

UPDATE

8/9/1

THIRD AMENDMENT TO DEED OF TRUST,
SECURITY AGREEMENT, ASSIGNMENT OF SECURITY
INTERESTS AND LIENS, ASSIGNMENT OF PRODUCTION
AND FINANCING STATEMENT

STATE OF TEXAS §
 §
COUNTY OF MATAGORDA §

This Third Amendment to Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement ("Amendment") is entered into effective as of the 24th day of June, 1991, by and between WALTER OIL & GAS CORPORATION, a Texas corporation ("Debtor") and CITIBANK, N.A. ("Secured Party").

Debtor has heretofore executed a Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement dated April 12, 1989 (the "Original Deed of Trust"), amended by (i) a First Amendment to Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement dated July 20, 1990 (the "First Amendment"), and (ii) a Second Amendment to Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement dated September 1, 1990 (the "Second Amendment"), each filed of record in (a) the counties and records in the State of Texas, and (b) the Minerals Management Service lease files in Metairie, Louisiana, all as more particularly described in Exhibit "A" attached hereto and incorporated herein for all purposes (collectively, and as amended, the "Deed of Trust").

Debtor and Secured Party now desire to amend the Deed of Trust so as to amend the Obligations secured thereby. All capitalized terms used herein shall have the same meanings as in the Deed of Trust, unless otherwise defined herein.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Secured Party do hereby agree as follows:

1. Article I, Section 1.7(a)

Article I, Section 1.7(a) of the Deed of Trust is hereby amended in its entirety to read as follows:

(a) All obligations of Debtor to Secured Party pursuant to the terms and conditions of that certain Credit Agreement dated December 12, 1988 between Debtor and Secured Party, as amended from time to time (the "Credit Agreement"), including, but not limited to (i) all obligations under that certain Promissory Note dated December 12, 1988 in the original principal amount of \$9,000,000.00 executed by Debtor, payable to the order of Secured Party, and any note given in substitution, replacement, amendment, renewal or extension thereof, including, but not limited to (w) that certain Promissory Note dated April 12, 1990, in the original principal amount of \$10,150,000.00 executed by Debtor payable to the order of Secured Party, (x) that certain Promissory Note dated as of April 12, 1990, in the original principal amount of \$13,200,000.00 executed by Debtor payable to the order of Secured Party, (y) that certain Promissory Note dated as of September 1, 1990, in the original principal amount of \$13,200,000.00 executed by Debtor payable to the order of Secured Party, and (z) that certain Promissory Note dated as of June 24, 1991, in the original principal amount of \$15,000,000.00 which Note is due and payable on or before September 1, 1993 and (ii) all other "Obligations" as defined in the Credit Agreement;

2. Ratification.

Debtor does hereby ratify and affirm the Deed of Trust, all terms and conditions contained therein, and all the rights, privileges, and liens of Secured Party pursuant to the terms and conditions of the Deed of Trust, as amended hereby, and does hereby reaffirm and restate the security interest and grant and conveyance in trust of the property mortgaged thereunder, as amended hereby.

DEBTOR:

ALTER OIL & GAS CORPORATION

By: J. C. Walker
Name: J. C. Walker
Title: President

SECURED PARTY:

CITIBANK, N.A.

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on 10/10/91,
1991 by J. C. Walker, President
of Walter Oil & Gas Corporation, a Texas corporation, on
behalf of said corporation.



J. C. Walker
Notary Public in and for
The State of T E X A S
Name: _____
My Commission Expires: _____

(Signature Page to Third Amendment to Deed of Trust,
Security Agreement, Assignment of Security Interests
and Liens, Assignment of Production and Financing Statement)

THE STATE OF New York §

COUNTY OF New York §

This instrument was acknowledged before me on 11/15, 1991 by Robert J. Adams, VP Citibank of Citibank, N.A., a national banking association, on behalf of said association.

[Signature]
Notary Public in and for
The State of New York
Name: Edward J. Adams
My Commission Expires: 1/3/92

Notary Public
No. 0000000000
Qualified in Bronx
Certificate filed in New York
Commission Expires January 01 1992

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EXHIBIT "A"

Original Deed of Trust

1. State of Texas

<u>County</u>	<u>Date Filed</u>	<u>File No.</u>	<u>Recordation</u>
Matagorda	04/17/90	2272	Vol. 253, P. 452 Official Records

2. Minerals Management Service:

OCS-G 6080
OCS-G 10229
OCS-G 10228
OCS-G 8117

First Amendment

1. State of Texas

<u>County</u>	<u>Date Filed</u>	<u>File No.</u>	<u>Recordation</u>
Matagorda	08/03/90	4617	Vol. 262, P. 49 Official Records

2. Minerals Management Service:

OCS-G 6080
OCS-G 10229
OCS-G 10228
OCS-G 8117

Second Amendment

1. State of Texas

<u>County</u>	<u>Date Filed</u>	<u>File No.</u>	<u>Recordation</u>
Matagorda	12/26/90	74	Official Records

2. Minerals Management Service:

OCS-G 6030
OCS-G 10229
OCS-G 10228
OCS-G 8117

END

UPDATE