

Know all men by these presents:

That we Czar Resources Inc.



and The Continental Insurance Company

as Principal

as Surety

incorporated under the laws of the State of New Hampshire

and authorized to transact business in the State of Colorado, Routt County,

Colorado are held firmly bound unto Routt County, Colorado in the penal sum

of Twenty-five Thousand - - - - - 00/100 Dollars.

lawful money of the United States, for which payment well and truly to be made,

we bind ourselves, our heirs, executors, administrators, and successors and

assigns, jointly and severally, firmly by these presents.

Whereas the said Principal proposes to drill oil and gas wells within the confines of Routt County, Colorado.

Now, therefore, the condition of this obligation is such, that, if Principal shall faithfully comply with the following programs for restoration of the drilling site for the subject wells, considering the possibilities of both a successful and unsuccessful well:

1. In the event of a successful well and subsequently with producing operations, a pit containing waste muds, cuttings, etc., will be filled and levelled after sufficient drying. The access road will be maintained. When a well is eventually plugged, the location will be seeded. The access road will be seeded and water bars placed for drainage.
2. In the event of an unsuccessful well, the hole will be plugged in accordance with the rules and regulations of the State of Colorado and the waste pits filled and levelled after sufficient drying. The well site will be seeded. The access road will be seeded and water bars placed for drainage.
3. Damages such as drainage ditches, fences, bridges, roads, areas disturbed or damaged by tank batteries and pipelines; fencing and restoration of slush pits; to be restored to County's satisfaction, and then this obligation shall be void; otherwise to be and remain in full force and effect.

SIGNED, SEALED AND DATED THIS 21st DAY OF July, 19 81

Czar Resources Inc.

Principal PRESIDENT
Ian B. McMurtrie

THE CONTINENTAL INSURANCE COMPANY

Surety Daniel G. Duquette, Attorney

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GENERAL POWER OF ATTORNEY

Know all men by these Presents, That THE CONTINENTAL INSURANCE COMPANY has made, constituted and appointed, and by these presents does make, constitute and appoint

Daniel G. Duquette of Toronto, Ontario, Canada

its true and lawful attorney for it and in its name, place, and stead to execute on behalf of the said Company, as surety, bonds, undertakings and contracts of suretyship to be given to

all obligees

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provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of Unlimited Dollars.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company on the 1st day of November, 1977:

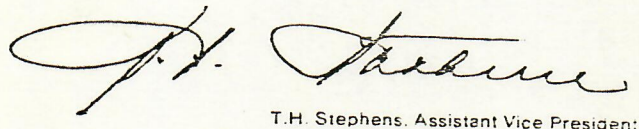
"RESOLVED, that the Chairman of the Board, the Vice Chairman of the Board, the President, an Executive Vice President or a Senior Vice President or a Vice President of the Company, be, and that each or any of them is, authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute in behalf of the Company, bonds, undertakings and all contracts of suretyship; and that an Assistant Vice President, a Secretary or an Assistant Secretary be, and that each or any of them hereby is, authorized to attest the execution of any such Power of Attorney, and to attach thereto the seal of the Company

FURTHER RESOLVED, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached."

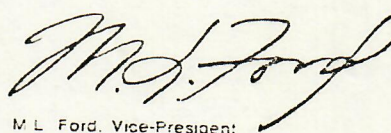
In Witness Whereof, THE CONTINENTAL INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by one of its Vice Presidents and attested by one of its Assistant Vice Presidents this 3rd day of January, 1979.

Attest:

THE CONTINENTAL INSURANCE COMPANY
By


T.H. Stephens, Assistant Vice President:



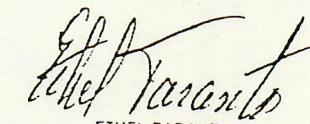

M.L. Ford, Vice-President:

STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.:

On this 3rd day of January, 1979, before me personally came M. L. Ford, to me known, who being by me duly sworn, did depose and say that he resides in Summit, in the county of Essex, State of New Jersey, at 768 Springfield Avenue; that he is a Vice President of THE CONTINENTAL INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name there-to by like order.



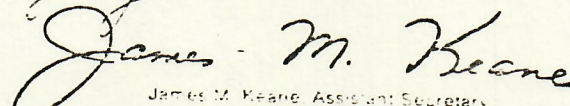
CERTIFICATE


ETHEL TARANTO
NOTARY PUBLIC, State of New York
No. 24-4553117 Qual. in Kings County
Commission Expires March 30 1980

I, the undersigned, an Assistant Secretary of THE CONTINENTAL INSURANCE COMPANY, a New Hampshire corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the City of New York. Dated the 21st day of July, 1981.




James M. Keane, Assistant Secretary