

C & E OPERATING, INC.

10B

February 16, 2010

FEB 23 2010

The Honorable Robert E. Hebert

County Judge of Fort Bend County

P. O. Box 1449

1124 Blume Road

Rosenberg, Texas 77471

RE: Bond Covering Oversize, Overweight, Overlength and Overnight Loads over Fort Bend County Roads

C & E Operating CO., Inc. – Christ #1

Dear Judge Hebert:

C & E Operating, Inc. requests a bond to carry oversize, overweight, overlength and overnight loads over Fort Bend County roads. C & E Operating, Inc. will be the Operator of the oil and gas operations in Fort Bend County for the referenced oil and gas well at the location on the attached aerial plat. C & E Operating, Inc. has contracted Rotary Exploration, Inc. to move onto the well location and drill the well. They will be transporting the rig over portions of Fort Bend County roads to move their rig to the well location. According to Rotary Exploration, Inc., the drilling equipment has a maximum load of 132,000 lbs. The rig will move off of our location when operations are completed.

Once the bond is approved, kindly forward the bond to me at the letterhead address or telephone at 281-265-6500 to arrange for pick up.

Sincerely,

C & E Operating, Inc.



Donna Dees
Land Manager

BOND NO. 5068177

BOND COVERING OVERSIZE, OVERWEIGHT, OVERLENGTH
AND OVERNIGHT LOADS OVER FORT BEND COUNTY ROADS

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF FORT BEND §

THAT WE, C & E Operating, Inc. whose address/phone is
345 Commerce Green Blvd Sugar Land, TX 77478 281-265-6500 as Principal,
and SureTec Insurance Company, a Corporation existing under and by virtue of the laws
of the State of Texas and authorized to do an indemnifying business in the State of
Texas, whose principal office is located at 952 Echo Lane, Suite 450 Houston, TX 77024 **713-812-0800**,
and whose officer residing in the State of Texas, authorized to accept service in all units and actions
brought within said State is Steve Nelson **SureTec** and whose address/phone 9737 Grant Hills Trail, Suite
320, Austin, TX 78759 / 512-732-0099 is, as Surety, are held and firmly bound unto Robert E. Hebert,
County Judge of Fort Bend County, Texas, or his successors in office, in the sum of
Fifty Thousand Dollars, (\$ 50,000.00) to the payment of which, well and
truly to be made, we hereby bind ourselves, our heirs, executors, administrators, and assigns.

The condition of the above obligation is such that the
said C & E Operating, Inc., as Principal, will make payment to
Robert E. Hebert, County Judge of Fort Bend County, Texas, or his successors in office, for any
and all damages that may be sustained to any road, street, highway or bridge under the
jurisdiction of the Commissioners' Court of Fort Bend County, Texas by virtue of the operation
of any vehicle or vehicles or equipment by the said C & E Operating, Inc.,
for which permit is issued by the County to operate under the provisions of TEX. TRANSP. CODE
ANN. ↓ 623.011 (Vernon 1995).

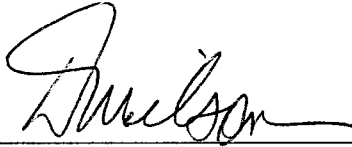
NOW, THEREFORE, if the said C & E Operating, Inc. shall pay to
Robert E. Hebert, County Judge of Fort Bend County, Texas or his successors in office, for any
and all damages that may be sustained to any road, street, highway or bridge as above recited by
virtue of the operation of any vehicle, vehicles or equipment under the provisions of the law

referred to above during the period of time for which such permit issued, then this obligation to be null and void, otherwise to remain in full force and virtue it law.

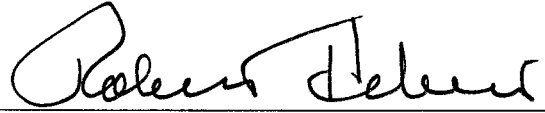
Dated this 15th day of February, 2010.

APPROVED this 2nd day of March, 2010.

ATTEST:



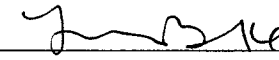
Dianne Wilson
County Clerk

By: 

Robert E. Hebert
County Judge
FORT BEND COUNTY, TEXAS

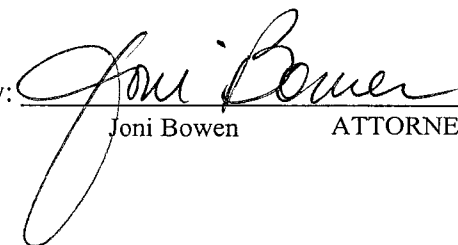
C & E Operating, Inc.

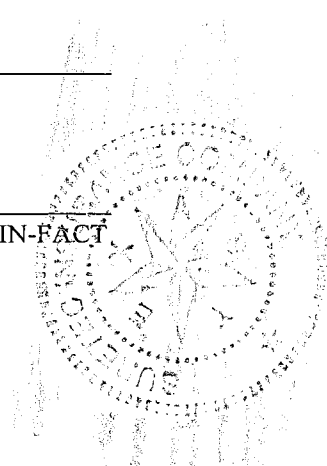
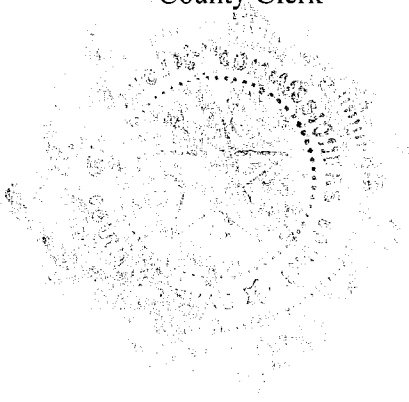
PRINCIPAL

By: 
Signature

SureTec Insurance Company

SURETY

By: 
Joni Bowen ATTORNEY-IN-FACT



SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Joni Bowen

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for:

Principal: C & E Operating, Inc.
Obligee: Fort Bend County Judge
Amount: \$ 50,000.00

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 1st day of April, A.D. 2007.

SURETEC INSURANCE COMPANY

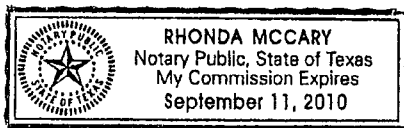
By: 
 B.J. King, President

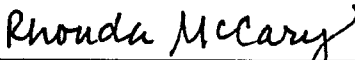
State of Texas
 County of Harris

ss:



On this 1st day of April, A.D. 2007 before me personally came B.J. King, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.






Rhonda McCary, Notary Public
 My commission expires September 11, 2010

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 15th day of February, 2010, A.D.


 M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
 For verification of the authority of this power you may call (713) 812-0800 any business day between 8:00 am and 5:00 pm CST.

<p style="text-align: center;">SureTec Insurance Company THIS BOND RIDER CONTAINS IMPORTANT COVERAGE INFORMATION</p>
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Statutory Complaint Notice

To obtain information or make a complaint: You may call the Surety's toll free telephone number for information or to make a complaint at: 1-866-732-0099. You may also write to the Surety at:

SureTec Insurance Company
9737 Great Hills Trail, Suite 320
Austin, Tx 78759

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

PO Box 149104
Austin, TX 78714-9104
Fax#: 512-475-1771
Web: <http://www.tdi.state.tx.us>
Email: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim, you should contact the Surety first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

Terrorism Risks Exclusion

The Bond to which this Rider is attached does not provide coverage for, and the surety shall not be liable for, losses caused by acts of terrorism, riot, civil insurrection, or acts of war.

**Exclusion of Liability for
Mold, Mycotoxins, Fungi & Environmental Hazards**

The Bond to which this Rider is attached does not provide coverage for, and the surety thereon shall not be liable for, molds, living or dead fungi, bacteria, allergens, histamines, spores, hyphae, or mycotoxins, or their related products or parts, nor for any environmental hazards, bio-hazards, hazardous materials, environmental spills, contamination, or cleanup, nor the remediation thereof, nor the consequences to persons, property, or the performance of the bonded obligations, of the occurrence, existence, or appearance thereof.