

**FILED**

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CLERK OF DISTRICT COURT  
STATE OF IDAHO

**ARTICLES OF INCORPORATION  
OF  
NORTH IDAHO DRILLING, INC.**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, acting as incorporator of a corporation under the Idaho Business Corporation Act (Act), adopts the following Articles of Incorporation for such corporation:

1. Name. The name of the corporation is North Idaho Drilling, Inc.
2. Duration. The corporation shall exist in perpetuity.
3. Registered office and agent. The registered office of the corporation is 134 Lower Hells Gulch Road, St. Maries, Idaho 83861, and the registered agent at that address is Eric Shawn Lenz.
4. Incorporator. The name of the incorporator is Eric Shawn Lenz and the incorporator's address is 407 Pennsylvania Avenue, St. Maries, Idaho 83861.
5. Purpose. The purpose for which this corporation is organized is to engage in the forest road construction business, and any other lawful business to which corporations may be incorporated under the Act.
6. Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, its board of directors, subject to any limitation set forth in a shareholder agreement authorized under Section 30-1-732, Idaho Code. The number of directors constituting the initial board of directors shall be four (4), and the names and addresses of the persons to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

Name

Address

Eric Shawn Lenz

407 Pennsylvania Avenue  
St. Maries, Idaho 83861

IDAHO SECRETARY OF STATE

11/17/1998 09:00

CLERK OF DISTRICT COURT

ST. MARIES, IDAHO 83861  
CORP # 2

C126349

Ronald W. Pugh

134 Lower Hells Gulch Road  
St. Maries, Idaho 83861

Ronald L. Pugh

1917 Main Street  
St. Maries, Idaho 83861

Darin C. Lenz

608 N. 30<sup>th</sup> Apt. 3E  
Billings, Montana 59101

7. Authorized shares. The aggregate number of shares the corporation is authorized to issue shall be One Hundred Thousand (100,000), shares of non-assessable common stock, having a par value of \$1.00 per share.

8. Voting Entitlement of Shares.

(1) Except as provided in sections 2 and 4 of this Article, and Article 9, below, providing for cumulative voting for votes cast for directors, each outstanding share, regardless of class, is entitled to one (1) vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote.

(2) This corporation is not entitled to vote treasury shares. The shares of this corporation are not entitled to vote if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and this corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation.

(3) Section 2 of this Article does not limit the power of this corporation to vote any share, including its own shares, held by it in a fiduciary capacity.

(4) Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

9. Cumulative Voting. All shareholders are entitled to cumulate their votes for directors, that is, they are entitled to multiply the number of

votes they are entitled to cast by the number of directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two (2) or more candidates.

10. Preemptive Rights. The corporation elects to have preemptive rights.

11. Indemnification/Liability. To the fullest extent permitted by law, and the Act, this corporation shall have the power to indemnify any person and to advance expenses incurred or to be incurred by such person in defending a civil, criminal, administrative or investigative action, suit or proceeding threatened or commenced by reason of the fact said person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Any such indemnification or advancement of expenses shall not be deemed exclusive of any other rights to which such person may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. Any indemnification or advancement of expenses so granted or paid by the corporation shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representative of such a person.

No director or officer shall be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty except liability for:

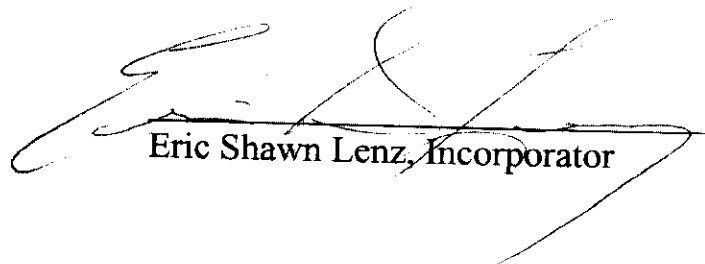
(i) The amount of a financial benefit received by a director or officer to which he or she is not entitled:

(ii) An intentional infliction of harm on the corporation or the stockholders; or

(iii) An intentional violation of criminal law.

(iv) A director shall also be liable for a violation of Section 30-1-833, Idaho Code.

In witness whereof, I have subscribed these Articles of Incorporation this  
11<sup>th</sup> day of November, 1998.

  
Eric Shawn Lenz, Incorporator