

DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT
(Oil and Gas)

The undersigned PANGAEA RESOURCE CORPORATION, a Colorado Corporation, and PANGAEA PETROLEUM, INC., a Colorado Corporation, the address for both parties being P. O. Box 15205, Amarillo, Potter County, Texas, (hereinafter collectively called "Mortgagor"), STEWART TITLE GUARANTY COMPANY, Trustee, P. O. Box 12400, Reno, Washoe County, Nevada (hereinafter called the "Trustee"), and GETTY OIL COMPANY, a Delaware corporation, P. O. Box 3000, Tulsa County, Oklahoma (hereinafter called "Getty"), agree as follows:

ARTICLE 1 - DEFINITIONS

Section 1.01. Defined Terms. For the purposes of this instrument:

- (a) "Collateral" includes Fixture Collateral, Personalty Collateral and Realty Collateral.
- (b) "Effective Date" means the first day of August, 1983.
- (c) "Fixture Collateral" means all of Mortgagor's interest in and to all Operating Equipment which is or becomes so related to the Oil and Gas Property or any part thereof that an interest in the equipment arises under the real property law of the state in which situated.
- (d) "Hydrocarbons" mean oil, gas and other liquid or gaseous hydrocarbons.
- (e) "Indemnity Agreement" means that one certain Indemnity Agreement dated August 1, 1983 between Pangaea Resource Corporation, Pangaea Petroleum, Inc. and Pangaea Petroleum Limited as "Indemnitors" and Getty Oil Company as "Indemnitee".
- (f) "Obligations" means the obligations of Pangaea Resource Corporation and Pangaea Petroleum, Inc. under the Indemnity Agreement.
- (g) "Oil and Gas Property" means the land described in Exhibit A attached hereto and made a part hereof, together with all of Mortgagor's interests of any nature whatsoever therein, including, but not limited to, all unsevered and unextracted Hydrocarbons in, under or attributable to the land, oil and gas (or oil, gas and mineral) leases, subleases, farmouts, royalties, overriding royalties, net profits interests, production payments and similar mineral interests.
- (h) "Operating Equipment" means all surface or subsurface machinery, equipment, facilities, supplies or other property of whatsoever kind or nature now or hereafter located on any of the Oil and Gas Property which are useful for the production, treatment, storage or transportation of Hydrocarbons.
- (i) "Personalty Collateral" means all of Mortgagor's interest in and to all Operating Equipment, all Hydrocarbons extracted from or attributable to the Oil and Gas Property, and all Production Sale Contracts.
- (j) "Proceeds" includes whatever is received upon the sale, exchange, collection or other disposition of the Collateral and insurance payable by reason of loss or damage to the Collateral.
- (k) "Production Sale Contract" means a contract now in effect or hereafter entered into by Mortgagor or Mortgagor's predecessors in title for the sale, purchase, exchange or processing of Hydrocarbons extracted from or attributable to the Oil and Gas Property.
- (l) "Realty Collateral" means all of Mortgagor's interest in and to the Oil and Gas Property.

ARTICLE 2 - CREATION OF SECURITY

Section 2.01. Grant. In consideration of the mutual covenants contained herein, and for the purpose of securing performance of the Obligations, Mortgagor grants, bargains, sells and conveys the Realty Collateral unto Trustee for the benefit of Getty.

Section 2.02. Creation of Security Interest. In addition to the grant contained in Section 2.01, and for the same consideration, Mortgagor grants to Getty a security interest in all Personalty Collateral and Fixture Collateral now owned or hereafter acquired by Mortgagor and all Proceeds.

Section 2.03. Proceeds. The claim of Proceeds shall not be construed to mean that Getty consents to the sale or other disposition of any part of the Collateral other than Hydrocarbons extracted from or attributable to the Oil and Gas Property and sold in the ordinary course of business.

ARTICLE 3 - COLLECTION OF PRODUCTION PROCEEDS

Section 3.01. Getty's Receipt of Production Proceeds. In the event of default under this Deed of Trust and Security Agreement or under the Indemnity Agreement, Getty will be entitled to receive all Hydrocarbons (and the Proceeds therefrom) which are extracted from or attributable to the Oil and Gas Property beginning on the date of actual notice by Getty to the purchasers of the Hydrocarbons. Such notice shall be in writing and be mailed by certified mail, return receipt requested to Mortgagor and the purchasers of the Hydrocarbons at their then-current addresses according to the records of Getty. Notice shall be effective upon receipt. Mortgagor shall furnish Getty with the names and addresses of its purchasers and shall from time to time at Getty's request update such information as necessary to keep it accurate and complete. Upon receipt of notice of default, all parties producing, purchasing and receiving Hydrocarbons or the proceeds therefrom are authorized and directed to treat Getty as the person entitled in Mortgagor's place and stead to receive the same; and further those parties will be fully protected in so treating Getty and will be under no obligation to see to the application by Getty of any Proceeds received by it. All parties producing, purchasing and receiving Hydrocarbons or the proceeds therefrom which are extracted from or attributable to the Oil and Gas Property are further authorized and directed to accept and rely upon division orders executed solely by Mortgagor without the joinder of Getty.

Section 3.02. Application of Proceeds. All payments received by Getty following default and notice pursuant to Section 3.01 above shall be placed in a collateral collection account at Getty's bank and on the 25th day of each month applied as follows:

- (a) First, toward satisfaction of all costs and expenses incurred in connection with the collection of Proceeds and the payment of any part of the Obligations not represented by a written instrument.
- (b) Second, to the payment of all accrued interest on the Obligations.
- (c) Third, to the payment of the principal of the Obligations.
- (d) The balance, if any, will be released to Mortgagor or Mortgagor's successors or assigns, as their interest may appear.

Section 3.03. Mortgagor's Payment Duties. Nothing contained herein will limit Mortgagor's absolute duty to perform the Obligations when the Proceeds received by Getty pursuant to this Article 3 are insufficient to satisfy the Obligations, and the receipt of Proceeds by Getty will be in addition to all other security now or hereafter existing to secure performance of the Obligations.

Section 3.04. Liability of Getty. Getty has no obligation to enforce collection of any Proceeds and is hereby released from all responsibility in connection therewith except the responsibility to account for Proceeds actually received. Mortgagor shall have the right, even after default and notice, to contact purchasers of the Hydrocarbons in the event it believes the amounts being received are incorrect.

Section 3.05. Indemnification. Mortgagor agrees to indemnify Getty against all claims, actions, liabilities, losses, judgments (all of which are hereafter referred to in this Section 3.05 as "Claims"), and all costs and expenses and other charges of any description whatever, including (without limitation) all costs and expenses including attorney's fees incurred in investigating into or defending against any Claims, made against or sustained or incurred by Getty as a consequence of the assertion, either before or after the performance in full of the Obligations, that Getty received Hydrocarbons or Proceeds pursuant to this instrument. Getty will have the right to employ attorneys and to defend against Claims; and unless furnished

with reasonable indemnity within 90 days after written request therefor, Getty will have the right to pay or compromise and adjust all Claims. Mortgagor shall indemnify and pay to Getty all amounts as may be paid by Getty in compromise or adjustment of any Claim or as may be adjudged against Getty in respect of any Claim. The liabilities of Mortgagor as set forth in this Section 3.05 will survive the termination of this instrument.

ARTICLE 4 - MORTGAGOR'S WARRANTIES AND COVENANTS

Section 4.01. Performance of Obligations. Mortgagor covenants that Mortgagor shall perform all Obligations when due in accordance with the terms of the Indemnity Agreement.

Section 4.02. Warranties. Mortgagor shall warrant and forever defend the Collateral against every person whomsoever lawfully claiming the same or any part thereof, and Mortgagor shall maintain and preserve the lien and security interest herein created as long as any of the Obligations remains unperformed.

Section 4.03. Further Assurances. Mortgagor agrees to execute and deliver such other and further instruments and do such other and further acts as in the opinion of Getty may be necessary or desirable to carry out more effectively the purposes of this instrument, including, without limiting the generality of the foregoing:

(a) Prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, any written instrument constituting or evidencing any of the Obligations, or any other document used in connection herewith; and

(b) In the event of default and notice as defined in Article 3, prompt execution and delivery of all division or transfer orders which in Getty's opinion are required to transfer to Getty the proceeds from the sale of all Hydrocarbons severed and extracted from or attributable to the Oil and Gas Property.

Section 4.04. Operation of Mortgaged Property. As long as any of the Obligations remain unperformed, Mortgagor shall cause its interest in the Collateral to be kept free and clear of liens, charges, security interests, and encumbrances of every character created by Mortgagor other than the lien and security interest created by this instrument; taxes constituting a lien but not due and payable; defects or irregularities in title which are not such as to interfere materially with the development, operation or value of the Collateral and not such as to materially affect title thereto; those set forth or referred to in Exhibit A; those being contested in good faith by Mortgagor and which do not, in the judgment of Getty, jeopardize the Trustee's and Getty's rights in and to the Collateral; and those consented to in writing by Getty. Mortgagor will not, without the prior written consent of Getty, transfer, assign, sublease, sell or otherwise dispose of, or permit the transfer, assignment, subleasing, selling or otherwise disposing of any of the Collateral, except that Mortgagor may:

(a) Sell, transfer, assign, sublease or otherwise dispose of, free from the lien and charge of this instrument and without any release from or consent of Getty

- (i) Oil and gas after severance thereof, but without prejudice, however, to the rights of Getty to the proceeds of such sale under the provisions of paragraphs 2.02 and 2.03;
- (ii) Any Fixture Collateral or Operating Equipment which may have become worn out, unserviceable, obsolete, unsuitable or unnecessary in the conduct of its business or in the operation of the Collateral, if at first or simultaneously therewith there shall have been or shall be substituted for the same other Fixture Collateral or Operating Equipment not necessarily of the same character but at least of equal value to Getty at the date of such substitution or replacement, which forthwith shall become subject to the lien of this instrument; and

(iii) Any interest in the Collateral under a farmout arrangement, operating agreement, dry hole contribution agreement, or other similar agreement whereby a third party dealing at arm's-length with Mortgagor acquires an interest in the Collateral as and in consideration for such third party performing certain work obligations or services which are reasonably intended and calculated to benefit or to enhance the value of the remaining Collateral.

(b) Abandon any Fixture Collateral or Operating Equipment if, in the opinion of Mortgagor, the abandonment of such Fixture Collateral or Operating Equipment is desirable in the proper conduct of the business of Mortgagor or in the operation of the Collateral, or otherwise is in the best interest of Mortgagor and Getty, as the case may be.

Section 4.05. Recording and Filing. Mortgagor shall pay all costs of filing, registering and recording this and every other instrument in addition or supplemental thereto, and all financing statements Getty may require, in such offices and places and at such times and as often as may be, in the judgment of Getty, necessary to preserve, protect and renew the lien and security interest herein created on and in the Collateral and otherwise do and perform all matters or things necessary or expedient to be done or observed by reason of any law or regulation of any State or of the United States or of any other competent authority for the purpose of effectively creating, maintaining and preserving the lien and security interest created herein and on the Collateral. Mortgagor shall also pay the costs of obtaining reports from appropriate filing officers concerning financing statement filings in respect of any of the Collateral in which a security interest is granted herein.

ARTICLE 5 - DEFAULT

Section 5.01. Events of Default. The term "Event of Default" means the occurrence of any event of default by Mortgagor in the performance of its obligations under the Indemnity Agreement or the occurrence of any event of default by Mortgagor in the performance of any of the covenants or a breach of any of the warranties contained in Article 4 or Section 9.15 of this instrument.

Section 5.02. Acceleration upon Default. Upon the occurrence of any Event of Default, or at any time thereafter, Getty may, at its option, declare the entire Obligations to be immediately performable.

Section 5.03. Operation of Property. Upon the occurrence of an Event of Default, or at any time thereafter, and in addition to all other rights herein conferred on the Trustee, the Trustee (or any person, firm or corporation designated by Getty) will have the right and power, but will not be obligated, to enter upon and take possession of all or any part of the Collateral, to exclude Mortgagor therefrom, and to hold, use, administer, manage and operate the same to the extent that Mortgagor could do so. The Trustee, or any person, firm or corporation designated by Getty, may operate the property without any liability to Mortgagor in connection with the operations except for bad faith; and the Trustee or any person, firm or corporation designated by Getty, will have the right to collect, receive and receipt for all Hydrocarbons produced and sold from the properties, to make repairs, to purchase machinery and equipment, to conduct workover operations, to drill additional wells, and to exercise every power, right and privilege of Mortgagor with respect to the Collateral. Providing there has been no foreclosure sale, when and if the expenses of the operation and development (including costs of unsuccessful work-over operations or additional wells) have been paid and the Obligations performed, the properties shall be returned to the Mortgagor.

Section 5.04. Ancillary Rights. Upon the occurrence of an Event of Default, or at any time thereafter, and in addition to all other rights, Getty may proceed by a suit or suits in equity or at law for

the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, for the appointment of a receiver pending any foreclosure or sale hereunder, or for the enforcement of any other appropriate legal or equitable remedy.

ARTICLE 6 - GETTY'S RIGHTS
AS TO REALTY COLLATERAL UPON DEFAULT

Section 6.01. Judicial Foreclosure. Upon the occurrence of an Event of Default, or at any time thereafter, in lieu of the exercise of the non-judicial power of sale hereafter given, Getty may proceed by suit for foreclosure of its lien and for a sale of the Realty Collateral.

Section 6.02. Non-Judicial Foreclosure (Texas). Upon the occurrence of an Event of Default, or at any time thereafter, the Trustee shall, in response to Getty's request (which Mortgagor agrees will be presumed to have been given), enforce this trust by selling the Realty Collateral situated in Texas in its entirety or in parcels, as the Trustee may elect, to the highest bidder for cash at public auction in the following manner: Where the Realty Collateral is situated in more than one county, it may be sold in any county in which any part is situated. Notice shall be given in each such county and shall designate the county where the sale is to be made. Notice of the proposed sale shall be given by posting written notice thereof at least twenty-one days preceding the date of the sale at the courthouse door of the county in which the sale is to be made, and if the Realty Collateral is in more than one county, one notice shall be posted at the courthouse door of each county in which the Realty Collateral is situated. In addition, at least twenty-one days preceding the date of sale Getty shall serve written notice of the proposed sale by certified mail upon each debtor obligated to perform the Obligations according to Getty's records. Service of the latter notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to each debtor at the most recent address as shown by Getty's records, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that the service was completed shall be prima facie evidence of the fact of service. The sale shall be made at public venue between the hours of 10:00 A.M. and 4:00 P.M. on the first Tuesday in any month. Sale of a part of the Realty Collateral will not exhaust the power of sale, and sales may be made from time to time until all the property is sold or the Obligations are performed in full. The Trustee will have the authority to appoint an attorney-in-fact to act as trustee in conducting the foreclosure sale and executing a deed to the purchasers.

Section 6.03. Non-Judicial Foreclosure (States Other Than Texas). Upon the occurrence of any Event of Default, or at any time thereafter, to the extent permitted by law the Trustee shall, in response to Getty's request (which Mortgagor agrees will be presumed to have been given), enforce this trust by selling the Realty Collateral situated in states other than Texas. The action of the Trustee shall conform to the law of the state where the Realty Collateral is located, and unless prohibited by the law of that state, the Trustee may sell at one or more sales, as an entirety or in parcels, as the Trustee may elect, at such place or places and otherwise in such manner and upon such notice as may be required by law, or, in the absence of any such requirement, as the Trustee may deem appropriate, and to make conveyance to the purchaser or purchasers. The Trustee may postpone the sale of all or any portion of the Realty Collateral by public announcement at the time fixed and place of sale, and from time to time thereafter may further postpone the sale by public announcement made at time of sale fixed by the preceding postponement. Sale of a part of the Realty Collateral will not exhaust the power of sale, and sales may be made from time to time until all the property is sold or the Obligations are performed in full.

ARTICLE 7 - GETTY'S RIGHTS
AS TO PERSONALTY AND FIXTURE COLLATERAL UPON DEFAULT

Section 7.01. Personalty Collateral. Upon the occurrence of an Event of Default, or at any time thereafter, Getty may, without notice to Mortgagor, exercise its right to declare all Obligations secured by the security interest created herein to be immediately performable in which case Getty will have all rights and remedies granted by law and particularly by the Uniform Commercial Code, including but not limited to, the right to take possession of the Personalty Collateral, and for this purpose Getty may enter upon any premises on which any or all of the Personalty Collateral is situated and take possession of and operate Personalty Collateral or remove it therefrom. Getty may require Mortgagor to assemble the Personalty Collateral and make it available to Getty at a place to be designated by Getty which is reasonably convenient to both parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Getty will give Mortgagor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if the notice is mailed, postage prepaid, to Mortgagor at the address designated above at least five days before the time of the sale or disposition.

Section 7.02. Sale with Realty Collateral. In the event of foreclosure, whether judicial or non-judicial, at Getty's option it may proceed under the Uniform Commercial Code as to the Personalty Collateral or it may proceed as to both Realty Collateral and Personalty Collateral in accordance with its rights and remedies in respect of the Realty Collateral.

Section 7.03. Fixture Collateral. Upon the occurrence of an Event of Default, or at any time thereafter, Getty may elect to treat the Fixture Collateral as either Realty Collateral or as Personalty Collateral and proceed to exercise such rights as apply to the type of Collateral selected.

ARTICLE 8 - OTHER PROVISIONS CONCERNING FORECLOSURE

Section 8.01. Getty as Purchaser. Getty will have the right to become the purchaser at any foreclosure sale, and it will have the right to credit upon the amount of the bid the amount payable to it out of the net proceeds of sale.

Section 8.02. Certain Aspects of Non-Judicial Foreclosure. Recitals contained in any conveyance to any purchaser at any sale made hereunder will conclusively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing, nonperformance of the Obligations, advertisement and conduct of the sale in the manner provided herein, and appointment of any successor Trustee hereunder. Any purchaser or purchasers will be provided with a general warranty deed binding Mortgagor. Mortgagor ratifies and confirms all legal acts that the Trustee may do in carrying out the Trustee's duties and obligations under this instrument.

Section 8.03. Effect of Sale. Any sale or sales of the Collateral or any part thereof will operate to divest all right, title, interest, claim and demand whatsoever either at law or in equity, of Mortgagor in and to the premises and the property sold, and will be a perpetual bar, both at law and in equity, against Mortgagor, Mortgagor's heirs, personal representatives, successors or assigns and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under Mortgagor, or Mortgagor's heirs, personal representatives, successors or assigns. The purchaser or purchasers at the foreclosure sale will receive immediate possession of the property purchased; and if Mortgagor retains possession of the Realty Collateral, or any part thereof, subsequent to sale, Mortgagor will be considered a tenant at sufferance of the purchaser or purchasers.

ARTICLE 9 - MISCELLANEOUS

Section 9.01. Application of Proceeds. The proceeds of any sale of the Collateral or any part thereof, whether judicial or non-judicial, will be applied as follows:

(a) First, to the payment of all expenses incurred by Getty and the Trustee in connection therewith, including, without limiting the generality of the foregoing, court costs, legal fees and expenses, a commission to the Trustee of five percent of the sale price of the Realty Collateral, and expenses of any entry or taking of possession, holding, preparing for sale, advertising, selling and conveying;

(b) Second, to the payment of all accrued interest on the Obligations;

(c) Third to the payment of the principal of the Obligations; and

(d) Fourth, any surplus thereafter remaining will be paid to Mortgagor or Mortgagor's successors or assigns, as their interest may appear.

Section 9.02. Deficiency. Mortgagor will remain liable for any deficiency owing on the Obligations after application of the net proceeds of any foreclosure sale.

Section 9.03. Mortgagor's Waiver of Appraisal, Marshalling, etc. Mortgagor agrees that Mortgagor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this instrument, the absolute sale of the Collateral, or the possession thereof by any purchaser at any sale made pursuant to this instrument or pursuant to the decree of any court of competent jurisdiction. Mortgagor, for Mortgagor and all who may claim through or under Mortgagor, hereby waives the benefit of all such laws and to the extent that Mortgagor may lawfully do so under applicable state law, waives any and all right to have the Realty Collateral marshalled upon any foreclosure of the lien hereof or sold in inverse order of alienation, and Mortgagor agrees that the Trustee may sell the Realty Collateral as an entirety. Any sale of the Realty or Personalty Collateral hereunder shall be in a commercially reasonable manner.

Section 9.04. Pooling and Unitization. Mortgagor will have the right and is hereby authorized to pool or unitize all or any part of any Oil and Gas Property with lands, leaseholds and other interests in the vicinity thereof when in the reasonable judgment of Mortgagor, it is necessary or advisable to do so in order to form a drilling unit to facilitate the orderly development of that part of the Oil and Gas Property affected thereby, or to comply with the requirement of any law or governmental order or regulation relating to the spacing of wells or proration of the production therefrom and further provided that the Hydrocarbons produced from any unit so formed will be allocated among the separately owned tracts or interests comprising the unit in proportion to the respective surface areas or mineral acres thereof. Any unit so formed may relate to one or more zones or horizons, and a unit formed for a particular zone or horizon need not conform in area with any unit formed for the production of gas. The interest in any such unit attributable to the Oil and Gas Property (or any part thereof) included therein will become a part of the Realty Collateral and will be subject to the lien hereof in the same manner and with the same effect as though such unit and the interest of Mortgagor therein were specifically described in Exhibit A.

Section 9.05. Successor Trustees. The Trustee may resign in writing addressed to Getty or be removed at any time with or without cause by an instrument in writing duly executed by Getty. In case of the death, resignation or removal of the Trustee, a successor Trustee may be appointed by Getty by instrument of substitution complying with any applicable requirements of law, and in the absence of any such requirement, without other formality than an appointment and designation in writing. Any appointment and designation will be full evidence

of the right and authority to make the same and of all facts therein recited. Upon the making of any appointment and designation, all the estate and title of the Trustee in all of the Realty Collateral will vest in the named successor Trustee, and the successor will thereupon succeed to all the rights, powers, privileges, immunities and duties hereby conferred upon the Trustee. All references herein to the Trustee will be deemed to refer to the Trustee from time to time acting hereunder.

Section 9.06. Advances by Getty or the Trustee. If Mortgagor fails to perform or keep any of its covenants of whatsoever kind or nature contained in this instrument, Getty, or the Trustee or any receiver appointed hereunder, may, but will not be obliged to, make advances to perform the same in Mortgagor's behalf, and Mortgagor hereby agrees to repay the advanced sums and any attorney's fees incurred in connection therewith upon demand plus interest at the maximum lawful rate. No advance will be deemed to relieve Mortgagor from any default hereunder.

Section 9.07. Defense of Claims. Mortgagor shall promptly notify the Trustee and Getty in writing of the commencement of any legal proceedings filed after the Effective Date which affect Getty's interest in the Collateral, or any part thereof, and shall take such action, employing attorneys acceptable to the Trustee and Getty, as may be necessary to preserve Mortgagor's, the Trustee's and Getty's rights affected thereby; and should Mortgagor fail or refuse to take any such action, the Trustee or Getty may take the action in behalf of and in the name of Mortgagor and at Mortgagor's expense. Moreover, Getty or the Trustee on behalf of Getty, may take independent action in connection therewith as they may in their discretion deem proper, and Mortgagor hereby agrees to make reimbursement for all sums advanced and all expenses incurred in such actions plus interest at the maximum lawful rate.

Section 9.08. Termination. If all the Obligations are performed in full and the covenants herein contained are well and truly performed, then all of the Collateral will revert to Mortgagor and the entire estate, right, title and interest of the Trustee and Getty will thereupon cease. In such case Getty shall, upon the request of Mortgagor and at Mortgagor's cost and expense, deliver to Mortgagor proper instruments acknowledging the release of this instrument.

Section 9.09. Renewals, Amendments and Other Security. Renewals and extensions of the Obligations may be given at any time, amendments may be made to agreements relating to any part of the Obligations or the Collateral, and Getty may take or hold other security for the Obligations without notice to or consent of Mortgagor. The Trustee or Getty may resort first to other security or any part thereof, or first to the security herein given or any part thereof or from time to time to either or both, even to the partial or complete abandonment of either security, and such action will not be a waiver of any rights conferred by this instrument.

Section 9.10. Effect of Instrument. This instrument shall be deemed and construed to be, and may be enforced as, an assignment, chattel mortgage or security agreement, contract, deed of trust, financing statement, financing statement filed as a fixture filing, and real estate mortgage, and as any one or more of them if appropriate under applicable state law. This instrument is to be filed in the real estate records of the appropriate jurisdictions and in such other records as Getty may decide. In lieu of filing an original, a photocopy of this instrument may be recorded as a financing statement. Getty is not a seller or purchase-money lender of the collateral covered by this Deed of Trust, Security Agreement and Financing Statement.

Section 9.11. Limitations on Interest. No provision of any note, of the Indemnity Agreement or of any other instrument constituting or evidencing any of the Obligations or any other agreement between the parties shall require the payment or permit the collection of interest in excess of the maximum lawful rate at which Mortgagor may stipulate and agree to pay as determined by a court of competent jurisdiction.

If it be so determined that any excess interest is provided for by any note, the Indemnity Agreement or other agreement, then this Section 9.11 shall govern, and Mortgagor shall not be obligated to pay the amount of interest to the extent that it is in excess of the amount permitted by law, and any excess interest paid shall be credited to Mortgagor.

Section 9.12. Unenforceable or Inapplicable Provisions. If any provision hereof or of any of the written instruments constituting part or all of the Obligations is invalid or unenforceable in any jurisdiction, the other provisions hereof and of the written instruments will remain in full force and effect in that jurisdiction, and the remaining provisions hereof will be liberally construed in favor of the Trustee and Getty in order to carry out the provisions hereof. The invalidity of any provision of this instrument in any jurisdiction will not affect the validity or enforceability of any provision in any other jurisdiction. Any reference herein contained to a statute or law of a state in which no part of the Collateral is situated will be deemed inapplicable to, and not used in, the interpretation hereof.

Section 9.13. Rights Cumulative. Each and every right, power and remedy herein given to the Trustee and Getty, or either of them, herein or in any other written instrument relating to the Obligations will be cumulative and not exclusive; and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Trustee, or Getty, as the case may be, and the exercise, or the beginning of the exercise, of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. A waiver by Getty or the Trustee of any right or remedy on any occasion will not be a bar to the exercise of any right or remedy on any subsequent occasion.

Section 9.14. Non-Waiver. No act, delay, omission or course of dealing between Getty or Trustee and Mortgagor will be a waiver of any of Getty's or Trustee's rights or remedies. No waiver, change or modification in whole or in part of this instrument or any other written instrument will be effective unless in writing and signed by Getty.

Section 9.15. Getty's Expenses. Mortgagor agrees to pay in full all reasonable expenses and reasonable attorneys' fees of Getty which may have been or may be incurred by Getty in connection with the preparation of this instrument and other related documents, the performance of the Obligations, and the enforcement of any of Mortgagor's obligations hereunder and under any documents executed in connection with the Obligations.

Section 9.16. Interpretation.

(a) Article and section headings used in this instrument are intended for convenience only and shall be given no significance whatever in interpreting and construing the provisions of this instrument.

(b) As used in this instrument, "Getty", "Trustee" and "Mortgagor" include their respective heirs, personal representatives, successors and assigns. Unless the context otherwise requires, words in the singular number include the plural and in the plural number include the singular. Words of the masculine gender include the feminine and neuter gender, and words of the neuter gender may refer to any gender.

(c) The term "Mortgagor" includes all persons who execute this instrument as Mortgagor. If more than one person executes this instrument as Mortgagor, their duties and liabilities under this instrument will be joint and several.

Section 9.17. Counterparts. This instrument may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular counterpart portions of Exhibit A hereto which describe properties situated in counties (or

parishes) other than the county (or parish) in which the counterpart is to be recorded may have been omitted.

Executed this 21st day of September, 1983.

MORTGAGORS:

PANGAEA RESOURCE CORPORATION

By: *Hans G. Schmidt*
Hans G. Schmidt, President

PANGAEA PETROLEUM, INC.

By: *Hans G. Schmidt*
Hans G. Schmidt, President

COPY

STATE OF COLORADO §

COUNTY OF DENVER §

This instrument was acknowledged before me this 21st day of September, 1983, by Hans G. Schmidt, President of Pangaea Resource Corporation, a Colorado corporation, on behalf of said corporation.

Debra Hindin

Debra Hindin,
Notary Public
State of Colorado,
County of Denver

(Seal)

My Commission Expires: 12/31/84

PANGAEA RESOURCE CORPORATION
1625 BROADWAY, SUITE 770
DENVER, COLORADO 80202

STATE OF COLORADO §

COUNTY OF DENVER §

This instrument was acknowledged before me this 21st day of September, 1983, by Hans G. Schmidt, President of Pangaea Petroleum, Inc., a Colorado corporation, on behalf of said corporation.

Debra Hindin

Debra Hindin,
Notary Public
State of Colorado,
County of Denver

(Seal)

My Commission Expires: 12/31/84

PANGAEA RESOURCE CORPORATION
1625 BROADWAY, SUITE 770
DENVER, COLORADO 80202

EXHIBIT A

ATTACHED TO AND FORMING A PART OF DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT dated as of August 1, 1983, from PANGAEA RESOURCE CORPORATION, a Colorado Corporation, and PANGAEA PETROLEUM, INC., a Colorado Corporation, to STEWART TITLE GUARANTY COMPANY, Trustee for the benefit of GETTY OIL COMPANY, a Delaware Corporation.

This Exhibit contains the specific descriptions of the Oil and Gas Property which is referred to in Section 1.01(g) of the Deed of Trust, Security Agreement and Financing Statement as being specifically described in Exhibit A. This Exhibit consists of Divisions for each State in which such Oil and Gas Property is located. Each Division is comprised of one or more Subdivisions for each County in which such Oil and Gas Property is located.

Each Oil and Gas Property described in this Exhibit is all of the right, title and interest of Mortgagor in and to an oil and gas (or oil, gas and mineral) lease or leases. Each lease is described in this Exhibit by reference to the name of the parties (lessor and lessee), the date of the lease, the book (or volume) and page of the record thereof, and a description of the lands covered thereby. The Oil and Gas Properties are arranged according to the State and County in which they are situated.

Certain of the Oil and Gas Properties may be subject to matters not described in this Exhibit, including: (a) contracts for the sale of oil, gas and/or casinghead gas; (b) obligations to offer to assign to third parties prior to surrendering the Oil and Gas Property; (c) assignments, agreements or other instruments creating or reserving an overriding royalty, payment out of production or similar interest; (d) easements and rights-of-way, either of record or apparent from an inspection of the premises on the ground; (e) operating agreements, farmouts, electrical service agreements, well servicing agreements, drilling contracts, pooling or unitization declarations, agreements and/or orders, processing contracts, salt water disposal agreements, and other similar instruments and agreements; and (f) specific reservations, exceptions, restrictions, limitations, conditions and other matters, if any, set forth in any of the types of instruments described in (a) through (e), and other similar instruments and agreements, or set forth in the oil and gas (or oil, gas and mineral) leases described in this Exhibit. This Deed of Trust, Assignment, Security Agreement and Financing Statement is expressly made subject to such interests to the extent that such matters or interests are presently valid and subsisting.

The numbers and names assigned to the Mortgaged Properties in this Exhibit are not to be considered as part of the descriptions thereof.

SUBDIVISION 4.1

EUREKA COUNTY, NEVADA

Undivided 16.43% interest in the following described Oil and Gas, or Oil, Gas and Mineral Leases:

- (1) Lease No.: NV-0401-5-001
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17584
Description: T19N-R49E
Section 6: Lots 1-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 7: Lots 1-4, E $\frac{1}{4}$ W $\frac{1}{2}$, E $\frac{1}{4}$
Section 18: Lots 1-4, E $\frac{1}{4}$ W $\frac{1}{2}$, E $\frac{1}{4}$
Section 19: Lots 1-4, E $\frac{1}{4}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$
- (2) Lease No.: NV-0401-5-002
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17585
Description: T19N-R49E
Section 8: All
Section 9: All
Section 16: All
Section 17: All
- (3) Lease No.: NV-0401-5-003
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17586
Description: T19N-R49E
Section 15: All
Section 22: All
Section 23: All
Section 27: All
- (4) Lease No.: NV-0401-5-004
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17587
Description: T19N-R49E
Section 20: E $\frac{1}{4}$, E $\frac{1}{4}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 21: All
Section 28: All
Section 29: All
- (5) Lease No.: NV-0401-5-005
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17588
Description: T19N-R49E
Section 31: Lots 1-4, E $\frac{1}{4}$ W $\frac{1}{2}$, E $\frac{1}{4}$
Section 32: All
Section 33: All
Section 34: All
- (6) Lease No.: NV-0401-5-006
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17589
Description: T18N-R49E
Section 3: Lots 3-6
Section 4: Lots 1-12

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Section 5: Lots 1-12
Section 6: Lots 1-12
T19N-R49E
Section 30: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

- (7) Lease No.: NV-0401-5-007
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17590
Description: T20N-R48E
Section 15: All
Section 22: All
Section 23: All
Section 24: All
- (8) Lease No.: NV-0401-5-008
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17591
Description: T20N-R48E
Section 25: All
Section 26: All
Section 27: All
Section 28: All
- (9) Lease No.: NV-0401-5-009
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17592
Description: T20N-R48E
Section 33: All
Section 34: All
Section 35: All
Section 36: All
- (10) Lease No.: NV-0401-5-010
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17593
Description: T19N-R48E
Section 1: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 3: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 4: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
- (11) Lease No.: NV-0401-5-013
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17596
Description: T19N-R48E
Section 10: All
Section 11: All
Section 14: All
Section 15: All
- (12) Lease No.: NV-0401-5-073
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 4-1-79
BLM No.: N-20411
Description: T19N-R48E
Section 12: All
Section 13: All
Section 24: All
Section 25: All

- (13) Lease No.: NV-0401-5-074
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 4-1-79
BLM No.: N-20412
Description: T19N-R48E
Section 22: All
Section 23: All
Section 26: All
Section 27: All
- (14) Lease No.: NV-0401-5-077
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 7-1-79
BLM No.: N-20415
Description: T19N-R48E
Section 33: All
Section 34: All
Section 35: All
Section 36: All
- (15) Lease No.: NV-0401-5-078
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 7-1-79
BLM No.: N-20416
Description: T18N-R48E
Section 1: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$
Section 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 3: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 4: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
- (16) Lease No.: NV-0401-5-108A
Lessor: Mary Helen Conlan, a widow
Lessee: James E. Sullivan
Date: 3-18-80
Volume: 81
Page: 337
Description: T18N-R48E
Section 14: E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$,
SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$,
SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$,
NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$,
N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 23: N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$
T19N-R49E
Section 19: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 20: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

SUBDIVISION 4.2

EUREKA AND LANDER COUNTIES, NEVADA

Undivided 16.43% interest in the following described Oil and Gas, or Oil, Gas and Mineral Leases:

- (1) Lease No.: NV-0401-5-011
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17594
Description: T19N-R48E
 Section 5: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
 Section 6: Lots 1-7, SE $\frac{1}{2}$ NW $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{2}$,
 E $\frac{1}{2}$ SW $\frac{1}{2}$, SE $\frac{1}{2}$
 Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
 Section 18: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
- (2) Lease No.: NV-0401-5-012
Lessor: United States of America
Lessee: Suzanne D. Bucy, et vir
Date: 6-1-79
BLM No.: N-17595
Description: T19N-R48E
 Section 8: All
 Section 9: All
 Section 16: All
 Section 17: All
- (3) Lease No.: NV-0401-5-070
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 6-1-79
BLM No.: N-18259
Description: T18N-R48E
 Section 5: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 6: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$
 Section 7: N $\frac{1}{2}$ NE $\frac{1}{4}$
- (4) Lease No.: NV-0401-5-075
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 4-1-79
BLM No.: N-20413
Description: T19N-R48E
 Section 20: All
 Section 21: All
 Section 28: All
 Section 29: All
- (5) Lease No.: NV-0401-5-076
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 4-1-79
BLM No.: N-20414
Description: T19N-R48E
 Section 19: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
 Section 30: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
 Section 31: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
 Section 32: All
- (6) Lease No.: NV-0401-5-079
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 9-1-79
BLM No.: N-20417

Description: T18N-R48E
Section 5: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 6: Lots 1-6
Section 7: Lots 2-4, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 18: Lots 1-4, E $\frac{1}{2}$ E $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$

(7) Lease No.: NV-0401-5-080
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 7-1-79
BLM No.: N-20418
Description: T18N-R48E
Section 8: All
Section 9: All
Section 10: All
Section 11: N $\frac{1}{2}$, SW $\frac{1}{4}$

(8) Lease No.: NV-0401-5-081
Lessor: United States of America
Lessee: Faye J. Veal, et vir
Date: 7-1-79
BLM No.: N-20419
Description: T18N-R48E
Section 17: All
Section 19: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$
Section 31: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$

RECORDED AT REQUEST OF
Underwood, Wilson, Berry, Stein & Johnson
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.H. REBALEATI, RECORDER
FILE NO. 89218
FEE \$ 21.00

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