

CHATTEL MORTGAGE

1
2
3 The undersigned, for value received, hereby mortgages to
4 JOHN CHAMPION of Reno, Washoe County, Nevada, hereinafter referred
5 to as Lender, and hereby grants to said Lender a security interest
6 in and to the property more particularly described in Exhibit "A"
7 attached hereto and by reference thereto incorporated herein,
8 said property to secure the payment of a promissory note dated on
9 or about the date hereof, of the undersigned payable to the order
10 of the Lender in the principal amount of Six Thousand Five Hundred
11 Dollars (\$6,500.00), all obligations of the undersigned hereunder,
12 and all other obligations of the undersigned to the Lender howso-
13 ever created, arising or evidenced, whether direct or indirect,
14 absolute or contingent, or now or hereafter existing, or due or
15 to become due. The note and all other obligations secured hereby
16 are herein collectively called the "liabilities".

17 Until default, the undersigned may have possession of the
18 goods and use the same in any lawful manner not inconsistent with
19 this Agreement or with any policy of insurance on any of the goods.

20 The undersigned hereby warrants and agrees that: (1) to
21 the extent, if any, it shall have advised the Lender that any of
22 the goods are being acquired with the proceeds of the note, such
23 proceeds may be disbursed by the Lender directly to the seller of
24 such goods; (2) the goods (except any thereof which prior to the
25 execution of this agreement the undersigned shall have advised the
26 Lender in writing consist of equipment normally used in more than
27 one State) will be kept at its address shown below unless the
28 Lender shall otherwise consent in writing; (3) if any of the goods
29 shall consist of equipment of a type normally used in more than
30 one State, whether or not actually so used, it will immediately

1 give written notice to the Lender of any change in the chief place
2 of business of the undersigned, and of any use of any of such
3 goods in any jurisdiction other than a State in which the under-
4 signed shall have previously advised the Lender such goods will
5 be used, and such goods will not, unless the Lender shall otherwise
6 consent in writing, be used outside the territorial limits of the
7 United States; (4) it has, or forthwith will acquire, full title
8 to the goods, and will at all times keep the goods free of all
9 liens and claims whatsoever, other than the security interest here-
10 under; (5) no financing statement covering any of the goods is on
11 file in any public office and it will from time to time, on
12 request of the Lender, execute such financing statement and other
13 documents and do such other acts and things, all as the Lender may
14 request to establish and maintain a valid security interest in the
15 goods (free of all other liens and claims whatsoever) to secure
16 the payment of the Liabilities, including, without limitation,
17 deposit with the Lender of any certificate of title issuable with
18 respect to any of the goods and notation thereon of the security
19 interest hereunder; (6) it will not sell, transfer, lease or other-
20 wise dispose of any of the goods or any interest therein except
21 with the prior written consent of the Lender; (7) it will at all
22 times keep the goods in first class order and repair, excepting
23 any loss, damage or destruction which is fully covered by proceeds
24 of insurance; (8) it will at all times keep the goods insured
25 against loss, damage, theft and other risks, in such amounts and
26 companies and under such policies and in such form, all as shall be
27 satisfactory to the Lender, which policies shall provide that loss
28 thereunder shall be payable to the Lender as its interest may
29 appear and such policies or certificates thereof shall, if the
30 Lender so requests, be deposited with the Lender; and (9) the

1 Lender may examine and inspect the goods or any thereof, wherever
2 located, at any reasonable time or times. The Lender may from
3 time to time, at his option, perform any agreement of the under-
4 signed hereunder which the undersigned shall fail to perform and
5 take any other action which the Lender deems necessary for the
6 maintenance or preservation of any of the goods or its interest
7 therein, and the undersigned agrees to forthwith reimburse the
8 Lender for all expenses of the Lender in connection with the fore-
9 going, together with interest thereon at the rate of 10% per annum
10 from the date incurred until reimbursed by the undersigned.

11 The occurrence of any of the following events shall con-
12 stitute a default; (a) non-payment, when due, of any amount
13 payable on any of the Liabilities or failure to perform any agree-
14 ment of the undersigned contained herein; (b) any statement, re-
15 presentation or warranty of the undersigned herein or in any other
16 writing at any time furnished by the undersigned to the Lender is
17 untrue in any material respect as of the date made; (c) Obligor
18 (which term, as used herein, shall mean the undersigned and each
19 other party primarily or secondarily liable on any of the
20 Liabilities) becomes insolvent or unable to pay debts as they
21 mature or makes an assignment for the benefit of creditors, or
22 any proceeding is instituted by or against Obligor alleging that
23 such Obligor is insolvent or unable to pay debts as they mature;
24 (d) entry of any judgment against any Obligor; (e) death of any
25 Obligor who is a natural person, or of any partner of any Obligor
26 which is a partnership; (f) dissolution, merger or consolidation,
27 or transfer of a substantial part of the property of any Obligor
28 which is a corporation or a partnership; or (g) the Lender feels
29 insecure for any other reason whatsoever. Whenever a default
30 shall be existing, the note and all other Liabilities may at the
option of the Lender, and without demand or notice of any kind,

1 be declared, and thereupon immediately shall become due and payable
2 and the Lender may exercise from time to time any rights and
3 remedies available to him under applicable law. The undersigned
4 agrees, in case of default, to assemble, at its expense, all the
5 goods at a convenient place acceptable to the Lender and to pay
6 all costs of the Lender of collection of the note and all other
7 Liabilities, and enforcement of rights hereunder, including reason-
8 able attorneys' fees and legal expenses, and expenses of any
9 repairs to any realty or other property to which any of the goods
10 may be affixed or be a part. If any notification of intended
11 disposition of any of the goods is required by law, such notifi-
12 cation, if mailed, shall be deemed reasonably and properly given
13 if mailed at least five days before such disposition, postage
14 prepaid, addressed to the undersigned either at the address shown
15 below, or at any other address of the undersigned appearing on the
16 records of the Lender. Any proceeds of any disposition of any of
17 the goods may be applied by the Lender to the payment of expenses
18 in connection with the goods, including reasonable attorneys'
19 fees and legal expenses, and any balance of such proceeds may be
20 applied by the Lender toward the payment of such of the Liabilities,
21 and in such order of application as the Lender may from time to
22 time elect.

23 No delay on the part of the Lender in the exercise of
24 any right or remedy shall operate as a waiver thereof, and no single
25 or partial exercise by the Lender of any right or remedy shall
26 preclude other or further exercise thereof or the exercise of any
27 other right or remedy. If more than one party shall execute this
28 agreement, the term undersigned shall mean all parties signing
29 this agreement and each of them, and all such parties shall be
30 jointly and severally obligated hereunder. The neuter pronoun,

1 when used herein, shall include the masculine and feminine and
2 also the plural. If this agreement is not dated when executed
3 by the undersigned, the Lender is authorized, without notice to
4 the undersigned, to date this agreement.

5 The additional provisions, if any, set forth or referred
6 to below are hereby made a part of this agreement.

7 This agreement has been delivered at Reno, Nevada, and
8 shall be construed in accordance with the laws of the State of
9 Nevada. Wherever possible each provision of this agreement shall
10 be interpreted in such manner as to be effective and valid under
11 applicable law, but if any provision of this agreement shall be
12 prohibited by or invalid under applicable law, such provision shall
13 be ineffective to the extent of such prohibition or invalidity,
14 without invalidating the remainder of such provision or the
15 remaining provisions of this agreement.

16 The rights and privileges of the Lender hereunder shall
17 inure to the benefit of his successors and assigns.

18 IN WITNESS WHEREOF, this agreement has been duly executed
19 as of the 21st day of January, 1966.

20 MODOC MINERAL AND OIL COMPANY

21
22
23 BY: W. F. Ash

24 ATTEST:

25 Mrs. W. F. Ash
26
27
28
29
30



1 STATE OF NEVADA }
 2 County of Washoe } ss.


3 On this _____ day of January, 1966, before me, a notary
 4 public in and for said County and State, personally appeared
 5 _____ and _____

6 known to me to be the _____ and _____
 7 of the corporation that executed the foregoing instrument, and
 8 upon oath, did depose that they are the officers of said corpora-
 9 tion as above designated; that they are acquainted with the seal
 10 of said corporation and that the seal affixed to said instrument
 11 is the corporate seal of said corporation; that the signatures
 12 to said instrument were made by officers of said corporation as
 13 indicated after said signatures; that the said corporation executed
 14 the said instrument freely and voluntarily and for the uses and
 15 purposes therein mentioned.

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

18
 19
 20
 21 Notary Public in and for the County of Washoe,
 State of Nevada

22 My commission expires:

23
 24  MARIE C. ANDERSON
 25 Notary Public — State of Nevada
 Washoe County
 My Commission Expires July 18, 1968

26
 27
 28
 29
 30

EXHIBIT "A"

1		
2		
3	All Drill Pipe	Welding Equipment
4	Mud Pump, Motor and Mud Tank	Convertor
5	Sand Shaker	Dog House
6	4½ x 30' Drill Collars	House Trailer
7	53' 4½" Kelley	One GMC Water Tank, Motor #A 3 A 13748 - License California X53607;
8	100 Ton Emsco Swivel	
9	Pipe Slips and Drill Collar Clamps	One Diamond "T" 10 Wheel Tractor with air compressor on it License California N82400
10	Pipe Tongs	
11	2 - Travelling Blocks	
12	3 - Drilling Lines	One White 8 wheel Tractor with "A" Frame, Calif. License W42685
13	Storage Tank	
14	Water Pump	One Tractor Trailer 8 wheel, License Calif. 959091
15	Kellie Hose	One Two-wheel Tractor Dollie
16	Other Hoses	One Two-wheel gas generator welder
17	Miscellaneous Tools	
18	Miscellaneous Parts and Supplies	Rotary Table
19		Drilling Rig on Semi
20		

41667

File No. 41667
 RECORDED AT THE REQUEST OF
~~SANFORD~~ SANFORD
JANUARY 28 A. D. 1966
 at 45 minutes past 11 A. M.
 in Book 9 of OFFICIAL RECORDS
 Page 535-541 Records of
 EUREKA COUNTY, NEVADA
Willie A. McNeal
 Recorder
 Fee \$ 6.85