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At 11:15 O'Clock A.M.

NOV 14 2017
JACKIE ENSEY Co. Clerk
STEPHENS COUNTY, TEXAS

By Jackie Ensey Deputy

Notice of Foreclosure Sale

November 13, 2017

Deed of Trust and Security Agreement (Oil and Gas) dated September 30, 2011.

Grantor: Texas E&P Operating, Inc. f/k/a Chestnut Exploration and Production, Inc. and Chestnut Petroleum

Original Trustee: Neal Tomlins

Lender/Beneficiary: Prosperity Bank, successor by merger to F&M Bank and Trust Company

Recorded in: OPR Vol. 2011, page 158, with the County Clerk of Stephens County, Texas on or about October 6, 2011.

Legal Description: See Exhibit A which is incorporated by reference.

Secures: Promissory Note dated September 30, 2011 ("Note") in the original principal amount of \$20,000,000.00 executed by Chestnut Petroleum, Inc. ("Borrower") and payable to the order of Lender, and all other indebtedness of Borrower to Lender.

Modifications and Renewals: Amendment to Deed of Trust dated April 27, 2016, recorded in OPR Vol. 2016, page 420, with the County Clerk of Stephens County, Texas on May 5, 2016.

Amended and Restated Promissory Note dated November 14, 2013 in the principal amount of \$8,000,000.00, payable to Lender, maturing December 14, 2018.

Property: The real property, fixtures and equipment on that real property described in and mortgaged in the Deed of Trust and Amended Deed of Trust, and which is also described in the attached Exhibit A, and all rights and appurtenances thereto

Substitute Trustee: George Roddy, or Aurelien Gayet, or Malia T. Penington or Amin Rad

Substitute Trustee's
Address: Roddy Real Estate Investing Academy, 1415 Legacy Drive,
Suite 3501 Frisco, Texas 75033

Foreclosure Sale:
Date: Tuesday, December 5, 2017.

Time: The sale of the Property will be held between the hours of 10:00
A.M. and 4:00 P.M. local time; the earliest time at which the
Foreclosure Sale will begin is 10:00 a.m. and not later than three
hours thereafter.

Place: Stephens County Courthouse – South Entrance Steps (Walker
Street Entrance) or as designated by the County Commissioner's
Court per §51.002 of the Texas Property Code
200 West Walker
Breckenridge, Texas 76424

Terms of Sale: The Foreclosure Sale will be conducted as a public auction and the
Property will be sold to the highest bidder for cash, except that
Prosperity Bank's bid may be by credit against the indebtedness
secured by the lien of the Deed of Trust and Amended Deed of
Trust.

Default has occurred in the payment of the Amended and Restated Promissory Note and
in the performance of the obligations of the Deed of Trust and Amended Deed of Trust. Because
of that default, Prosperity Bank, the owner and holder of the Amended and Restated Promissory
Note, has requested Substitute Trustee to sell the Property.

The Deed of Trust and Amended Deed of Trust may encumber both real and personal
property. Formal notice is hereby given of Prosperity Bank's election to proceed against and sell
both the real property and any personal property described in the Deed of Trust and Amended
Deed of Trust in accordance with Prosperity Bank's rights and remedies under the Deed of Trust
and Amended Deed of Trust.

Therefore, notice is given that on and at the Date, Time, and Place for the Foreclosure
Sale described above, Substitute Trustee will sell the Property in accordance with the Terms of
Sale described above, the Deed of Trust, Amended Deed of Trust, and applicable Texas law.

If Prosperity Bank passes the Foreclosure Sale, notice of the date of any rescheduled
foreclosure sale will be reposted and refiled in accordance with the posting and filing
requirements of the Deed of Trust and the Texas Property Code.

The Foreclosure Sale will be made expressly subject to any title matters set forth in the
Deed of Trust and Amended Deed of Trust, but prospective bidders are reminded that by law the
Foreclosure Sale will necessarily be made subject to all prior matters of record affecting the

Property, if any, to the extent that they remain in force and effect and have not been subordinated to the Deed of Trust and Amended Deed of Trust. For the avoidance of doubt, the Foreclosure Sale will not cover any part of the Property that has been released of public record from the lien and/or security interest of the Deed of Trust and Amended Deed of Trust by Prosperity Bank. Prospective bidders are strongly urged to examine the applicable property records to determine the nature and extent of such matters, if any.

Pursuant to section 51.009 of the Texas Property Code, the Property will be sold "**AS IS,**" without any expressed or implied warranties, except as to the warranties (if any) provided for under the Deed of Trust. Prospective bidders are advised to conduct an independent investigation of the nature and physical condition of the Property.

Pursuant to section 51.0075(a) of the Texas Property Code, Substitute Trustee reserves the right to set further reasonable conditions for conducting the Foreclosure Sale. Any such further conditions shall be announced before bidding is opened for the first sale of the day held by Substitute Trustee.

Assert and protect your rights as a member of the armed forces of the United States. If you are or your spouse is serving on active military duty, including active military duty as a member of the Texas National Guard or the National Guard of another state or as a member of a reserve component of the armed forces of the United States, please send written notice of the active duty military service to the sender of this notice immediately.

THIS INSTRUMENT APPOINTS THE SUBSTITUTE TRUSTEE(S) IDENTIFIED TO SELL THE PROPERTY DESCRIBED IN THE SECURITY INSTRUMENT IDENTIFIED IN THIS NOTICE OF SALE. THE PERSON SIGNING THIS NOTICE IS THE ATTORNEY OR AUTHORIZED AGENT OF THE MORTGAGEE OR MORTGAGE SERVICER.



Daniel P. Callahan
Kessler & Collins, PC
2100 Ross Avenue, Suite 2100
Dallas, Texas 75201
214-379-0735
Attorney for Prosperity Bank

EXHIBIT A

Stephens County, Texas

This instrument covers all of Mortgagor's interests of whatever nature (including but not limited to all royalties, overriding royalties, mineral interests, working interests, net profits interests, production payments, and other interests), whether now owned or hereafter acquired, in oil and gas properties located in Stephens County, Texas, it being intended that this instrument creates a lien on all oil and gas property owned by Mortgagor in such county, including oil and gas (or oil, gas, and mineral) leases, land, unit declarations, and pooling orders, together with all amendments or ratifications affecting any of these leases, unit declarations, or pooling orders, including, but not limited to, all oil and gas interests in the following described properties listed below:

Oil and Gas Properties

Assignment of Overriding Royalty Interests (Ellisville Field), filed for record on December 19, 2008 in the Official Public Records of Stephens County, Texas, Instrument No. 00003856, OPR Volume 1945, Page 593, and conveying unto Mortgagor all of assignor's interests created by and described in that certain Conveyance of Overriding Royalty Interest, dated April 12, 2007, and filed for record in Stephens County, Texas, in the Official Public Records, Instrument No. 1058, Volume 1881, Pages 196-234 on April 23, 2007, and all Leases and/or tracts of land referenced therein.

Assignment of Overriding Royalty Interests (Ellisville Field), filed for record on December 19, 2008 in the Official Public Records of Stephens County, Texas, Instrument 00003855, OPR Volume 1945, Page 586, and conveying unto Mortgagor all of assignor's interests created by and described in that certain Conveyance of Overriding Royalty Interest, dated, April 12, 2007, and filed for record in Stephens County, Texas, in the Official Public Records, Instrument No. 1059, Volume 1881, Pages 235-273 on April 23, 2007, and all Leases and/or tracts of land referenced therein.