

After Recording, Please Return To:

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

FILED  
2017 AUG 14 AM 9 14  
CELESTE BUCHSEL  
COUNTY & DISTRICT CLERK  
CARSON COUNTY, TEXAS

**NOTICE OF SUBSTITUTE TRUSTEE'S SALE**

**DATE:** August 10, 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 the real property described on Exhibit A, attached hereto (collectively, the "Property").

**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:** The real and personal property more particularly described in the Deed of Trust, including that certain real property more particularly described on Exhibit A, attached hereto.

**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

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

September 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:**

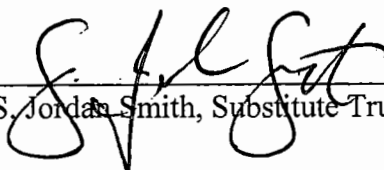
Front steps on the east side of the courthouse located at 501 Main Street, Panhandle, Texas 79068, or such other place designated for real property foreclosures pursuant to Section 51.002 of the Texas Property Code by the Commissioners Court of Carson County, Texas, in instrument(s) recorded in the Real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

A default has occurred under the Deed of Trust as a result of, among other things, Mortgagor's failure to deliver oil or pay all amounts due and owing under the Transaction Documents. 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.

  
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S. Jordan Smith, Substitute Trustee

**EXHIBIT A**

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

**Carson County**

<b><u>LESSOR</u></b>	<b><u>LESSEE</u></b>	<b><u>WI %</u></b>	<b><u>NRI%</u></b>	<b><u>RECORDING INFORMATION</u></b>
Mrs. Belle Kirby	Panhandle Refining Company	100.00%	75.00%	Vol. 52, Pg. 506
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. 460
C.R. Garner, et al	D.R. Tripplehorn	100.00%	87.50%	Vol. 64, Pg. 443
C.R. Garner, et al	D.R. Tripplehorn	100.00%	87.50%	Vol. 64, Pg. 266
C.R. Garner, et al	D.R. Tripplehorn	100.00%	87.50%	Vol. 69, Pg. 165

**End of Exhibit A**