

ASSIGNMENT AND ASSUMPTION
AGREEMENT

THIS AGREEMENT, dated as of the 7th day of August, 1980 by and between NEWPARK DRILLING FLUIDS, INC., a Louisiana corporation, with offices in New Orleans, Louisiana, hereinafter referred to as "NEWPARK;" and A. W. ARNOLD & ASSOCIATES, INC., a Texas corporation, with offices in Houston, Texas, hereinafter referred to as "ARNOLD;"

W I T N E S S E T H:

WHEREAS NEWPARK and ARNOLD have entered into a Purchase Agreement dated as of the 7th day of August, 1980, pursuant to which NEWPARK has agreed to assign, and ARNOLD has agreed to accept and assume certain leases (or subleases, as the case may be), subject to the terms and for the consideration recited in said Purchase Agreement;

NOW THEREFORE, the parties hereto agree as follows:

1. NEWPARK hereby assigns and transfers to ARNOLD all of NEWPARK's right, title and interest in and to the following lease (or sublease, as the case may be), hereinafter referred to as the "Lease:"

That certain Mineral Lease dated June 1, 1978, by and between Reinhold Sadler and Verna Sadler, his wife, Ruth Sadler, Kathleen Compton, Jeanne Brown, Paul Sadler, Jon Sadler, and Gail Pesmark, as Lessors, and the Arnold & Clarke Chemical Company, a division of Chromalloy American Corporation, as Lessee, covering the Bear and Bear Nos. 2 and 3 unpatented lode mining claims in Eureka County, Nevada, and the Jeanne Marie and Gail unpatented lode mining claims in Elko County, Nevada. An Assignment and Assumption by and between the Chromalloy American Corporation, as Assignor, and Newpark Drilling Fluids, Inc., as Assignee, dated as of April 10, 1980, is recorded at Book 82, Pages 509-512, Official Records, Eureka County, and at Book 324, Pages 543-546, Official Records, Elko County.

2. ARNOLD hereby assumes all of the rights, titles, duties and obligations of NEWPARK and hereby agrees to save and hold NEWPARK, its officers, directors, agents and employees, harmless from all payments, actions or claims of any type and nature,

-1-

HOY, MILLER & MURPHY, CHARTERED
ATTORNEYS AT LAW
RENO AND ELKO, NEVADA

BOOK 85 PAGE 23

including costs and attorney's fees, resulting from ARNOLD's use of, activities on, or any connection with the Lease and the property subject thereof, including, but not limited to, payments due, or to be due, and owing to the original lessor or intermediate sublessors or assignors.

3. ARNOLD may assign or sublet the Lease and leasehold interest assigned hereunder so long as NEWPARK receives written notice of such assignment or sublease within TWENTY (20) days of the date of such assignment or sublease and so long as ARNOLD executes a guarantee of the performance by such assignee or sublessee in the form of Exhibit J attached to the Agreement and NEWPARK receives a copy of the assignment or sublease and the guarantee with said notice.

IN WITNESS WHEREOF, NEWPARK and ARNOLD have caused this Agreement to be signed by their respective officers, duly authorized, all as of the date and year first above written.

NEWPARK:

NEWPARK DRILLING FLUIDS, INC., a
Louisiana corporation

BY: Stanley E. Edinger, Jr.

TITLE: TREASURER

ARNOLD:

A. W. ARNOLD & ASSOCIATES, INC.,
a Texas corporation

BY: A. W. Arnold, Jr.

TITLE: President

-2-

STATE OF LOUISIANA)
PARISH) SS.
COUNTY OF ORLEANS)

On August 7, 1980, personally appeared before me, a Notary Public, STANLEY E. ELLINGTON JR., a duly qualified and acting officer of NEWPARK DRILLING FLUIDS, INC., who acknowledged to me that he executed the above Assignment and Assumption Agreement in that capacity.

Helmer H. Hbert
NOTARY PUBLIC

STATE OF LOUISIANA)
PARISH) SS.
COUNTY OF ORLEANS)

On August 7, 1980, personally appeared before me, a Notary Public, H. W. HERNANDEZ JR., a duly qualified and acting officer of A. W. ARNOLD & ASSOCIATES, INC., who acknowledged to me that he executed the above Assignment and Assumption Agreement in that capacity.

Helmer H. Hbert
NOTARY PUBLIC

RECORDED AT REQUEST OF
Hoy, Miller & Murphy
BOOK 85 PAGE 23-25

80 AUG 14 A10:48

OFFICIAL RECORDS
CLERK OF COURT, CLAYTON
WILLIS A. BERRY, JR., CLERK
FILE NO. 75402
FEE 5.00