waugh Dr.
Suite 400
City: Houston State: TX Zip: 77007
Phone: (713) 333-6515 Fax: (713) 951-0191

Signed: _____

Name Printed: _____

Witness our hands, this 9th day of July, 2015

Surety: RLI Insurance Company
Address: 8 Greenway Plaza, Suite 400
City: Houston State: TX Zip: 77046
Phone: (713) 961-1300 Fax: (713) 961-0285

Signed: [Signature]

Name Printed: Jason T. Kilpatrick, Attorney-in-Fact

Approved: _____
Director, Oil and Gas Conservation Commission

Bond Release
Approved: _____
Director, Oil and Gas Conservation Commission

Dated: _____

Release Date: _____



RLI Surety
A division of RLI Insurance Company

RLB0016115

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: JASON T. KILPATRICK in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$193,346.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees; official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers-of-Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

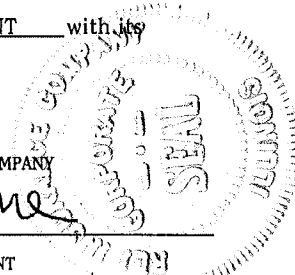
ATTEST:

Jean M. Stephenson
CORPORATE SECRETARY

State of Illinois)
County of Peoria) SS



Michael J. Stone
PRESIDENT



On this 9th day of July 2015 before me, a Notary Public, personally appeared Michael J. Stone and Jean M. Stephenson, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Jacqueline M. Bockler
Notary Public





RLI Insurance Company
P.O. Box 3967 Peoria, IL 61612-3967
Phone: 309-692-1000 Fax: 309-683-1610

Texas Policyholder Notice

TEXAS IMPORTANT NOTICE

To obtain information or make a complaint:

You may call **RLI Insurance Company's** toll free telephone number for information or to make a complaint at 800-645-2402.

You may also write to **RLI Insurance Company** at:

9025 N. Lindbergh Drive
Peoria, IL 61615
FAX # 309-683-1610

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at 1-800-252-3439.

You may also write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax Number: (512) 490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

TEXAS AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de **RLI Insurance Company's** para informacion o para someter una queja al 800-645-2402.

Usted tambien puede escribir a **RLI Insurance Company**:

9025 N. Lindbergh Drive
Peoria, IL 61615
FAX # 309-683-1610

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al 1-800-252-3439.

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax Number: (512) 490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.