

**SECOND 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 Second 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 1st day of September, 1990, by and between **WALTER OIL & GAS CORPORATION**, a Texas corporation ("Debtor") and **TIBANK, 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, 1990 (the "Original Deed of Trust"), amended by 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"), 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 hereby. All capitalized terms used herein shall have the same meaning 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:

1.1 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 (x) 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, (y) 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, and (z) that certain Promissory Note dated as of September 1, 1990, in the original principal amount of \$13,200,000.00 which Note is due and payable in full 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:

WALTER OIL & GAS CORPORATION

By: J. C. Walter, III
Name: J. C. Walter, III
Title: President

SECURED PARTY:

CITIBANK, N.A.

By: J. Lydon
Name: JAMES P. LYDON
Title: Vice President

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

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on Dec 10,
1990 by A. C. Walker, Jr., President
of Walter Oil & Gas Corporation, Texas Corporation, on
behalf of said corporation.



Aimee J. Bailey
Notary Public in and for the
State of Texas:
Printed Name: _____

My Commission Expires: _____

THE STATE OF New York §
§
COUNTY OF New York §

This instrument was acknowledged before me on Dec 12,
1990 by James T. Taylor, Vice President
of Citibank, N.A., a national banking association, on behalf
of said association.

Marie Taylor
Notary Public in and for the
State of Texas
Printed Name: MARIE TAYLOR

My Commission Expires: 3-6-91

DPK/16951/2012
60017.A1

MARIE TAYLOR
Notary Public, State of New York
No. 41494796
Qualified in Queens County
Certificate Expires New York County
Commission Expires March 6, 1991

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

BRACEWELL & PATTERSON

2900 SOUTH TOWER PENNZOIL PLACE
HOUSTON, TEXAS 77002-2781
713 223 2900
FAX 713 221 1212
TELEX 76 2141

GRAY H. MUZZY
PARTNER

RECEIVED

AUG 6 1990

Minerals Management Service
Leasing & Environment

August 2, 1990

100 CONGRESS AVENUE
AUSTIN, TEXAS 78701-4042
512 472 7800

4000 LINCOLN PLAZA
500 N. AFARD
DALLAS, TEXAS 75201-3320
214 740 4000

2000 K STREET N.W.
WASHINGTON D.C. 20006-1809
202 828 5800

43 BROOK STREET
LONDON W1Y 2RL
01 355 3330

By Federal Express

Minerals Management Service
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Attention: Ms. Ruby L. Boehm

Re: Filing of a First and Second Amendment to Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement

Dear Ms. Boehm:

Please find enclosed for filing in the records of the Minerals Management Service the following:

(b) Four (4) originals of a First Amendment to Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement executed by Walter Oil & Gas Corporation in favor of Gray H. Muzzy, Trustee, for the benefit of Citibank, N.A. Please file each of the above-referenced instruments in each of the following lease files:

(i) OCS-G 6080 (iii) OCS-G 10228
(ii) OCS-G 10229 (iv) OCS-G 8117

(b) Seven (7) originals of a Second Amendment to Deed of Trust, Security Agreement, Assignment of Security Interests and Liens, Assignment of Production and Financing Statement. Please file one original of each of the above-referenced instruments in each of the following lease files:

Matagorda County Clerk
August 2, 1990
Page 2

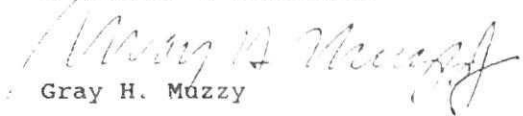
(i)	OCS-G 4137	(v)	OCS-G 6055
(ii)	OCS-G 4138	(vi)	OCS-G 8132
(iii)	OCS-G 4259	(vii)	OCS-G 9047
(iv)	OCS-G 4721		

Also enclosed is a check for \$275.00 to cover recording fees. Once recorded, please return the original recorded instrument to me at the above address.

Should you have any questions, please do not hesitate to call.

Very truly yours,

Bracewell & Patterson


Gray H. Mazzy

GHM/ab
Enclosure

GHM/16951/2012
02030918.6

AUG 6 1990

Minerals Management Service
Leasing & EnvironmentFIRST AMENDMENT TO DEED OF TRUST
SECURITY AGREEMENT, ASSIGNMENT OF SECURITY
INTERESTS AND LIENS, ASSIGNMENT OF PRODUCTION
AND FINANCING STATEMENTSTATE OF TEXAS §
§
COUNTY OF MATAGORDA §

This First 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 20th day of July, 1990, 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, 1990 (the "Deed of Trust"), filed of record in (i) the counties and records in the State of Texas and (ii) 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.

Debtor and Secured Party now desire to amend certain terms and conditions of the Deed of Trust.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Secured Party do hereby agree to amend the terms and conditions of the Deed of Trust as follows:

Article I, Sections 1.7(a) and 1.7(b) of the Deed of Trust shall be amended in their entirety to read as follows:

1.7 "Obligations" means

(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, 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, and that certain Promissory Note dated as of April 12, 1990, in the original amount of \$13,200,000, executed by Debtor payable to the order of Secured Party, which Note is due and payable in full on or before September 1, 1992 and (ii) all other "Obligations" as defined in the Credit Agreement;

(b) All promissory notes evidencing additional loans which Secured Party may hereafter make to Debtor (although it is understood that Secured Party is under no obligation to do so) other than loans made by Secured Party pursuant to Chapter 4 of the Texas Credit Code, as amended;

Debtor does hereby ratify and affirm the Deed of Trust, and 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 do hereby reaffirm and restate the grant and conveyance in trust of the property mortgaged thereunder. Except as specifically modified by the terms of this Amendment all of the terms, provisions, covenants, warranties and agreements contained in the Deed of Trust (including, without limitation, exhibits thereto) remain in full force and effect.

DEBTOR:

WEATHER OIL & GAS CORPORATION

By: J.C. Walter, III
Name: J.C. Walter, III
Title: President

SECURED PARTY:

CITIBANK, N.A.

By: J. Lydon
Name: JAMES P. LYDON
Title: Vice President

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on July 26,
1990 by J. C. Walter III, President
of Walter Oil & Gas Corporation, a Texas corporation, on
behalf of said corporation.

Helen Fowler
Notary Public in and for the
State of Texas
Print Name: Helen Fowler

My Commission Expires: 9-30-92

THE STATE OF New York §
§
COUNTY OF New York §

This instrument was acknowledged before me on July 16,
1990 by JAMES P. LYDON, VICE PRESIDENT
of Citibank, N.A., a national banking association, on behalf
of said association.

Mary Taylor
Notary Public in and for the
State of Texas
Printed Name: MARY TAYLOR

My Commission Expires: 3-6-91

GHM/16951/2012
02031138.DOC

MARY TAYLOR
Notary Public, State of New York
No. 41-4047968
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 8, 1991

EXHIBIT "A"

Deed of Trust

1. State of Texas

<u>County</u>	<u>Date Filed</u>	<u>File No.</u>	<u>Recordation</u>
Matagorda	4/17/90	2272	Vol. 253, P. 452 Official Records

2. Minerals Management Service:

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