

HOME OFFICE
2100 FLEUR DRIVE
DES MOINES, IOWA 50321-1158
(515) 243-8171
FAX (515) 243-3854

MERCHANTS BONDING COMPANY

AUSTIN OFFICE
P. O. BOX 26720
AUSTIN, TEXAS 78755-0720
(512) 343-9033
FAX (512) 343-8363

LICENSE AND PERMIT BOND

Bond No. IN 26671

KNOW ALL PERSONS BY THESE PRESENTS:

That we, DAYSTAR DIRECTIONAL DRILLING INC.
of ATLANTA, State of Indiana, as Principal,
and MERCHANTS BONDING COMPANY (Mutual), a corporation duly licensed to do business in the State
of Indiana, as Surety, are held and firmly bound unto the Board of Commissioners of the County of Lake, State
of Indiana, and any cities and towns in Lake County, Indiana, as Oblige, in the penal sum of FIVE THOUSAND
(\$5,000.00) DOLLARS.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that whereas, the Principal has been licensed
FOR ALL CITIES, TOWNS, OR MUNICIPALITIES IN LAKE COUNTY, INDIANA

NOW THEREFORE, if the Principal shall faithfully perform the duties and in all things comply with the laws
and ordinances, including all Amendments, appertaining to the license or permit applied for, then this obligation
to be void, otherwise to remain in full force and effect for a period commencing on the 11th day of March
2013, and ending on the 11th day of March
2014, unless renewed by Continuation Certificate.

This bond may be terminated at any time by the Surety upon sending notice in writing to the Oblige and to the
Principal, in care of the Oblige or at such other address as the Surety deems reasonable, and at the expiration of
thirty-five (35) days from the mailing of notice or as soon thereafter as permitted by applicable law, whichever is later,
this bond shall ipso facto terminate and the surety shall thereupon be relieved from any liability for any subsequent
acts or omissions of the Principal.

No right of action shall accrue on this bond to or for the use of any person or corporation other than Oblige
named herein.

Dated this 11th day of March, 2013

AMOUNT \$ 14
CASH CHARGE
CHECK # _____
OVERAGE _____
COPY _____
NON-COM _____
CLERK RW

DAYSTAR DIRECTIONAL DRILLING INC.

Principal

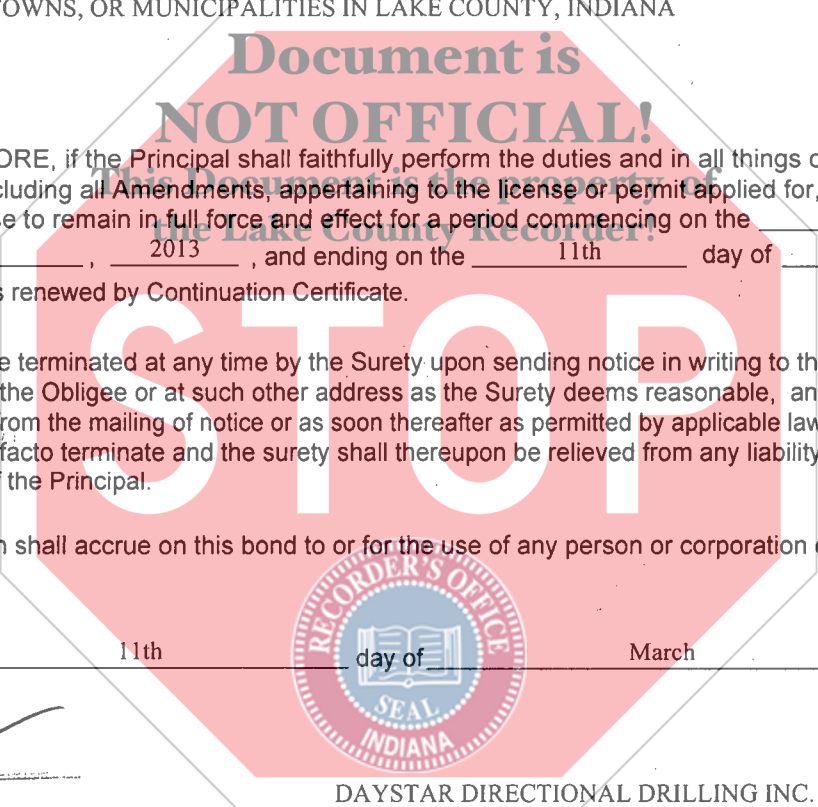
JERRY WATSON

Principal

MERCHANTS BONDING COMPANY (Mutual)

By Debbie S. Buckner
Debbie S Buckner Attorney-in-Fact

LP 1660 IN (4/05)



STATE OF INDIANA
LAKE COUNTY
FILED AND RECORDED
2013 MAR 12 PM 1:07
MICHAEL E. BROWN
RECORDER

2013
018338

MERCHANTS
BONDING COMPANY™
POWER OF ATTORNEY

Bond #: IN 26671

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations duly organized under the laws of the State of Iowa (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint, individually,

Debbie S Buckner

of **Lapel** and State of **IN** their true and lawful Attorney-in-Fact, with full power and authority hereby conferred in their name, place and stead, to sign, execute, acknowledge and deliver in their behalf as surety any and all bonds, undertakings, recognizances or other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

THREE MILLION (\$3,000,000.00) DOLLARS

and to bind the Companies thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the Companies, and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following By-Laws adopted by the Board of Directors of the Merchants Bonding Company (Mutual) on April 23, 2011 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 24, 2011.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 27th day of February, 2012.



MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*
President

STATE OF IOWA
COUNTY OF POLK ss.

On this 27th day of February, 2012, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument is the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by their respective Boards of Directors.

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at the City of Des Moines, Iowa, the day and year first above written.

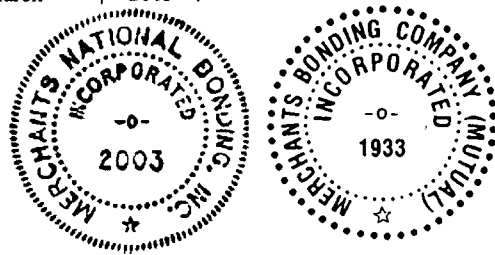


Maranda Greenwalt
Notary Public, Polk County, Iowa

STATE OF IOWA
COUNTY OF POLK ss.

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 11th day of March, 2013.



William Warner Jr.
Secretary

POA 0014 (11/11)