

FINANCING STATEMENT

This instrument is prepared and is intended to be a Financing Statement complying with the formal requisites therefor as set forth in the Uniform Commercial Code - Secured Transactions, as amended (herein called the "Code"), and in particular Sec. 104.9402 thereof.

1. The name and address of the debtor ("Debtor") is:

A. W. Arnold & Associates, Inc.
2400 Augusta Drive, Suite 400
Houston, Texas 77057

2. The name and address of the secured party ("Secured Party") is:

RepublicBank Dallas, National Association
P. O. Box 225961
Pacific and Ervay Streets
Dallas, Texas 75265
Attention: Petroleum & Minerals Department

3. This Financing Statement covers the following types (or items) of property:

All rights and interests presently owned or hereafter acquired by Debtor in (i) all minerals of every kind (including minerals subject to Sec. 104.9103.5 of the Code) produced from or allocated to the properties described in Exhibit A annexed hereto (ii) all accounts (including accounts subject to Sec. 104.9103.5 of the Code), contract rights and general intangibles arising in connection with the sale or other disposition of such production or relating to such properties, (iii) all materials, equipment and other personal property and fixtures at anytime used or owned or held for use on or affixed to such properties or used or owned or held for use in connection with such production, and all accessions and appurtenances thereto, (iv) all renewals or replacements of or substitutions for any of the foregoing, and (v) all proceeds or products of the foregoing.

4. The record owner of the properties described in Exhibit A annexed hereto is the Debtor.

5. Presented for filing to:

The County Recorder of Eureka County, Nevada

6. This Financing Statement is to be filed for record in the real estate records.

FILED THIS 7TH DAY OF OCTOBER,
1981, AT 50 MINS. PAST 11 A.M.,
RECORDS OF EUREKA COUNTY, NEVADA

Hellen A. McFaul
Eureka County Recorder

DEBTOR:

By

Title:

SECURED PARTY:

RepublicBank Dallas,
National Association

By

Title:

AFTER RECORDING RETURN TO:

Mr. John W. Rain

Thompson & Knight

2300 Republic National Bank

Dallas, Texas 75201

By *M. J. [Signature]*
Title: *Vice President*

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EXHIBIT A

1. Properties Situated North of Wells, Nevada.

A. That certain group of unpatented lode mining claims located in Township 40 North, Range 63 East of the Mt. Diablo Base and Meridian, in Elko County, Nevada, known as "Easy Miner #1 through #43," and "Easy Miner #52 through #110," more particularly described as follows:

1. Easy Miner #1 (BLM Serial # NMC 28320), primarily located in Sections 2 and 11, overlapping into Sections 3 and 10.

2. Easy Miner #2 (BLM Serial # NMC 28321), Easy Miner #3 (BLM Serial # NMC 28322), Easy Miner #4 (BLM Serial # NMC 28323) and Easy Miner #5 (BLM Serial # NMC 28324), primarily located in Section 2, overlapping into Section 3.

3. Easy Miner #6 (BLM Serial # NMC 28325), Easy Miner #7 (BLM Serial # NMC 28326), Easy Miner #8 (BLM Serial # NMC 28327), and Easy Miner #9 (BLM Serial # NMC 28328) all contained in Section 2.

4. Easy Miner #10 (BLM Serial # NMC 28329) and Easy Miner #11 (BLM Serial # NMC 28330), located in Sections 2 and 11.

5. Easy Miner #12 (BLM Serial # NMC 28331), Easy Miner #13 (BLM Serial # NMC 28332), Easy Miner #14 (BLM Serial # NMC 28333), and Easy Miner #15 (BLM Serial # NMC 28334), all contained in Section 2.

6. Easy Miner #16 (BLM Serial # NMC 28335), Easy Miner #17 (BLM Serial # NMC 28336), Easy Miner #18 (BLM Serial # NMC 28337), and Easy Miner #19 (BLM Serial # NMC 28338), primarily located in Section 2, overlapping into Section 1.

7. Easy Miner #20 (BLM Serial # NMC 28339) primarily located in Sections 2 and 11, overlapping into Sections 1 and 12.

8. Easy Miner #21 (BLM Serial # NMC 28358), Easy Miner #22 (BLM Serial # NMC 28359), Easy Miner #23 (BLM Serial # NMC 28360), Easy Miner #24 (BLM Serial # NMC 28361), Easy Miner #25 (BLM Serial # NMC 28362), Easy Miner #26 (BLM Serial # NMC 28363), Easy Miner #27 (BLM Serial # NMC 28364), and Easy Miner #28 (BLM Serial # NMC 28365), primarily located in Section 12, overlapping into Section 11.

9. Easy Miner #29 (BLM Serial # NMC 28366), primarily located in Section 12, overlapping into Sections 11, 14, and 13.

10. Easy Miner #30 (BLM Serial # NMC 28367), primarily located in Section 12, overlapping into Section 13.

11. Easy Miner #31 (BLM Serial # NMC 28368), Easy Miner #32 (BLM Serial # NMC 28369), Easy Miner #33 (BLM Serial # NMC 28370), Easy Miner #34 (BLM Serial # NMC 28371), Easy Miner #35 (BLM Serial # NMC 28372), Easy Miner #36 (BLM Serial

NMC 28373), Easy Miner #37 (BLM Serial # NMC 28374), Easy Miner #38 (BLM Serial # NMC 28375), Easy Miner #39 (BLM Serial # NMC 28376), Easy Miner #40 (BLM Serial # NMC 28377), Easy Miner #41 (BLM Serial # NMC 28378), Easy Miner #42 (BLM Serial # NMC 28379), and Easy Miner #43 (BLM Serial # NMC 28380), all contained in Section 12.

12. Easy Miner #52 (BLM Serial # NMC 28381), Easy Miner #53 (BLM Serial # NMC 28382), Easy Miner #54 (BLM Serial # NMC 28383), Easy Miner #55 (BLM Serial # NMC 28384) and Easy Miner #56 (BLM Serial # NMC 28385), primarily located in Section 12, overlapping into Section 7.

13. Easy Miner #57 (BLM Serial # NMC 28386), primarily located in Section 14, overlaps into Sections 10, 11 and 15.

14. Easy Miner #58 (BLM Serial # NMC 28387), Easy Miner #59 (BLM Serial # NMC 28388), Easy Miner #60 (BLM Serial # NMC 28389), Easy Miner #61 (BLM Serial # NMC 28390), Easy Miner #62 (BLM Serial # NMC 28391), Easy Miner #63 (BLM Serial # NMC 28392), and Easy Miner #64 (BLM Serial # NMC 28393), primarily located in Section 14, overlapping into Section 15.

15. Easy Miner #65 (BLM Serial # NMC 28394), primarily located in Section 14, overlapping into Sections 15, 22 and 23.

16. Easy Miner #66 (BLM Serial # NMC 28395), located in Section 14, overlapping into Section 23.

17. Easy Miner #67 (BLM Serial # NMC 28396), Easy Miner #68 (BLM Serial # NMC 28397), Easy Miner #69 (BLM Serial # NMC 28398), Easy Miner #70 (BLM Serial # NMC 28399), Easy Miner #71 (BLM Serial # NMC 28400), Easy Miner #72 (BLM Serial # NMC 28401), Easy Miner #73 (BLM Serial # NMC 28402), Easy Miner #74 (BLM Serial # NMC 28403), Easy Miner #75 (BLM Serial # NMC 28404), Easy Miner #76 (BLM Serial # NMC 28405), Easy Miner #77 (BLM Serial # NMC 28406), Easy Miner #78 (BLM Serial # NMC 28407), Easy Miner #79 (BLM Serial # NMC 28408), Easy Miner #80 (BLM Serial # NMC 28409), Easy Miner #81 (BLM Serial # NMC 28410), and Easy Miner #82 (BLM Serial # NMC 28411), all contained in Section 14.

18. Easy Miner #83 (BLM Serial # NMC 28412), primarily located in Section 14, overlapping into Section 23.

19. Easy Miner #84 (BLM Serial # NMC 28413), primarily located in Section 14, overlapping into Sections 13, 23 and 24.

20. Easy Miner #85 (BLM Serial # NMC 28414), Easy Miner #86 (BLM Serial # NMC 28415), Easy Miner #87 (BLM Serial # NMC 28416), Easy Miner #88 (BLM Serial # NMC 28417), Easy Miner #89 (BLM Serial # NMC 28418), Easy Miner #90 (BLM Serial # NMC 28419), and Easy Miner #91 (BLM Serial # NMC 28420), primarily located in Section 14, overlapping into Section 13.

21. Easy Miner #92 (BLM Serial # NMC 28421), primarily located in Section 14, overlapping into Sections 11, 12 and 13.

22. Easy Miner #93 (BLM Serial # NMC 28340), primarily located in Section 22, overlapping into Section 27.

23. Easy Miner #94 (BLM Serial # NMC 28341), Easy Miner #95 (BLM Serial # NMC 28342), Easy Miner #96 (BLM Serial # NMC 28343), Easy Miner #97 (BLM Serial # NMC 28344), Easy Miner #98 (BLM Serial # NMC 28345), Easy Miner #99 (BLM Serial # NMC 28346), Easy Miner #100 (BLM Serial # NMC 28347), and Easy Miner #101 (BLM Serial # NMC 28348), all contained in Section 22.

24. Easy Miner #102 (BLM Serial # NMC 28349), Easy Miner #103 (BLM Serial # NMC 28350), Easy Miner #104 (BLM Serial # NMC 28351), Easy Miner #105 (BLM Serial # NMC 28352), Easy Miner #106 (BLM Serial # NMC 28353), Easy Miner #107 (BLM Serial # NMC 28354), Easy Miner #108 (BLM Serial # NMC 28355), and Easy Miner #109 (BLM Serial # NMC 28356), primarily located in Section 22, overlapping into Section 23.

25. Easy Miner #110 (BLM Serial # NMC 28357), primarily located in Section 22, overlapping into Sections 23, 26 and 27.

B. A leasehold interest in the following described real property:

All of Sections 11, 13 and 15, of Township 40 North, Range 63 East, of the Mt. Diablo Base & Meridian, Elko County, Nevada, EXCEPTING THEREFROM 12.4 acres situated in Section 13, subject to highway right-of-way.

Said properties being subject of an Exploration and Mineral Lease Agreement dated January 1, 1978 by and between Chromalloy American Corporation and Patsy R. Grube, et al., as amended by First Amendment to Exploration and Mineral Lease Agreement dated November 20, 1978, and subject of an Exploration and Mineral Lease Agreement dated January 1, 1978 by and between Chromalloy American Corporation and The Superior Oil Company, as amended by Quitclaim Deed and Leasehold Release dated December 19, 1978.

C. That certain group of unpatented lode mining claims located in Township 39 North, Range 64 East of the Mt. Diablo Base & Meridian, Elko County, Nevada, known as the "Dig Claims," more particularly described as follows:

1. Dig #1 (BLM Serial # NMC 76963), located in Section 10.

2. Dig #2 (BLM Serial # NMC 76964), located in Section 10.

3. Dig #3 (BLM Serial # NMC 76965), located in Section 10, overlapping into Section 11.

D. That certain patented lode mining claim more particularly described as follows:

Wildcat Barium Lode Mining Claim;

U.S. Mineral Survey No. 4876;

U.S. Patent No. 27-68-0067;

Located within Section 20, Township 44 North, Range 59 East, M.D.B.&M., Patent recorded in Book 88 Page 486, Official Records, Elko County, Nevada.

II. Properties Situated South of Carlin, Nevada.

A. A leasehold interest in the following described real property:

That certain group of unpatented lode mining claims known as Bear No. 1 (BLM Serial # NMC 58971), Bear No. 2 (BLM Serial # NMC 58972), and Bear No. 3 (BLM Serial # NMC 58973), located in the central portion of Section 19 of Township 26 North, Range 53 East, of the Mt. Diablo & Meridian, Eureka County, Nevada;

That certain claim known as the "Gail" (BLM Serial # NMC 8694) unpatented lode mining claim, located in the West one-half of Section 27, Township 27 North, Range 53 East, M.D.&M., in Elko County, Nevada; and

That certain claim known as the "Jeanne Marie" (BLM Serial # NMC 8695) unpatented lode mining claim, located in Sections 22 & 27 of Township 27 North, Range 53 East, M.D.M., in Elko County, Nevada.

Said properties being subject of a Mineral Lease dated June 1, 1978 by and between Arnold & Clarke Chemical Company and Reinhold Sadler, Verna Sadler, Ruth Sadler, Kathleen Compton, Jeanne Brown, Paul Sadler, Jon Sadler and Gail Pesmark.

B. Those certain unpatented lode mining claims known as "Blue Tuesday (BLM Serial # NMC 44927)," located in Section 18, and "Blue Tuesday No. 2 (BLM Serial # NMC 44928)," located in Sections 18 and 19, of Township 26 North, Range 53 East, of the Mt. Diablo Base & Meridian, in Eureka County, Nevada.

C. That certain group of unpatented lode mining claims known as "Brown Sugar #1 through #8," located in Township 27 North, Range 53 East, in the Mt. Diablo Base & Meridian, Elko County, Nevada, more particularly described as follows:

BROWN SUGAR #1 (BLM Serial # NMC 43901),
primarily located in Section 20,
overlapping Section 21;

BROWN SUGAR #2 (BLM Serial # NMC 43902),
primarily located in Section 21,
overlapping section 20;

BROWN SUGAR #3 (BLM Serial # NMC 43903),
located in Sections 20 and 21;

BROWN SUGAR #4 (BLM Serial # NMC 43904),
located in Section 21;

BROWN SUGAR #5 (BLM Serial # NMC 43905),
located in Sections 20 and 21;

BROWN SUGAR #6 (BLM Serial # NMC 43906),
located in Section 21;

BROWN SUGAR #7 (BLM Serial # NMC 43907),
located in Sections 21 and 28;
and

BROWN SUGAR #8 (BLM Serial # NMC 43908),
located in Sections 21 and 28.

III. Properties Situated North of Austin, Nevada.

A. A leasehold interest in the following described real property:

Those certain unpatented lode mining claims known as Gray Barium-Doc Allen #1 (BLM Serial # NMC 58583) and Gray Barium-Doc Allen #2 (BLM Serial # NMC 58584), both located in Section 25 (unsurveyed) of Township 21 North, Range 46 East of the Mt. Diablo Base & Meridian in Lander County, Nevada, formerly known as Amended Gray Barium & Amended.

Said properties being subject of a Mineral Lease Agreement dated July 1, 1978 by and between Chromalloy American Corporation and Clarence Allen.

B. That certain group of unpatented lode mining claims known as "Tiff Teaser #1 through #6" and "Tiff Teaser #7 through #26," located in Township 23 North, Range 44 East, of the Mt. Diablo Meridian, in Lander County, Nevada, more particularly described as follows:

TIFF TEASER #1 (BLM Serial # NMC 78310)
through TIFF TEASER #5 (BLM Serial
NMC 78314), located in Section 20;

TIFF TEASER #6 (BLM Serial # NMC 78315),
located in Sections 20 and 17;

TIFF TEASER #7 (BLM Serial # NMC 120240),
located in Sections 17 and 20;

TIFF TEASER #8 (BLM Serial # NMC 120241),
located in Sections 17 and 20;

TIFF TEASER #9 (BLM Serial # NMC 120242),
located in Section 27;

TIFF TEASER #10 (BLM Serial # NMC 120243),
located in Sections 17 and 18;

TIFF TEASER #11 (BLM Serial # NMC 120244),
located in Sections 18 and 19;

TIFF TEASER #12 (BLM Serial # NMC 120245),
located in Sections 17, 18, 19,
and 20;

TIFF TEASER #13 (BLM Serial # NMC 120246),
located in Sections 19 and 20;

TIFF TEASER #14 (BLM Serial # NMC 120247),
located in Sections 19 and 20;

TIFF TEASER #15 (BLM Serial # NMC 120248),
located in Sections 19 and 20;

TIFF TEASER #16 (BLM Serial # NMC 120249),
located in Sections 19 and 20;

TIFF TEASER #17 (BLM Serial # NMC 120250),
located in Sections 19 and 20; and

TIFF TEASER #18 (BLM Serial # NMC 120251)
through TIFF TEASER #26 (BLM Serial
NMC 120259), located in Section 19.

C. That certain unpatented lode mining claim known as
"Finally (BLM Serial # NMC 61372)," located in Section 2, of
Township 22 North, Range 42 East, of the Mt. Diablo Meridian, in
Lander County, Nevada.

D. Those certain unpatented lode mining claims known as
"Dirty Dog #1 through #6" located in Township 20 North, Range 44
East, of the Mt. Diablo Meridian, in Lander County, Nevada, as
follows:

Dirty Dog #1 (BLM Serial # NMC 78304) and #2 (BLM Serial # NMC 78305) located in Section 8; and Dirty Dog #3 (BLM Serial # NMC 78306) through #6 (BLM Serial # NMC 78309) located in Section 9.

IV. Properties Situated North of Battle Mountain, Nevada.

A. A leasehold interest in the following described real property:

1. Two unpatented lode mining claims known as "Darling Darlene (BLM Serial # NMC 84049)" and "Darling Darlene #1 (BLM Serial # NMC 84050)," located in the Northeast 1/4 of Section 10, Township 33 North, Range 45 East, of the Mt. Diablo Meridian, in Lander County, Nevada.

2. 160 acres of Southern Pacific Land Company patented land located in Lander County, Nevada; more particularly described as:

The NW1/4 of Section 11, Township 33 North, Range 45 East, of the Mt. Diablo Meridian, containing 160 acres more or less.

Said properties being subject of a Mineral Lease Agreement dated April 8, 1977 by and between Chromalloy Mining and Minerals and Catherine and Joseph Barredo; Ronald and Pamela Sego; John and Sandra Petersen; and Richard C. Lapier.

B. A leasehold interest in the following described real property:

1. 120 acres of Southern Pacific Land Company property located in Lander County, Nevada, more particularly described as:

The SE1/4 of SE1/4 Section 3; NW1/4 of NE1/4 and SW1/4 of SW1/4 of Section 11, Township 33 North, Range 45 East, M.D.B.&M., in Lander County, Nevada.

Said property being subject of a Lease of Mining Rights, No. R-03-33-345, dated March 14, 1978 by and between Southern Pacific Land Company and Chromalloy American Corporation.

RECORDED AT REQUEST OF
Tim Lata
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81 OCT 7 AM 11:58

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DI PAOLI-RECORDER
FILE NO. 82263
FEE \$ 16.00

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