



02156043

Travelers Casualty and Surety Company of America

TRAVELERS

Op # 10704
Fats 2018-0197 (R)

License No. _____

RIDER

To be attached to and form part of Bond No. 106818303

Issued on behalf of Fortigen Resources, LLC as Principal, and in favor of Colorado Oil and Gas Conservation Commission as Obligee.

It is agreed that:

- 1. The Surety hereby gives its consent to change the Name:
from: _____
to: _____
- 2. The Surety hereby gives its consent to change the Address:
from: _____
to: _____
- 3. The Surety hereby gives its consent to change the Bond Penalty :
from: \$600,000.00
to: \$100,000.00

This rider shall become effective as of 5/21/2020

PROVIDED, however, that the liability of the Surety under the attached bond as changed by this rider shall not be cumulative.

Signed, sealed and dated 5/11/2020

Travelers Casualty and Surety Company of America

By: Shannon Klein
Shannon Klein
Attorney-in-Fact

Accepted: Colorado Oil and Gas Conservation Commission
Obligee

By: [Signature]

OF Fortigen Resources, LLC
Principal
By: Blake A. Mertens
Blake A. Mertens - President



**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Shannon Klein** of **Omaha, Nebraska**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd** day of **February**, 2017.



State of Connecticut

City of Hartford ss.

By: 
Robert L. Raney, Senior Vice President

On this the **3rd** day of **February**, 2017, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, 2021




Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 21st day of May, 2020




Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.**

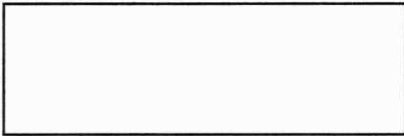
Gail Hawkins

From: Shannon Klein <sklein@SSGI.com>
Sent: Tuesday, June 16, 2020 4:07 PM
To: Gail Hawkins
Subject: Silverstone

Gail: Following is the contact I worked with on the rider at Colorado Oil & Gas Conservation Commission.

Deborah Lutz

Financial Assurance Supervisor



P 303.894.2100 ext 5185 | F 303.894.2109

1120 Lincoln Street, Suite 801, Denver, CO 80203
debbie.lutz@state.co.us | www.colorado.gov/cogcc



Advocacy. Tailored Insurance Solutions. Peace of Mind.

Shannon Klein, AAI
Manager, Bond Department



SilverStone Group LLC, a HUB International company
HUB International Great Plains

11516 Miracle Hills, Suite 100
Omaha, NE 68154

Office: 402-964-5725

Mobile: 402-679-7212

Toll-free: 800-288-5501

sklein@ssgi.com

hubinternational.com



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We are pleased to review contracts you provide to us with respect to the insurance requirements contained in such, and to provide our analysis and advice regarding those insurance matters. The scope of our review is limited to the paragraphs that deal exclusively with insurance coverages, and does not purport to encompass any review of other section(s) of the contract dealing with separate matters that also make collateral or tangential reference to insurance coverage. In addition, many contracts contain broad indemnification & hold harmless clauses which may not be insurable, and could have legal implications beyond the scope of our review. We urge you to review the legal aspects of all such clauses with your attorney.

RECEIVED

JUN 22 2020

COGCC



FORTIGEN™

June 17, 2020

Deborah Lutz
Financial Assurance Supervisor
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Fortigen Resources, LLC

Dear Ms. Lutz:

Enclosed please find the Surety's request to reduce one of Fortigen Resources, LLC's bonds from \$600,000 to \$100,000. Please return the original bond to me.

Feel free to call me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Gail K. Hawkins".

Gail K. Hawkins,
SVP Tetrad Corporation, Owner and Manager

enclosures

STATE OF
COLORADO

Lutz - DNR, Deborah <debbie.lutz@state.co.us>

#10704

BOND RELEASE: Fortigen Resources LLC -Operator #10704

1 message

Fats 2018-0197

Lutz - DNR, Deborah <debbie.lutz@state.co.us>

Mon, Apr 20, 2020 at 4:12 PM

To: DNR_OGCC_Employees <DNR_OGCC_Employees@state.co.us>, DNR_OGCC_Temps
<DNR_OGCC_Temps@state.co.us>

Good afternoon:

Fortigen Resources LLC - Operator #10704 Excessive Inactive Plugging Bond Surety Id 2018-0197 will be released on or about **May 4, 2020**.

A review of Fortigen Resources LLC wells has been conducted for excessive inactive wells. The review concludes that the operator has met all obligations covered by this bond as defined in 100 Series Rules and Regulations Definition and Rule 707. COGCC Records indicate the operator is currently in compliance with Rule 707.

Please reply to this email immediately if you do not concur with these findings or, if you have additional issues or concerns relating to this operator, and wish to halt the release of this bond.

If I do not receive any response by **May 4, 2020**, the bond will be released.

Please see attached report.

Thank you,

Debbie

Deborah Lutz

Financial Assurance Supervisor



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

P 303.894.2100 ext 5185 | F 303.894.2109

1120 Lincoln Street, Suite 801, Denver, CO 80203

debbie.lutz@state.co.us | www.colorado.gov/cogcc



FORTIGEN RESOURCES LLC_10704_ExclnactiveWells_2020_0420.xls
201K

STATE OF
COLORADO

Lutz - DNR, Deborah <debbie.lutz@state.co.us>

Fortigen Resources LLC

2 messages

Shannon Klein <sklein@ssgi.com>
To: "debbie.lutz@state.co.us" <debbie.lutz@state.co.us>

Tue, Apr 7, 2020 at 7:29 AM

Debbie: I hope this email finds you well. Our agency provides the above captioned client with bonds in the State of Colorado. It sounds like you have had some recent conversations with Bill Hayworth regarding a Blanket Bond (Bond #106818303) that has a current bond penalty of \$600,000 by rider. We have been informed that this bond can be decreased by rider to a new bond penalty of \$100,000. In all, can you please provide us with a letter or email so I can provide the surety (Travelers) confirmation that your division has authorized this transaction.

In addition, we have attached a spreadsheet for confirmation of which bonds your division has authority. Just want to make sure we have the correct limits in place. In turn, we have been informed that a new entity will be providing replacement bonds for these wells. Although, a time frame has not been provided to us...

Thanks for your assistance.

Have a good day!

SilverStone
GROUP 

 **HUB**

Advocacy. Tailored Insurance Solutions. Peace of Mind.

Shannon Klein

Manager, Bond Department

SilverStone Group LLC, a HUB International company

HUB International Great Plains

11516 Miracle Hills, Suite 100

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 **Fortigen Resources.xlsx**
12K

Shannon Klein <sklein@ssgi.com>
To: "debbie.lutz@state.co.us" <debbie.lutz@state.co.us>

Tue, Apr 7, 2020 at 1:15 PM

Debbi: Sorry but it was just brought to my attention that the bond dates did not roll forward for the current term. All bonds are current.

Thanks for your assistance.

[Quoted text hidden]

[Quoted text hidden]



Fortigen Resources 4-7-20.xlsx

12K



FORTIGEN™

December 12, 2019

VIA EMAIL

Ms. Deborah Lutz – Financial Assurance Analyst
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: Release of Excessive Inactive Well Bond
Fortigen Resources LLC, Operator #10704

Dear Ms. Deborah Lutz:

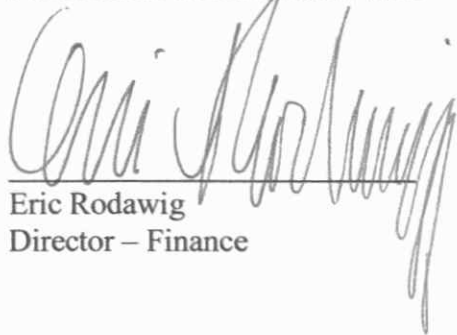
In July 2018, Fortigen Resources LLC (Operator # - 10704) purchased 214 wells in eastern Colorado from Pass Creek Resources LLC and Randy Hrbek, et al. After closing, an additional bond was posted in the amount of \$500,000 for excessive inactive wells. Over the course of 2019, the shut-in wells have been returned to production. Therefore, Fortigen requests a release of the excessive inactive well bond.

Should you have any questions regarding this letter, please contact Bill Hayworth at the address and phone number shown below.

Bill Hayworth
303-748-3732
1165 Delaware Street, Suite 160
Denver, Colorado 80204

Thank you for your consideration.

Sincerely,
FORTIGEN RESOURCES LLC

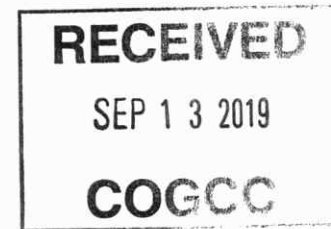


Eric Rodawig
Director – Finance

#10704



September 12, 2019



VIA EMAIL

Ms. Deborah Lutz – Financial Assurance Analyst
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

*Surety ID 2018-0197
Amt \$500,000.*

RE: Reduction in Bond Request for Fortigen Resources LLC, #10704

Dear Ms. Lutz:

In July 2018, Fortigen Resources, LLC (#10704) purchased 214 wells in eastern Colorado from Pass Creek Resources LLC and Randy Hrbek, Et al. These wells had been shut in since July 2017. Fortigen posted a \$600,000 bond and filed a 707 Plan to return the wells to production. In January 2019, production commenced from the Amherst field and over the course of several months, production was re-established from all wells except for five (5). Two (2) wells, which have depths less than 3,000 feet, are temporarily abandoned (TA) and have current MITs. Three (3) wells with depths between 3,000 and 4,000 feet are shut-in waiting on a gas pipeline.

Required Bond for Excessive Inactive Wells: $2 \times \$10,000 + 3 \times \$20,000 = \$80,000$

Based upon the COGCC's Rule 707, a statewide bond of \$100,000 would meet Fortigen's bonding requirements for excessive inactive well plugging. Therefore, Fortigen requests a reduction in the bond from the posted \$600,000 down to \$100,000.

Should you have any questions regarding this letter, please contact Bill Hayworth at the address and number shown below.

Bill Hayworth
303-748-3732
1165 Delaware Street, Suite 160
Denver, Colorado 80204

Thank you for your consideration.

Sincerely,

FORTIGEN RESOURCES LLC

A handwritten signature in cursive script, appearing to read "Eric Rodawig", written over a horizontal line.

Eric Rodawig

Director - Finance




Inactive Well Report by Operator

FORTIGEN RESOURCES LLC

10704

In compliance.

Well	API	TMD	Status	Last Date Oil Sold	Last Date Gas Sold	Last Date Water Prod	Form 6 SRA	Inactive	Mineral
POWELL-ROTEN-946-2-14	<u>115-06097</u>	3920	SI					Y	FEE
BRINKEMA-3-3	<u>095-06087</u>	2875	TA		12/15/2011	7/15/2005		Y	FEE
ORTNER-1	<u>095-06040</u>	2900	TA					Y	FEE

 **Fortigen Resources 4-7-20.xlsx**
12K

Lutz - DNR, Deborah <debbie.lutz@state.co.us>
To: Shannon Klein <sklein@ssgi.com>

Mon, May 11, 2020 at 2:35 PM

Good afternoon Shannon,

It was a pleasure speaking with you this afternoon regarding the reduction of the bond rider, Bond #106818303 for Fortigen Resources LLC.

A review of Fortigen Resources LLC wells has been conducted for excessive inactive wells. The review concludes that the operator has met all obligations covered by this bond as defined in 100 Series Rules and Regulations Definition and Rule 707. COGCC Records indicate the operator is currently in compliance with Rule 707.

The Blanket Bond, Bond #106818303 has a current bond penalty of \$600,000 by rider. This email is to inform Travelers Casualty and Surety Company of America that this bond can now be decreased by rider to a new bond amount of \$100,000. This email is to confirm and authorize this transaction.

Please submit the bond rider with the embossed seal to my attention. Should you have any questions or concerns please do not hesitate to contact me.

Please see attached.

Thank you,

Debbie

Deborah Lutz
Financial Assurance Supervisor



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

P 303.894.2100 ext 5185 | F 303.894.2109

1120 Lincoln Street, Suite 801, Denver, CO 80203

debbie.lutz@state.co.us | www.colorado.gov/cogcc

[Quoted text hidden]



BOND RIDER - FORTIGEN RESOURCES LLC_2020-0511.jpg
550K

STATE OF
COLORADO

Lutz - DNR, Deborah <debbie.lutz@state.co.us>

Fortigen Resources LLC

3 messages

Shannon Klein <sklein@ssgi.com>

Tue, Apr 7, 2020 at 7:29 AM

To: "debbie.lutz@state.co.us" <debbie.lutz@state.co.us>

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In addition, we have attached a spreadsheet for confirmation of which bonds your division has authority. Just want to make sure we have the correct limits in place. In turn, we have been informed that a new entity will be providing replacement bonds for these wells. Although, a time frame has not been provided to us...

Thanks for your assistance.

Have a good day!



Advocacy. Tailored Insurance Solutions. Peace of Mind.

Shannon Klein

Manager, Bond Department

SilverStone Group LLC, a HUB International company

HUB International Great Plains

11516 Miracle Hills, Suite 100

Omaha, NE 68154

Office: 402-964-5725

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