

File No. 29542

P.F. Jennings and R.E. Blacker)
to) Sale Agreement
Eureka Corporation, Ltd., a)
Canadian Corporation)

CONDITIONAL SALE AGREEMENT

THIS CONTRACT, entered into this 6th day of August, 1952, between P.F. JENNINGS AND R.E. BLACKER party of the first part, herein called seller, and EUREKA CORPORATION, LTD., a Canadian corporation, party of the second part, herein called buyer, WITNESSETH, That the seller agrees to sell, and the buyer agrees to buy, the following described personal property, to-wit:

1 Model 300 Sullivan Well Drilling Rig, as is more particularly described in the inventory attached hereto and signed by the respective parties;

upon the following terms and conditions and for the purchase price of \$42,500.00 in lawful money of the United States, payable as follows:

\$ 22,500.00 upon the signing of this agreement, receipt whereof is acknowledged, and the balance in installments as shown by the schedule of installments below, together with interest on any unpaid installment at the rate of 5% on any unpaid balance.

IT IS UNDERSTOOD AND AGREED that the following conditions and covenants are the conditions and covenants under which said property is sold:

First: That this instrument contains the entire agreement between the parties hereto and no statement or inducement or representation of any party hereto, or of any agent of seller, not contained herein, shall be binding or valid on seller; and buyer acknowledges receipt of said property in good condition and accepts the same; and agrees that seller may examine the same at all reasonable times. Buyer agrees not to remove said property from the State of Nevada without the written permission of the undersigned.

Second: Buyer agrees to maintain and keep said property in good condition and repair, reasonable wear and tear thereof excepted, and protect the same against the elements, not to sell or otherwise dispose of the same, nor permit the same to be removed from his possession nor permit the same to be attached nor create nor permit to be created any lien, encumbrance or adverse claim of any character against the same for storage, repairs, or otherwise; and agrees that he will not sell, transfer, or assign his right, title or interest in and/or to said property or this agreement without the prior written consent of the seller, and that he will pay all taxes and assessments of every character levied or assessed against said personal property, this contract and the indebtedness and transaction represented thereby.

Third: Said purchaser agrees to insure said personal property against loss by fire, theft, and transportation at his own expense for an amount not less than the aggregate sum of said original deferred payments, so long as any of said payments shall remain unpaid; said insurance shall be placed in an insurance company or companies designated by said seller, and shall be payable to said seller and said purchaser as their interest may appear, and said policy or policies shall be held by said seller until this agreement is fully performed. Should said seller secure said insurance or pay premium therefor or incur liability for the same, the amount of said insurance premium shall be added to the unpaid principal of this agreement and shall immediately thereupon become due and payable by the purchaser without demand and shall bear the same rate of interest as the remainder of the unpaid principal of this contract until the purchaser shall have paid said premiums in full.

Fourth: Should said personal property suffer any loss, damage, or injury, from any cause whatsoever, such loss, damage or injury shall not relieve said purchaser from the obligation to purchase and pay for said lost, damaged or injured personal property in full, according to the terms of the agreement.

Fifth: The purchaser agrees to save the Seller harmless from any and ^{all} liabilities or alleged liabilities, including all costs and attorney's fees for all injury or damages to persons or properties, caused in any manner by the use of said personal property.

Sixth: Said purchaser agrees that any equipment repairs placed upon said personal property during the continuance of this agreement, shall become a component part thereof, and that the title thereto shall immediately become vested in said seller and be included under the terms of this agreement, and any indebtedness therefor, if paid by the seller or his assigns, shall be added to the unpaid principal of this agreement and shall become immediately due and payable with interest as above provided.

Seventh: Title to said personal property shall remain in said seller until all of the payments herein provided for are made and all of the conditions and terms hereof fully complied with by said purchaser, whereupon said ORIGINAL SELLER SHALL EXECUTE TO SAID PURCHASER A BILL OF SALE OF SAID PERSONAL PROPERTY.

Eighth: Should said purchaser fail to make any of said payments in the amounts, manner and within the time herein provided for, or should said purchaser fail to perform any of the terms or conditions hereof in the manner and within the time herein provided for, said seller or his assignee may at his option after 20 days demand or notice, exercise either of the following remedies, to-wit:

(a) He may declare the entire remaining unpaid purchase price and interest to be immediately due and payable and sue therefor, or

(b) He may after 20 days notice retake possession of said personal property, and without notice may resell the same at public or private sale, and after deducting all expenses and attorney's fees incurred therein, credit the net proceeds thereof to the unpaid balance of this agreement, and said purchaser herein named hereby agrees to pay to said seller or his assigns any deficiency remaining under this contract after such sale is completed and the net proceeds applied thereon, or

(c) He may after 20 days notice retake possession of said personal property and credit the reasonable value thereof as determined by him to the unpaid purchase price and interest and other sums due under this agreement, in which event the purchaser herein named hereby agrees to pay the seller, or his assigns, after the said reasonable value of said property has been credited to the purchaser's account as aforesaid, any difference or deficiency that may exist or remain due or unpaid, or

(d) He may take immediate possession of said personal property, attachments, accessories and equipment wherever and whenever found and after 20 days notice or demand may declare the purchaser in default and in such event all of the rights, titles and equities of said purchaser in and to said personal property shall immediately cease and determine, and said seller or his assigns shall be released from all obligations to transfer or deliver said personal property to said purchaser, and all sums of money theretofore paid and then due and unpaid by said purchaser to said seller hereunder shall remain the sole property of said seller or his assigns and shall be considered as compensation for the use, wear, tear and depreciation of said personal property by said purchaser, and said purchaser agrees to forthwith pay said seller or his assigns all payments and interest then due and unpaid as part compensation for the use of said personal property as aforesaid.

Ninth: In the event that the seller shall employ an attorney to recover the property herein mentioned or to collect any indebtedness under this agreement there shall become due and payable from the purchaser to the seller a reasonable sum as and for attorney's fees which shall in no case be less than the sum of fifty dollars. Said purchaser also agrees to pay to seller any and all expenses incurred in recovering possession of said property or collecting any indebtedness under this agreement including attorney's fees, court costs and expenses.

Tenth: Should the Purchaser fail to pay any installment above specified, when due, it is hereby agreed that the Seller may refer the matter of collection of such delinquent installment to any person or collection agency or to the collection department of the Seller, or his assignee for collection, and if the same be so referred, the Purchaser agrees to pay to the Seller a reasonable collection charge, which shall in no event be less than two per cent of said delinquent installment.

Eleventh: In the event the property covered by this agreement is taken under attachment or execution the said party of the second part agrees that the party of the first part shall have the right to accept any balance due under this contract and deliver the contract to the party making such payment.

Twelfth: In the event that said seller or his assignees retake possession of said personal property, the insurance policy thereon shall thereby become the sole property of said seller or his assignees, and the purchaser shall have no further interest in or to said insurance policy, or in the monies payable thereunder. Said purchaser agrees that he will not change the usual storage address of said personal property without first giving written notice thereof to said seller or his assignees.

Thirteenth: Time and each of its terms covenants and conditions are hereby declared to be the essence of this contract, and acceptance by the seller of any payment hereunder, after the same is due, shall not constitute a waiver by him of this or any other provision of this contract.

Fourteenth: The terms herein above set forth for the benefit of the seller shall inure to the benefit of and operate in favor of the successor and assigns of the seller.

Fifteenth: Said purchaser hereby acknowledges a copy of this agreement and acknowledges and expressly represents to any assignee of the seller that the same has been duly signed by him and that said signature was of his own free will and accord and that no fraud, duress, undue influence or coercion of any kind was exerted on him by any person in obtaining said signature to said contract.

Sixteenth: Sellers hereby warrant that they are the owner of said property and there is no encumbrance, mortgage, lien or charge against the same of any kind or nature, and that said property is free and clear of all of said encumbrance.

SCHEDULE OF PAYMENTS

\$1,666.66	-----1	month after	8-10-52
\$1,666.66	-----2	months after	8-10-52
\$1,666.66	-----3	months after	8-10-52
\$1,666.66	-----4	months after	8-10-52
\$1,666.66	-----5	months after	8-10-52
\$1,666.66	-----6	months after	8-10-52
\$1,666.66	-----7	months after	8-10-52
\$1,666.66	-----8	months after	8-10-52
\$1,666.66	-----9	months after	8-10-52
\$1,666.66	-----10	months after	8-10-52
\$1,666.66	-----11	months after	8-10-52
\$1,666.66	-----12	months after	8-10-52

IN WITNESS WHEREOF, the parties hereunto set their hands and seals the day and year first above written.

R. E. Blacker
Seller

P. F. Jennings
Seller

Address: _____

EUREKA CORPORATION, LTD.,

By G. W. Mitchell

By Vice-President & Gen. Manager

Address: Eureka, Nevada

State of California)

County of Kern)

ss.

On This 6th day of August, A.D., 1952, before me, Lilas W. Svendsen a Notary Public in and for said County and State, personally appeared P.F. JENNINGS and R. E. BLACKER, known to me, to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(Notarial Seal)

Lilas W. Svendsen
Notary Public in and for said County and State

State of California)

County of Inyo)

ss.

On This 7th day of August, A.D., 1952, before me, Willis Smith, a Notary Public in and for said County and State, personally appeared George W. Mitchell, known to me to be the Vice-President of the Eureka Corporation, Ltd., the Corporation that executed the within Instrument, known to me to be the person who executed the within Instrument, on behalf of the Corporation, therein named, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(Notarial Seal)

Willis Smith
Notary Public in and for said County and State

INVENTORY

1. Model 300 Sullivan Drilling Rig
W/58' Sullivan Drilling Mast - Powered by two 427 Continental Engines, mounted on Tandem Axle 35 foot Fruehauf Trailer.
2. One 8' x 15' x 38" Sub Base W/ Back up Posts.
3. One 3500' General Machine Co. Sandreel Unit powered by U-4 International Engine.
4. One Model 12 Kelco Make and Spinning Cat head complete.
5. One OB Brewster Rotary table.
6. One S-3 Brewster Swivel with Elevator Adapter.
7. Two sets Byron Jackson 3½" Elevators,
8. Two Web Wilson Type C. Drill Pipe Tongs 2-7/8 to 7"
9. One 2" x 35' Rotary Hose complete.
10. One 3" x 20" Bumper Hose complete.
11. One Sullivan 3 Sheave Travling Block.
12. One 3/4" x 600 - 6 x 19 Drilling Line.
13. One pair 48" x 1 - 3/4" B. J. Weldless Links.
14. One Series 100 Web Wilson connector.
15. One 5" x 8" EF-FXX Gardner Denver Mud Pump Powered by R. 33 Continental Engine W/6 Sheave Belt Drive, Mounted on 8" x 8' x 15' Skid Type Base all complete W/ Cameron Gates and 6' x 4" Suction Hose.
16. 4 - 30" x 15' Triangle Type Drill Pipe Racks.
17. 1 - Red Devil Liner Puller.
18. 1 - Mission Valve Seat Puller.
19. 3200' x 1/2" Sand Line used.
20. 1/2" x 100' Propane Butane Hose complete w/ connections.
21. One 3-1/2" x 37' Square Kelley.
22. One 6-5/8 x 35' Rat Hole Pipe.
23. One Set 3-1/2" Ideal Square Type Kelley Bushings.
24. One Sub - 6"OD x 30" w/ 4½ API Reg Box To 3½ API Reed Box.
25. One Sub - 3½" API Reed Pin To 3½" API Reed Box 5"OD x 12" Long.

Inventory - Page 2

26. One Sub - 5" O.D. x 20" Long - 3½" API Reed Pin x 3½ UT Box.
27. One Sub 4½" OD x 12" Long - 3½" API Reed Box x 3½ UT Pin.
28. One 5½" x 26' -9" Drill Collar w/ 3½" API 1F Reed Pin and Box.
29. One 5½" x 28' Drill Collar w/ 3½" API 1F Reed Pin and Box.
30. 67 Jts. Range Two 3½" Drill Pipe with 3½" API 1F Reed Tool Joints 2010 Feet.
31. 16 joints Range Two 3½" Drill Pipe w/ 3½" Union Tool joints 480' - Feet.
32. 1 Set Baash Ross Drill Collar Slips.
33. 1 Set Mission 3½" Drill Pipe Sips (Slim hole type).
34. L Line Scale weight indicator.
35. 1 Mud mixing hopper complete.
36. 2 Reed Drill Collar Lifting subs.
37. 1 Union Tool Drill Collar Lifting subs.
38. 1 - 3½" Tap.
39. 1 - 2" Cameron Mud Pressure Gage.
40. 1 - Alemite Extra Hi Pressure Grease Guns.
41. 1 Set Vulcan Santa Fe Chain Tongs.

R. E. Blacker

P. F. Jennings

Seller

EUREKA CORPORATION, LTD.,
a Canadian Corporation

By G.W. Mitchell

By Vice-President & Gen. Manager
Buyer

Recorded at the Request of Henry C. Mack August 18 A.D. 1952 at 30 minutes past 11 A.M.

R.W. Gibson---Recorder