

Phillip L. Lamberson
Texas Bar No. 00794134
Annmarie Chiarello
Texas Bar No. 24097496
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 745-5400
Facsimile: (214) 745-5390
E-mail: plamberson@winstead.com
E-mail: achiarello@winstead.com

ATTORNEYS FOR PROSPERITY BANK

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

IN RE:	§	CHAPTER 11
	§	
SCANROCK OIL & GAS, INC. <i>et al.</i>,¹	§	CASE NO. 25-90001-MXM
	§	
DEBTORS.	§	JOINTLY ADMINISTERED

**PROSPERITY BANK'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY
PURSUANT TO 11 U.S.C. § 362(D) TO FORECLOSE LLANO RANCH PROPERTY**

PURSUANT TO LOCAL BANKRUPTCY RULE 4001-1(b), A RESPONSE IS REQUIRED TO THIS MOTION, OR THE ALLEGATIONS IN THE MOTION MAY BE DEEMED ADMITTED, AND AN ORDER GRANTING THE RELIEF SOUGHT MAY BE ENTERED BY DEFAULT.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT 501 WEST 10TH STREET, ROOM 147, FORT WORTH, TEXAS 76102 BEFORE CLOSE OF BUSINESS ON APRIL 8, 2025, WHICH IS AT LEAST 14 DAYS FROM THE DATE OF SERVICE HEREOF. A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY AND ANY TRUSTEE OR EXAMINER APPOINTED IN THE CASE. ANY RESPONSE SHALL INCLUDE A DETAILED AND COMPREHENSIVE

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, if any, are: Scanrock Oil & Gas, Inc. (0380); O'Ryan Family Limited Partnership (1913); O'Ryan Production & Exploration Ltd. (9950); Ryan C. Hoerauf, Inc. (0493); Smackover Oil Treaters, Ltd. (9529); O'Ryan Ponderosa, LLC (1476); EON Production, LLC (0136) and O'Ryan Ranches, Ltd. (7184). The location of the Debtors' service address is 8180 Lakeview Center, Ste. 300, Odessa, TX 79765.

**STATEMENT AS TO HOW THE MOVANT CAN BE "ADEQUATELY
PROTECTED" IF THE STAY IS TO BE CONTINUE.**

**TO THE HONORABLE MARK X. MULLIN, UNITED STATES BANKRUPTCY
JUDGE:**

Prosperity Bank, successor-in-interest to Lone Star State Bank of West Texas and Amarillo National Bank d/b/a Lone Star Loan Production Office ("Lender"),² a party-in-interest herein against O'Ryan Ranches, Ltd. ("Llano Ranch" or "Debtor"), Scanrock Oil & Gas, Inc. ("Scanrock"), EON Production, LLC ("EON"), O'Ryan Family Limited Partnership ("FLP"), O'Ryan Production & Exploration, Ltd. ("P&E"), O'Ryan Ponderosa, LLC ("Ponderosa"), Ryan C. Hoerauf, Inc. ("Hoerauf"), Smackover Oil Treaters, Ltd. ("Smackover," collectively with Llano Ranch, EON, FLP, P&E, Ponderosa, and Hoerauf, referred to as the "Borrowers" or "Debtors") files this *Motion for Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d) to Foreclose on the Llano Ranch Property* (the "Motion").

I. JURISDICTION AND VENUE

1. The Court has jurisdiction to hear this matter pursuant to 28 U.S.C. § 1334 and the standing order of reference from the United States District Court for the Western District of Texas (the "District Court"). This proceeding is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for relief is Section 362(d) of 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

II. SUMMARY OF RELIEF REQUESTED³

2. The Lender seeks to lift the automatic stay to permit the Lender to foreclose on the Llano Ranch Property. According to the Schedules, Debtor Llano Ranch does not have any

² On April 1, 2024, Lonestar Bank of West Texas merged into and became a part of Prosperity.

³ Capitalized terms not defined in the Summary of the Relief Requested have the meanings ascribed to such terms later in the Motion.

equity in the Llano Ranch Property. Additionally, the Llano Ranch Property is not necessary for an effective reorganization because the Llano Ranch Property does not generate any material income and, in fact, is a significant burden on the combined Debtors.

III. FACTUAL AND PROCEDURAL BACKGROUND

A. The Bankruptcy Case

3. On February 3, 2025 (the "Petition Date"), Llano Ranch and Scanrock filed voluntary petitions for relief in this Court under chapter 11 of the Bankruptcy Code. The Llano Ranch case was filed to stop Lender's foreclosure on the Llano Ranch Property scheduled for February 4, 2025.

4. On February 9, 2025 EON, FLP, P&E, Ponderosa, Hoerauf, and Smackover filed voluntary petitions for relief in this Court under chapter 11 of the Bankruptcy Code.

5. On February 14, 2025, this Court entered the *Interim Order Granting Debtors' Emergency Motion of Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 57] (the "First Interim Order").

6. On March 4, 2025, this Court entered the *Second Interim Order Granting Debtors' Emergency Motion of Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 101] (the "Second Interim Order").

B. Relationship Between Debtors and the Lender

7. As of the Petition Date, the Debtors were indebted to Lender under a prepetition credit facility between the Debtors, the Non-Debtors (as hereinafter defined), and guaranteed by

other Non-Debtors, including the DE Trust (as hereinafter defined) (the "Prepetition Loan"). The Debtors' obligations under the Prepetition Loan (the "Prepetition Loan Obligations") are evidenced by the loan documents (as may or have been amended, supplemented or modified from time to time, and together with all documents creating, governing, evidencing and/or securing the Prepetition Loan Obligations, collectively the "Prepetition Loan Documents", including, but not limited to those described on **Exhibit "A"** attached hereto).

8. A true and correct copy of the Llano DOT is attached hereto as **Exhibit "B."**

9. The Prepetition Loan is secured by various instruments, assignments and certificates, including the Prepetition Loan Documents and the UCC-1 financing statements, including, but not limited to those described on **Exhibit "C"** of the Second Interim Order, which were (a) filed of record in appropriate jurisdictions, and (b) granted Lender first-priority senior liens and security interests in substantially all of the Debtors' assets, except with respect to the Oregon Ranch and the Lake House Deed of Trust, which are second-priority liens and security interests (the "Prepetition Loan Liens") upon and in, among other things, and, as further described by or defined by the Prepetition Loan Documents (collectively, as may or have been amended, supplemented, or modified from time to time, and together with all documents creating, governing, evidencing and/or securing the Prepetition Loan Obligations, collectively the "Prepetition Loan Collateral"), all Collateral (as defined by the Security Agreement), all Accounts (as defined by the Security Agreement), certain real property, improvements and other collateral as referenced in the Prepetition Loan Documents, as-extracted collateral (including oil, gas and other minerals), machinery, buildings, derricks, tanks, lines, equipment, inventory, fixtures, general intangibles, chattel paper, notes, drafts, acceptances, documents, contract rights, capital stock, shares of stock and security interest goods of every kind, accounts, accounts

receivable, revenues derived from any and all contracts and/or operating agreements, fixtures, and all and singular, the licenses, franchises and easements, all of the Debtors' books and records with respect to any of the foregoing, wherever located, in which Debtors now have or hereafter acquire a right or interest in, which constitute cash collateral pursuant to Section 363(a) of the Bankruptcy Code.

C. Value of the Llano Ranch Property

10. The Prepetition Loan Obligations are legal, valid, binding, fully perfected, and non-avoidable obligations in an aggregate liquidated amount: (i) of not less than \$50,038,560.52 as of February 3, 2025, and (ii) of not less than \$50,142,060.73 as of February 9, 2025 (collectively, the "Claim").

11. The Lender filed a *Proof of Claim* against Llano Ranch in the amount of at least \$50,038,560.52 [Case No. 25-40434, Claim No. 2] (the "POC"). No party has objected to the POC.

12. According to the Llano Ranch *Schedules of Assets and Liabilities and Statement of Financial Affairs* [Case No. 25-40434, Docket No. 19] (the "Schedules"), the Debtors value the Llano Ranch Property at \$26,092,710.00⁴ far less than Lender's claim of at least \$50,038,560.52 as of the Petition Date.

13. The Llano Ranch Property is 1,739.514 acres of land located in the southwestern portion of Llano County, Texas. The Llano Ranch Property does not generate positive cash flow and is essentially a vanity ranch used by the Debtors' principal, Mr. Hoerauf. The Llano Ranch generates only \$36,000 a year income from a related-party lease. *See Schedules pp. 11 & 15.*

⁴ The Lender does not agree that the value of the Llano Ranch Property is \$26,092,710. The Lender believes the value of the Llano Ranch Property is less than \$26,092,710. However, for the purposes of this Motion, the Lender agrees with the Debtors—the Llano Ranch Property is worth far less than the Lender's Claim. The Lender reserves all rights with respect to the actual value of the Llano Ranch Property.

Brad Walker, the proposed Chief Restructuring Officer for the Debtors, testified that the Llano Ranch loses approximately \$97,000 per month. *See* Transcript March 10, 2025, p. 59.

14. The Llano Ranch has no non-insider/non-affiliate creditors other than the property taxing authorities, the state and federal taxing authorities (scheduled at \$0), and the Lender. *See* Schedules pp. 7-10. The testimony at the 341 Meeting of Creditors was that the *other* Debtors historically funded the losses at the Llano Ranch. Additionally, limited business operations occur at the Llano Ranch Property other than Mr. Hoerauf using the Llano Ranch Property for his home office.

15. The Debtor's February *Monthly Operating Report* [Case No. 25-40434, Docket No. 21] reflects no cash receipts and a net loss of \$10 related to a bank "inactivity fee."

IV. GROUND FOR RELIEF

16. This Court has broad discretion to alter or modify the automatic stay under Section 362 of the Bankruptcy Code.

17. The statutory predicate for granting relief from the automatic stay is Section 362(d) of the Bankruptcy Code. That section provides:

On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay—

(1) for cause, including the lack of adequate protection of an interest in property of such party in interest;

(2) with respect to a stay of an act against property under subsection (a) of this section, if—

(A) the debtor does not have any equity in such property; and

(B) such property is not necessary to an effective reorganization;⁵

⁵ 11 U.S.C. § 362(d).

18. Here, *the debtor* [Llano Ranch] does not have any equity in the Llano Property. As Debtor, Llano Ranch, admits in the Schedules, the value of the Llano Ranch Property is \$26,092,710.00, far less than the amount due and owing under the Loan Documents, which is at least \$50,038,560.52, as of the Petition Date. *See Rex-Tech Int'l, LLC v. Rollings (In re Rollings)*, 451 F. App'x 340, 348 (5th Cir. 2011); *see also Larson v. Groos Bank, N.A.*, 204 B.R. 500, 502 (W.D. Tex. 1996) (statements in bankruptcy schedules are judicial admissions against the debtor). Further, the fact that Lender has other collateral, particularly non-debtor collateral, that could satisfy its claim is irrelevant to the analysis under Section 362(d)(2). *See McManus v. Cadle (In re McManus)*, No. 93-3849, 1994 U.S. App. LEXIS 43614, at *3 (5th Cir. July 18, 1994) (affirming the order lifting the automatic stay under Section 362(d)(2) when there was other non-debtor collateral that could have satisfied the lender's debt because "[w]hereas § 362(d)(1) requires inquiry into whether a creditor has alternative means for recovery, § 362(d)(2) depends only on the relative value of property and the debt it secures."). Notably, the Llano Ranch DOT contains a waiver of marshalling or any other requirement that Lender pursue other collateral first.

19. The Llano Ranch Property is not necessary to an effective reorganization. Llano Ranch bears the burden with respect to whether or not the Llano Ranch Property is necessary to its effective reorganization. 11 U.S.C. § 362(g)(2); *Sutton v. Bank One Texas (In re Sutton)*, 904 F.2d 327, 330 (5th Cir. 1990). In fact, the Llano Ranch Property has maintenance and ownership costs that have been typically paid by the other Debtors and their affiliates, and are currently being paid by the other Debtors in this bankruptcy case. Thus, the Llano Ranch Property is actually a \$97,000 a month burden to the collective Debtors,

20. Therefore, the automatic stay should be lifted to permit the Lender to foreclose on the Llano Ranch, and take any and all action in furtherance of such foreclosure.

V. RESERVATION OF RIGHTS

21. The Lender reserves all rights under the Prepetition Loan Documents, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of this Court, and applicable non-bankruptcy law, including the right to amend, supplement, or withdraw this Motion, or any portion thereof, at or prior to any final hearing on this Motion.

VI. PRAYER

The Lender respectfully requests this Court to: (i) grant the relief requested in this Motion lifting the automatic stay to permit the Lender to foreclose on the Llano Ranch Property and any and all actions in furtherance of such foreclosure; (ii) enter the proposed order to this Motion; and (iii) grant the Lender such other and further relief to which it may be justly entitled, both at law and in equity.

DATED: March 25, 2025.

Respectfully submitted,

By: /s/ Annmarie Chiarello

Phillip L. Lamberson

Texas Bar No. 00794134

Annmarie Chiarello

Texas Bar No. 24097496

WINSTEAD PC

500 Winstead Building

2728 N. Harwood Street

Dallas, Texas 75201

Telephone: (214) 745-5400

Facsimile: (214) 745-5390

E-mail: plamberson@winstead.com

E-mail: achiarello@winstead.com

**ATTORNEYS FOR PROSPERITY
BANK**

CERTIFICATE OF CONFERENCE

I hereby certify that the undersigned counsel for the Lender conferred with counsel for O'Ryan Ranches, Ltd., the Llano Ranch, Hudson Jobe, and Garrick Smith, counsel for the Debtors (except the Llano Ranch) regarding the relief requested by this Motion on March 25, 2025 via e-mail. Mr. Jobe stated that the Llano Ranch is opposed to the relief requested by the Motion. Mr. Smith stated that the Debtors (except the Llano Ranch) are opposed to the relief requested by the Motion.

/s/ Phillip L. Lamberson

One of Counsel

CERTIFICATE OF SERVICE

I hereby certify that on March 25, 2025, the foregoing document will be served via first-class U.S. mail to the parties listed on the attached service list. Additionally, notice of this document was electronically mailed on March 25, 2025, to the parties registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

/s/ Annmarie Chiarello

One of Counsel

Eric M. English
M. Shane Johnson
Jack M. Eiband
Sage L. Knapp
PORTER HEDGES LLP
1000 Main St., 36th Floor
Houston, TX 77002

**Proposed Counsel to the Official Committee of Unsecured
Creditors**

Label Matrix for local noticing
0539-4

Case 25-40434-mxm11

Northern District of Texas

Ft. Worth

Tue Mar 25 09:49:47 CDT 2025

U.S. Attorney
1100 Commerce, 3rd Floor
Dallas, TX 75242-1074

O'Ryan Ranches, Ltd.
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

U.S. Attorney General
Department of Justice
Washington, DC 20001

The County of Henderson, Texas
McCreary, Veselka, Bragg & Allen, P.C.
c/o Julie Anne Parsons
PO Box 1269
Round Rock, TX 78680-1269

501 W. Tenth Street
Fort Worth, TX 76102-3637

Amber Hoerauf Trust
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

Central Texas Electric Co-op
PO Box 553
Fredericksburg, TX 78624-0553

EON Production, LLC
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

Henderson County Appraisal District
1751 Enterprise
Athens, TX 75751-8827

Internal Revenue Service
Centralized Insolvency Office
P. O. Box 7346
Philadelphia, PA 19101-7346

Llano County
c/o Diane W. Sanders
Linebarger Goggan Blair & Sampson, LLP
P.O. Box 17428
Austin, TX 78760-7428

Llano County Tax
PO Box 307
Llano, TX 78643-0307

Matthew Hoerauf Trust
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

O'Ryan Family Limited Partnership
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

O'Ryan Oregon Ranches, LLC
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

O'Ryan Ponderosa, LLC
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

O'Ryan Production & Exploration, LTD
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

Phil Lamberson
Winstead PC
2728 N. Harwood Street Suite 500
Dallas, TX 75201-1743

Prosperity Bank
c/o Winsted PC
Attn: Annmarie Chiarello
2728 N. Harwood, Ste. 500
Dallas, Texas 75201-1743

Ryan C. Hoerauf
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8873

Ryan C. Hoerauf 2008 Delaware Trust
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

Ryan Properties, Inc.
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8873

Ryan Turner Specialty
26289 Network Place
Chicago, IL 60673-1262

Scanrock Oil & Gas, Inc.
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8873

Smackover Oil Treaters, Ltd.
8180 Lakeview Center, Suite 300
Odessa, TX 79765-8872

(p)TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
REVENUE ACCOUNTING DIV - BANKRUPTCY SECTION
PO BOX 13528
AUSTIN TX 78711-3528

Thomas Jaeger
15226 East Sage Drive
Fountain Hills, AZ 85268-4372

United States Trustee
1100 Commerce Street
Room 976
Dallas, TX 75242-0996

Hudson M. Jobe
Jobe Law PLLC
6060 North Central Expressway
Suite 500
Dallas, TX 75206-5249

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified
by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Texas Comptroller of Public Accounts
Revenue Accounting Division - Bankruptcy
P.O. Box 13528 Capitol Station
Austin, TX 78711

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Prosperity Bank	(d)O'Ryan Ranches, LLC 8180 Lakeview Center, Suite 300 Odessa, TX 79765-8872	(u)Prosperity Bank 80 Sugar Creek Center Blvd.
(d)Ryan C. Hoerauf, Inc. 8180 Lakeview Center, Suite 300 Odessa, TX 79765-8873	(u)Sugar Land, TX 77478	End of Label Matrix Mailable recipients 29 Bypassed recipients 5 Total 34

Exhibit "A"

Loan Documents

A. Security Agreement. The term "Security Agreement" shall mean that certain Security Agreement dated March 25, 2014, executed by the Debtors, Ryan C. Hoerauf ("Ryan"), Amber Hoerauf Trust ("Amber Trust"), Mathew Hoerauf Trust ("Mathew Trust"), O'Ryan Oregon Ranches, LLC ("Oregon Ranch I"), O'Ryan Ranches, LLC ("Oregon Ranch II," with Oregon Ranch I, the "Oregon Ranch"), Ryan Properties, Inc. ("Properties" with Ryan, Amber Trust, Mathew Trust, and Oregon Ranch, the "Non-Debtors"), as acknowledged by the Debtor's Acknowledgment of Security Agreement, dated May 24, 2023, for the benefit of Lender, the benefit of Lender, as such Security Agreement have been amended, modified, supplemented, renewed and/or extended, covering any and all contract rights including, but not limited to, any hedging agreements.

B. Guaranties. The term "Guaranties" shall mean that certain and all guaranties related to the Prepetition Loan Documents, including those executed by The Ryan Hoerauf 2008 Delaware Trust ("DE Trust"), the Debtors, or the Non-Debtors.

C. LOC. The term "LOC" shall mean that certain the Letters of Credit having a total combined face amount of \$575,000.00.

D. Loan Agreement. The term "Loan Agreement" shall mean that certain Restated Loan Agreement dated as of April 1, 2023 executed by the Debtors, the Non-Debtors, DE Trust, and Lender.

E. Note. The term "Note" shall mean that certain Promissory Note (Revolving Line of Credit Note), dated as of April 1, 2023, executed by the Debtors and the Non-Debtors payable to the order of Lender in the original principal amount of \$48,973,536.40.

F. Life Insurance. The term "Assignment" shall mean Assignment of Life Insurance Policy as Collateral, dated on or about August 20, 2008, executed by FLP, and/or Ryan to or for the benefit of Lender, that certain Assignment of Life Insurance Policy as Collateral, dated on or about January 20, 2010, executed by FLP, and/or to or for the benefit of Lender, assigning the proceeds of a \$1,000,000.00 life insurance policy insuring the life of Ryan.

G. Lake House. The term "Lake House Deed of Trust" shall mean those certain Second Lien Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 4, 2018, as amended by a First Amendment to Second Lien Deed of Trust dated February 28, 2019, a Second Amendment to Second Lien Deed of Trust dated January 2, 2021, a Third Amendment to Second Lien Deed of Trust dated February 5, 2022 and a Fourth Amendment to Second Lien Deed of Trust dated April 1, 2023, from Ryan to or for the benefit of Lender, covering real estate located in Burnet County, Texas.

H. Oil and Gas Mortgages. The term "Oil and Gas Mortgages" shall mean those certain: Multiple Indebtedness Mortgage, Security Agreement, Assignment of Production and Financing Statement dated March 25, 2014, as amended by a First Amendment to Mortgage dated December 14, 2015, Second Amendment to Mortgage dated December 1, 2016, Third

Amendment to Mortgage dated February 4, 2018, Fourth Amendment to Mortgage dated February 28, 2019, Fifth Amendment to Mortgage dated January 2, 2021, Sixth Amendment to Mortgage dated February 5, 2022 and Seventh Amendment to Mortgage dated April 1, 2023, from FLP, P&E, Amber Trust and Mathew Trust (collectively, the "Mortgagors") to or for the benefit of Lender, covering Mortgagors' interest in oil and gas properties and proceeds derived therefrom located in the State of Louisiana, as such Mortgage may hereafter be amended, modified, supplemented, renewed and/or extended, and all other mortgages and deeds of trust covering oil and gas properties hereafter executed by Mortgagors and/or any other party to or for the benefit of Lender.

I. Oil and Gas DOTs. The term "Oil and Gas DOTs" shall mean those certain: (i) Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Financing Statement dated May 7, 2007, as amended by those certain First Amendment to Deed of Trust dated August 20, 2008, Second Amendment to Deed of Trust dated January 20, 2010, Third Amendment to Deed of Trust dated January 20, 2011, Fourth Amendment to Deed of Trust dated April 20, 2012, Fifth Amendment to Deed of Trust dated March 25, 2014, Sixth Amendment to Deed of Trust dated December 14, 2015, Seventh Amendment to Deed of Trust dated October 15, 2016, Eighth Amendment to Deed of Trust dated December 1, 2016, Ninth Amendment to Deed of Trust dated February 4, 2018, Tenth Amendment to Deed of Trust dated February 28, 2019, Eleventh Amendment to Deed of Trust dated January 2, 2021, Twelfth Amendment to Deed of Trust dated February 5, 2022 and Thirteenth Amendment to Deed of Trust dated April 1, 2023, executed by FLP, P&E, Smackover, Scanrock, EON, Hoerauf, Ponderosa, and the DE Trust (collectively, the "O'Ryan Grantors"), and (ii) two Deeds of Trust, Mortgages, Security Agreements, Assignments of Production and Financing Statements dated May 7, 2007, as amended by those certain First Amendment to Deed of Trust dated August 20, 2008, Second Amendment to Deed of Trust dated January 20, 2010, Third Amendment to Deed of Trust dated January 20, 2011, Fourth Amendment to Deed of Trust dated April 20, 2012, Fifth Amendment to Deed of Trust dated March 25, 2014, Sixth Amendment to Deed of Trust dated December 14, 2015, Seventh Amendment to Deed of Trust dated December 1, 2016, Eighth Amendment to Deed of Trust dated February 4, 2018, Ninth Amendment to Deed of Trust dated February 28, 2019, Tenth Amendment to Deed of Trust dated January 2, 2021, Eleventh Amendment to Deed of Trust dated February 5, 2022 and Twelfth Amendment to Deed of Trust dated April 1, 2023 from Amber Trust and Mathew Trust (hereinafter referred to sometimes as "Trust Grantors" and when taken with the O'Ryan Grantors, hereinafter referred to as "Grantors"), to or for the benefit of Lender, covering Grantors' interest, whether now owned or hereafter acquired, in and to various leasehold, royalty, mineral and overriding royalty interests along with accompanying equipment located thereon and proceeds derived therefrom located in the State of Texas, as such Oil and Gas Deeds of Trust may hereafter be amended, modified, supplemented, renewed and/or extended, and all other mortgages and deeds of trust covering oil and gas properties hereafter executed by Grantors and/or any other party to or for the benefit of Lender.

J. Plant DOT. The term "Plant DOT" shall mean those certain: Gas Plant Deed of Trust, Mortgage, Security Agreement and Financing Statement dated March 25, 2014, as amended by those certain First Amendment to Deed of Trust dated December 14, 2015, Second Amendment to Deed of Trust dated December 1, 2016, Third Amendment to Deed of Trust dated February 4, 2018, Fourth Amendment to Deed of Trust dated February 28, 2019, Fifth Amendment to Deed of Trust dated January 2, 2021, Sixth Amendment to Deed of Trust dated

February 5, 2022 and Seventh Amendment to Deed of Trust dated April 1, 2023, executed by the Llano Ranch, Hoerauf, and Smackover described below to or for the benefit of Lender, covering Lands, Gathering Systems, Rights-of-Way and Plants located in Henderson and Navarro Counties, Texas, as said Plant Deed of Trust may hereafter be amended, modified, supplemented, renewed and/or extended, and all other mortgages and deeds of trust covering oil and gas properties hereafter executed Llano Ranch, Hoerauf, and Smackover and/or any other party to or for the benefit of Lender.

K. Pledge Agreement. The term "Pledge Agreement" shall mean that certain Amended and Restated Pledge Agreement dated February 4, 2018 from P&E for the benefit of Lender ("Pledge Agreement"), as such Pledge Agreement may hereafter be amended, modified, supplemented, renewed and/or extended, covering P&E's shares in PB Materials Holdings, Inc.

L. New Mexico DOT. The term "New Mexico DOT" shall mean those certain: Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Financing Statement dated February 7, 2020, as amended by a First Amendment to Deed of Trust dated January 2, 2021, a Second Amendment to Deed of Trust dated February 5, 2022 and a Third Amendment to Deed of Trust dated April 1, 2023, from Hoerauf for the benefit of Lender, covering oil and gas properties and proceeds derived therefrom located in Lea County, New Mexico, as said New Mexico Deed of Trust may hereafter be amended, modified, supplemented, renewed and/or extended, and all other mortgages and deeds of trust covering oil and gas properties hereafter executed by Hoerauf and/or any other party to or for the benefit of Lender.

M. Llano DOT. The term "Llano DOT" shall mean those certain: Deed of Trust, Absolute Assignment of Rents, Security Agreement, and Financing Statement, made by Llano Ranch for the benefit of Lender, dated October 15, 2016, filed and recorded in the records of the County of Llano, Texas, on November 28, 2016, in Volume 1516, Pages 3122-3141, as amended by those certain First Amendment to Deed of Trust dated December 1, 2016, Second Amendment to Deed of Trust dated February 4, 2018, Third Amendment to Deed of Trust dated February 28, 2019, Fourth Amendment to Deed of Trust dated January 2, 2021, Fifth Amendment to Deed of Trust dated February 5, 2022 and Sixth Amendment to Deed of Trust dated April 1, 2023, from Llano Ranch. for the benefit of Lender, covering real estate located in Llano County, Texas, and the "Real Property" and the "Mortgaged Property" as defined and described by the Llano DOT (the "Llano Ranch Property").

N. Oregon DOT. The term "Oregon DOT" shall mean that certain Line of Credit Deed of Trust, made by Oregon Ranch II for the benefit of Lender, dated April 20, 2020, filed and recorded in the records of the County of Crook, Oregon, on September 14, 2020 at 2020-302823, that certain Second Line Renewal Deed of Trust, Absolute Assignment of Rents, Security Agreement, and Financing Statement, made by the Oregon Ranches for the benefit of Lender dated January 2, 2021, filed and recorded in the records of the County of Crook, Oregon, on February 4, 2021 at 2021-306290, as amended by a First Modification of Second Lien Renewal Deed of Trust dated February 5, 2022 and a Second Modification of Second Lien Renewal Deed of Trust dated April 1, 2023, from the Oregon Ranches for the benefit of Lender, covering real estate located in Crook County, Oregon, as such Oregon DOT may hereafter be amended, modified, supplemented, renewed and/or extended, and all other mortgages and deeds of trust hereafter executed by Oregon Ranches and/or any other party to or for the benefit of

Lender. and the "Real Property" and "Mortgaged Property" as defined and described by the Oregon DOT (the "Oregon Ranch").

When recorded return to:

✓ James R. Leeton, Jr.
✓ Morgan Leeton, PC
400 W. Illinois, Suite 120
Midland, Texas 79701

✓
16-07234

**DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT**

STATE OF TEXAS

§

§

COUNTY OF LLANO

§

THIS DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (this "Deed of Trust") dated **October 15, 2016** is made **O'RYAN RANCHES, LTD., a Texas Limited Partnership**, whose address is One Mission Boulevard, Odessa, Texas 79765("Mortgagor"), to **ALAN L. LACKEY, Trustee**, of Lubbock County, Texas, as Trustee ("Trustee") for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (together with its successors and assigns, "Mortgagee").

For \$10 and other consideration, Mortgagor grants to Trustee the Mortgaged Property (defined below) in trust, to secure the payment of the Debt (defined below), and grants Mortgagee a security interest in the Collateral (defined below), to secure payment of the Debt. As additional consideration, Mortgagor presently and absolutely assigns to Mortgagee the Rents (defined below), subject to a license back to Mortgagor, as described in Section 7. The conveyance of the Mortgaged Property is subject to the Permitted Encumbrances (defined below). Mortgagor agrees as follows:

1. Definitions.

(a) "Mortgaged Property" means:

(1) The tract or parcel of land in Llano County, Texas described in Exhibit "A" (the "Land"), and including (i) all of Mortgagor's interest in the bed of any stream, creek, or waterway or any street, road, right-of-way or easement, open or proposed, on or adjacent to the Land; (ii) all of Mortgagor's interest in any strips and gores between the Land and any abutting properties; and (iii) all rights of ingress and egress, and all other present or future easements and rights appurtenant to, serving or benefitting the Land;

(2) All improvements of every type now or later located on the Land (the "Improvements");

(3) All equipment and all materials and other goods of every type now or later situated upon the Land and (i) intended to be incorporated into the Improvements or (ii) that are or become fixtures related to the Land or the Improvements;

(4) All other goods of every type, including inventory and equipment now owned or later acquired by Mortgagor and now or later situated on the Land or in the Improvements and that facilitate the use or occupancy of the Improvements; and

(5) All plans and specifications for the Improvements, all of Mortgagor's rights under all existing and future leases (whether written or oral) of any of the Mortgaged Property (the "Leases"), including, but not limited to the Lease described in Exhibit "A" (the "Existing Lease"), construction, maintenance and other contracts relating to the Land or the Improvements, all tenant deposits under any Leases, all licenses, permits, certificates, accounts, instruments, documents and general intangibles (including trade names and symbols used in connection with the Land or the Improvements), wastewater, fresh water and other utility capacity and facilities available to or allocated to the Land or the Improvements, and all other present or future rights and privileges relating to the Land or the Improvements.

(b) "Collateral" means all property described in paragraphs (3), (4) and (5) of the definition of Mortgaged Property, to the extent it is personal property under applicable law, and all proceeds of other Collateral.

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(c) "Rents" means all rent and other income from the Mortgaged Property, including all rent and other income under all existing or future Leases.

(d) "Debt" means (1) Mortgagor's obligations under a Promissory Note dated **December 14, 2015**, as modified on October 15, 2016, having a face amount of **\$51,500,000.00** executed by O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust and the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (collectively "Borrower") and payable to Mortgagee maturing **December 1, 2016** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below (collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

(e) "Permitted Encumbrances" means the easements and encumbrances to title described on Exhibit "B," to the extent each is valid, subsisting and affects title to the Mortgaged Property.

(f) All terms defined in the Uniform Commercial Code as enacted in the State of Texas (the "UCC") have the same meanings in this Deed of Trust as in the UCC.

2. Mortgagor's Representations and Agreements.

(a) Taxes and Other Impositions. Mortgagor will pay all taxes, assessments, standby fees, homeowners' or condominium association assessments and other impositions (collectively, "Impositions") levied or assessed against any of the Mortgaged Property by any governmental authority or any other person, before the Impositions become delinquent, and Mortgagor will provide receipts of all Impositions payments to Mortgagee promptly upon request.

(b) Insurance. Mortgagor will maintain liability insurance against claims for bodily injury, death or property damage on or around the Mortgaged Property with terms acceptable to Mortgagee. All required insurance policies must (i) be issued by companies reasonably acceptable to Mortgagee and if requested by Mortgagee (ii) be indorsed to be payable to Mortgagee as mortgagee insured and loss payee, and (iii) expressly prohibit cancellation or modification without 10 days written notice to Mortgagee. Mortgagor will promptly deliver to Mortgagee the original policies or photocopies of the original policies (including all renewals) evidencing all required insurance.

(c) Deposits. Mortgagor will, if requested to do so by Mortgagee, deposit with Mortgagee each month an amount equal to (i) 1/12 of the annual premiums for all insurance required under this Deed of Trust, and (ii) 1/12 of the annual Impositions to become due in connection with the Mortgaged Property, as estimated by Mortgagee. At least 15 days before any Impositions would become delinquent or any insurance premium is due, Mortgagor will deliver to Mortgagee a statement showing the amount of Impositions or premium due and the party or governmental authority to which the amount is payable. If funds on deposit with Mortgagee are insufficient to make all payments due, Mortgagor will deposit with Mortgagee the amount of any deficiency. Mortgagee will hold deposited funds on behalf of Mortgagor for payment of Impositions and insurance, but if an "Event of Default" occurs, Mortgagee may apply deposited funds to payment of the Debt.

(d) Maintenance of Property. Mortgagor will maintain the Mortgaged Property in good condition.

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(e) Title to Property. Mortgagor will warrant and defend Trustee's title to and Mortgagee's security interest in the Mortgaged Property against any person who claims any of it. No person owns any lien or other interest in the Mortgaged Property except the lien and security interest created by this Deed of Trust, other liens and security interests for the benefit of Mortgagee, Permitted Encumbrances and the statutory lien for taxes not yet due. No person other than Mortgagee owns any interest in the Rents. No lien document or financing statement affecting any Mortgaged Property or the Rents, other than lien documents and financing statements in favor of Mortgagee and Permitted Encumbrances, is on file in any public office. If any person claims any interest or encumbrance, except for Permitted Encumbrances, Mortgagor will promptly remove any such adverse claim, lien or encumbrance from the Mortgaged Property or the Rents. Mortgagor will give Mortgagee prompt notice of an assertion by any person of any interest or encumbrance affecting, or any legal proceeding affecting, any part of the Mortgaged Property or the Rents. Mortgagor will take any action Mortgagee requires to protect, assure or enforce the lien and security interest of this Deed of Trust and the assignment of the Rents. This paragraph will survive termination or foreclosure of this Deed of Trust.

(f) Books and Records. Mortgagor will maintain accurate and complete books and records regarding the Mortgaged Property, including finances, leases and physical condition of the Mortgaged Property.

(g) Inspection. Upon prior oral notice to Mortgagor, Mortgagor will (i) permit Mortgagee at all reasonable times to go upon, examine and inspect the Mortgaged Property, including making appraisals and environmental assessments, (ii) furnish all information Mortgagee reasonably requests relating to the development and operation of the Mortgaged Property, and (iii) permit Mortgagee to make copies of such information.

(h) Indemnity. Mortgagor will indemnify Mortgagee against all claims, losses and liabilities relating to this Deed of Trust and its enforcement or any other Loan Document, **INCLUDING CLAIMS, LOSSES AND LIABILITIES ARISING FROM THE NEGLIGENCE OF MORTGAGEE**, but not claims, losses or liabilities resulting from the gross negligence or willful misconduct of Mortgagee. This paragraph will survive termination or foreclosure of this Deed of Trust.

(i) Mortgagee's Rights. If Mortgagor fails to perform any obligation under this Deed of Trust, Mortgagee may perform, but Mortgagee's performance will not waive Mortgagor's default. If Mortgagee secures required insurance, Mortgagee may secure the insurance only in its own name and may insure only its interest in the Mortgaged Property.

3. Collection and Application of Insurance and Condemnation Proceeds. Mortgagor assigns to Mortgagee all amounts received by Mortgagor or Mortgagee as proceeds of insurance and proceeds of condemnation proceedings as additional security for the Debt. Mortgagor will promptly give Mortgagee notice of any material damage to or condemnation proceeding affecting the Mortgaged Property. Mortgagee may file or prosecute (or both) any insurance or condemnation claim. Mortgagee may collect and give receipts for any money payable under any insurance policy by reason of loss of or damage to the Improvements. Mortgagee may settle or compromise, on any terms and for any amount it selects, the liability of any insurance company or companies on any policy, and execute and deliver releases and discharges of liability binding Mortgagor and Mortgagee. Mortgagee may collect and give receipts for any money payable to Mortgagor because of condemnation proceedings affecting any Mortgaged Property. Mortgagor RELEASES Mortgagee from any liability in connection with any settlement or compromise of any insurance or condemnation claim. Mortgagee may apply all insurance or condemnation proceeds, first to Mortgagee's expenses in connection with the insurance or condemnation claim, and second, at Mortgagee's discretion, either (i) to the Debt in any order Mortgagee selects, or (ii) to the repair or improvement of the Mortgaged Property in any manner Mortgagee selects, applying the remaining money to the Debt in any order Mortgagee selects.

4. Environmental Matters.

(a) Definitions. (i) "Environmental Requirement" means any statute, common law rule, rule, regulation, order, authorization (including any permit) or policy of any governmental authority relating to the environment, pollution, natural resources, health or safety, including the federal Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Water Pollution Control Act, Resource Conservation and Recovery Act of 1976 ("RCRA"), Occupational Safety and Health Act, and the Texas Water Code and Texas Health & Safety Code, as each of such statutes and codes has been amended to date and may be amended from time to time. (ii) "Hazardous Material" means any material, waste or substance that is regulated, considered or identified as hazardous or toxic or as a pollutant or contaminant under any Environmental Requirement, including any "hazardous substance" under CERCLA, "solid waste" or "hazardous waste" under RCRA, petroleum, petroleum product, asbestos, polychlorinated biphenyls and radioactive materials. (iii) "Environmental Claim" means any governmental or private claim or action pursuant to any Environmental Requirement instituted or threatened against Mortgagor or relating to the Mortgaged Property, including any investigative, enforcement, cleanup, removal, containment or remedial action.

(b) Representation and Agreement. Mortgagor has conducted all customary or appropriate due diligence review of the Mortgaged Property relating to Environmental Requirements and Hazardous Materials. Mortgagor will comply with all Environmental Requirements. Mortgagor will keep the Mortgaged Property free of all Hazardous Materials and will not permit any Hazardous Materials to be placed (in a storage tank or otherwise), installed, disposed of or released on the Mortgaged Property. If Mortgagor ever becomes aware that any Hazardous Material is located on, in, above or under the Mortgaged Property, Mortgagor will at Mortgagor's cost promptly remove all such Hazardous Materials in accordance with Environmental Requirements. Mortgagor will promptly notify Mortgagee if it becomes aware of any violation of the provisions of this paragraph or if any person or governmental entity notifies Mortgagor of any Environmental Claim.

(c) Indemnity. Mortgagor will indemnify Mortgagee and hold Mortgagee harmless against all liability, loss, cost or expense of any kind directly or indirectly relating to any Environmental Claim relating to the Mortgaged Property, any Environmental Requirement affecting the Mortgaged Property, and the presence of Hazardous Materials on the Mortgaged Property (whether or not the placement of the Hazardous Materials on the Mortgaged Property was within the control of Mortgagor or any affiliate). This paragraph will survive termination or foreclosure of this Deed of Trust.

5. Advances and Attorneys' Fees. Mortgagor will pay, or reimburse Mortgagee for, all costs and expenses of every character incurred from time to time in connection with this Deed of Trust and the Debt, including costs and expenses incurred (a) for mortgage or recording taxes, (b) to satisfy any obligation of Mortgagor under this Deed of Trust or to protect the Mortgaged Property, (c) in connection with the evaluation, monitoring or administration of the Debt or the Mortgaged Property (whether or not an Event of Default has occurred), and (d) in connection with the exercise of Mortgagee's rights and remedies. Costs and expenses include reasonable fees and expenses of outside counsel and other outside professionals and charges imposed for the services of attorneys and other professionals employed by Mortgagee or its affiliates. Any amount owing under this Section will be due and payable on demand and will bear interest from the date of expenditure by Mortgagee until paid at the rate provided in the Note for past due principal.

6. Events of Default; Acceleration; Appointment of Receiver. Each of the following events is called an "Event of Default":

(a) Any "Event of Default," as defined in the Note, occurs.

(b) Any representation or warranty in this Deed of Trust was untrue or misleading in any material respect when made, or Mortgagor violates any of its agreements in this Deed of Trust.

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(c) Mortgagee reasonably believes that there is a defect in Mortgagor's title to any of the Mortgaged Property, or any person (including Mortgagor) alleges that (i) a lien or encumbrance exists on any Mortgaged Property equal or superior to the lien of this Deed of Trust, other than Permitted Encumbrances, or (ii) the lien of this Deed of Trust is subject to a homestead claim or other claim, and in any such case Mortgagor fails, within 15 days after written demand by Mortgagee, to correct such title defect or to remove said lien, encumbrance, homestead claim or other claim, or a writ of execution is levied against the interest of Mortgagor in the Mortgaged Property.

(d) Mortgagor sells, transfers, pledges, encumbers or otherwise disposes of all or any part of or interest in the Land or the Improvements (including the granting of any easement), or if the title to all or any of the Mortgaged Property (other than items of personalty that have become obsolete or worn beyond practical use and that have been replaced by adequate substitutes owned by Mortgagor and having a value equal to or greater than the replaced items when new) becomes vested in any party other than Mortgagor, whether by operation of law or otherwise. Mortgagee may consent to any action under this paragraph in its discretion, and if it consents it may impose any requirements for consent that it wishes.

If any Event of Default occurs, Mortgagee may, without demand, presentment or notice of any kind (including notice of default, notice of intent to accelerate the maturity of the Debt, or notice of actual acceleration), all of which Mortgagor waives, declare all of the Debt immediately due and payable, and may request that Trustee exercise any of Trustee's remedies under this Deed of Trust. In addition, if an Event of Default occurs, Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Mortgaged Property, and of all its rent and other income. Notwithstanding the appointment of any receiver, Trustee will be entitled to the possession and control of any cash or other instruments that this Deed of Trust requires Mortgagor to deliver or pay to Trustee. If an Event of Default occurs, Mortgagee may demand that Mortgagor surrender possession of the Mortgaged Property to Mortgagee. If Mortgagee takes possession of the Mortgaged Property, Mortgagee will not be liable to Mortgagor for any rental of the Mortgaged property, nor for any failure to rent or inadequacy of rental of the Mortgaged Property, nor for any damage to or waste of the Mortgaged Property, **WHETHER OR NOT DUE TO MORTGAGEE'S NEGLIGENCE**, except as a result of the gross negligence or willful misconduct of Mortgagee.

7. Terms of Assignment of Rents; Collection and Application of Rents. The transfer and assignment of the Rents provided for in this Deed of Trust is irrevocable. Mortgagee grants to Mortgagor a limited license (the "License") to possess and use the Leases and the Rents. If an Event of Default occurs, the License will automatically terminate. Thereafter, Mortgagee will have the absolute and continuing right (but not the obligation) to collect, demand, sue for, recover, receive and give receipts for any Rent. Mortgagee has no responsibility to exercise diligence in collecting Rents. After deducting the expenses of collection, Mortgagee will apply the net proceeds of collection as a credit upon any portion of the Debt selected by Mortgagee, whether or not that portion of the Debt is due and payable. Mortgagor authorizes and directs any lessee of the Mortgaged Property to deliver any such payment to Mortgagee, and any lessee's obligation to Mortgagor will be absolutely discharged to the extent of its payment to Mortgagee. If Mortgagor receives any Rents after the termination of Mortgagor's license, Mortgagor will hold the Rents in trust for Mortgagee and immediately pay them to Mortgagee. Mortgagor will keep Rents segregated from all other funds. Mortgagee is not required to give any credit against the Debt for the assignment of rents until rents are actually paid to Mortgagee. Mortgagor's obligations to Mortgagee will be discharged only to the extent that net Rents are received by Mortgagee and not disbursed to Mortgagor or paid by Mortgagee for expenses relating to the Land and Improvements. The assignment of rents will not cause Mortgagee to be a mortgagee-in-possession. If the License is terminated, Mortgagee's possession of the Rents will not act as a waiver of any default by Mortgagor or as an affirmation of any Lease by Mortgagee if Mortgagee later becomes the purchaser of the Mortgaged Property at any foreclosure sale. Mortgagee may at its option subordinate the lien of this Deed of Trust to any Lease. The assignment of rents will terminate upon termination of this Deed of Trust. If the Mortgaged Property is sold pursuant to the terms of this Deed of Trust, the assignment of rents will terminate and the purchaser of the Mortgaged Property will have the right to all Rents free of the assignment.

8. Trustee's Sale.

(a) If an Event of Default occurs, Trustee will, at the request of Mortgagee, sell all or any part of the Mortgaged Property as an entirety or in parcels, by one sale or by several sales held at one time or at different times, all as Trustee in Trustee's discretion elects. The sale will be made in accordance with Texas Property Code Section 51.002 or any successor statute. If the Land is situated in more than one county, then required notices will be given in both or all of such counties, the Mortgaged Property may be sold in either or any such county, and such notices shall designate the county where the Mortgaged Property will be sold. The affidavit of any person having knowledge of the facts to the effect that required notices were posted, filed or mailed will be *prima facie* evidence of the facts recited in the affidavit. The Trustee's deed at any such sale will be with general warranty, and Mortgagor will warrant and forever defend the title of the purchaser or purchasers. Mortgagee may be the purchaser at any sale made hereunder, and credit the sale price against the Debt. Any deed so executed by Trustee will be *prima facie* proof of all factual matters stated in it. The purchaser or purchasers named in any such deed, and all persons subsequently dealing with the property purported to be thereby conveyed, will be fully protected in relying upon the truthfulness of factual matters stated in the deed. After any Trustee's sale, Mortgagor will surrender immediate possession and control of the property purchased to the purchaser. If Mortgagor fails to surrender possession, Mortgagor will be a tenant at will.

(b) Mortgagee may at any time before the sale direct Trustee to abandon the sale, and may at any time thereafter direct Trustee to again commence foreclosure. Whether or not foreclosure is commenced by Trustee, Mortgagee may at any time after an Event of Default occurs institute suit for collection of all or any part of the Debt or foreclosure of the lien of this Deed of Trust or both. If Mortgagee institutes suit for collection of the Debt and foreclosure of the lien of this Deed of Trust, Mortgagee may at any time before the entry of final judgment dismiss the same, and require Trustee to sell the Mortgaged Property in accordance with the provisions of this Deed of Trust. No single sale or series of sales under this Deed of Trust or by judicial foreclosure will extinguish the lien or exhaust the power of sale under this Deed of Trust except with respect to the items of property sold.

(c) Trustee will apply the proceeds of sale, first to the payment of all expenses of the sale, second to the payment of the Debt in any order Mortgagee chooses and third the balance, if any, to any person who is entitled to it. This paragraph does not give any right, remedy or claim to any holder of any obligation or lien, other than Mortgagee.

9. Alternative Procedures under UCC. In addition to all other rights and remedies granted in this Deed of Trust, Mortgagee has the rights of a secured party under the UCC as to any of the Collateral. After an Event of Default occurs, Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee at a reasonably convenient place Mortgagee designates. Mortgagor authorizes each obligor on any Collateral to make payment and performance to Mortgagee upon Mortgagee's demand, and payment or performance to Mortgagee will discharge the obligor's duty as if it had been rendered to Mortgagor, even if Mortgagor notifies the obligor that payment or performance should not be made to Mortgagee. Mortgagor irrevocably appoints Mortgagee as its attorney-in-fact to do all things Mortgagor is required to do under this Deed of Trust. This appointment is coupled with an interest. Except for the safe custody of any Collateral in its possession and accounting for money actually received by it, Mortgagee has no duty as to any Collateral, including the duty to preserve rights against prior parties. Written notice to Mortgagor mailed 10 days prior to public or private sale is reasonable notice.

10. Change of Trustee. Trustee may be removed at any time with or without cause, at the option of Mortgagee, by written declaration of removal executed by Mortgagee, without any notice to or demand upon Trustee, Mortgagor or any other person. If at any time Trustee is removed, dies or refuses, fails or is unable to act as Trustee, Mortgagee may appoint any person as successor Trustee hereunder, without any formality other than a written declaration of appointment executed by Mortgagee. Immediately upon appointment, the successor Trustee so appointed automatically will be vested with all the estate and title in the Mortgaged Property, and with all of the rights, powers, privileges, authority, options and discretions, and charged with all of the duties and liabilities, vested in or imposed upon Trustee by this instrument, and any conveyance executed

by any successor Trustee will have the same effect and validity as if executed by the Trustee named in this Deed of Trust.

11. Fair Market Value for Calculating Deficiencies. If Mortgagee sues Mortgagor, any other party obligated on the Debt or any guarantor of any Debt to collect any deficiency owing after foreclosure of the Mortgaged Property, "fair market value" of the Mortgaged Property under Sections 51.003, 51.004, and 51.005 of the Texas Property Code (as amended from time to time) (the "Deficiency Statutes") will be determined as follows:

(a) Any valuation of the Mortgaged Property will be based on "as is" condition on the foreclosure date, without any assumption or expectation that the Mortgaged Property will be repaired or improved in any manner before a resale of the Mortgaged Property after foreclosure.

(b) Any valuation will assume that the foreclosure purchaser desires resale of the Mortgaged Property for cash promptly (but no later than twelve months) following the foreclosure sale.

(c) All reasonable closing costs customarily borne by the seller in a commercial real estate transaction, including brokerage commissions, title insurance, a survey of the Mortgaged Property, tax prorations, attorney's fees, and marketing costs, will be deducted from the gross fair market value of the Mortgaged Property.

(d) Any valuation will further discount the gross fair market value of the Mortgaged Property to account for any estimated holding costs associated with maintaining the Mortgaged Property pending sale, including utilities expenses, property management fees, taxes and assessments, and other maintenance expenses.

(e) Any expert opinion testimony given or considered in connection with a determination of the fair market value of the Mortgaged Property must be given by persons who have at least five years experience in appraising property similar to the Mortgaged Property and who have conducted and prepared a complete written appraisal of the Mortgaged Property taking into consideration the factors set forth above.

12. All Security Cumulative; Subrogation; Waiver of Marshaling. The execution of this instrument does not impair any other security for the payment of any Debt. Mortgagee may take additional security for any Debt in the future without altering or impairing the lien of this Deed of Trust. Mortgagee may release any Mortgaged Property or any other security for the Debt without altering or impairing the lien of this Deed of Trust as to the Mortgaged Property not released. All present and future security will be cumulative. Mortgagee is subrogated to all rights, liens or interests in any of the Mortgaged Property securing the payment of any obligation satisfied or paid off out of the proceeds of the loans evidenced by the Note. Mortgagor waives any right of marshaling of assets or sale in inverse order of alienation, and all present or future appraisal rights and equity of redemption rights.

13. Limitations on Amount of Interest. Mortgagor and Mortgagee intend to conform strictly to applicable usury laws. Therefore, the total amount of interest (as defined under applicable law) contracted for, charged or collected under the Debt or this Deed of Trust will never exceed the highest amount permitted by applicable law. If Mortgagee contracts for, charges or receives any excess interest, it will be deemed a mistake. Any unlawful contract or charge will be automatically reformed to conform to applicable law, and if Mortgagee has received excess interest, Mortgagee will either refund the excess to Mortgagor or credit the excess on the unpaid amounts owing under the Debt or this Deed of Trust. All amounts constituting interest will be spread throughout the full term of the Debt in determining whether interest exceeds lawful amounts.

14. Financing Statement; Mortgagor's Covenant. This Deed of Trust is to be filed in the real property records as a fixture filing, and may be filed as a financing statement in any other place which is necessary or desirable to perfect the security interests granted in this Deed of Trust. A carbon, photographic or other reproduction of this Deed of Trust or a financing statement relating to this Deed of Trust is sufficient as a financing statement. The secured party is Mortgagee and the

address of the secured party is set forth in Section 15. The debtor is Mortgagor and the mailing address of the debtor is set forth in Section 15. Mortgagor will promptly notify Mortgagee of any change in Mortgagor's location, name, identity or organizational structure.

15. Notices. Except as otherwise provided, any notice, request or demand under this Deed of Trust must be in writing and will be sufficient if either delivered personally or deposited in the United States mail in a postpaid envelope addressed to the mailing address set forth below. A party may designate a different address by notice given in compliance with this Section. Any notice to Mortgagee must be sent or delivered to the officer named below or to another officer designated for receipt of such notices by Mortgagee. The names and mailing addresses of Mortgagor and Mortgagee are as follows:

Mortgagor:
O’Ryan Ranches, Ltd.
One Mission Boulevard
Odessa, Texas 79765

Mortgagee:
Lone Star State Bank of West Texas
2975 JBS Parkway
Odessa, Texas 79765

16. Additional Agreements. This Deed of Trust benefits the successors, assigns and legal representatives of Trustee and Mortgagee and binds any successors or transferees of Mortgagor (however, this provision does not permit Mortgagor to transfer the Mortgaged Property). Each reference to Mortgagor, Trustee or Mortgagee includes their respective successors, assigns and legal representatives. No modification or waiver of this Deed of Trust will be effective unless in writing and signed by Mortgagee. Mortgagee may waive any default without waiving any other prior or subsequent default. Mortgagee's failure to exercise or delay in exercising any rights under this Deed of Trust will not operate as a waiver of those rights. If any provision of this Deed of Trust is unenforceable or invalid, that provision will not affect the enforceability or validity of any other provision. If the application of any provision of this Deed of Trust to any person or circumstance is illegal or unenforceable, that application will not affect the legality or enforceability of the provision as to any other person or circumstance. If more than one person executes this Deed of Trust as Mortgagor, their obligations under this Deed of Trust are joint and several.

17. Rules of Construction. The section headings or captions in this instrument are for convenience and are not a part of this instrument for any purpose. Any action permitted to Mortgagee may be taken by any authorized officer, employee or agent of Mortgagee, or any attorney, accountant, environmental consultant or other advisor or professional retained by Mortgagee. Use of the term "including" does not imply any limitation on (but may expand) the antecedent reference. Unless the context clearly requires otherwise, the term "may" does not imply any obligation to act. Any reference to exhibits or schedules means the exhibits or schedules to this Deed of Trust, which are fully incorporated by reference into this Deed of Trust. Any reference to a particular document includes all modifications, supplements, replacements, renewals or extensions of that document, but this rule of construction does not authorize amendment of any document without Mortgagee's consent.

18. Reporting Requirements. Mortgagor agrees to comply with any and all reporting requirements applicable to the transaction evidenced by the Note and secured by this Mortgage which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority, including but not limited to The International Investment Survey Act of 1976, The Agricultural Foreign Investment Disclosure Act of 1978, The Foreign Investment in Real Property Tax Act of 1980 and The Tax Reform Act of 1984 and further agrees upon request of Mortgagee to furnish Mortgagee with evidence of such compliance.

19. Nonagricultural Property. The Mortgaged Property is not used principally for agricultural purposes.

20. Loan Agreement. This Deed of Trust is subject to the terms and conditions of that certain Restated Loan Agreement dated December 14, 2015, as amended on October 15, 2016, by and between Borrower, Lender and Ryan C. Hoerauf, Ryan C. Hoerauf, Inc., Ryan Properties, Inc., Ryan C. Hoerauf Grantor Retained Annuity Trust, O’Ryan Ranches, Ltd., Eon Production, LLC, O’Ryan Ponderosa, LLC, O’Ryan Oregon Ranches, LLC and The Ryan C. Hoerauf

2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Sixth Amendment as the “Loan Agreement”). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Sixth Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

21. **TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE:** (A) MORTGAGOR IS REQUIRED TO: (i) KEEP THE MORTGAGED PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT MORTGAGEE SPECIFIES; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (iii) NAME MORTGAGEE AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (B) MORTGAGOR MUST, IF REQUIRED BY MORTGAGEE, DELIVER TO MORTGAGEE A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF MORTGAGOR FAILS TO MEET ANY REQUIREMENT LISTED IN PARAGRAPH (A) OR (B), MORTGAGEE MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF MORTGAGOR AT MORTGAGOR’S EXPENSE.

NOTICE

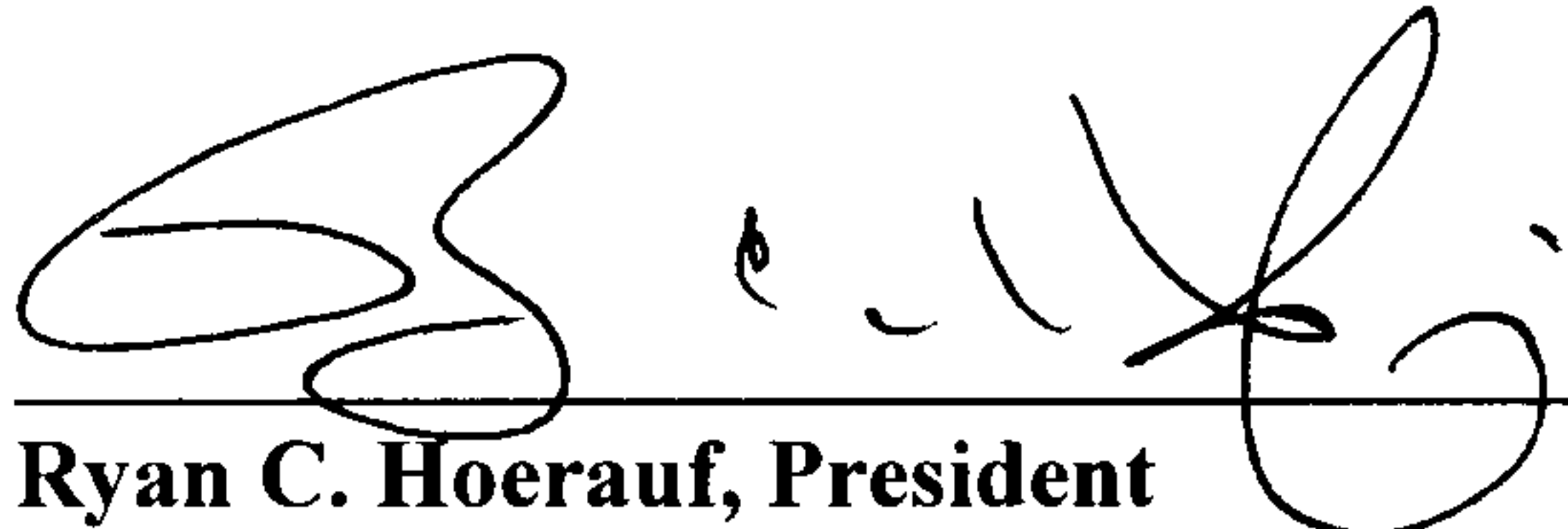
THIS DEED OF TRUST, THE OIL AND GAS DEED OF TRUST AS AMENDED, THE PROMISSORY NOTE DESCRIBED ABOVE AND THE ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, UNLIMITED GUARANTIES AND RESTATED LOAN AGREEMENT AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

This instrument is dated **October 15, 2016**, although is executed on the date of the acknowledgments annexed hereto.

MORTGAGOR:

O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By: 
Ryan C. Hoerauf, President

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

The foregoing instrument was acknowledged before me on this 17th day of November, 2016, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited patrntrship.

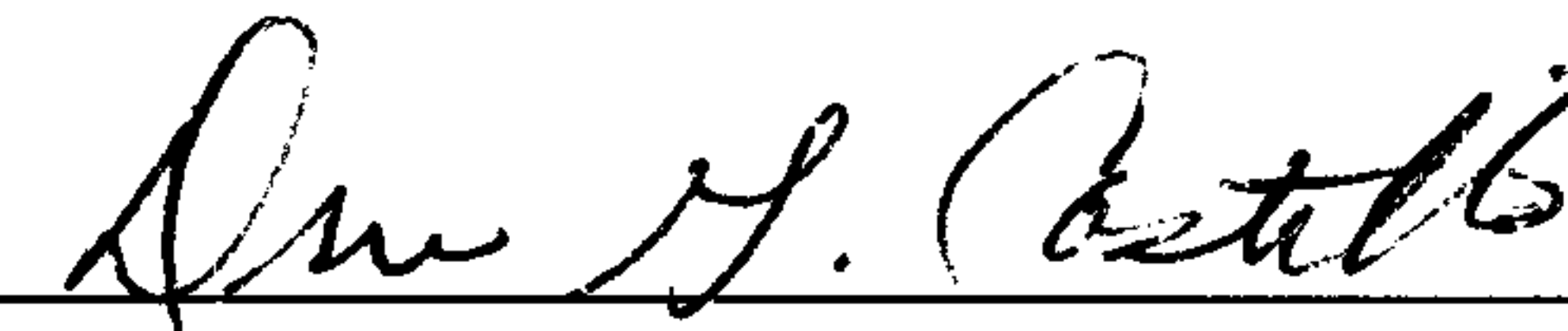

NOTARY PUBLIC, STATE OF TEXAS

Exhibit “A” - Description of Lands
Exhibit “B” - Permitted Encumbrances

N:\lonestar\oryan\16nov\dot(r.est)

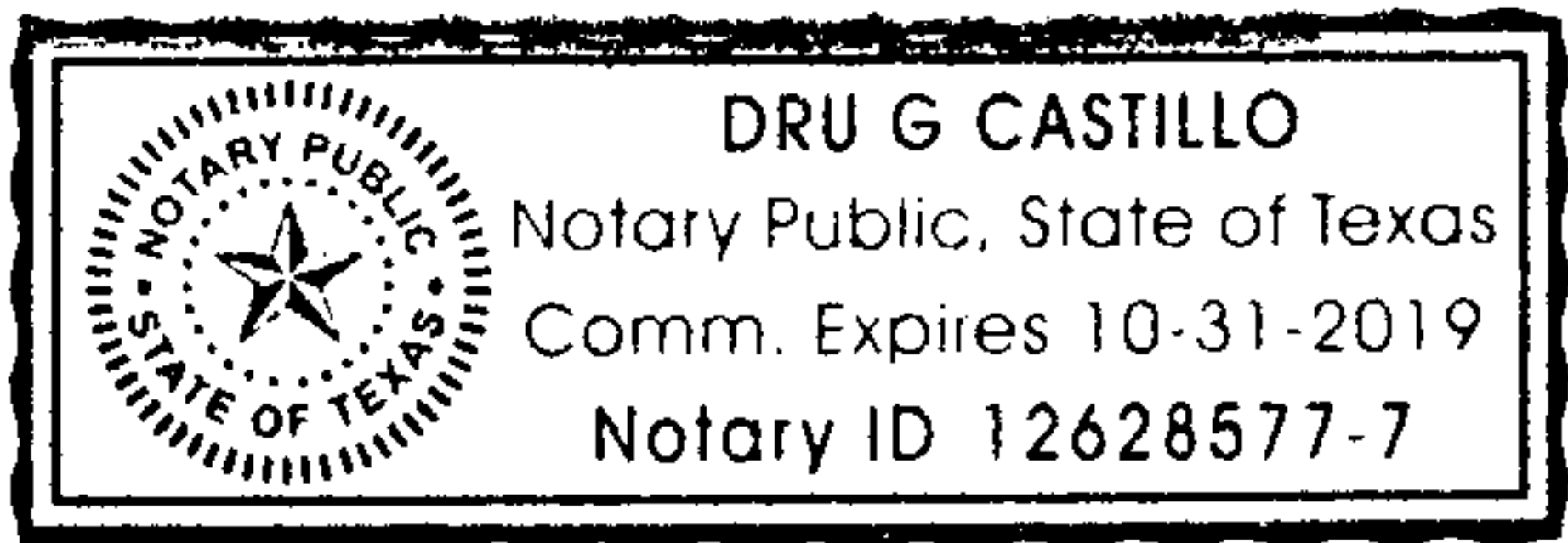


EXHIBIT "A"

Attached to and made a part of that certain Deed of Trust, Absolute Assignment of Rent, Security Agreement and Financing Statement dated October 15, 2016, from O'RYAN RANCHES, LTD., as Mortgagor, for the benefit of LONE STAR STATE BANK OF WEST TEXAS, as Mortgagee.

LLANO COUNTY, TEXAS

Tract 1 (1121.574 acre tract):

See Pages 1 through 4, attached hereto and made a part hereof.

Tract 2 (617.94 acre tract):

Being approximately 617.94 acres of land being a part of the William Rabb Survey No. 91, Abstract No. 624, the Mathew Moss Survey No. 93, Abstract No. 501 and the John B. Mattingly Survey No. 502, Abstract No. 497, also being a part of and out of those two tracts conveyed to Douglas R. Northcutt and Margaret Louise Northcutt in deed recorded in Volume 289, Page 69, Real Property Records of Llano County, Texas. Said 617.94 acres being more completely described by metes and bounds in Exhibit "A" attached hereto and made a part hereof. Save and Except therefrom that certain 2.241 acres more or less, out of the Matthew Moss Survey No. 93, Abstract No. 501 previously conveyed by Donald Ray Northcutt to Wayne Northcutt Partners, Ltd., in Partition Deed recorded in Volume 1244, Page 1, Real Property Records of Llano County, Texas, said 2.241 acres being more completely described by metes and bounds in Exhibit "A-1" as set out on Pages 5 through 8, attached hereto and made a part hereof.

Tract 3 (2.241 acre tract):

Being approximately 2.241 acres out of Tract A being the Northern 617.94 acres conveyed to Wayne Northcutt in Partition Deed recorded December 26, 2001, in Volume 1144, Page 374 of the Real Property Records of Llano County, Texas and consisting of approximately 1.838 acres out of the William Rabb Survey No. 91, Abstract No. 624 and approximately 0.403 acres out of the Matthew Moss Survey No. 93, Abstract No. 501 and being more completely described by metes and bounds in Exhibit "A-2" as set out on Page 9, attached hereto and made a part hereof.

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DESCRIPTION OF 1121.574 ACRES IN LLANO COUNTY, TEXAS MADE FOR THE
HEIRS OF LYNN AND EVELYN RATLIFF.

Being 1121.574 acres in Llano County, Texas, being out of that certain tract called to contain 1527.78 acres in a Partition Deed to Lynn Ratliff, et al, dated April 26, 1966 and recorded in Vol. 150, Pgs. 171-184 of the Llano County Deed Records, upon resurvey found to contain 1519.375 acres. This tract is all of said 1519.375 acres less that certain 397.801 acre Partition Tract out of the S.W. part of said parent tract hereof. This tract consists of approximately 125.114 acres out of the John B. Mattingly Survey No. 502, Abstract No. 497, 655.824 acres out of the Harvey W. Karnes Survey No. 11, Abstract No. 444, and approximately 340.636 acres out of the Matthew Moss Survey No. 93, Abstract No. 501.

BEGINNING at a 1 1/4" galvanized iron pipe found by a "T" fence corner post, fence bears east, west and N.E. for the S.E. corner hereof, S.E. corner of said parent tract and being in the north line of that certain tract described as 1453.8 acres in a Deed to James Moss Inks and Mildred Inks Dalrymple, recorded February 25, 1971 in Vol. 174, Pg. 702 of said Deed Records;

THENCE with a fence for the south line of said parent tract and south line hereof,

N 87 39 05 W 688.46 feet, a 1/2" steel stake set by an angle post,

S 68 25 54 W 835.30 feet, a 1/2" steel stake set by an angle post,

S 88 12 54 W 332.78 feet to a 1 1/4" galvanized iron pipe found for the S.E. corner of that certain tract described as 58.055 acres in a Lease to Texas Granite Corp., recorded October 3, 1990 in Vol. 373, Pg. 962 of said Deed Records for the S.E. corner of said 397.801 acre partition tract out of said parent tract hereof and being the most southerly S.W. corner hereof;

THENCE with a division line for the east line of said 58.055 acres and an easterly line of said 397.801 acres,

N 13 39 53 W 2272.62 feet to a 1/2" steel stake found for the N.E. corner of said 58.055 acre tract;

THENCE with the north line of said 58.055 acres,

S 85 24 37 W 316.94 feet, a 1/2" steel stake found in a north/south fence for a corner of said 58.055 acres and with said fence,

N 00 10 36 W 254.23 feet, a 1/2" steel stake found, and

N 29 53 22 W 155.80 feet to a 1/2" steel stake set in a fence for the most northerly corner of said 58.055 acre tract;

THENCE with a fence for the N.W. line of said 58.055 acres,

S 33 39 03 W 192.29 feet, a 2 1/2" pipe post,

S 34 03 39 W 1015.48 feet, and

Page 2, 1121.574 Acres in Llano County, Texas.

S 28 52 53 W 128.91 feet to a drill hole found for the N.W. corner of said 58.055 acre tract and being a southwesterly corner hereof;

THENCE continuing with the east line of said 397.801 acres with a division line,

N 57 40 41 W 1899.19 feet to a 1/2" steel stake set by a fence angle post,

N 30 47 25 E 811.76 feet, a 1/2" steel stake set by a "T" fence corner post, fences bear east, west and north, from here following a fence and east line of said 397.801 acres,

N 01 59 14 W 167.06 feet, a 1/2" steel stake set,

N 05 12 02 E 730.71 feet, a 120d nail set,

N 06 11 33 E 40.36 feet, a 120d nail set,

N 07 42 49 E 134.15 feet, a 1/2" steel stake set,

N 14 43 51 W 562.60 feet, a 1/2" steel stake set, and

N 14 49 29 W 500.37 feet to a 1/2" steel stake set for the N.E. corner of said 397.801 acres;

THENCE with a division line for the north line of said 397.801 acres,

S 90 00 00 W 2104.91 feet to a 1/2" steel stake set for the N.W. corner of said 397.801 acres, a point in a fence and west line of said parent tract hereof and east line of that certain land described as 1226.84 acres in a Deed to David McDavid, et ux, recorded April 16, 1985 in Vol. 312, Pg. 394 of said Deed Records;

THENCE with a fence and east line of said 1226.84 acre tract and west line hereof and west line of said parent tract,

N 00 06 10 E 725.09 feet, a 120d nail set,

N 00 02 05 E 1349.80 feet, a 120d nail set, and

N 00 05 17 E 1100.49 feet to a 1/2" galvanized iron pipe found by a 4-way fence corner post for the N.E. corner of said 1226.84 acres, N.W. corner of said parent tract and N.W. corner hereof, being the S.E. corner of that certain land described as 617.94 acres in a Deed to Wayne Earl Northcutt, recorded February 18, 1997 in Vol. 794, Pg. 222 of the Llano County Official Public Records, and being the S.W. corner of that certain tract described in a Deed to Joyce Laurie Bush, 472.31 acres, recorded March 20, 1986 in Vol. 324, Pg. 692 of said Deed Records;

THENCE with a fence for the north line hereof, north line of said parent tract and south line of said 472.31 acre tract,

S 89 52 39 E 977.50 feet, a 120d nail set by a fence angle post,

S 49 33 02 E 820.73 feet, a 120d nail set,

S 48 43 48 E 844.39 feet, a 1/2" steel stake set by a "T" fence corner post, fence bears N.E. and S.W.,

N 37 03 15 E 337.86 feet, a 1/2" steel stake set,

N 25 09 57 E 905.25 feet to a 3/8" steel stake found by

Page 3, 1121.574 Acres in Llano County, Texas.

a fence corner post, being an angle point in the south line of that certain tract described as 4.85 acres, a 30 foot wide strip in a Deed to George W. Church, Jr., recorded January 15, 1986 in Vol. 322, Pg. 316 of said Deed Records for access purposes to a 44.58 acre tract described in same Deed to George W. Church, Jr.;

THENCE continuing with a fence and north line of said parent tract, north line hereof and south line of said 4.85 acre tract,
S 89 59 06 E 514.13 feet, a 1/2" steel stake set,
S 84 24 09 E 282.95 feet, a 1/2" steel stake set,
S 84 18 14 E 309.65 feet, a 1/2" steel stake set,
N 72 22 42 E 194.06 feet, a 1/2" steel stake set,
S 89 57 30 E 728.16 feet, a 120d nail set,
N 90 00 00 E 847.49 feet, a 120d nail set,
S 89 57 30 E 1145.85 feet to a 2" galvanized iron pipe found by a corner post in the south line of a 30 foot wide easement, conveyed from Lynn Ratliff to George W. Church, Jr., recorded in Vol. 324, Pg. 900 of said Deed Records, being the S.E. corner of said 472.31 acres, and a southeasterly corner of said 4.85 acre tract;

THENCE with a fence and east line of said 4.85 acres and east line of said 472.31 acres,
N 03 03 48 W 1530.70 feet, a 1/2" steel stake set by a fence angle post for the approximate N.E. corner of said 4.85 acres,

N 27 51 51 E 817.62 feet, a 1/2" steel stake set,
N 28 05 42 E 353.68 feet, a 1/2" steel stake set, and
N 26 56 18 E 566.05 feet to a 1" galvanized iron pipe found by a "T" fence corner post, fence bears N.W. and south for the most northerly corner hereof and of said parent tract and being in the west line of that certain tract described as 1684.08 acres in a Deed to James Moss Inks, recorded in Vol. 170. Pg. 439 of said Deed Records and being in said east line of 472.31 acre tract;

THENCE with the east line of said parent tract, east line hereof, and west line of said 1684.08 acres,

S 11 23 52 E 306.29 feet, center line of a cattleguard and N.E. end of a road easement, described in said Vol. 324, Pg. 900 and in another easement from Lynn Ratliff to Col. Charles Martin Smith, et al, recorded in Vol. 287, Pg. 605 of said Deed Records,

S 11 07 08 E 1146.40 feet, a 1/2" steel stake set,
S 24 23 48 E 644.10 feet, a 120d nail set,
S 24 30 44 E 760.58 feet, a 1/2" steel stake set in an electric line easement,
S 08 03 18 E 344.12 feet, a 120d nail set,
S 08 08 11 E 659.48 feet, a 120d nail set,

Page 4, 1121.574 Acres in Llano County, Texas.

S 08 05 25 E 491.26 feet, a 120d nail set,
S 08 11 43 E 358.69 feet, a 4 1/2" pipe post, and
S 05 02 08 W 15.80 feet to a 1 1/4" galvanized iron pipe
found by a corner post in the south line of said Matthew Moss
Survey No. 93, being the S.W. corner of 1684.08 acres, a northerly
N.E. corner of said 1453.8 acre tract and being a northwesterly
corner of that certain land described as 4753 acres in a Deed to
Harold D. Buttery, recorded in Vol. 183, Pg. 94 of said Deed
Records;

THENCE leaving a fence and with the calculated south line of
said Survey No. 93,

S 89 51 46 W, at 89.96 feet and 0.22 feet left, pass a 3"
pipe corner post, a total distance this course of 1316.66 feet to
a 1/2" steel stake set by a corner post for a northwesterly corner
of said 1453.8 acre tract and being an interior "L" corner of said
parent tract and hereof;

THENCE with a fence and an easterly line of said parent tract
and easterly line hereof and westerly line of said 1453.8 acre
tract,

S 03 46 09 E 142.53 feet, a 120d nail set,
S 03 56 12 E 1028.12 feet, a 120d nail set,
S 03 57 38 E 1101.45 feet, a 120d nail set,
S 03 59 47 E 1696.14 feet, a 1/2" steel stake set by a
"T" fence corner post, fence bears S.E.,

S 04 18 44 E 19.43 feet, a 1 1/4" galvanized iron pipe
found, and from here leaving said fence and crossing Silver Mine
Creek,

S 14 39 04 W 551.05 feet, a 1/2" steel stake set by a
fence angle post, and from here following said fence,

S 14 44 02 W 276.59 feet, a 120d nail set,
S 14 32 42 W 745.17 feet, a 120d nail set, and
S 14 30 08 W 1197.34 feet to the place of beginning and
containing 1121.574 acres.

I, Kenneth H. Ross, a Registered Professional Land Surveyor,
do hereby certify that the description hereon represents an on the
ground survey made under my direction in October, 2000, and that
this survey substantially conforms to the current Texas Board of
Professional Land Surveying Standards.

WITNESS MY HAND AND SEAL THIS THE 9TH DAY OF OCTOBER, 2000.

Kenneth H. Ross

KENNETH H. ROSS, REG. PROF. LAND SUR. NO. 2012



EXHIBIT A-1

TRACT B:

617.94 acres of land being a part of the Matthew Moss Survey No. 93, Abstract - 501, William Rabb Survey, No. 91, Abstract - 624, and the John B. Mattingly Survey No. 502, Abstract - 497, also being a part of and out of that certain tract called 1236.84 acres (FIRST:) recorded in Volume 150, Pages 171, et seq., of the Deed Records of Llano County, Texas, which 617.94 acres of land is described by metes and bounds as follows:

BEGINNING on a 1/2 inch Iron Rod (Set), at a fence corner post, for the northwest corner of Tract A (a 617.94 acre tract, a part of this partition), and the northwest corner of the called 1236.84 acres tract;

THENCE South 89 degrees 22 minutes 28 seconds East, 2072.82 feet along the north line of said Tract A, near a wire fence, and the acclaimed north line of the called 1236.84 acres tract to a 1/2 inch Iron Rod (Set), beside a tall cedar brace post on the west bank of Bullhead Creek, for an angle point in the north line of said Tract A, and the acclaimed north line of the called 1236.84 acres tract;

THENCE South 84 degrees 41 minutes 15 seconds East, 176.97 feet, crossing Bullhead Creek, along the north line of said Tract A, and the acclaimed north line of the called 1236.84 acres tract to a 1/2 inch Iron Rod (Set) beside a tall cedar brace post on the east bank of Bullhead Creek, for an angle point in the north line of said Tract A, and the acclaimed north line of the called 1236.84 acres tract;

THENCE North 89 degrees 57 minutes 29 seconds East, along the north line of said Tract A, near a wire fence, and the acclaimed north line of the called 1236.84 acres tract at 1287.93 feet past the west margin of County Road 112, also known as Bennett Road, at 1319.50 feet past the intersection of the east and north margin of County Road 112, also known as Bennett Road, continuing along County Road 112, the north line of said Tract A, and the acclaimed north line of the called 1236.84 acres tract to a total distance of 4049.25 feet to a 1/2 inch Iron Rod (Set) in the acclaimed north line of the called 1236.84 acres tract, for the northeast corner of a right of way, a part of a 617.94 acres (Tract B) of this partition, and the POINT AND PLACE OF BEGINNING OF THIS TRACT:

THENCE North 89 degrees 57 minutes 29 seconds East, 62.99 feet along the north line of this tract and the acclaimed north line of the called 1236.84 acres tract to a 1/2 inch Iron Rod (Set) in said County Road 112, for the northeast corner of this tract, the northeast corner of a 30.00 foot right-of-way, and the acclaimed northeast corner of the called 1236.84 acres tract;

THENCE South 00 degrees 11 minutes 33 seconds West, along the east line of this tract, the east line of a 30.00 foot right-of-way and the acclaimed east line of the called 1236.84 acre tract at 32.63 feet past a 1 inch Iron Pipe (Found), near a fence corner on the south margin of County Road 112, continuing to a total distance of 2915.66 feet to a 2 7/8 inch Iron Pipe Fence Corner Post (Found), for an angle point in the east line of this tract, the east line of the 30.0 foot right of way and an angle point in the acclaimed east line of the called 1236.84 acres tract;

THENCE South 34 degrees 07 minutes 19 seconds East, 775.45 feet

EXHIBIT

A-1

along the east line of this tract, the east line of the said right of way and the acclaimed east line of the called 1236.84 acres tract to a 2 7/8 inch Iron Pipe Fence Corner Post (Found) for an angle point in the east line of this tract, the east line of the said right of way and the acclaimed east line of the called 1236.84 acre tract;

THENCE South 32 degrees 47 minutes 59 seconds West, 799.47 feet along the east line of this tract, the east line of the said right of way, and the acclaimed east line of the called 1236.84 acres to a 1 1/4 inch Iron Pipe (Found) for an angle point in the east line of this tract, an angle point in the east line of the said right of way, and an angle point in the acclaimed east line of the called 1236.84 acre tract;

THENCE South 00 degrees 02 minutes 00 seconds East, 4277.59 feet along the east line of this tract and the acclaimed east line of the called 1236.84 acre tract to a 1/2 inch Iron Pipe (Found) at a four way fence corner, acclaimed to be southeast corner of North Bull Creek Pasture, the northeast corner of South Bull Creek Pasture, the northwest corner of Bull Trap, the southwest corner of Bull Head Pasture, the southeast corner of the called 1236.84 acre tract, and the southeast corner of this tract;

THENCE South 89 degrees 52 minutes 04 seconds West, 4134.14 feet along the south line of this tract and the acclaimed south line of the called 1236.84 acre tract to a 1/2 inch Iron Rod (Set), for an angle point in the south line of this tract and the acclaimed south line of the called 1236.84 acres tract;

THENCE North 71 degrees 58 minutes 40 seconds West, 447.92 feet along an interior line of this tract, crossing Bullhead Creek, and an acclaimed interior line of the called 1236.84 acre tract to a 1/2 inch Iron Rod (Set), near a fence corner post, for an acclaimed interior corner of the called 1236.84 acre tract, and an interior corner of this tract;

THENCE South 36 degrees 24 minutes 19 seconds West, 173.02 feet along an interior line of this tract, near a fence line, and an acclaimed interior line of the called 1236.84 acre tract to a 1/2 inch Iron Rod (Set), near a fence corner post, for an angle point in the south line of this tract and an acclaimed angle point in the south line of the called 1236.84 feet;

THENCE South 89 degrees 52 minutes 50 seconds West, 1605.51 feet along the south line of this tract, near a fence line, and the acclaimed south line of the called 1236.84 acre tract to a 1-1/4 inch Iron Pipe (Found) near a fence corner post, for the southwest corner of this tract, the acclaimed southwest corner of the called 1236.84 acre tract, called the southwest corner of North Bull Creek Pasture, and called the northwest corner of South Bull Creek Pasture;

THENCE North 00 degrees 35 minutes 32 seconds West, 3611.09 feet along the west line of this tract, the acclaimed west line of North Bull Creek Pasture, and the acclaimed west line of the called 1236.84 acre tract to a 1/2 inch Iron Rod (Set), for an angle point in the west line of this tract, near a fence post, and an acclaimed angle point in the west line of the called 1236.84 acre tract;

THENCE North 09 degrees 16 minutes 26 seconds West, 659.70 feet along the west line of this tract, near a fence line, and the acclaimed west line of the called 1236.84 acre tract to a 1/2 inch Iron Rod (Set), near said fence, for the northwest corner of this tract, the southwest west corner of Tract A, of this partition, and in the acclaimed west line of the called 1236.84 acre tract, from said 1/2 inch Iron Rod (Set) to 1/2 inch Iron Rod (Found), near a fence corner and an angle point in the acclaimed west line of the called 1236.84 acres tract, bears North 09 degrees 16 minutes 26 seconds West, 324.70 feet;

THENCE North 89 degrees 56 minutes 26 seconds East, 6379.43 feet along the south line of said Tract A and the north line of this tract to a 1/2 inch Iron Rod (Set), for the southeast corner of said Tract A, an interior corner of this tract, and the southwest corner of a 30.00 foot right of way (a part of this tract);

THENCE North 00 degrees 02 minutes 00 seconds West, 31.35 feet along the east line of said Tract A, the west line of the right of way, and 30.00 feet parallel with the acclaimed east line of the called 1236.84 acre tract to a 1/2 inch Iron Rod (Set) for an angle point in the east line of said Tract A and an angle point in the west line of the said 30.00 foot right of way;

THENCE North 32 degrees 47 minutes 59 seconds East, 788.48 feet along the east line of Tract A, the west line of said right of way, and an 30.00 feet parallel with the acclaimed east line of the called 1236.84 acres to a 1/2 inch Iron Rod (Set) for an angle point in the east line of Tract A and an angle point in the west line of the said 30.00 foot right of way;

THENCE North 34 degrees 07 minutes 19 seconds West, 764.88 feet along the east line of Tract A, the west line of the said right of way, and 30.00 feet parallel with the acclaimed east line of the called 1236.84 acres to a 1/2 inch Iron Rod (Set) for an angle point in the east line of Tract A and an angle point in the west line of the said 30.00 foot right of way;

THENCE North 00 degrees 11 minutes 33 seconds East, 2842.24 feet along the east line of Tract A, the west line of the said right of way, and 30.00 feet parallel with the acclaimed east line of the called 1236.84 acres to a 1/2 inch Iron Rod (Set) for an angle point in the east line of Tract A and an angle point in the west line of the said 30.0 foot right of way;

THENCE North 21 degrees 37 minutes 17 seconds West, along the east line of Tract A and the west line of the right of way at 53.82 feet past a 1/2 inch Iron Rod (Set), for a reference corner, near a fence line in the south margin of County Road 112 (also known as Bennett Road), continuing for a total distance of 88.77 feet to the POINT AND PLACE OF BEGINNING and containing 617.94 acres.

Save + Except

Being 2.241. acres out of the Matthew Moss Survey No. 93, Abstract No. 501 and being out of Tract B being the southern 617.94 acres conveyed to Don Northcutt in a Partition Deed recorded December 26, 2001 in Vol. 1144, pg. 374 of the Llano County Official Public Records.

BEGINNING at a ½" steel stake set for the N.E. corner hereof and S.W. corner of the northerly 2.241 acres, from which point a 1-1/4" pipe found by an angle post in the east line of said Tract B for a reference bears N 66 16 02 E 54.61 feet;

THENCE with the east line hereof,

S 00 04 18 W 162.08 feet, a ½" steel stake set,
S 89 54 45 W 599.69 feet, a ½" steel stake set,
N 00 00 00 E 163.47 feet, a ½" steel stake set, and
S 89 57 16 E 599.89 feet to the place of beginning and
containing 2.241 acres,

Being 2.241 acres out of Tract A being the northern 617.94 acres conveyed to Wayne Northcutt in Partition Deed recorded December 26, 2001 in Vol. 1144, Page 374 of the Llano County Official Public Records and consisting of approximately 1.838 acres out of the William Rabb Survey No. 91, Abstract No. 624 and approximately 0.403 acres out of the Matthew Moss Survey No. 93, Abstract No. 501.

BEGINNING at a calculated point in the bed of County Road No. 112 for the most N.N.W. corner of Tract B and most N.N.E. corner of Tract A and most northerly corner hereof;

THENCE with the east line hereof and a westerly line of Tract B, S 22 05 16 E 88.30 feet to a 1/2" steel stake found for an angle point hereof, from here being parallel with and 30 feet westerly from the fenced east line of Tract B as follows:

S 00 01 04 W 2852.01 feet, a 1/2" steel stake found,
S 34 03 56 E 764.86 feet, a 1/2" steel stake found,
S 32 54 42 W 787.93 feet, a 1/2" steel stake found, from which point a 1-1/4" pipe found by a fence angle post for a reference bears S 72 37 28 E 31.42 feet, continuing,
S 00 00 07 W 31.38 feet to a 1/2" steel stake found, the S. E. corner hereof;

THENCE with the south line hereof,

N 89 57 16 W 20.00 feet to a 1/2" steel stake set for the S.W. corner hereof, same being the N.E. corner of the southern 2.214 acre tract out of Tract B;

THENCE with the west line hereof,

N 00 00 07 E 31.36 feet, a 1/2" steel stake set,
N 34 17 49 E 142.44 feet, a 1/2" steel stake set,
N 25 47 13 E 231.76 feet, a 1/2" steel stake set,
N 26 47 57 E 125.05 feet, a 1/2" steel stake set,
N 45 36 18 E 115.04 feet, a 1/2" steel stake set,
N 36 11 38 E 176.91 feet, a 1/2" steel stake set, from this point being parallel with and 20 feet westerly from the east line hereof,
N 34 03 56 W 757.76 feet, a 1/2" steel stake set,
N 00 01 04 E 2858.14 feet, a 1/2" steel stake set, and leaving said parallel line,
N 09 10 01 W 82.87 feet to the place of beginning and containing 2.241 acres.

EXHIBIT "B"

Attached to and made a part of that certain Deed of Trust, Absolute Assignment of Rent, Security Agreement and Financing Statement dated October 15, 2016, from O'RYAN RANCHES, LTD., as Mortgagor, for the benefit of LONE STAR STATE BANK OF WEST TEXAS, as Mortgagee.

NONE

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

STATE OF TEXAS
COUNTY OF LLANO

I hereby certify that this instrument was FILED on
the date and at the time stamped hereon by me and
was duly RECORDED in the Volume and Page of
the Official Public Records of Llano County, Texas.

FILED
AT 11:15 O'CLOCK A M
ON THE 28 DAY OF
November A.D.
2016.



Marci Hadeler

MARCI HADELER
COUNTY CLERK, LLANO CO. TEXAS
VOL. 1569 PAGE 3122-3141
RECORDED 11-28-2016

MARCI HADELER
COUNTY CLERK
LLANO COUNTY, TEXAS

BY *J Farr*
DEPUTY
Vaj 92
PD

17-00103

LLANO COUNTY, TEXAS

**FIRST AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT
[O’Ryan Ranches, Ltd.]**

Dated as of December 1, 2016

Please return documents with filing information to:

**James R. Leeton, Jr.
✓Morgan Leeton, PC
400 W. Illinois, Suite 120
Midland, Texas 79701**

THIS FIRST AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT IS TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF COLLATERAL.

THIS INSTRUMENT CONTAINS A NOTICE OF SECURITY INSTRUMENT AFFECTING REAL PROPERTY IN EACH COUNTY IN WHICH IT IS RECORDED.

THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES FIXTURES AFFIXED TO AND ON THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" TO THE ORIGINAL DEED OF TRUST, WHICH LANDS AND DESCRIPTIONS THEREOF ARE INCORPORATED HEREIN BY REFERENCE ("MORTGAGED PROPERTY").

VOL. 1570 PAGE 2463

**FIRST AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT**

This First Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated as of **December 1, 2016**, ("First Amendment" or "First Amendment to Deed of Trust") is from **O'RYAN RANCHES, LTD.**, a **Texas limited partnership**, (hereinafter collectively called "Mortgagor") whose address is One Mission Boulevard, Odessa, Texas 79765 unto **ALAN L. LACKEY**, as Trustee, (hereinafter called "Trustee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762 for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (hereinafter called "Mortgagee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762, and to the Trustee's successor or successors or substitutes in this trust, with power of sale, the real and personal properties, rights, titles, interests and estates described in or to which reference is made in the Original Deed of Trust described below.

WHEREAS, O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") executed a Revolving Line of Credit Note dated December 14, 2015 as extended by a First Modification of Promissory Note dated October 15, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2015 Note"), which December 2015 Note is secured by a Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated October 15, 2016 from Mortgagor for the benefit of Mortgagee ("Original Deed of Trust"), recorded in Volume 1569, Page 3122 of the Real Property Records of Llano County, Texas, covering properties located in Llano County, Texas as described in Exhibit "A" to the Original Deed of Trust which lands and descriptions thereof are incorporated herein by reference ("Mortgaged Property"); and

WHEREAS, the Borrowers have executed a Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2016 Note"), which December 2016 Note renews and extends the December 2015 Note; and

WHEREAS, the parties desire to amend the Original Deed of Trust (herein sometimes referred to as "Deed of Trust") by this instrument so as to (a) ratify and confirm that the liens created by the Deed of Trust secure not only the December 2015 Note but also the December 2016 Note, (b) amend Section 1.(d) of the Original Deed of Trust to include the language set out below and (c) otherwise conform the terms of the Deed of Trust to the December 2016 Note.

NOW THEREFORE, in consideration of the premises set out above by Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged, Mortgagee and Mortgagor hereby renew, extend, amend, continue and supplement the Deed of Trust as follows:

SECTION I

Amendment to Section 1.(d) of the Deed of Trust

Section 1.(d) of the Deed of Trust is hereby amended in its entirety to read as follows:

(i) "Debt" means (1) O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") obligations under a Promissory Note dated December 14, 2015, as modified on October 15, 2016, having a face amount of \$51,500,000.00 as renewed and extended by that certain Revolving Line of Credit Note dated **December 1, 2016** having a face amount of **\$51,500,000.00** executed by Borrower and payable to Mortgagee maturing **September 1, 2017** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below

VOL. 1570 PAGE 2464

(collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

SECTION II

Ratification and Reaffirmation of Deed of Trust

Mortgagor and Mortgagee fully confirm and ratify the Deed of Trust (as modified pursuant to this First Amendment). Nothing in this First Amendment is intended to waive any rights or remedies of Mortgagee under the Original Deed of Trust, or any defaults of Mortgagor under the Deed of Trust. The Deed of Trust, as previously amended, if any, as amended by this First Amendment, shall continue to be a valid and subsisting lien against the Mortgaged Property. No novation of the Note and Security Documents is created hereby. To the extent necessary to secure and enforce the Note and other Obligations (as defined in the Original Deed of Trust) Mortgagor, for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, and for and in consideration of the debt and trusts hereinafter mentioned, has GRANTED, BARGAINED, SOLD, ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does GRANT, BARGAIN, SELL, ASSIGN, TRANSFER AND CONVEY unto ALAN L. LACKEY, Trustee, for the benefit of Mortgagee and to the Trustee's Successors or Substitutes in this Trust, with power of sale, all of Mortgagor's right, title and interest, whether now owned or hereinafter acquired, in and to the Mortgaged Property (as defined in the Deed of Trust) not heretofore released, previously described in Exhibit "A" to the Original Deed of Trust.

SECTION III

Warranties, Covenants and Agreements

Except to the extent that such warranties, covenants and agreements relate solely to an earlier date, the warranties, covenants and agreements contained in the Original Deed of Trust are hereby remade by the Mortgagor and said warranties, covenants and agreements (together with the remedies contained in the Original Deed of Trust) are in full force and effect as of the date hereof and shall apply to the Mortgaged Property described in the Exhibit to the Original Deed of Trust to the same extent and with the same force and effect as of the date of the Original Deed of Trust.

SECTION IV

Miscellaneous Provisions

Section 4.1 This First Amendment shall be considered as an amendment and supplement to the Deed of Trust and except as herein expressly amended and supplemented, the Deed of Trust is hereby ratified, approved and confirmed in every respect and all references to the Deed of Trust herein and in any other document shall hereinafter be deemed to refer to the Deed of Trust as amended hereby.

Section 4.2 With respect to all personal property constituting any part of the Mortgaged Property described in the Original Deed of Trust, this First Amendment shall also be effective as an amended chattel mortgage and/or security agreement.

Section 4.3 Except as amended hereby, the Deed of Trust shall remain in full force and effect. Nothing in this First Amendment releases any right, claim, lien, security interest or entitlement of the Trustee or Mortgagee created by or contained in the Deed of Trust nor releases the Mortgagor from any covenant, warranty or obligation created by or contained in the Deed of Trust.

Section 4.4 The indebtedness evidenced by the December 2016 Note is in renewal and extension of the December 2015 Note described above and nothing contained herein shall be deemed to release or terminate any lien or security interest which secures payment of the December 2015 Note and December 2016 Note.

Section 4.5 The Deed of Trust as amended hereby contains after-acquired property provisions and secures future advances. This First Amendment supplements the Deed of Trust and is a supplemental Deed of Trust and Mortgage of both real and personal property, a supplemental security agreement and a financing statement and also covers proceeds and fixtures. This First Amendment shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the properties covered by the Deed of Trust as amended hereby and is to be filed for record in the real estate records of each county where any part of such property (including such fixtures) is situated.

Section 4.6 The business and mailing addresses of the Mortgagor, Trustee and Mortgagee are set forth in the commencement paragraph of this First Amendment.

Section 4.7 The terms, provisions, covenants and conditions hereof shall be binding upon the Mortgagor and its respective successors and assigns and shall inure to the benefit of the Mortgagee and their respective successors and assigns and shall constitute covenants running with the land. All references in this First Amendment to Mortgagor and Mortgagee shall be deemed to include all such successors and assigns.

Section 4.8 This First Amendment and the Original Deed of Trust are subject to the terms and conditions of that certain Restated Loan Agreement dated December 1, 2016, by and between Borrowers, Mortgagee and Ryan C. Hoerauf, Ryan C. Hoerauf, Inc., Ryan Properties, Inc., Ryan C. Hoerauf Grantor Retained Annuity Trust, O'Ryan Ranches, Ltd., EON Production, LLC, O'Ryan Ponderosa, LLC, O'Ryan Oregon Ranches, LLC and The Ryan C. Hoerauf 2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Second Amendment as the "Loan Agreement"). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Second Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

NOTICE

THIS FIRST AMENDMENT TO DEED OF TRUST, THE ORIGINAL DEED OF TRUST ALONG WITH THE ORIGINAL OIL AND GAS DEED OF TRUST AS AMENDED, THE NOTES DESCRIBED ABOVE, THE ASSIGNMENT OF LIFE INSURANCE PROCEEDS, SECURITY AGREEMENT, LOUISIANA MORTGAGE AND PLANT DEED OF TRUST AS AMENDED AND ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, RESTATED LOAN AGREEMENT AND GUARANTIES AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

DATED **December 1, 2016**, although EXECUTED by Mortgagor and Mortgagee as of the dates of the acknowledgments annexed hereto.

MORTGAGOR:

O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By: 
Ryan C. Hoerauf, President

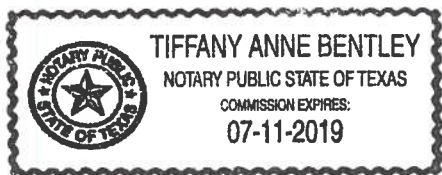
MORTGAGEE:

LONE STAR STATE BANK OF WEST TEXAS

By: *Mara Barham EVP*
Mara Barham, Executive Vice-President

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

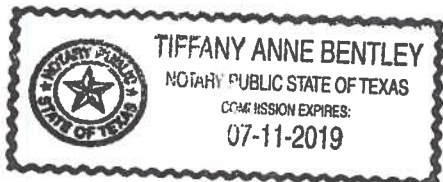
The foregoing instrument was acknowledged before me on this 29th day of December, 2016, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited partnership.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the 29th day of December, 2016, by MARA BARHAM, as Executive Vice-President, of LONE STAR STATE BANK OF WEST TEXAS, on behalf of said bank.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS
COUNTY OF LLANO
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Official Public Records of Llano County, Texas.



Marci Hadeler
COUNTY CLERK, LLANO CO, TEXAS
VOL. 1570, PAGE 2463-2467
RECORDED 1-9-2017

FILED
AT 11:20 O'CLOCK A.M
ON THE 30 DAY OF January A.D. 2017.
MARCI HADELER
COUNTY CLERK
LLANO COUNTY, TEXAS
BY JFarr
DEPUTY
vpg 1 32 PD

18-01975
LLANO COUNTY, TEXAS

**SECOND AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT
[O’Ryan Ranches, Ltd.]**

Dated as of February 4, 2018

Please return documents with filing information to:

✓ **James R. Leeton, Jr.
Morgan Leeton, PC
400 W. Illinois, Suite 120
Midland, Texas 79701**

**THIS SECOND AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT IS TO BE FILED
FOR RECORD IN THE REAL ESTATE RECORDS.**

**THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS,
SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF
COLLATERAL.**

**THIS INSTRUMENT CONTAINS A NOTICE OF SECURITY INSTRUMENT AFFECTING
REAL PROPERTY IN EACH COUNTY IN WHICH IT IS RECORDED.**

**THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A
SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM
COMMERCIAL CODE. COLLATERAL INCLUDES FIXTURES AFFIXED TO AND ON
THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" TO THE ORIGINAL DEED OF
TRUST, WHICH LANDS AND DESCRIPTIONS THEREOF ARE INCORPORATED
HEREIN BY REFERENCE (“MORTGAGED PROPERTY”).**

VOL. 1579 PAGE 4456

**SECOND AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT**

This Second Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated as of **February 4, 2018**, ("Second Amendment" or "Second Amendment to Deed of Trust") is from **O'RYAN RANCHES, LTD., a Texas limited partnership**, (hereinafter collectively called "Mortgagor") whose address is One Mission Boulevard, Odessa, Texas 79765 unto **ALAN L. LACKEY**, as Trustee, (hereinafter called "Trustee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762 for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (hereinafter called "Mortgagee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762, and to the Trustee's successor or successors or substitutes in this trust, with power of sale, the real and personal properties, rights, titles, interests and estates described in or to which reference is made in the Original Deed of Trust described below.

WHEREAS, O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") executed a Revolving Line of Credit Note dated December 14, 2015 as extended by a First Modification of Promissory Note dated October 15, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2015 Note"), which December 2015 Note is secured by a Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated October 15, 2016 from Mortgagor for the benefit of Mortgagee ("Original Deed of Trust"), recorded in Volume 1569, Page 3122 of the Real Property Records of Llano County, Texas, covering properties located in Llano County, Texas as described in Exhibit "A" to the Original Deed of Trust which lands and descriptions thereof are incorporated herein by reference ("Mortgaged Property"); and

WHEREAS, Borrowers executed a Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2016 Note"), which December 2016 Note renewed and extended the December 2015 Note, which December 2016 Note is secured by the Original Deed of Trust and a First Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated December 1, 2016 from Mortgagor for the benefit of Mortgagee ("First Amendments" or "First Amendment to Deed of Trust"), recorded in Volume 1570, Page 2463 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the December 2016 Note to February 4, 2018; and

WHEREAS, the Borrowers have executed a Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80 payable to Lender ("February 2018 Note"), which February 2018 Note renews and extends the December 2016 Note; and

WHEREAS, the parties desire to amend the Original Deed of Trust as amended (herein sometimes referred to collectively as "Deed of Trust") by this instrument so as to (a) ratify and confirm that the liens created by the Deed of Trust secure not only the December 2016 Note but also the February 2018 Note, (b) amend Section 1.(d) of the Original Deed of Trust to include the language set out below and (c) otherwise conform the terms of the Deed of Trust to the February 2018 Note.

NOW THEREFORE, in consideration of the premises set out above by Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged, Mortgagee and Mortgagor hereby renew, extend, amend, continue and supplement the Deed of Trust as follows:

SECTION I

Amendment to Section 1.(d) of the Deed of Trust

Section 1.(d) of the Deed of Trust is hereby amended in its entirety to read as follows:

- (i) "Debt" means (1) O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc.

(herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") obligations under a Promissory Note dated December 14, 2015, as modified on October 15, 2016, having a face amount of \$51,500,000.00 as renewed and extended by that certain Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 and as renewed and extended by that certain Revolving Line of Credit Note dated **February 4, 2018** having a face amount of **\$42,147,769.80** executed by Borrower and payable to Mortgagee maturing **November 30, 2018** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below (collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

SECTION II

Ratification and Reaffirmation of Deed of Trust

Mortgagor and Mortgagee fully confirm and ratify the Deed of Trust (as modified pursuant to this Second Amendment). Nothing in this Second Amendment is intended to waive any rights or remedies of Mortgagee under the Original Deed of Trust, or any defaults of Mortgagor under the Deed of Trust. The Deed of Trust, as previously amended, if any, as amended by this Second Amendment, shall continue to be a valid and subsisting lien against the Mortgaged Property. No novation of the Note and Security Documents is created hereby. To the extent necessary to secure and enforce the Note and other Obligations (as defined in the Original Deed of Trust) Mortgagor, for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, and for and in consideration of the debt and trusts hereinafter mentioned, has GRANTED, BARGAINED, SOLD, ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does GRANT, BARGAIN, SELL, ASSIGN, TRANSFER AND CONVEY unto **ALAN L. LACKEY**, Trustee, for the benefit of Mortgagee and to the Trustee's Successors or Substitutes in this Trust, with power of sale, all of Mortgagor's right, title and interest, whether now owned or hereinafter acquired, in and to the Mortgaged Property (as defined in the Deed of Trust) not heretofore released, previously described in Exhibit "A" to the Original Deed of Trust.

SECTION III

Warranties, Covenants and Agreements

Except to the extent that such warranties, covenants and agreements relate solely to an earlier date, the warranties, covenants and agreements contained in the Original Deed of Trust are hereby remade by the Mortgagor and said warranties, covenants and agreements (together with the remedies contained in the Original Deed of Trust) are in full force and effect as of the date hereof and shall apply to the Mortgaged Property described in the Exhibit to the Original Deed of Trust to the same extent and with the same force and effect as of the date of the Original Deed of Trust.

SECTION IV

Miscellaneous Provisions

Section 4.1 This Second Amendment shall be considered as an amendment and supplement to the Deed of Trust and except as herein expressly amended and supplemented, the Deed of Trust is hereby ratified, approved and confirmed in every respect and all references to the Deed of Trust herein and in any other document shall hereinafter be deemed to refer to the Deed of Trust as amended hereby.

Section 4.2 With respect to all personal property constituting any part of the Mortgaged Property described in the Original Deed of Trust, this Second Amendment shall also be effective as an amended chattel mortgage and/or security agreement.

Section 4.3 Except as amended hereby, the Deed of Trust shall remain in full force and effect. Nothing in this Second Amendment releases any right, claim, lien, security interest or entitlement of the Trustee or Mortgagee created by or contained in the Deed of Trust nor releases the Mortgagor from any covenant, warranty or obligation created by or contained in the Deed of Trust.

Section 4.4 The indebtedness evidenced by the February 2018 Note is in renewal and extension of the December 2016 Note described above and nothing contained herein shall be deemed to release or terminate any lien or security interest which secures payment of the December 2016 Note and February 2018 Note.

Section 4.5 The Deed of Trust as amended hereby contains after-acquired property provisions and secures future advances. This Second Amendment supplements the Deed of Trust and is a supplemental Deed of Trust and Mortgage of both real and personal property, a supplemental security agreement and a financing statement and also covers proceeds and fixtures. This Second Amendment shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the properties covered by the Deed of Trust as amended hereby and is to be filed for record in the real estate records of each county where any part of such property (including such fixtures) is situated.

Section 4.6 The business and mailing addresses of the Mortgagor, Trustee and Mortgagee are set forth in the commencement paragraph of this Second Amendment.

Section 4.7 The terms, provisions, covenants and conditions hereof shall be binding upon the Mortgagor and its respective successors and assigns and shall inure to the benefit of the Mortgagee and their respective successors and assigns and shall constitute covenants running with the land. All references in this Second Amendment to Mortgagor and Mortgagee shall be deemed to include all such successors and assigns.

Section 4.8 This Second Amendment and the Original Deed of Trust are subject to the terms and conditions of that certain Restated Loan Agreement dated February 4, 2018, by and between Borrowers, Mortgagee and Ryan C. Hoerauf, Ryan C. Hoerauf, Inc., Ryan Properties, Inc., O’Ryan Ranches, Ltd., EON Production, LLC, O’Ryan Ponderosa, LLC, O’Ryan Oregon Ranches, LLC and The Ryan C. Hoerauf 2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Second Amendment as the “Loan Agreement”). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Second Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(signature page follows)

NOTICE

THIS SECOND AMENDMENT TO DEED OF TRUST, THE ORIGINAL DEED OF TRUST ALONG WITH THE ORIGINAL OIL AND GAS DEED OF TRUST AS AMENDED, THE NOTES DESCRIBED ABOVE, THE ASSIGNMENT OF LIFE INSURANCE PROCEEDS, SECURITY AGREEMENT, LOUISIANA MORTGAGE, PLANT DEED OF TRUST AS AMENDED, PLEDGE AGREEMENT AND OTHER REAL ESTATE DEED OF TRUST AND ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, RESTATED LOAN AGREEMENT AND GUARANTIES AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

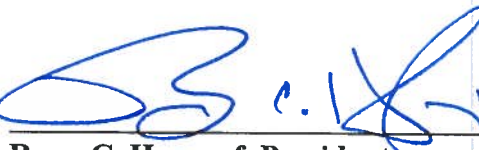
DATED **February 4, 2018**, although EXECUTED by Mortgagor and Mortgagee as of the dates of the acknowledgments annexed hereto.

MORTGAGOR:

O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By:



Ryan C. Hoerauf, President

MORTGAGEE:

LONE STAR STATE BANK OF WEST TEXAS

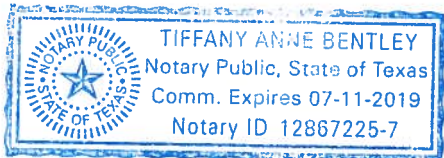
By:



Brent Beakley, President, Odessa Market

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

The foregoing instrument was acknowledged before me on this 2 day of March, 2018, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited partnership.





NOTARY PUBLIC, STATE OF TEXAS


 TIFFANY ANNE BENTLEY
 Notary Public, State of Texas
 Comm. Expires 07-11-2019
 Notary ID 12867225-7

STATE OF TEXAS
COUNTY OF LLANO
I hereby certify that this instrument was FILED on
the date and at the time stamped hereon by me and
was duly RECORDED in the Volume and Page of
the Official Public Records of Llano County, Texas.

FILED
AT 1:58 P O'CLOCK M
ON THE 4th DAY OF
April A.D.
2018

MARCI HADELER
COUNTY CLERK
LLANO COUNTY, TEXAS

BY W. Burzon
DEPUTY

vpgl #36 PD

Marci Hadeler

MARCI HADELER
COUNTY CLERK, LLANO CO, TEXAS

VOL. 1579 PAGE 4456-4461
RECORDED 4-4-2018

LLANO COUNTY, TEXAS

19 03159

**THIRD AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT
[O’Ryan Ranches, Ltd.]**

Dated as of February 28, 2019

Please return documents with filing information to:

✓ **James R. Leeton, Jr.
Morgan Leeton, PC
400 W. Illinois, Suite 120
Midland, Texas 79701**

THIS THIRD AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT IS TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF COLLATERAL.

THIS INSTRUMENT CONTAINS A NOTICE OF SECURITY INSTRUMENT AFFECTING REAL PROPERTY IN EACH COUNTY IN WHICH IT IS RECORDED.

THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES FIXTURES AFFIXED TO AND ON THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" TO THE ORIGINAL DEED OF TRUST, WHICH LANDS AND DESCRIPTIONS THEREOF ARE INCORPORATED HEREIN BY REFERENCE (“MORTGAGED PROPERTY”).

THIRD AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

This Third Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated as of **February 28, 2019**, ("Third Amendment" or "Third Amendment to Deed of Trust") is from **O'RYAN RANCHES, LTD., a Texas limited partnership**, (hereinafter collectively called "Mortgagor") whose address is One Mission Boulevard, Odessa, Texas 79765 unto **ALAN L. LACKEY**, as Trustee, (hereinafter called "Trustee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762 for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (hereinafter called "Mortgagee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762, and to the Trustee's successor or successors or substitutes in this trust, with power of sale, the real and personal properties, rights, titles, interests and estates described in or to which reference is made in the Original Deed of Trust described below.

WHEREAS, O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") executed a Revolving Line of Credit Note dated December 14, 2015 as extended by a First Modification of Promissory Note dated October 15, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2015 Note"), which December 2015 Note is secured by a Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated October 15, 2016 from Mortgagor for the benefit of Mortgagee ("Original Deed of Trust"), recorded in Volume 1569, Page 3122 of the Real Property Records of Llano County, Texas, covering properties located in Llano County, Texas as described in Exhibit "A" to the Original Deed of Trust which lands and descriptions thereof are incorporated herein by reference ("Mortgaged Property"); and

WHEREAS, Borrowers executed a Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2016 Note"), which December 2016 Note renewed and extended the December 2015 Note, which December 2016 Note is secured by the Original Deed of Trust and a First Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated December 1, 2016 from Mortgagor for the benefit of Mortgagee ("First Amendments" or "First Amendment to Deed of Trust"), recorded in Volume 1570, Page 2463 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the December 2016 Note to February 4, 2018; and

WHEREAS, Borrowers executed a Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80 payable to Beneficiary ("February 2018 Note"), which February 2018 Note renewed and extended the December 2016 Note, which February 2018 Note is secured by the Original Deed of Trust and First Amendment and a Second Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 4, 2018 from Mortgagor for the benefit of Mortgagee ("Second Amendment" or "Second Amendment to Deed of Trust"), recorded in Volume 1579, Page 4456 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the February 2018 Note to February 28, 2019; and

WHEREAS, the Borrowers have executed a Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80 payable to Beneficiary ("February 2019 Note"), which February 2019 Note renews and extends the February 2018 Note; and

WHEREAS, the parties desire to amend the Original Deed of Trust as amended as set out above (hereinafter sometimes referred to collectively as "Deed of Trust") by this instrument so as to (a) confirm that the liens created by the Deed of Trust secure not only the February 2018 Note described above but also the February 2019 Note set out above, (b) amend Section 1.(d) of the Deed of Trust to include the language set out below and (c) to otherwise conform the terms of the Deed of Trust to the February 2019 Note.

NOW THEREFORE, in consideration of the premises set out above by Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged, Mortgagee and Mortgagor hereby renew, extend, amend, continue and supplement the Deed of Trust as follows:

SECTION I
Amendment to Section 1.(d) of the Deed of Trust

Section 1.(d) of the Deed of Trust is hereby amended in its entirety to read as follows:

(i) "Debt" means (1) O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") obligations under a Promissory Note dated December 14, 2015, as modified on October 15, 2016, having a face amount of \$51,500,000.00 as renewed and extended by that certain Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00, as renewed and extended by that certain Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80 and as renewed and extended by that certain by that certain Revolving Line of Credit Note dated **February 28, 2019** having a face amount of **\$42,147,769.80** executed by Borrower and payable to Mortgagee maturing **August 3, 2019** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below (collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

SECTION II
Ratification and Reaffirmation of Deed of Trust

Mortgagor and Mortgagee fully confirm and ratify the Deed of Trust (as modified pursuant to this Third Amendment). Nothing in this Third Amendment is intended to waive any rights or remedies of Mortgagee under the Original Deed of Trust, or any defaults of Mortgagor under the Deed of Trust. The Deed of Trust, as previously amended, if any, as amended by this Third Amendment, shall continue to be a valid and subsisting lien against the Mortgaged Property. No novation of the Note and Security Documents is created hereby. To the extent necessary to secure and enforce the Note and other Obligations (as defined in the Original Deed of Trust) Mortgagor, for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, and for and in consideration of the debt and trusts hereinafter mentioned, has GRANTED, BARGAINED, SOLD, ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does GRANT, BARGAIN, SELL, ASSIGN, TRANSFER AND CONVEY unto **ALAN L. LACKEY**, Trustee, for the benefit of Mortgagee and to the Trustee's Successors or Substitutes in this Trust, with power of sale, all of Mortgagor's right, title and interest, whether now owned or hereinafter acquired, in and to the Mortgaged Property (as defined in the Deed of Trust) not heretofore released, previously described in Exhibit "A" to the Original Deed of Trust.

SECTION III
Warranties, Covenants and Agreements

Except to the extent that such warranties, covenants and agreements relate solely to an earlier date, the warranties, covenants and agreements contained in the Original Deed of Trust are hereby remade by the Mortgagor and said warranties, covenants and agreements (together with the remedies contained in the Original Deed of Trust) are in full force and effect as of the date hereof and shall apply to the Mortgaged Property described in the Exhibit to the Original Deed of Trust to the same extent and with the same force and effect as of the date of the Original Deed of Trust.

SECTION IV
Miscellaneous Provisions

Section 4.1 This Third Amendment shall be considered as an amendment and supplement to the Deed of Trust and except as herein expressly amended and supplemented, the Deed of Trust is hereby ratified, approved and confirmed in every respect and all references to the Deed of Trust herein and in any other document shall hereinafter be deemed to refer to the Deed of Trust as amended hereby.

Section 4.2 With respect to all personal property constituting any part of the Mortgaged Property described in the Original Deed of Trust, this Third Amendment shall also be effective as an amended chattel mortgage and/or security agreement.

Section 4.3 Except as amended hereby, the Deed of Trust shall remain in full force and effect. Nothing in this Third Amendment releases any right, claim, lien, security interest or entitlement of the Trustee or Mortgagee created by or contained in the Deed of Trust nor releases the Mortgagor from any covenant, warranty or obligation created by or contained in the Deed of Trust.

Section 4.4 The indebtedness evidenced by the February 2019 Note is in renewal and extension of the February 2018 Note described above and nothing contained herein shall be deemed to release or terminate any lien or security interest which secures payment of the February 2018 Note and February 2019 Note.

Section 4.5 The Deed of Trust as amended hereby contains after-acquired property provisions and secures future advances. This Third Amendment supplements the Deed of Trust and is a supplemental Deed of Trust and Mortgage of both real and personal property, a supplemental security agreement and a financing statement and also covers proceeds and fixtures. This Third Amendment shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the properties covered by the Deed of Trust as amended hereby and is to be filed for record in the real estate records of each county where any part of such property (including such fixtures) is situated.

Section 4.6 The business and mailing addresses of the Mortgagor, Trustee and Mortgagee are set forth in the commencement paragraph of this Third Amendment.

Section 4.7 The terms, provisions, covenants and conditions hereof shall be binding upon the Mortgagor and its respective successors and assigns and shall inure to the benefit of the Mortgagee and their respective successors and assigns and shall constitute covenants running with the land. All references in this Third Amendment to Mortgagor and Mortgagee shall be deemed to include all such successors and assigns.

Section 4.8 This Third Amendment and the Original Deed of Trust are subject to the terms and conditions of that certain Restated Loan Agreement dated February 28, 2019, by and between Borrowers, Mortgagee and Ryan C. Hoerauf, Ryan C. Hoerauf, Inc., Ryan Properties, Inc., O’Ryan Ranches, Ltd., EON Production, LLC, O’Ryan Ponderosa, LLC, O’Ryan Oregon Ranches, LLC and The Ryan C. Hoerauf 2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Third Amendment as the “Loan Agreement”). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Third Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

NOTICE

THIS THIRD AMENDMENT TO DEED OF TRUST, THE ORIGINAL DEED OF TRUST AS AMENDED ALONG WITH THE ORIGINAL OIL AND GAS DEEDS OF TRUST AS AMENDED, THE NOTES DESCRIBED ABOVE, THE ASSIGNMENT OF LIFE INSURANCE PROCEEDS, SECURITY AGREEMENT, LOUISIANA MORTGAGE, PLANT DEED OF TRUST AS AMENDED, PLEDGE AGREEMENT AND OTHER REAL ESTATE DEED OF TRUST AND ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, RESTATED LOAN AGREEMENT AND GUARANTIES AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

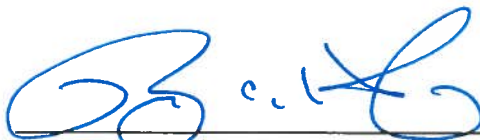
DATED **February 28, 2019**, although EXECUTED by Mortgagor and Mortgagee as of the dates of the acknowledgments annexed hereto.

MORTGAGOR:

O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By:

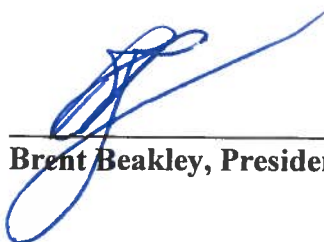


Ryan C. Hoerauf, President

MORTGAGEE:

LONE STAR STATE BANK OF WEST TEXAS

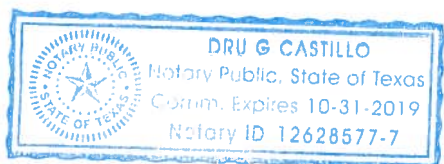
By:



Brent Beakley, President, Odessa Market

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

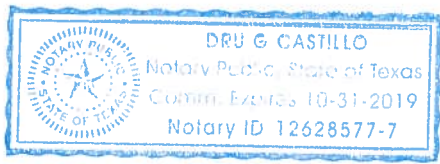
The foregoing instrument was acknowledged before me on this 29th day of March, 2019, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited partnership.




NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the 29th day of March, 2019, by BRENT BEAKLEY, as President of the Odessa Market, of LONE STAR STATE BANK OF WEST TEXAS, on behalf of said bank.



DRU G. Castillo
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS
COUNTY OF LLANO
FILED AND RECORDED AT 8:14 O'CLOCK a M. ON
THE 28 DAY OF MAY A.D. 2019. vpi
I hereby certify that this instrument was FILED on the date and at the time stamped hereon
by me and was duly RECORDED in the Official Public Records of Llano County, Texas.



INSTRUMENT NO: 19 03159
COUNTY CLERK, LLANO CO., TEXAS
BY *Spurston*, DEPUTY NO OF PAGES: 6

LLANO COUNTY, TEXAS

**FOURTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT
[O’Ryan Ranches, Ltd.]**

Dated as of January 2, 2021

Please return documents with filing information to:

Morgan Leeton PC
James R. Leeton, Jr.
Morgan Leeton, PC
400 W. Illinois, Suite 120 ✓
Midland, Texas 79701

**THIS FOURTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT IS TO BE FILED
FOR RECORD IN THE REAL ESTATE RECORDS.**

**THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS,
SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF
COLLATERAL.**

**THIS INSTRUMENT CONTAINS A NOTICE OF SECURITY INSTRUMENT AFFECTING
REAL PROPERTY IN EACH COUNTY IN WHICH IT IS RECORDED.**

**THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A
SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM
COMMERCIAL CODE. COLLATERAL INCLUDES FIXTURES AFFIXED TO AND ON
THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" TO THE ORIGINAL DEED OF
TRUST, WHICH LANDS AND DESCRIPTIONS THEREOF ARE INCORPORATED
HEREIN BY REFERENCE (“MORTGAGED PROPERTY”).**

**FOURTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT**

This Fourth Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated as of **January 2, 2021**, ("Fourth Amendment" or "Fourth Amendment to Deed of Trust") is from **O'RYAN RANCHES, LTD., a Texas limited partnership**, (hereinafter collectively called "Mortgagor") whose address is One Mission Boulevard, Odessa, Texas 79765 unto **ALAN L. LACKEY**, as Trustee, (hereinafter called "Trustee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762 for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (hereinafter called "Mortgagee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762, and to the Trustee's successor or successors or substitutes in this trust, with power of sale, the real and personal properties, rights, titles, interests and estates described in or to which reference is made in the Original Deed of Trust described below.

WHEREAS, O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "2015 Borrowers," whether one or more or in some cases "2015 Borrowers") executed a Revolving Line of Credit Note dated December 14, 2015 as extended by a First Modification of Promissory Note dated October 15, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2015 Note"), which December 2015 Note is secured by a Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated October 15, 2016 from Mortgagor for the benefit of Mortgagee ("Original Deed of Trust"), recorded in Volume 1569, Page 3122 of the Real Property Records of Llano County, Texas, covering properties located in Llano County, Texas as described in Exhibit "A" to the Original Deed of Trust which lands and descriptions thereof are incorporated herein by reference ("Mortgaged Property"); and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2016 Note"), which December 2016 Note renewed and extended the December 2015 Note, which December 2016 Note is secured by the Original Deed of Trust and a First Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated December 1, 2016 from Mortgagor for the benefit of Mortgagee ("First Amendments" or "First Amendment to Deed of Trust"), recorded in Volume 1570, Page 2463 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the December 2016 Note to February 4, 2018; and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80 payable to Mortgagee ("February 2018 Note"), which February 2018 Note renewed and extended the December 2016 Note, which February 2018 Note is secured by the Original Deed of Trust and First Amendment and a Second Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 4, 2018 from Mortgagor for the benefit of Mortgagee ("Second Amendment" or "Second Amendment to Deed of Trust"), recorded in Volume 1579, Page 4456 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the February 2018 Note to February 28, 2019; and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80 payable to Mortgagee ("February 2019 Note"), which February 2019 Note renewed and extended the February 2018 Note, which February 2019 Note is secured by the Original Deed of Trust and First and Second Amendments and a Third Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 28, 2019 from Mortgagor for the benefit of Mortgagee ("Third Amendment" or "Third Amendment to Deed of Trust"), having Document No. 19 03159 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the February 2019 Note to January 2, 2021; and

WHEREAS, O'RYAN FAMILY LIMITED PARTNERSHIP, O'RYAN PRODUCTION & EXPLORATION, LTD., SMACKOVER OIL TREATERS, LTD., Amber Hoerauf Trust, Mathew Hoerauf Trust, Scanrock Oil & Gas, Inc., RYAN C. HOERAUF, INC., O'Ryan Ranches, Ltd., O'RYAN OREGON RANCHES, LLC, O'Ryan Ranches, LLC., EON PRODUCTION, LLC, O'RYAN PONDEROSA, LLC, RYAN PROPERTIES, INC and Ryan C. Hoerauf, individually, (herein sometimes referred to collectively as "Borrower," whether one or more, or in some cases "Borrowers") have executed a Revolving Line of Credit Note dated January 2, 2021 having a face amount of \$51,473,536.40 payable to Mortgagee ("January 2021 Note"), which January 2021 Note renews, extends and increases the February 2019 Note; and

WHEREAS, the parties desire to amend the Original Deed of Trust as amended as set out above (hereinafter sometimes referred to collectively as "Deed of Trust") by this instrument so as to (a) confirm that the liens created by the Deed of Trust secure not only the February 2019 Note described above but also the January 2021 Note set out above, (b) amend Section 1.(d) of the Deed of Trust to include the language set out below and (c) to otherwise conform the terms of the Deed of Trust to the January 2021 Note.

NOW THEREFORE, in consideration of the premises set out above by Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged, Mortgagee and Mortgagor hereby renew, extend, amend, continue and supplement the Deed of Trust as follows:

SECTION I
Amendment to Section 1.(d) of the Deed of Trust

Section 1.(d) of the Deed of Trust is hereby amended in its entirety to read as follows:

(i) "Debt" means (1) O'RYAN FAMILY LIMITED PARTNERSHIP, O'RYAN PRODUCTION & EXPLORATION, LTD., SMACKOVER OIL TREATERS, LTD., Amber Hoerauf Trust, Mathew Hoerauf Trust, Scanrock Oil & Gas, Inc., RYAN C. HOERAUF, INC., O'Ryan Ranches, Ltd., O'RYAN OREGON RANCHES, LLC, O'Ryan Ranches, LLC., EON PRODUCTION, LLC, O'RYAN PONDEROSA, LLC, RYAN PROPERTIES, INC and Ryan C. Hoerauf, individually, (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") obligations under a Promissory Note dated December 14, 2015, as modified on October 15, 2016, having a face amount of \$51,500,000.00 as renewed and extended by that certain Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00, as renewed and extended by that certain Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80, as renewed and extended by that certain by that certain Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80 and as renewed and extended by that certain by that certain Revolving Line of Credit Note dated **January 2, 2021** having a face amount of **\$51,473,536.40** executed by Borrower and payable to Mortgagee maturing **October 15, 2021** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below (collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

SECTION II
Ratification and Reaffirmation of Deed of Trust

Mortgagor and Mortgagee fully confirm and ratify the Deed of Trust (as modified pursuant to this Fourth Amendment). Nothing in this Fourth Amendment is intended to waive any rights or remedies of Mortgagee under the Original Deed of Trust, or any defaults of Mortgagor under the Deed of Trust. The Deed of Trust, as previously amended, if any, as amended by this Fourth Amendment, shall continue to be a valid and subsisting lien against the Mortgaged Property. No novation of the Note and Security Documents is created hereby. To the extent necessary to secure and enforce the Note and other Obligations (as defined in the Original Deed of Trust) Mortgagor, for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, and for and in consideration of the debt and trusts hereinafter mentioned, has GRANTED, BARGAINED, SOLD, ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does GRANT, BARGAIN, SELL, ASSIGN, TRANSFER AND CONVEY unto **ALAN L. LACKEY**, Trustee, for the benefit of Mortgagee and to the Trustee's Successors or Substitutes in this Trust, with power of sale, all of Mortgagor's right, title and interest, whether now owned or hereinafter acquired, in and to the Mortgaged Property (as defined in the Deed of Trust) not heretofore released, previously described in Exhibit "A" to the Original Deed of Trust.

SECTION III
Warranties, Covenants and Agreements

Except to the extent that such warranties, covenants and agreements relate solely to an earlier date, the warranties, covenants and agreements contained in the Original Deed of Trust are hereby remade by the Mortgagor and said warranties, covenants and agreements (together with the remedies contained in the Original Deed of Trust) are in full force and effect as of the date hereof and shall apply to the Mortgaged Property described in the Exhibit to the Original Deed of Trust to the same extent and with the same force and effect as of the date of the Original Deed of Trust.

SECTION IV
Miscellaneous Provisions

Section 4.1 This Fourth Amendment shall be considered as an amendment and supplement to the Deed of Trust and except as herein expressly amended and supplemented, the Deed of Trust is hereby ratified, approved and confirmed in every respect and all references to the Deed of Trust herein and in any other document shall hereinafter be deemed to refer to the Deed of Trust as amended hereby.

Section 4.2 With respect to all personal property constituting any part of the Mortgaged Property described in the Original Deed of Trust, this Fourth Amendment shall also be effective as an amended chattel mortgage and/or security agreement.

Section 4.3 Except as amended hereby, the Deed of Trust shall remain in full force and effect. Nothing in this Fourth Amendment releases any right, claim, lien, security interest or entitlement of the Trustee or Mortgagee created by or contained in the Deed of Trust nor releases the Mortgagor from any covenant, warranty or obligation created by or contained in the Deed of Trust.

Section 4.4 The indebtedness evidenced by the January 2021 Note is in renewal and extension of the February 2019 Note described above and nothing contained herein shall be deemed to release or terminate any lien or security interest which secures payment of the February 2019 Note and January 2021 Note.

Section 4.5 The Deed of Trust as amended hereby contains after-acquired property provisions and secures future advances. This Fourth Amendment supplements the Deed of Trust and is a supplemental Deed of Trust and Mortgage of both real and personal property, a supplemental security agreement and a financing statement and also covers proceeds and fixtures. This Fourth Amendment shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the properties covered by the Deed of Trust as amended

hereby and is to be filed for record in the real estate records of each county where any part of such property (including such fixtures) is situated.

Section 4.6 The business and mailing addresses of the Mortgagor, Trustee and Mortgagee are set forth in the commencement paragraph of this Fourth Amendment.

Section 4.7 The terms, provisions, covenants and conditions hereof shall be binding upon the Mortgagor and its respective successors and assigns and shall inure to the benefit of the Mortgagee and their respective successors and assigns and shall constitute covenants running with the land. All references in this Fourth Amendment to Mortgagor and Mortgagee shall be deemed to include all such successors and assigns.

Section 4.8 This Fourth Amendment and the Original Deed of Trust are subject to the terms and conditions of that certain Restated Loan Agreement dated January 2, 2021, by and between Borrowers, Mortgagee and The Ryan C. Hoerauf 2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Fourth Amendment as the "Loan Agreement"). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Fourth Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

NOTICE

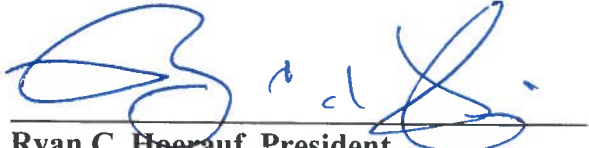
THIS FOURTH AMENDMENT TO DEED OF TRUST, THE ORIGINAL DEED OF TRUST AS AMENDED ALONG WITH THE ORIGINAL OIL AND GAS DEEDS OF TRUST AS AMENDED, THE NOTE DESCRIBED ABOVE, THE ASSIGNMENT OF LIFE INSURANCE PROCEEDS, SECURITY AGREEMENT, LOUISIANA MORTGAGE, PLANT DEED OF TRUST AS AMENDED, PLEDGE AGREEMENT AND OTHER REAL ESTATE DEEDS OF TRUST AND ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, RESTATED LOAN AGREEMENT AND GUARANTY AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

DATED **January 2, 2021**, although EXECUTED by Mortgagor and Mortgagee as of the dates of the acknowledgments annexed hereto.

MORTGAGOR:

O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By: 
Ryan C. Hoerauf, President

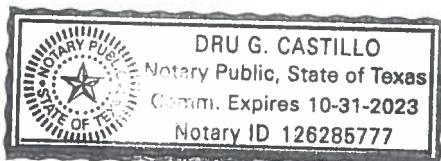
MORTGAGEE:

LONE STAR STATE BANK OF WEST TEXAS

By: 
Brent Beakley, President, Odessa Market

STATE OF TEXAS §
COUNTY OF ECTOR §

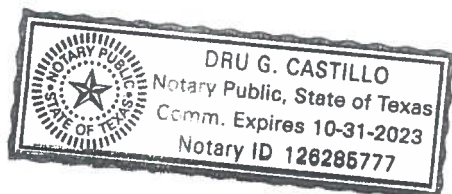
The foregoing instrument was acknowledged before me on this 27th day of January, 2021, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited partnership.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the 27th day of January, 2021, by BRENT BEAKLEY, as President of the Odessa Market, of LONE STAR STATE BANK OF WEST TEXAS, on behalf of said bank.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS
COUNTY OF LLANO
FILED AND RECORDED AT 10:51 O'CLOCK A M. ON
THE 3 DAY OF FEBRUARY A.D. 2021. ✓p1
I hereby certify that this instrument was FILED on the date and at the time stamped hereon
by me and was duly RECORDED in the Official Public Records of Llano County, Texas.
INSTRUMENT NO: 21 00935
 Marci Hadel
COUNTY CLERK, LLANO CO., TEXAS
BY A. Jatsch, DEPUTY NO OF PAGES: 6

LLANO COUNTY, TEXAS

22 03388

**FIFTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT
[O’Ryan Ranches, Ltd.]**

Dated as of February 5, 2022

Please return documents with filing information to:

**James R. Leeton, Jr.
✓ Morgan Leeton, PC
400 W. Illinois, Suite 120
Midland, Texas 79701**

THIS FIFTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT IS TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF COLLATERAL.

THIS INSTRUMENT CONTAINS A NOTICE OF SECURITY INSTRUMENT AFFECTING REAL PROPERTY IN EACH COUNTY IN WHICH IT IS RECORDED.

THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES FIXTURES AFFIXED TO AND ON THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" TO THE ORIGINAL DEED OF TRUST, WHICH LANDS AND DESCRIPTIONS THEREOF ARE INCORPORATED HEREIN BY REFERENCE (“MORTGAGED PROPERTY”).

**FIFTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT**

This Fifth Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated as of **February 5, 2022**, ("Fifth Amendment" or "Fifth Amendment to Deed of Trust") is from **O'RYAN RANCHES, LTD., a Texas limited partnership**, (hereinafter collectively called "Mortgagor") whose address is One Mission Boulevard, Odessa, Texas 79765 unto **ALAN L. LACKEY**, as Trustee, (hereinafter called "Trustee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762 for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (hereinafter called "Mortgagee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762, and to the Trustee's successor or successors or substitutes in this trust, with power of sale, the real and personal properties, rights, titles, interests and estates described in or to which reference is made in the Original Deed of Trust described below.

WHEREAS, O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "2015 Borrowers," whether one or more or in some cases "2015 Borrowers") executed a Revolving Line of Credit Note dated December 14, 2015 as extended by a First Modification of Promissory Note dated October 15, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2015 Note"), which December 2015 Note is secured by a Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated October 15, 2016 from Mortgagor for the benefit of Mortgagee ("Original Deed of Trust"), recorded in Volume 1569, Page 3122 of the Real Property Records of Llano County, Texas, covering properties located in Llano County, Texas as described in Exhibit "A" to the Original Deed of Trust which lands and descriptions thereof are incorporated herein by reference ("Mortgaged Property"); and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2016 Note"), which December 2016 Note renewed and extended the December 2015 Note, which December 2016 Note is secured by the Original Deed of Trust and a First Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated December 1, 2016 from Mortgagor for the benefit of Mortgagee ("First Amendments" or "First Amendment to Deed of Trust"), recorded in Volume 1570, Page 2463 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the December 2016 Note to February 4, 2018; and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80 payable to Mortgagee ("February 2018 Note"), which February 2018 Note renewed and extended the December 2016 Note, which February 2018 Note is secured by the Original Deed of Trust and First Amendment and a Second Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 4, 2018 from Mortgagor for the benefit of Mortgagee ("Second Amendment" or "Second Amendment to Deed of Trust"), recorded in Volume 1579, Page 4456 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the February 2018 Note to February 28, 2019; and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80 payable to Mortgagee ("February 2019 Note"), which February 2019 Note renewed and extended the February 2018 Note, which February 2019 Note is secured by the Original Deed of Trust and First and Second Amendments and a Third Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 28, 2019 from Mortgagor for the benefit of Mortgagee ("Third Amendment" or "Third Amendment to Deed of Trust"), having Document No.19 03159 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the February 2019 Note to January 2, 2021; and

WHEREAS, O'RYAN FAMILY LIMITED PARTNERSHIP, O'RYAN PRODUCTION & EXPLORATION, LTD., SMACKOVER OIL TREATERS, LTD., Amber Hoerauf Trust, Mathew Hoerauf Trust, Scanrock Oil & Gas, Inc., RYAN C. HOERAUF, INC., O'Ryan Ranches, Ltd., O'RYAN OREGON RANCHES, LLC, O'Ryan Ranches, LLC., EON PRODUCTION, LLC, O'RYAN PONDEROSA, LLC, RYAN PROPERTIES, INC and Ryan C. Hoerauf, individually, (herein sometimes referred to collectively as "Borrower," whether one or more, or in some cases "Borrowers") executed a Revolving Line of Credit Note dated January 2, 2021 having a face amount of \$51,473,536.40 payable to Mortgagee ("January 2021 Note"), which January 2021 Note renewed, extended and increased the February 2019 Note, which January 2021 Note is secured by the Original Deed of Trust and First, Second and Third Amendments and by a Fourth Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated January 2, 2021 from Mortgagor for the benefit of Mortgagee ("Fourth Amendment" or "Fourth Amendment to Deed of Trust"), having Document No. 21-00935 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the January 2021 Note to February 5, 2022; and

WHEREAS, Borrowers have executed a Revolving Line of Credit Note dated February 5, 2022 having a face amount of \$51,500,000.00 payable to Mortgagee ("February 2022 Note"), which February 2022 Note renews and extends the January 2021 Note; and

WHEREAS, the parties desire to amend the Original Deed of Trust as amended as set out above (hereinafter sometimes referred to collectively as "Deed of Trust") by this instrument so as to (a) confirm that the liens created by the Deed of Trust secure not only the January 2021 Note described above but also the February 2022 Note set out above, (b) amend Section 1.(d) of the Deed of Trust to include the language set out below and (c) to otherwise conform the terms of the Deed of Trust to the February 2022 Note.

NOW THEREFORE, in consideration of the premises set out above by Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged, Mortgagee and Mortgagor hereby renew, extend, amend, continue and supplement the Deed of Trust as follows:

SECTION I

Amendment to Section 1.(d) of the Deed of Trust

Section 1.(d) of the Deed of Trust is hereby amended in its entirety to read as follows:

(i) "Debt" means (1) O'RYAN FAMILY LIMITED PARTNERSHIP, O'RYAN PRODUCTION & EXPLORATION, LTD., SMACKOVER OIL TREATERS, LTD., Amber Hoerauf Trust, Mathew Hoerauf Trust, Scanrock Oil & Gas, Inc., RYAN C. HOERAUF, INC., O'Ryan Ranches, Ltd., O'RYAN OREGON RANCHES, LLC, O'Ryan Ranches, LLC., EON PRODUCTION, LLC, O'RYAN PONDEROSA, LLC, RYAN PROPERTIES, INC and Ryan C. Hoerauf, individually, (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") obligations under a Promissory Note dated December 14, 2015, as modified on October 15, 2016, having a face amount of \$51,500,000.00 as renewed and extended by that certain Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00, as renewed and extended by that certain Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80, as renewed and extended by that certain by that certain Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80, as renewed and extended by that certain by that certain Revolving Line of Credit Note dated January 2, 2021 having a face amount of \$51,473,536.40 and as renewed and extended by that certain by that certain Revolving Line of Credit Note dated **February 5, 2022** having a face amount of **\$51,500,000.00** executed by Borrower and payable to Mortgagee maturing **March 1, 2023** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively

the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below (collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

SECTION II

Ratification and Reaffirmation of Deed of Trust

Mortgagor and Mortgagee fully confirm and ratify the Deed of Trust (as modified pursuant to this Fifth Amendment). Nothing in this Fifth Amendment is intended to waive any rights or remedies of Mortgagee under the Original Deed of Trust, or any defaults of Mortgagor under the Deed of Trust. The Deed of Trust, as previously amended, if any, as amended by this Fifth Amendment, shall continue to be a valid and subsisting lien against the Mortgaged Property. No novation of the Note and Security Documents is created hereby. To the extent necessary to secure and enforce the Note and other Obligations (as defined in the Original Deed of Trust) Mortgagor, for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, and for and in consideration of the debt and trusts hereinafter mentioned, has GRANTED, BARGAINED, SOLD, ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does GRANT, BARGAIN, SELL, ASSIGN, TRANSFER AND CONVEY unto ALAN L. LACKEY, Trustee, for the benefit of Mortgagee and to the Trustee's Successors or Substitutes in this Trust, with power of sale, all of Mortgagor's right, title and interest, whether now owned or hereinafter acquired, in and to the Mortgaged Property (as defined in the Deed of Trust) not heretofore released, previously described in Exhibit "A" to the Original Deed of Trust.

SECTION III

Warranties, Covenants and Agreements

Except to the extent that such warranties, covenants and agreements relate solely to an earlier date, the warranties, covenants and agreements contained in the Original Deed of Trust are hereby remade by the Mortgagor and said warranties, covenants and agreements (together with the remedies contained in the Original Deed of Trust) are in full force and effect as of the date hereof and shall apply to the Mortgaged Property described in the Exhibit to the Original Deed of Trust to the same extent and with the same force and effect as of the date of the Original Deed of Trust.

SECTION IV

Miscellaneous Provisions

Section 4.1 This Fifth Amendment shall be considered as an amendment and supplement to the Deed of Trust and except as herein expressly amended and supplemented, the Deed of Trust is hereby ratified, approved and confirmed in every respect and all references to the Deed of Trust herein and in any other document shall hereinafter be deemed to refer to the Deed of Trust as amended hereby.

Section 4.2 With respect to all personal property constituting any part of the Mortgaged Property described in the Original Deed of Trust, this Fifth Amendment shall also be effective as an amended chattel mortgage and/or security agreement.

Section 4.3 Except as amended hereby, the Deed of Trust shall remain in full force and effect. Nothing in this Fifth Amendment releases any right, claim, lien, security interest or entitlement of the Trustee or Mortgagee created by or contained in the Deed of Trust nor releases the Mortgagor from any covenant, warranty or obligation created by or contained in the Deed of Trust.

Section 4.4 The indebtedness evidenced by the February 2022 Note is in renewal and extension of the January 2021 Note described above and nothing contained herein shall be deemed to release or terminate any lien or security interest which secures payment of the January 2021 Note and February 2022 Note.

Section 4.5 The Deed of Trust as amended hereby contains after-acquired property provisions and secures future advances. This Fifth Amendment supplements the Deed of Trust and is a supplemental Deed of Trust and Mortgage of both real and personal property, a supplemental security agreement and a financing statement and also covers proceeds and fixtures. This Fifth Amendment shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the properties covered by the Deed of Trust as amended hereby and is to be filed for record in the real estate records of each county where any part of such property (including such fixtures) is situated.

Section 4.6 The business and mailing addresses of the Mortgagor, Trustee and Mortgagee are set forth in the commencement paragraph of this Fifth Amendment.

Section 4.7 The terms, provisions, covenants and conditions hereof shall be binding upon the Mortgagor and its respective successors and assigns and shall inure to the benefit of the Mortgagee and their respective successors and assigns and shall constitute covenants running with the land. All references in this Fifth Amendment to Mortgagor and Mortgagee shall be deemed to include all such successors and assigns.

Section 4.8 This Fifth Amendment and the Original Deed of Trust are subject to the terms and conditions of that certain Restated Loan Agreement dated February 5, 2022, by and between Borrowers, Mortgagee and The Ryan C. Hoerauf 2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Fifth Amendment as the "Loan Agreement"). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Fifth Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(signature page follows)

NOTICE

THIS FIFTH AMENDMENT TO DEED OF TRUST, THE ORIGINAL DEED OF TRUST AS AMENDED ALONG WITH THE ORIGINAL OIL AND GAS DEEDS OF TRUST AS AMENDED, THE NOTE DESCRIBED ABOVE, THE ASSIGNMENT OF LIFE INSURANCE PROCEEDS, SECURITY AGREEMENT, LOUISIANA MORTGAGE, PLANT DEED OF TRUST AS AMENDED, PLEDGE AGREEMENT AND OTHER REAL ESTATE DEEDS OF TRUST AND ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, RESTATED LOAN AGREEMENT AND GUARANTY AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

DATED **February 5, 2022**, although EXECUTED by Mortgagor and Mortgagee as of the dates of the acknowledgments annexed hereto.

MORTGAGOR:

O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By: 
Ryan C. Hoerauf, President

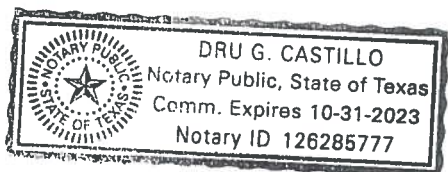
MORTGAGEE:

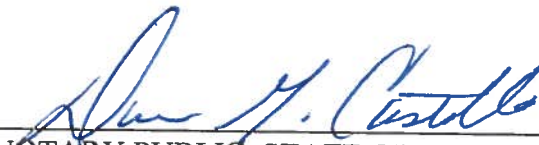
LONE STAR STATE BANK OF WEST TEXAS

By: 
Brent Beakley, President, Odessa Market

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

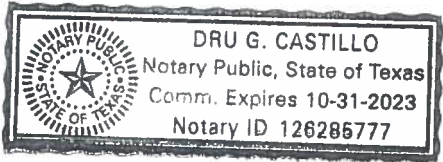
The foregoing instrument was acknowledged before me on this 29th day of March, 2022, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited partnership.




NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the 29th day of March, 2022, by BRENT BEAKLEY, as President of the Odessa Market, of LONE STAR STATE BANK OF WEST TEXAS, on behalf of said bank.



Dru G. Castillo
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS
COUNTY OF LLANO
FILED AND RECORDED AT 2:23 O'CLOCK P M. ON
THE 18 DAY OF APRIL A.D. 2022. vpgl
I hereby certify that this instrument was FILED on the date and at the time stamped hereon
by me and was duly RECORDED in the Official Public Records of Llano County, Texas.
INSTRUMENT NO: 22 03388
 Marci Hudeler
COUNTY CLERK, LLANO CO., TEXAS
BY J. Farr, DEPUTY NO OF PAGES: 1

23 03254

LLANO COUNTY, TEXAS

**SIXTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT**

[O’Ryan Ranches, Ltd.]
(Texas Ranch)

Dated as of April 1, 2023

Please return documents with filing information to:

James R. Leeton, Jr.
✓ **Morgan Leeton, PC**
400 W. Illinois, Suite 120
Midland, Texas 79701

THIS SIXTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT IS TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS, SECURES PAYMENT OF FUTURE ADVANCES AND COVERS PROCEEDS OF COLLATERAL.

THIS INSTRUMENT CONTAINS A NOTICE OF SECURITY INSTRUMENT AFFECTING REAL PROPERTY IN EACH COUNTY IN WHICH IT IS RECORDED.

THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES FIXTURES AFFIXED TO AND ON THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" TO THE ORIGINAL DEED OF TRUST, WHICH LANDS AND DESCRIPTIONS THEREOF ARE INCORPORATED HEREIN BY REFERENCE ("MORTGAGED PROPERTY").

**SIXTH AMENDMENT TO DEED OF TRUST, ABSOLUTE ASSIGNMENT OF
RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT**

This Sixth Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated as of **April 1, 2023**, ("Sixth Amendment" or "Sixth Amendment to Deed of Trust") is from **O'RYAN RANCHES, LTD.**, a Texas limited partnership, (hereinafter collectively called "Mortgagor") whose address is 8180 Lakeview Center, Suite 2, Odessa, Texas 79765 unto **ALAN L. LACKEY**, as Trustee, (hereinafter called "Trustee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762 for the benefit of **LONE STAR STATE BANK OF WEST TEXAS** (hereinafter called "Mortgagee"), whose address is 2975 JBS Parkway, Odessa, Ector County, Texas 79762, and to the Trustee's successor or successors or substitutes in this trust, with power of sale, the real and personal properties, rights, titles, interests and estates described in or to which reference is made in the Original Deed of Trust described below.

WHEREAS, O'Ryan Family Limited Partnership, O'Ryan Production & Exploration, Ltd., Smackover Oil Treaters, Ltd., the Amber Hoerauf Trust, the Mathew Hoerauf Trust and Scanrock Oil & Gas, Inc. (herein sometimes referred to collectively as "2015 Borrowers," whether one or more or in some cases "2015 Borrowers") executed a Revolving Line of Credit Note dated December 14, 2015 as extended by a First Modification of Promissory Note dated October 15, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2015 Note"), which December 2015 Note is secured by a Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated October 15, 2016 from Mortgagor for the benefit of Mortgagee ("Original Deed of Trust"), recorded in Volume 1569, Page 3122 of the Real Property Records of Llano County, Texas, covering properties located in Llano County, Texas as described in Exhibit "A" to the Original Deed of Trust which lands and descriptions thereof are incorporated herein by reference ("Mortgaged Property"); and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00 payable to Mortgagee ("December 2016 Note"), which December 2016 Note renewed and extended the December 2015 Note, which December 2016 Note is secured by the Original Deed of Trust and a First Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated December 1, 2016 from Mortgagor for the benefit of Mortgagee ("First Amendments" or "First Amendment to Deed of Trust"), recorded in Volume 1570, Page 2463 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the December 2016 Note to February 4, 2018; and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80 payable to Mortgagee ("February 2018 Note"), which February 2018 Note renewed and extended the December 2016 Note, which February 2018 Note is secured by the Original Deed of Trust and First Amendment and a Second Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 4, 2018 from Mortgagor for the benefit of Mortgagee ("Second Amendment" or "Second Amendment to Deed of Trust"), recorded in Volume 1579, Page 4456 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the February 2018 Note to February 28, 2019; and

WHEREAS, 2015 Borrowers executed a Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80 payable to Mortgagee ("February 2019 Note"), which February 2019 Note renewed and extended the February 2018 Note, which February 2019 Note is secured by the Original Deed of Trust and First and Second Amendments and a Third Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 28, 2019 from Mortgagor for the benefit of Mortgagee ("Third Amendment" or "Third Amendment to Deed of Trust"), having Document No. 19 03159 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, 2015 Borrowers and Mortgagee extended the maturity date of the February 2019 Note to January 2, 2021; and

WHEREAS, O'RYAN FAMILY LIMITED PARTNERSHIP, O'RYAN PRODUCTION & EXPLORATION, LTD., SMACKOVER OIL TREATERS, LTD., Amber Hoerauf Trust, Mathew Hoerauf Trust, Scanrock Oil & Gas, Inc., RYAN C. HOERAUF, INC., O'Ryan Ranches, Ltd., O'RYAN OREGON RANCHES, LLC, O'Ryan Ranches, LLC., EON PRODUCTION, LLC, O'RYAN PONDEROSA, LLC, RYAN PROPERTIES, INC and Ryan C. Hoerauf, individually, (herein sometimes referred to collectively as "Borrower," whether one or more, or in some cases "Borrowers") executed a Revolving Line of Credit Note dated January 2, 2021 having a face amount of \$51,473,536.40 payable to Mortgagee ("January 2021 Note"), which January 2021 Note renewed, extended and increased the February 2019 Note, which January 2021 Note is secured by the Original Deed of Trust and First, Second and Third Amendments and by a Fourth Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated January 2, 2021 from Mortgagor for the benefit of Mortgagee ("Fourth Amendment" or "Fourth Amendment to Deed of Trust"), having Document No. 21-00935 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the January 2021 Note to February 5, 2022; and

WHEREAS, Borrowers executed a Revolving Line of Credit Note dated February 5, 2022 having a face amount of \$51,500,000.00 payable to Mortgagee ("February 2022 Note"), which February 2022 Note renewed and extended the January 2021 Note, which February 2022 Note is secured by the Original Deed of Trust and First, Second, Third and Fourth Amendments and by a Fifth Amendment to Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement dated February 5, 2022 from Mortgagor for the benefit of Mortgagee ("Fifth" or "Fifth Amendment to Deed of Trust"), having Document No. 22-03388 of the Real Property Records of Llano County, Texas, covering the Mortgaged Property; and

WHEREAS, Borrowers and Mortgagee extended the maturity date of the February 5, 2022 to April 1, 2023; and

WHEREAS, Borrowers have executed a Revolving Line of Credit Note dated April 1, 2023 having a face amount of \$48,973,536.40 payable to Mortgagee ("April 2023 Note"), which April 2023 Note renews and extends the February 2022 Note; and

WHEREAS, the parties desire to amend the Original Deed of Trust as amended as set out above (hereinafter sometimes referred to collectively as "Deed of Trust") by this instrument so as to (a) confirm that the liens created by the Deed of Trust secure not only the February 2022 Note described above but also the April 2023 Note set out above, (b) amend Section 1.(d) of the Deed of Trust to include the language set out below and (c) to otherwise conform the terms of the Deed of Trust to the April 2023 Note.

NOW THEREFORE, in consideration of the premises set out above by Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged, Mortgagee and Mortgagor hereby renew, extend, amend, continue and supplement the Deed of Trust as follows:

SECTION I
Amendment to Section 1.(d) of the Deed of Trust

Section 1.(d) of the Deed of Trust is hereby amended in its entirety to read as follows:

- (i) "Debt" means (1) O'RYAN FAMILY LIMITED PARTNERSHIP, O'RYAN PRODUCTION & EXPLORATION, LTD., SMACKOVER OIL TREATERS, LTD., Amber Hoerauf Trust, Mathew Hoerauf Trust, Scanrock Oil & Gas, Inc., RYAN C. HOERAUF, INC., O'Ryan Ranches, Ltd., O'RYAN OREGON RANCHES, LLC, O'Ryan Ranches, LLC., EON PRODUCTION, LLC, O'RYAN PONDEROSA, LLC, RYAN PROPERTIES, INC and Ryan C. Hoerauf, individually, (herein sometimes referred to collectively as "Borrower," whether one or more or in some cases "Borrowers") obligations under a Promissory Note dated December 14, 2015, as modified on October 15, 2016, having a face amount of \$51,500,000.00

as renewed and extended by that certain Revolving Line of Credit Note dated December 1, 2016 having a face amount of \$51,500,000.00, as renewed and extended by that certain Revolving Line of Credit Note dated February 4, 2018 having a face amount of \$42,147,769.80, as renewed and extended by that certain by that certain Revolving Line of Credit Note dated February 28, 2019 having a face amount of \$42,147,769.80, as renewed and extended by that certain by that certain Revolving Line of Credit Note dated January 2, 2021 having a face amount of \$51,473,536.40, as renewed and extended by that certain by that certain Revolving Line of Credit Note dated February 5, 2022 having a face amount of \$51,500,000.00 and as renewed and extended by that certain by that certain Revolving Line of Credit Note dated **April 1, 2023** having a face amount of **\$48,973,536.40** executed by Borrower and payable to Mortgagee maturing **April 1, 2024** and any substitutions, replacements, modifications, renewals and/or extensions thereof (collectively the "Note," whether or more); (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Note including, but not limited to, any and all obligations arising under that certain Loan Agreement described below (collectively, including the Note, the "Loan Documents"); and (4) all other debt of any kind or character now or later owing by Mortgagor to Mortgagee whether such other debt is evidenced by note, open account, overdraft, endorsement, surety agreement or otherwise. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

SECTION II

Ratification and Reaffirmation of Deed of Trust

Mortgagor and Mortgagee fully confirm and ratify the Deed of Trust (as modified pursuant to this Sixth Amendment). Nothing in this Sixth Amendment is intended to waive any rights or remedies of Mortgagee under the Original Deed of Trust, or any defaults of Mortgagor under the Deed of Trust. The Deed of Trust, as previously amended, if any, as amended by this Sixth Amendment, shall continue to be a valid and subsisting lien against the Mortgaged Property. No novation of the Note and Security Documents is created hereby. To the extent necessary to secure and enforce the Note and other Obligations (as defined in the Original Deed of Trust) Mortgagor, for and in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, and for and in consideration of the debt and trusts hereinafter mentioned, has GRANTED, BARGAINED, SOLD, ASSIGNED, TRANSFERRED AND CONVEYED and by these presents does GRANT, BARGAIN, SELL, ASSIGN, TRANSFER AND CONVEY unto **ALAN L. LACKEY**, Trustee, for the benefit of Mortgagee and to the Trustee's Successors or Substitutes in this Trust, with power of sale, all of Mortgagor's right, title and interest, whether now owned or hereinafter acquired, in and to the Mortgaged Property (as defined in the Deed of Trust) not heretofore released, previously described in Exhibit "A" to the Original Deed of Trust.

SECTION III

Warranties, Covenants and Agreements

Except to the extent that such warranties, covenants and agreements relate solely to an earlier date, the warranties, covenants and agreements contained in the Original Deed of Trust are hereby remade by the Mortgagor and said warranties, covenants and agreements (together with the remedies contained in the Original Deed of Trust) are in full force and effect as of the date hereof and shall apply to the Mortgaged Property described in the Exhibit to the Original Deed of Trust to the same extent and with the same force and effect as of the date of the Original Deed of Trust.

SECTION IV
Miscellaneous Provisions

Section 4.1 This Sixth Amendment shall be considered as an amendment and supplement to the Deed of Trust and except as herein expressly amended and supplemented, the Deed of Trust is hereby ratified, approved and confirmed in every respect and all references to the Deed of Trust herein and in any other document shall hereinafter be deemed to refer to the Deed of Trust as amended hereby.

Section 4.2 With respect to all personal property constituting any part of the Mortgaged Property described in the Original Deed of Trust, this Sixth Amendment shall also be effective as an amended chattel mortgage and/or security agreement.

Section 4.3 Except as amended hereby, the Deed of Trust shall remain in full force and effect. Nothing in this Sixth Amendment releases any right, claim, lien, security interest or entitlement of the Trustee or Mortgagee created by or contained in the Deed of Trust nor releases the Mortgagor from any covenant, warranty or obligation created by or contained in the Deed of Trust.

Section 4.4 The indebtedness evidenced by the April 2023 Note is in renewal and extension of the February 2022 Note described above and nothing contained herein shall be deemed to release or terminate any lien or security interest which secures payment of the February 2022 Note and April 2023 Note.

Section 4.5 The Deed of Trust as amended hereby contains after-acquired property provisions and secures future advances. This Sixth Amendment supplements the Deed of Trust and is a supplemental Deed of Trust and Mortgage of both real and personal property, a supplemental security agreement and a financing statement and also covers proceeds and fixtures. This Sixth Amendment shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the properties covered by the Deed of Trust as amended hereby and is to be filed for record in the real estate records of each county where any part of such property (including such fixtures) is situated.

Section 4.6 The business and mailing addresses of the Mortgagor, Trustee and Mortgagee are set forth in the commencement paragraph of this Sixth Amendment.

Section 4.7 The terms, provisions, covenants and conditions hereof shall be binding upon the Mortgagor and its respective successors and assigns and shall inure to the benefit of the Mortgagee and their respective successors and assigns and shall constitute covenants running with the land. All references in this Sixth Amendment to Mortgagor and Mortgagee shall be deemed to include all such successors and assigns.

Section 4.8 This Sixth Amendment and the Original Deed of Trust are subject to the terms and conditions of that certain Restated Loan Agreement dated April 1, 2023, by and between Borrowers, Mortgagee and The Ryan C. Hoerauf 2008 Delaware Trust (as from time to time supplemented, amended and/or restated and described in this Sixth Amendment as the "Loan Agreement"). All capitalized terms used but not defined herein shall have the meanings given such terms in the Loan Agreement. In the event of any conflict between this Sixth Amendment and the Loan Agreement the terms and conditions of the Loan Agreement shall prevail.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(signature page follows)

NOTICE

THIS SIXTH AMENDMENT TO DEED OF TRUST, THE ORIGINAL DEED OF TRUST AS AMENDED ALONG WITH THE ORIGINAL OIL AND GAS DEEDS OF TRUST AS AMENDED, THE NOTE DESCRIBED ABOVE, THE ASSIGNMENT OF LIFE INSURANCE PROCEEDS, SECURITY AGREEMENT, LOUISIANA MORTGAGE, PLANT DEED OF TRUST AS AMENDED, PLEDGE AGREEMENT AND OTHER REAL ESTATE DEEDS OF TRUST AND ACCOMPANYING UCC-1 AND UCC-3 FINANCING STATEMENTS, RESTATED LOAN AGREEMENT AND GUARANTY AND/OR ANY AND ALL OTHER DOCUMENTS EXECUTED AT OR NEAR THE TIME OF EXECUTION OF THIS DOCUMENT CONSTITUTE A "LOAN AGREEMENT" AS DEFINED IN SECTION 26.02(a) OF THE TEXAS BUSINESS & COMMERCE CODE, AND REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

DATED April 1, 2023, although EXECUTED by Mortgagor and Mortgagee as of the dates of the acknowledgments annexed hereto.

MORTGAGOR:

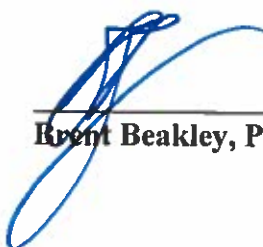
O'RYAN RANCHES, LTD., a Texas Limited Partnership

By: **Ryan Properties, Inc. as General Partner**

By: 
Ryan C. Hoerauf, President

MORTGAGEE:

LONE STAR STATE BANK OF WEST TEXAS

By: 
Brent Beakley, President, Odessa Market

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

The foregoing instrument was acknowledged before me on this 24th day of May, 2023, by RYAN C. HOERAUF, as President of Ryan Properties, Inc., as General Partner of O'RYAN RANCHES, LTD., a Texas limited partnership, on behalf of said limited partnership.




NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the 24th day of May, 2023, by BRENT BEAKLEY, as President of the Odessa Market, of LONE STAR STATE BANK OF WEST TEXAS, on behalf of said bank.



Cheryl White
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS
COUNTY OF LLANO
FILED AND RECORDED AT 1:52 O'CLOCK P M. ON
THE 12 DAY OF JUNE A.D. 2023.

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Llano County, Texas.
INSTRUMENT NO:



COUNTY CLERK, LLANO CO., TEXAS

BY Marci Hadeler, DEPUTY NO OF PAGES 7

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

IN RE:	§	CHAPTER 11
	§	
SCANROCK OIL & GAS, INC. <i>et al.</i>,⁶	§	CASE NO. 25-90001-MXM
	§	
DEBTORS.	§	JOINTLY ADMINISTERED

**ORDER GRANTING PROSPERITY BANK'S MOTION FOR RELIEF FROM THE
AUTOMATIC STAY PURSUANT TO 11 U.S.C. § 362(D) TO FORECLOSE ON
THE LLANO RANCH PROPERTY**

On March 25, 2025, Prosperity Bank (the "Lender") filed the *Motion for Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d) to Foreclose on the Llano Ranch* [Docket No. 165] (the "Motion") in the above-referenced case. The Court finds that the Motion was properly served pursuant to the Federal and Local Rules of Bankruptcy Procedure. The Court

⁶ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, if any, are: Scanrock Oil & Gas, Inc. (0380); O'Ryan Family Limited Partnership (1913); O'Ryan Production & Exploration Ltd. (9950); Ryan C. Hoerauf, Inc. (0493); Smackover Oil Treaters, Ltd. (9529); O'Ryan Ponderosa, LLC (1476); EON Production, LLC (0136) and O'Ryan Ranches, Ltd. (7184) (the "Debtors"). The location of the Debtors' service address is 8180 Lakeview Center, Ste. 300, Odessa, TX 79765.

finds that good cause exists for the entry of the following order and cause exists to terminate the automatic stay pursuant to 11 U.S.C. § 362(d). The Court, having reviewed the Motion and having considered the arguments of counsel at a hearing before the Court (the "Hearing"), if any, finds that: (a) this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (b) this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and (c) notices of the Motion and the Hearing were sufficient under the circumstances. Having considered the evidence, arguments of counsel, and responses, if any, this Court is of the opinion that the Motion is meritorious and establishes sufficient grounds for the relief requested therein.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:⁷

1. The Motion filed by the Lender is **GRANTED**.
2. The automatic stay is immediately terminated, pursuant to 11 U.S.C. § 362(d), as it relates to the Llano Ranch Property.
3. The Lender, its employees and agents, may from time to time enter and inspect the Llano Ranch Property for the purpose of: (i) determining the existence, location, nature, and magnitude of any past or present release or threatened release of any hazardous materials into, onto, beneath, or from the Llano Ranch Property and the testing therefor; (ii) for conducting appraisals; or (iii) for the inspection of the physical condition of the Llano Ranch Property. Any such site visit may be performed at any time or times, upon the aforesaid notice, and under reasonable conditions requested by the Lender. The Lender, its employees and agents, are further authorized to perform both above and below the ground testing for environmental damage or the presence of hazardous materials on the Llano Ranch Property. The Debtors shall provide such historical and operational and financial information regarding the Llano Ranch

⁷ Unless otherwise noted herein, all undefined capitalized terms appearing in this Order shall have the meaning(s) ascribed to such terms as set forth in the Motion.

Property as may be reasonably requested to facilitate such site visit and the expected report thereof, and will make available for meetings, appropriate personnel having knowledge of such matters. The Debtor shall use best efforts to facilitate the Lender's access to the Llano Ranch Property.

4. The Lender is hereby permitted to pursue and exercise any and all of its contractual and legal rights and remedies pursuant to the Prepetition Loan Documents and applicable law with regard to the Llano Ranch Property, including, but not limited to, foreclosing on the Llano Ranch Property and obtaining relief from this or any other Court in order to allow the Lender to pursue and exercise any and all of its contractual and legal rights and remedies pursuant to the Prepetition Loan Documents and applicable law with regard to the Llano Ranch Property.

5. The Lender is permitted to apply any amount collected against any pre-petition claims the Lender may assert against Llano Ranch.

6. This Order shall be applicable to the Lender and any successor-in-interest to the Lender.

7. This Court shall retain exclusive jurisdiction to enforce the terms of this Order.

END OF ORDER

Submitted by:

By: /s/ Annmarie Chiarello
Phillip L. Lamberson
State Bar No. 00794134
Annmarie Chiarello
State Bar No. 24097496
WINSTEAD PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 745-5400
Facsimile: (214) 745-5390
plamberson@winstead.com
achiarello@winstead.com

ATTORNEYS FOR PROSPERITY BANK