

After Recording, Please Return To:

Jackson Walker L.L.P.  
2323 Ross Ave., Suite 600  
Dallas, Texas 75201  
Attn: S. Jordan Smith

**NOTICE OF SUBSTITUTE TRUSTEE'S SALE**

**DATE:** November 14, 2017

**DEED OF TRUST:** That certain Deed of Trust, Mortgage, Security Agreement, Assignment and Financing Statement dated effective October 1, 2016 (as amended or modified from time to time, the "Deed of Trust"), executed by Mortgagor (as defined below), as grantor, to James C. Lanshe, Esq., as trustee ("Trustee"), for the benefit of PPF 2 LLC, a Delaware limited liability company, as beneficiary ("Mortgagee"), recorded as Document Number 2016-00001315, Vol. 665, Page 147, of the Real Property Records of Carson County, Texas, encumbering certain property described therein, including but not limited to the real property described on Exhibit A, attached hereto.

**OBLIGATIONS SECURED BY DEED OF TRUST:** Mortgagor's payment obligations pursuant to (i) that certain Production and Delivery Agreement dated effective October 1, 2016, between Mortgagee and Mortgagor, as from time to time supplemented, amended or restated (such Production and Delivery Agreement, as from time to time supplemented, amended or restated, being herein called the "Production and Delivery Agreement"); and (ii) that certain Conveyance of Overriding Royalty Interest dated effective October 1, 2016, from Mortgagor to Mortgagee recorded as Document Number 2016-00001252, Vol. 665, Page 119, of the Real Property Records of Carson County, Texas (the "Conveyance").

**MORTGAGEE:** PPF 2 LLC, a Delaware limited liability company

**MORTGAGOR:** Ponderosa Energy, LLC, a Delaware limited liability company

**PROPERTY:** "Property" means the real and personal property described on Exhibit A, attached hereto, including the Included Leases In Carson County, Texas and the Included Wells In Carson County, Texas. "Property" specifically excludes and does not include the leases and wells listed as "Excluded" in Exhibit A attached hereto, including the Excluded Leases In Carson County, Texas and the Excluded Wells In Carson County, Texas.

**SUBSTITUTE TRUSTEE:** Each of Jim Mills, Susan Mills, Emily Northern, Alexandra Zografos Holub, Carol Goodwin, Susan Bowers, S. Jordan Smith, John Holden, Jr. and David S. Stolle.

Substitute Trustee's Mailing Address:

c/o S. Jordan Smith  
Jackson Walker L.L.P.  
2323 Ross Ave., Suite 600  
Dallas, Texas 75201

FILED  
2017 NOV 14 PM 2:34  
CELESTIE BUCHHEIT  
CLERK  
CARSON COUNTY, TEXAS

**DATE AND TIME OF SUBSTITUTE TRUSTEE'S SALE OF PROPERTY:**

December 5, 2017, being the first Tuesday of the month, to commence at 1:00 p.m., or within three hours thereafter.

**PLACE OF SUBSTITUTE TRUSTEE'S SALE OF PROPERTY:**

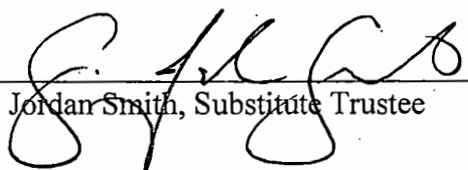
Front steps on the east side of the courthouse located at 501 Main Street, Panhandle, Texas 79068, or such other place designated for real property foreclosures pursuant to Section 51.002 of the Texas Property Code by the Commissioners Court of Carson County, Texas, in instrument(s) recorded in the Real Property Records of Carson County, Texas.

Mortgagee has advanced funds to Mortgagor in exchange for Mortgagor's obligation to deliver oil or the proceeds of oil produced in connection with the Property (the "Transaction") which obligation is secured by the Property pursuant to terms of the Deed of Trust. The Deed of Trust, the Conveyance, the Production and Delivery Agreement and all other documents executed in connection with the Transaction, are referred to herein, collectively, as the "Transaction Documents."

Several defaults have occurred under the Deed of Trust as a result of, among other things, Mortgagor's failure to deliver oil or to pay all amounts due and owing under the Transaction Documents, and the failure of Mortgagor timely and properly to observe, keep or perform certain covenants, agreements, warranties and/or conditions set forth in the Transaction Documents, including but not limited to the following provisions in the Production and Delivery Agreement: §§ 2, 4(a), 4(b), 6(i), 6(ii), 6(v), 6(vii), 9, 11(a)(1), 11(a)(ii), 11(a)(iii), 11(a)(iv), 11(a)(v), 11(a)(vii), and 12 (the "Default"). Because of such Default, Mortgagee, the holder of the Deed of Trust lien securing payment of the obligations under the Transaction Documents, for purposes of Section 51.002 of the Texas Property Code, has requested Substitute Trustee to sell the Property in accordance with the terms of the Deed of Trust and applicable law.

The Deed of Trust may encumber both real and personal property. Formal notice is hereby given of Mortgagee's election to proceed against and sell both the real property and any personal property described in the Deed of Trust, in accordance with Mortgagee's rights and remedies under the Deed of Trust and Section 9.604(a) of the Texas Business and Commerce Code (Texas UCC).

Therefore, notice is given that on the Date and Time of Substitute Trustee's Sale of Property and at the Place of Substitute Trustee's Sale of Property, I, Substitute Trustee or such other substitute trustee as Mortgagee may subsequently appoint, will sell the Property by public sale to the highest bidder for cash or acceptable certified funds, in accordance with the Deed of Trust and applicable law. The sale and conveyance of the Property will be subject to all matters of record applicable to the Property which are superior to the Deed of Trust and to the permitted exceptions to title, if any, described in the Deed of Trust. Substitute Trustee has not made and will not make any covenants, representations, or warranties concerning the Property other than providing the successful bidder at the sale with a deed to the Property containing any warranties of title required by the Deed of Trust. The Property shall be sold "As Is, WHERE IS", and WITH ALL FAULTS.

  
S. Jordan Smith, Substitute Trustee

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE OIL AND GAS LEASES**

**INCLUDED LEASES IN CARSON COUNTY, TEXAS**

<b>Lessor</b>	<b>Lessee</b>	<b>WI%</b>	<b>NRI%</b>	<b>Recording Information</b>	<b>Excluded Wells, if any<sup>1</sup></b>
Amarillo National Bank, et al, Trustees	LERA	36.77%	26.6565%	Vol. 448, Pg. 11	
Amarillo National Bank, et al, Trustees	LERA	36.77%	26.6565%	Vol. 448, Pg. 19	
Arleen E. Stone	LERA	36.77%	26.6565%	Vol. 448, Pg. 27	
Arleen E. Stone	LERA	36.77%	26.6565%	Vol. 448, Pg. 32	
Richard S. Coon, Jr.	LERA	36.77%	26.6565%	Vol. 448, Pg. 37	
Richard S. Coon, Jr.	LERA	36.77%	26.6565%	Vol. 448, Pg. 42	
Cathryn Coon Doughtie	LERA	36.77%	26.6565%	Vol. 448, Pg. 47	
Cathryn Coon Doughtie	LERA	36.77%	26.6565%	Vol. 448, Pg. 52	
Billy Whiteside	LERA	36.77%	26.6565%	Vol. 449, Pg. 162	
Billy Whiteside	LERA	36.77%	26.6565%	Vol. 449, Pg. 167	
Nancy Ann Blanchard	LERA	36.77%	26.6565%	Vol. 449, Pg. 172	
Nancy Ann Blanchard	LERA	36.77%	26.6565%	Vol. 449, Pg. 177	
The Boyd Family Trust	LERA	36.77%	26.6565%	Vol. 449, Pg. 182	
The Boyd Family Trust	LERA	36.77%	26.6565%	Vol. 449, Pg. 187	
Herring Bank, Trustee	LERA	36.77%	26.6565%	Vol. 449, Pg. 192	
Herring Bank, Trustee	LERA	36.77%	26.6565%	Vol. 449, Pg. 200	
Michael L. O'Neal	LERA	36.77%	26.6565%	Vol. 450, Pg. 242	
Michael L. O'Neal	LERA	36.77%	26.6565%	Vol. 450, Pg. 247	
Barbara B. Creel	LERA	36.77%	26.6565%	Vol. 450, Pg. 252	
Barbara B. Creel	LERA	36.77%	26.6565%	Vol. 450, Pg. 257	
Dorothea Girault Garrett	LERA	36.77%	26.6565%	Vol. 451, Pg. 110	
Dorothea Girault Garrett	LERA	36.77%	26.6565%	Vol. 451, Pg. 115	
Cal Farley's Boyd Ranch	LERA	36.77%	26.6565%	Vol. 453, Pg. 123	
Richard Ware, II, et al	LERA	36.77%	26.6565%	Vol. 453, Pg. 133	
JASE Family, Ltd.	LERA	36.77%	26.6565%	Vol. 454, Pg. 221	
JASE Family, Ltd.	LERA	36.77%	26.6565%	Vol. 454, Pg. 226	
Thomas D. Lumpkin, II	LERA	36.77%	26.6565%	Vol. 469, Pg. 39	
Suzanne Flinchpaugh	LERA	36.77%	26.6565%	Vol. 469, Pg. 49	
Cynthia Carroll Creswell	LERA	36.77%	26.6565%	Vol. 469, Pg. 44	
Carolyn Carroll	LERA	36.77%	26.6565%	Vol. 469, Pg. 54	
Florence Sullenger	LERA	36.77%	26.6565%	Vol. 484, Pg. 459	

**INCLUDED WELLS IN CARSON COUNTY, TEXAS<sup>2</sup>**

<b>Lease</b>	<b>RRC#</b>	<b>Well #</b>	<b>API #</b>	<b>WI%</b>	<b>NRI%</b>
Sanford 160	235967	1	6532107	36.77%	26.66%
Sanford 160	267590	1R	6532126	36.77%	26.66%
Sanford 480	232482	1	6532104	36.77%	26.66%

<sup>1</sup> If any specific well(s) is being excluded from the lease listed, it is listed here [see Excluded Wells list below for reference number].

<sup>2</sup> This list is a nonexclusive list of wells from the leases listed above. Unless specifically excluded by the Excluded Wells list below, all wells from the above listed leases are to be included, whether contained in this list or not.

**EXCLUDED LEASES IN CARSON COUNTY, TEXAS**

<b>Lessor</b>	<b>Lessee</b>	<b>WI%</b>	<b>NRI%</b>	<b>Recording Information</b>	<b>Excluded Wells<sup>3</sup></b>
Mrs. Belle Kirby	Panhandle Refining Company	100.00%	75.00%	Vol. 52, Pg. 506	28-29

**EXCLUDED WELLS IN CARSON COUNTY, TEXAS<sup>4</sup>**

<b>Ref. #</b>	<b>Lease</b>	<b>RRC#</b>	<b>Well #</b>	<b>API #</b>	<b>WI%</b>	<b>NRI%</b>
28	Kirby	4970	2	6531021	100.00%	75.00%
29	Kirby	4970	1	6531022	100.00%	75.00%

**End of Exhibit A**

<sup>3</sup> Any known wells for the specific Excluded Lease is referenced below [see Excluded Well list for reference].

<sup>4</sup> This is a list of wells from the Included Leases list or Excluded Leases list above that are not being foreclosed upon at this time.