

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0194  
Expires: January 31, 2020

**SURFACE MANAGEMENT SURETY BOND**

*Act of May 10, 1872, as amended (30 U.S.C. 22-54)*  
*Act of December 29, 1916, as amended (39 Stat. 862)*  
*Act of October 21, 1976, as amended (43 U.S.C. 1732-35, 1782)*  
*Act of September, 13, 1982 (31 U.S.C. 9301 et seq.)*  
*Act of September 27, 1988 (102 Stat. 1776)*  
*Act of April 16, 1993 (43 U.S.C. 299)*

REC'D - BLM - NSO  
9:00 A.M. SEP 15 2019

Surety Bond Number  
SUR0000567

Individual \_\_\_\_\_; or Statewide NV; or Nationwide \_\_\_\_\_  
(Enter BLM Serial No.) (Enter Name of State, if applicable) (Enter "Yes," if applicable)

KNOW ALL BY THESE PRESENTS, THAT: EnergYTEC Inc  
(name)

of 4965 Preston Park Blvd, Plano, Tx  
(address)

as principal; and Lexon Insurance Company of 10002 Shelbyville Road, Suite 100  
(name) (address)

Louisville, KY 40223 as surety; are held firmly bound unto the United States of America in the

sum of seventy five thousand  
U.S. dollars (\$ 75,000),

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond, for the payment of which sum the principal and surety bind themselves successors, and assigns, jointly and severally, by these presents.

The principal/surety will apply this bond for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations cited at CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the surety/principal will apply the bond or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

**BOND CONDITIONS**

1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations on those mining claim(s), mill site(s), tunnel site(s) or public lands under the Acts cited in this bond; and
2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or received approval from the BLM of the plan of operations cited above, and said plan of operations/notice contains certain stipulations and conditions; and
3. WHEREAS, the principal has promised to deliver to the United States a bond substantially in the form hereof upon the approval and/or acceptance of the above referenced plan of operations and/or notice by the BLM to secure the performance of the terms and conditions contained in said plan of operations/notice and/or associated reclamation plan.
4. WHEREAS, the principal and surety agree that, with notice to the surety, the coverage of this bond, in addition to the present holdings of and/or authorization(s) granted to the principal, shall extend to and include:
  - a. Any transfer of operating rights under the plan of operations and/or notice hereafter entered into or acquired by the principal affecting mining claim(s), mill site(s), tunnel site(s), or public lands; and
  - b. Any activity subsequent hereto of the principal as operator under a plan of operations and/or notice issued pursuant to the Acts cited in this bond;
 Provided, that for Statewide and Nationwide bonds only, the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interests identified in this paragraph will not be covered by this bond; and
5. WHEREAS, the principal and surety agree that with notice to the surety this bond shall remain in full force and effect notwithstanding: Any assignment(s) of an undivided interest in any part or all of the mining claim(s) mill site(s), tunnel site(s), or public lands covered by the plan of operations/notice in which event the assignee(s) shall be considered to be coprincipal(s) on this bond as fully and to the same extent as though their duly authenticated signatures appeared thereon; and
6. WHEREAS, the principal/surety hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
  - a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations and/or notice and further agrees to remain bound under this bond as to the interests in the plan of operations and/or notice retained by the principal; and
  - b. Any modification of the plan of operations/notice or obligations thereunder as provided in paragraph 4 herein; and
7. WHEREAS, the principal and surety hereby agree that notwithstanding the nullity, relinquishment, abandonment or forfeiture of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations and/or notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations and/or notice and obligations covered by this bond; and



**BOND CONDITIONS (Continued)**

8. WHEREAS, should the surety elect to cancel this bond, the surety agrees to give the principal and the BLM 90 days written notice by certified mail, return receipt requested, at their respective addresses as stated herein. The address for service to BLM concerning this bond

is the BLM Nevada State Office located at 1340 Financial Blvd, Reno, NV 89502

The surety further agrees that in the event of such cancellation this bond will remain in full force and effect as to all areas within the plan of operations/notice disturbed prior to the effective date of such cancellation, unless and until the principal should file a substitute bond or other acceptable instrument to protect the interests of the BLM and such bond or instrument is accepted by the BLM; and

9. WHEREAS, the principal and surety agree that in the event of any default under the plan of operations and/or notice, the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the surety and principal, or either of them, without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations and/or notice; and

10. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, *as amended*, (43 U.S.C. 1733 and 1735). This provision should not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

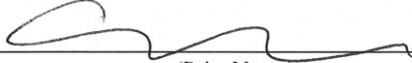
11. WHEREAS, on the faith of the foregoing promises, representations, and appointments and in consideration of this bond, the United States has received a notice or approved the plan of operations referenced herein.

12. NOW, THEREFORE, the condition of this obligation is that if said principal, heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations and/or notice, and any amendments thereto, and the regulations at 43 CFR 3802 and 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

Executed this 14 day of September, 2019:

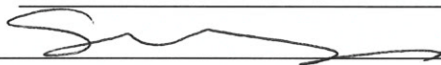
Principal Energytec Inc.

Surety Lexon Insurance Company

By   
(Print Name)

Attorney-in-fact Sara Smith

Title President

Signature 

Business Address 4965 Preston Park Blvd  
Plano, TX

Business Address 10002 Shelbyville Rd, Suite 100  
Louisville, KY 40223

(TIN or SSN, if applicable)

(TIN)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

**This bond must bear the seal of the surety company. If this bond is signed by a corporation, it should bear the seal of the corporation, if applicable.**

**NOTICES**

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) require that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732(b) and 1782(c); 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive or obtain a benefit. Failure to disclose this information may result in BLM's rejection of your application.

REC'D - BLM - NSO

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain or retain benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

9:00 A.M. SEP 15 2019

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to: U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Room 2134LM, Washington, D.C. 20240.



POWER OF ATTORNEY

LX - 3014

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its statutory home office in Austin, Texas, does hereby constitute and appoint: David G. Jensen, Erin Brown, Brandy L. Baich, Kristin D. Thurber, Sara Smith, its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$5,000,000.00, Five Million Dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 22nd day of June, 2018.

LEXON INSURANCE COMPANY



BY [Signature] Brian Beggs President

ACKNOWLEDGEMENT

On this 22nd day of June, 2018, before me, personally came Brian Beggs to me known, who be duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



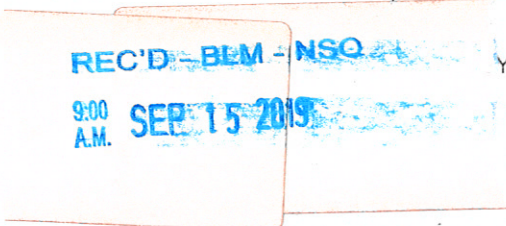
AMY TAYLOR Notary Public- State of Tennessee Davidson County My Commission Expires 07-08-19

BY [Signature] Amy Taylor Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 10th Day of May, 2019.



[Signature] Andrew Smith Assistant Secretary

“WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.”