

State of Idaho

Department of State.

CERTIFICATE OF AUTHORITY OF

GAMMALOY LTD.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of GAMMALOY LTD. for a Certificate of Authority to transact business in this State, duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to GAMMALOY LTD. to transact business in this State under the name GAMMALOY LTD. and attach hereto a duplicate original of the Application for such Certificate.

Dated **March 22, 1983**



Pete T. Cenarrusa

SECRETARY OF STATE

Corporation Clerk

APPLICATION FOR CERTIFICATE OF AUTHORITY

To the Secretary of State of Idaho.

Pursuant to Section 30-1-110, Idaho Code, the undersigned Corporation hereby applies for a Certificate of Authority to transact business in your State, and for that purpose submits the following statement:

1. The name of the corporation is GAMMA LOY LTD.
2. *The name which it shall use in Idaho is GAMMA LOY LTD.
3. It is incorporated under the laws of California.
4. The date of its incorporation is November 8, 1972 and the period of its duration is Nov. 8, 1972 to present.
5. The address of its principal office in the state or country under the laws of which it is incorporated is 3250 Cherry Avenue, Long Beach, California 90807.
6. The address of its proposed registered office in Idaho is Box 2048, Salmon, Idaho 83467, and the name of its proposed registered agent in Idaho at that address is CECIL COOPER.
7. The purpose or purposes which it proposes to pursue in the transaction of business in Idaho are: The rental of oil tool equipment, specializing in non-magnetic drill collars with occasional sales.
8. The names and respective addresses of its directors and officers are:

Name	Office	Address
<u>William H. Cree, Jr.</u>	<u>President</u>	<u>4047 Long Beach Blvd., Long Beach California 90807</u>
<u>R. A. Cree</u>	<u>Vice-President</u>	<u>600 E. Ocean Blvd. #1204 Long Beach, California 90802</u>
<u>Ira J. Cree</u>	<u>Secy-Treasurer</u>	<u>3250 Cherry Avenue Long Beach, California 90807</u>

9. The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, and shares without par value, is:

Number of Shares	Class	Par Value Per Share or Statement That Shares Are Without Par Value
<u>5,000</u>	<u>Preferred</u>	<u>\$100.00 per share par value</u>
<u>5,000</u>	<u>Common</u>	<u>\$100.00 per share par value</u>

(continued on reverse)

10. The aggregate number of its issued shares, itemized by classes, par value of shares, and shares without par value, is:

Number of Shares	Class	Par Value Per Share or Statement That Shares Are Without Par Value
1000	Preferred	\$100 par value per share
2525	common	\$100 par value per share

11. The corporation accepts and shall comply with the provisions of the Constitution and the laws of the State of Idaho.

12. This Application is accompanied by a copy of its articles of incorporation and amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is incorporated.

Dated March 16, 19 83.

GAMMALOY LTD

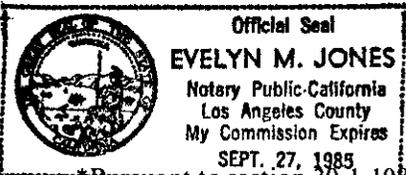
By *William H. Cree, Jr.*
 Its _____ President

and *May Cree*
 Its _____ Secretary -Treas.

STATE OF California)
)ss:
 COUNTY OF Los Angeles)

I, _____, a notary public, do hereby certify that on this 16th day of March, 19 83, personally appeared before me William H. Cree, Jr., who being by me first duly sworn, declared that he is the President of GAMMALOY LTD.

that he signed the foregoing document as President of the corporation and that the statements therein contained are true.



Evelyn M. Jones
 Notary Public

*Pursuant to section 30-1-108(b)(1), Idaho Code, if the corporation assumes a name other than its true name, this application must be accompanied by a resolution of the Board of Directors to that effect.

STATE OF CALIFORNIA

COUNTY OF Los Angeles

} ss.

On this 16th day of March, in the year 19 83
before me, the undersigned, a Notary Public in and for said State, personally appeared
IRA J. CREE

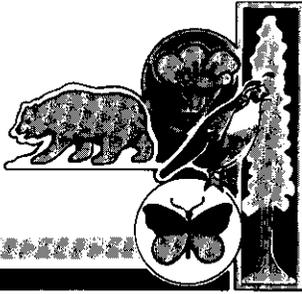
and
_____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the persons who executed the
within instrument as ~~President and~~ Secretary, ~~respectively~~, of the Corporation therein named,
and acknowledged to me that the Corporation executed it pursuant to its by-laws or a resolu-
tion of its board of directors.

WITNESS my hand and official seal

Evelyn M. Jones

Notary Public in and for said State.





State
of
California

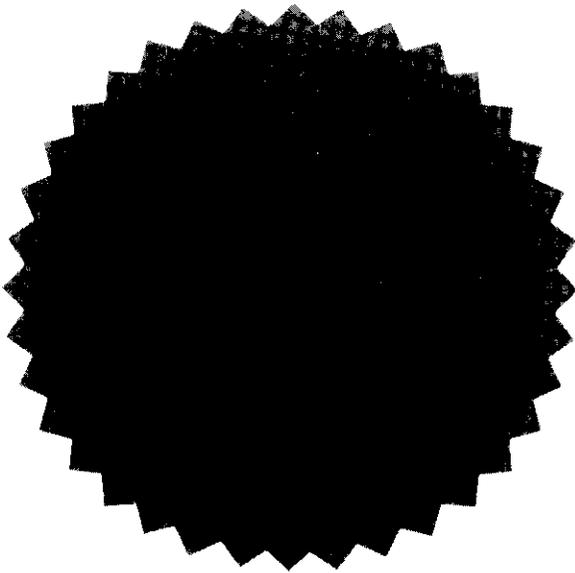
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAR 10 1983



March Fong Eu

Secretary of State

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**CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
GAMMALOY LTD.**

FILED
in the office of the Secretary of State
of the State of California

DEC 14 1981

MARION FONG ELI, Secretary of State

Deputy

WILLIAM H. CREE and IRA J. CREE certify that:

1. They are the President and Secretary, respectively, of GAMMALOY LTD., a California corporation.
2. Article IV of the Articles of Incorporation of this corporation is amended to read in its entirety as follows:

"IV

A. This corporation is authorized to issue two classes of shares to be designated respectively 'Preferred' and 'Common'; the total number of shares which this corporation shall have authority to issue is 10,000; the number of Preferred shares which are to have a par value shall be 5,000 and the par value of each share of such class shall be One Hundred Dollars (\$100.00); and the number of Common shares which are to have a par value shall be 5,000 and the par value of each share of such class shall be One Hundred Dollars (\$100.00).

B. A statement of the preferences, privileges and restrictions granted to or imposed upon the respective classes of shares or the holders thereof is as follows:

(1) The holders of Preferred shares shall be entitled, if, when and as declared by the board of directors, to dividends out of any funds of this corporation at the time legally available for the declaration of dividends, at the annual rate of not more than ten percent (10%) of the liquidation preference of such Preferred shares, payable in preference and priority to any payment of any dividend on Common shares and payable quarterly or otherwise as the board of directors may from time to time determine. The right to such dividends on Preferred shares shall not be cumulative, and no right shall accrue to holders of Preferred shares by reason of the fact that dividends on said shares are not declared in any prior period.

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(2) In the event of a voluntary or involuntary liquidation, dissolution or winding up of this corporation, the holders of Preferred shares shall be entitled to receive, out of the assets of this corporation, whether such assets are capital or surplus, an amount equal to Two Thousand Nine Hundred Seventy Four Dollars (\$2,974.00) for each Preferred share, and a further amount equal to any dividends thereon declared and unpaid on the date of such distribution, and no more, before any payment shall be made or any assets distributed to the holders of the Common shares. If upon such liquidation, dissolution or winding up of this corporation, whether voluntary or involuntary, the assets thus distributed among the holders of Preferred shares shall be insufficient to permit the payment to such shareholders of the full preferential amounts aforesaid, then the entire assets of this corporation to be distributed shall be distributed prorata among the holders of Preferred shares. After payment or distribution to the holders of Preferred shares of the full preferential amounts aforesaid, the holders of Common shares shall be entitled to receive, prorata, all remaining assets of this corporation. A consolidation or merger of this corporation shall not be deemed to be a liquidation, dissolution or winding up, within the meaning of this clause.

(3) The corporation, at the option of the Board of Directors, may at any time or from time to time redeem the whole or any part of the Preferred shares by paying therefor in cash Two Thousand Nine Hundred Seventy Four Dollars (\$2,974.00) per share, plus an amount equal to all dividends thereon declared but unpaid on the date fixed for redemption, such sum being hereinafter sometimes referred to as the redemption price. In case of the redemption of a part only of the outstanding Preferred shares, the corporation shall designate by pro rata or lot the shares to be redeemed.

At least ninety (90) days' previous written notice by mail, postage prepaid, shall be given to the holders of record of the Preferred shares to be redeemed, such notice to be addressed to each such shareholder at the address of such holder appearing on the books of the corporation or given by such holder to the corporation for the purpose of notice, or if no such address appears or is so given, at the place where the principal office of the corporation is located. Such notice shall state the date fixed for redemption, the redemption price, and the date of termination of the right to convert the Preferred shares being redeemed into Common shares, and shall call upon such holder to surrender to the corporation on said date at the place designated in the notice such holder's certificate or certificates representing the shares to be redeemed. On or after the date fixed for redemption and stated in such notice, each holder of Preferred shares called for redemption shall surrender the certificate evidencing such shares to the corporation at the place designated in such notice and shall thereupon be

entitled to receive payment of the redemption price. If less than all the shares represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. If such notice of redemption shall have been duly given, and if on the date fixed for redemption funds necessary for the redemption shall be available therefor, then, notwithstanding that the certificates evidencing any Preferred shares so called for redemption shall not have been surrendered, the dividends with respect to the shares so called for redemption shall forthwith after such date cease and determine, except only the right of the holders to receive the redemption price without interest upon surrender of their certificates therefor.

(4) The holders of Preferred shares shall have conversion rights as follows:

a. All, but not less than all, of the Preferred shares owned by a holder of Preferred shares shall be convertible, at the option of such holder, at any time, on or prior to the tenth (10th) day prior to the date, if any, as may have been fixed for redemption thereof in any notice of redemption given as provided in Paragraph (3) hereof, at the office of the corporation or any transfer agent for such shares, into Common shares having in the aggregate a fair market value equal to the aggregate liquidation preference of the Preferred shares being converted. For the purposes hereof, said fair market value and the number of Common shares to be received upon conversion shall be determined as follows:

First, the aggregate fair market value of all outstanding shares of Common and Preferred stock as of the end of the calendar quarter immediately preceding or coinciding with the date of the conversion shall be determined by appraisal by Houlihan, Lokey, Howard and Zukin Incorporated, or another firm of valuation consultants agreed upon by the Company and the shareholder(s) whose Preferred shares are to be converted; second, there shall be deducted from said fair market value of all outstanding shares the aggregate liquidation preference of all Preferred shares which are outstanding immediately prior to the pending conversion of Preferred shares; third, the result thereby obtained shall be divided by the number of Common shares outstanding immediately prior to the pending conversion to obtain the fair market value of one Common share; and fourth, the aggregate liquidation preference of the Preferred shares to be converted shall be divided by said fair market value of one Common share to obtain the number of Common shares into which the Preferred shares shall be converted. This number of Common shares shall be calculated to the nearest one-hundredth of a share, with fractions of less than one hundredth of a share being disregarded.

b. Before any holder of Preferred shares shall be entitled to convert the same into Common shares, such holder shall surrender the certificate or certificates therefor, duly endorsed in blank or accompanied by proper instruments of transfer, at the office of the corporation or of any transfer agent for the Preferred shares, and shall give written notice to the corporation at such office that such holder elects to convert the same and shall state in writing therein the name or names in which such holder wishes the certificate or certificates for Common shares to be issued. The corporation shall, as soon as practicable thereafter, cause the appraisal of the Company's shares described in the previous paragraph hereof to be made, and after receipt of such appraisal and after making the remaining calculations described in said paragraph, shall issue and deliver at such office to such holder of Preferred shares, or to such holder's nominee or nominees, certificates for the number of Common shares to which such holder shall be entitled, as aforesaid. Such conversion shall be deemed to have been made as of the date the number of such Common Shares to be issued upon conversion is determined, and the person or persons entitled to receive the Common shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of Preferred shares until said date; provided, however, that if a notice of written election to convert is given to the corporation in accordance with this paragraph, the Preferred shares to be converted shall no longer be subject to redemption under Paragraph (3) above.

c. If there shall occur any split-up, combination, recapitalization, reclassification, reorganization, consolidation, merger, or other event relating to or affecting the corporation's Common Shares, each Preferred share shall thereafter be convertible into the number of shares or other securities or property to which a holder of the number of Common shares of the corporation deliverable upon conversion of such Preferred share would have been entitled upon such split-up, combination, recapitalization, reorganization, reclassification, consolidation, merger or other event.

d. The corporation shall at all times reserve and keep available, out of its authorized but unissued Common shares, solely for the purpose of effecting the conversion of the Preferred shares, the full number of Common shares deliverable upon the conversion of all Preferred shares from time to time outstanding. The corporation shall from time to time, in accordance with the laws of the State of California, increase the authorized amount of its Common shares if at any time the authorized number of Common shares remaining unissued shall not be sufficient to permit the conversion of all of the Preferred shares at the time outstanding.

e. The corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of Common shares on conversion of Preferred shares pursuant hereto. The corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of Common shares in a name other than that in which the Preferred shares so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the corporation the amount of any such tax, or has established to the satisfaction of the corporation that such tax has been paid.

f. All certificates evidencing Preferred shares surrendered for conversion shall be appropriately cancelled on the books of the corporation, and the shares so converted represented by such certificates shall be restored to the status of authorized but unissued Preferred shares of the corporation.

(5) So long as any of the Preferred shares shall be outstanding, this corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least two-thirds of the total number of Preferred shares outstanding:

a. alter or change the rights, preferences or privileges of the Preferred shares so as to materially and adversely affect the Preferred shares;

b. issue additional Preferred shares or increase the authorized number of Preferred shares;

c. create any new class of shares having preferences over or being on parity with the Preferred shares as to dividends or assets, unless the purpose of creation of such class is, and the proceeds to be derived from the sale and issuance thereof are to be used for, the retirement of all Preferred shares then outstanding;

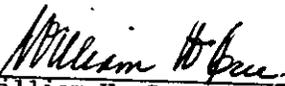
(6) The holders of Preferred and Common shares issued and outstanding, except where otherwise provided by law or by these articles of incorporation, shall have and possess the same right to notice of shareholders' meetings; each share of Preferred stock and each share of Common stock shall possess one (1) vote.

Subject to all of the rights of the Preferred shares, dividends may be paid on the Common shares, if, as and when declared by the board of directors, out of any funds of this corporation legally available for the payment of such dividends.

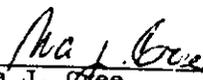
Upon the effectiveness of this amendment, each share of the \$100.00 par value capital stock heretofore issued and outstanding shall be converted in one (1) share of the \$100.00 par value Common Stock."

3. The foregoing amendment has been approved by the Board of Directors of said corporation.

4. The foregoing amendment was approved by the required vote of the shareholders of said corporation in accordance with Section 902 of the California Corporation Code; the total number of outstanding shares of capital stock entitled to vote on the foregoing amendment is 3,497 and the total number of shares voting in favor of such amendment equaled or exceeded the vote required, such required vote being a majority of the outstanding shares of capital stock.



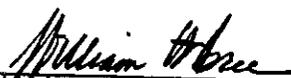
William H. Cree
President



Ira J. Cree
Secretary

Each of the undersigned declares under penalty of perjury that the matters set forth in the foregoing amendment are true and correct.

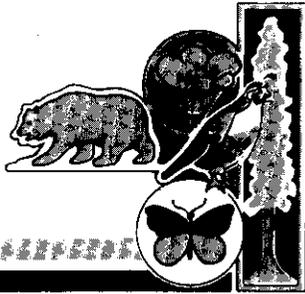
Executed at Long Beach, California, on December 10, 1981.



William H. Cree



Ira J. Cree



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of
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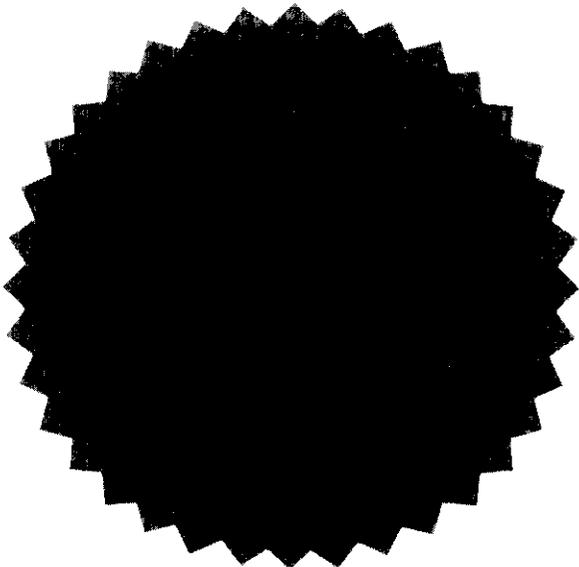
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

DEC 9 1982



March Fong Eu

Secretary of State

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FILED

In the office of the Secretary of State
of the State of California

NOV 8 1972

EDMUND G. BROWN, Jr. Secretary of State
By *Richard Nogel*
Deputy

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Restriction of right
to amend articles
Yes No

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ARTICLES OF INCORPORATION
OF
GAMMALOY LTD.

I

The name of this corporation is:

GAMMALOY LTD.

II

A. The principal purpose for which this corporation is formed and the primary business in which the said corporation is initially intended to engage is:

To carry on a business of leasing non-magnetic drill collars for use in directionally drilling oil and gas wells.

B. This corporation is formed for the following general purposes:

(1) To engage in the business of leasing and/or selling non-magnetic drill collars for use in directionally drilling oil and gas wells.

(2) To engage in oil and gas exploration, development and production businesses in all of its ramifications.

(3) To acquire by lease, purchase, or otherwise, a building and land for the housing of the corporate offices and as a headquarters for the sales and services contemplated by this corporation, and to acquire furniture and such tools, machinery, equipment, automobiles and trucks as may be required to carry on said business.

(4) To have and to exercise all the powers conferred by the laws of California upon corporations formed under the laws pursuant to and under which this corporation is formed, as such laws are now in effect or may at any time hereafter be amended.

(5) The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in nowise limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

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III

That the County in the State of California where the principal office of the transactions of the business of this corporation is to be located is, and shall be, the County of Los Angeles.

IV

That the number of shares which may be issued by this corporation is ten thousand (10,000) shares. Each share shall have a par value of One Hundred Dollars (\$100.00) and the aggregate par value of all shares shall be One Million Dollars (\$1,000,000.00).

V

That the number of this corporation's directors shall be three (3) and the names and residences of the persons who are appointed to act until the first annual meeting of stockholders, or until the election and qualification of their successors, are as follows:

<u>NAME:</u>	<u>RESIDENCES:</u>
WILLIAM H. CREE	2530 E. 21st Street, Signal Hill, California 90806
IRA J. CREE	2530 E. 21st Street, Signal Hill, California 90806
R. A. CREE	600 E. Ocean Blvd., Apt. 1204 Long Beach, California 90802

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, the undersigned, constituting the incorporators of this corporation, including the persons named hereinabove as the first directors of this corporation, have executed these Articles of Incorporation this 6th day of November, 1972.

William H. Cree

 William H. Cree

Ira J. Cree

 Ira J. Cree

R. A. Cree

 R. A. Cree

