

132055

FIRST SUPPLEMENT TO MORTGAGE - DEED OF TRUST - ASSIGNMENT
OF PRODUCTION - SECURITY AGREEMENT AND FINANCING STATEMENT

First Supplement to Mortgage - Deed of Trust - Assignment of Production - Security Agreement and Financing Statement (hereinafter referred to as the "First Supplement") made by and between Scott A. Harris and wife, Janet H. Harris, and Abby Corporation, a New Mexico Corporation (hereinafter collectively referred to as "Mortgagors"), whose address is P.O. Box 1629, Grand Junction, Colorado 81502, and Jesse F. Eckel, Trustee (hereinafter referred to as the "Trustee") and United New Mexico Bank at Roswell, N.A., a national banking association, whose address is P.O. Box 1977, 400 North Pennsylvania, Roswell, New Mexico 88201 (hereinafter referred to as the "Bank").

WITNESSETH:

WHEREAS, the Mortgagors and Trustee and the Bank entered into that certain Mortgage Deed of Trust - Assignment of Production - Security Agreement and Financing Statement dated February 9, 1987, which was recorded in the county and state offices identified on Exhibit "A" attached hereto and is incorporated for all purposes herein (hereafter referred to as the "original Mortgage" or "Mortgage");

WHEREAS, Mortgagors and Bank have entered into an agreement to restructure, rearrange, renew and extend the indebtedness as evidenced by the Notes in the original Mortgage by Mortgagors execution and delivery of two renewal promissory notes which are more particularly described below and to include additional properties to the Mortgage:

(a) Renewal Promissory Note dated March 7, 1990, from Mortgagors payable to the order of Bank in the principal amount of Six hundred, ninety-nine thousand, nine hundred sixty-six Dollars and Fifty-three cents (\$699,966.53) bearing interest at a floating rate equal to the Chase Manhattan Bank of New York prime rate plus 2%, with accrued interest payable monthly beginning March 29, 1990, and on the 29th day of each month thereafter until June 29, 1990, when principal and all accrued interest is due and payable in full. Reference is made to said note for all purposes and is hereinafter referred to as New Note A;

(b) Renewal Promissory Note dated March 7, 1990, from Mortgagors payable to the order of Bank in the principal amount of Three hundred thousand Dollars (\$300,000.00) bearing interest at a floating rate equal to the Chase Manhattan Bank of New York prime rate plus 2%, with accrued interest payable monthly beginning March 29, 1990, and on the 29th day of each month thereafter until June 29, 1990, when principal and all accrued interest is due and payable in full. This is a revolving line of credit note and to date \$250,000.00 has been advanced thereunder. Any additional advances made hereunder shall be within the sole discretion of Bank. Reference is made to said note for all purposes and is hereafter referred to as New Note B.

New Note A and New Note B may sometimes be collectively referred to as the "New Notes";

See BK 209 Pg 344 for First mort.
See BK 235 Pg 411 for Second Supp.

WHEREAS, the Original Mortgage as amended by this First Supplement, secures Mortgagors' performance of the New Notes and all indebtedness of Mortgagors which are payable to Bank;

WHEREAS, Mortgagors have agreed to deliver to the Bank this First Supplement;

NOW, THEREFORE, in order to secure the payment of the indebtedness evidenced by the New Notes, including any renewals, rearrangements or extensions thereof, as well as all indebtedness secured by the original Mortgage, and by this First Supplement and the performance of the covenants and agreements contained in the original Mortgage and this First Supplement, and in consideration of the sum of ten dollars and other valuable consideration in hand paid by Bank to Mortgagors, the receipt of which is hereby acknowledged, Mortgagors, and Bank do hereby amend the Mortgage and agree as follows:

1. The properties and interests described on the attached Exhibit "B" to this First Supplement shall be deemed to be included within Exhibit "A" to the original Mortgage and shall be considered part of the "Mortgaged Property."

2. Wherever the term "Mortgage" and "Note A, Note B and Note C" or "the Notes" appear in the Mortgage, the same are hereby amended to read "Mortgage and First Supplement" and "New Note A and New Note B" or "the New Notes," respectively.

3. The obligation which is identified on page 3 of the original Mortgage shall be amended to reflect the renewal New Notes A and B as more particularly described above and the fact that New Notes A and B are renewal notes of Notes A, B and C as identified in the original Mortgage.

Except as amended hereby, the Mortgage shall remain in full force and effect, and for the same consideration recited above, Mortgagors hereby grant, bargain, sell, assign, mortgage, transfer and convey unto Jesse E. Eckel, of Roswell, Chaves County, New Mexico, as Trustee, and for the Mortgaged Property in the State of Colorado, unto the Public Trustee for each county in which Mortgaged Property is located in the State of Colorado, and their successor and substitutes in trust with power of sale hereunder, and upon the statutory mortgage condition, for the use and benefit of Bank, the Mortgaged Property (as described in Exhibit A to the Mortgage as amended by this First Supplement, incorporating the property listed on Exhibit "A" hereto) subject to and under all the terms and provisions of the original Mortgage as amended by this First Supplement.

This instrument is being executed in multiple counterpart originals, all of which are identical. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument. However, to facilitate recordation, in any particular counterpart portions of Exhibit "B" hereto which describe property situated in counties other than the county in which such counterpart is to be recorded may have been omitted.

WITNESS THE EXECUTION HEREOF, this 22 day of March, 1990, but effective as of March 7, 1990 (the "Effective Date").

MORTGAGORS AND DEBTORS:

Scott A. Harris
Scott A. Harris

Janet H. Harris
Janet H. Harris

ABBY CORPORATION

By Scott A. Harris
Scott A. Harris, President

BANK AND SECURED PARTY:

UNITED NEW MEXICO BANK AT
ROSWELL, N.A.

By Jesse F. Eckel
Jesse F. Eckel
Senior Vice President

TRUSTEE:

Jesse F. Eckel
Jesse F. Eckel

The names, addresses and taxpayer I.D. numbers of the three Debtors are:

SCOTT A. HARRIS,
JANET H. HARRIS and
ABBY CORPORATION
P.O. Box 1629
Grand Junction, Colorado 81502

I.D. Number

 -5459
 -9475
 -9313

The name and address of the Secured Party is:

UNITED NEW MEXICO BANK AT ROSWELL, N.A.
P.O. Box 1977
400 North Pennsylvania
Roswell, New Mexico 88202-1977

ACKNOWLEDGEMENTS

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

COLORADO

The foregoing instrument was acknowledged before me this 22 day of March, 1990, by Scott A. Harris and wife, Janet H. Harris.

Witness my hand and official seal.

The foregoing instrument was acknowledged before me this 22 day of March, 1990, by Scott A. Harris, as President of Abby Corporation.

Witness my hand and official seal.

MONTANA AND NORTH DAKOTA

On this 22 day of March, in the year 1990, before me, Doris S. Van Leen, a Notary Public, personally appeared Scott A. Harris and Janet H. Harris, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

On this 22 day of March, in the year 1990, before me, Doris S. Van Leen, a Notary Public, personally appeared Scott A. Harris, known to me to be the President of Abby Corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

NEW MEXICO

The foregoing instrument was acknowledged before me this 22 day of March, 1990, by Scott A. Harris and wife, Janet H. Harris.

The foregoing instrument was acknowledged before me this 22 day of March, 1990, by Scott A. Harris, President of Abby Corporation, a New Mexico corporation, on behalf of said corporation.

WYOMING

The foregoing instrument was acknowledged before me by Scott A. Harris and Janet H. Harris, husband and wife, this 22 day of March, 1990.

Witness my hand and official seal.

The foregoing instrument was acknowledged before me by Scott A. Harris, President of Abby Corporation, this 22 day of March, 1990.

Witness my hand and official seal.

NEVADA

On this 22 day of March, 1990, personally appeared before me, Scott A. Harris and Janet H. Harris, husband and wife, who acknowledged that they executed the above instrument.

On this 22 day of March, 1990, personally appeared before me, Scott A. Harris, the President of Abby Corporation, a New Mexico corporation, who acknowledged that he executed the above instrument on behalf of said corporation.

Doris S. Van Loan
Notary Public

My Commission Expires: APR 23 1990

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.

COLORADO

The foregoing instrument was acknowledged before me this 26th day of March, 1990, by Jesse F. Eckel, as Vice President of United New Mexico Bank at Roswell, N.A.

Witness my hand and official seal.

The foregoing instrument was acknowledged before me this 26th day of March, 1990, by Jesse F. Eckel, Trustee.

Witness my hand and official seal.

MONTANA AND NORTH DAKOTA

On this 26th day of March, in the year 1990, before me, Doris S. Van Loan, a Notary Public, personally appeared Jesse F. Eckel, known to me to be the Vice President of United New Mexico Bank at Roswell, N.A., that executed the within instrument, and acknowledged to me that such national banking association executed the same.

On this 26th day of March, in the year 1990, before me, Doris S. Van Loan, a Notary Public, personally appeared Jesse F. Eckel, Trustee, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same. BOOK 209 PAGE 347

NEW MEXICO

The foregoing instrument was acknowledged before me this 26th day of March, 1990 by Jesse F. Eckel, Vice President of United New Mexico Bank at Roswell, N.A., a national banking association, on behalf of said association.

The foregoing instrument was acknowledged before me this 26th day of March, 1990 by Jesse F. Eckel, Trustee.

WYOMING

The foregoing instrument was acknowledged before me by Jesse F. Eckel, Vice President of United New Mexico Bank at Roswell, N.A., this 26th day of March, 1990.

Witness my hand and official seal.

The foregoing instrument was acknowledged before me by Jesse F. Eckel, Trustee, this 26th day of March, 1990.

Witness my hand and official seal.

NEVADA

On this 26th day of March, 1990, personally appeared before me, Jesse F. Eckel, Vice President of United New Mexico Bank at Roswell, N.A., a national banking association, who acknowledged that he executed the above instrument on behalf of said association.

On this 26th day of March, 1990, personally appeared before me, Jesse F. Eckel, Trustee, who acknowledged that he executed the above instrument.

SEAL



Wm. Smith
Notary Public

My Commission Expires:

2/3/92

EXHIBIT A

FIRST SUPPLEMENT TO MORTGAGE - DEED OF TRUST -
ASSIGNMENT OF PRODUCTION - SECURITY AGREEMENT
AND FINANCING STATEMENT

FILING OF ORIGINAL MORTGAGE

	<u>DATE FILED OR RECORDED</u>	<u>FINANCING STATEMENT No. OR BOOK/PAGE OF RECORDING</u>
A. State of Colorado		
Secretary of State Financing Statement	3/2/87	FS #00968588
Dolores County Mortgage	3/5/87	230/468
Financing Statement	3/5/87	FS #5395
B. State of Montana		
Secretary of State	3/3/87	FS #253204
Liberty County Mortgage	3/14/90	17/721
Financing Statement	Filed Contemporaneous herewith	
Pondera County Mortgage	3/14/90	71/563
Financing Statement	Filed Contemporaneous herewith	Doc. #279395
Toole County Mortgage	3/5/87	63/447
Financing Statement	3/5/87	FS #311998
C. State of New Mexico		
Secretary of State Financing Statement	3/3/87	FS #870303007
Chaves County Mortgage	3/2/87	433/932
Lea County Mortgage	3/2/87	497/199
Rio Arriba County Mortgage	3/13/90	153/634
Roosevelt County Mortgage	3/13/90	180/851
D. State of Nevada		
Secretary of State Financing Statement	Filed Contemporaneous herewith	
Eureka County Mortgage	3/19/90	209/259

E. State of Wyoming

Secretary of State
Financing Statement 3/2/87 FS #19657

Campbell County
Mortgage 3/15/90 1096/298
Financing Statement Filed
Contemporaneous
herewith

Carbon County
Mortgage 3/4/87 822/504
Financing Statement 3/4/87 FS #U38877

Sweetwater County
Mortgage 3/19/90 669/4,048
Financing Statement Filed
Contemporaneous
herewith

Washakie County
Mortgage 3/4/87 No. 390598
50/1694-1714
Separate Security
Agreement filed
#59651
Financing Statement 3/4/87 FS #390599

EXHIBIT B

FIRST SUPPLEMENTAL MORTGAGE - DEED OF TRUST -
ASSIGNMENT OF PRODUCTION - SECURITY AGREEMENT
AND FINANCING STATEMENT

INTRODUCTION AND INDEX

This is an introduction to the Exhibit "B" which is referred to in the First Supplement to Mortgage, Deed of Trust, Assignment of Production, Security Agreement, and Financing Statement (herein called the "Mortgage"), dated March 7, 1990 by and between SCOTT A. HARRIS and wife, JANET H. HARRIS, and ABBY CORPORATION as Mortgagors, and UNITED NEW MEXICO BANK AT ROSWELL, N.A. and JESSE F. ECKEL, Trustee.

1. Capitalized terms which are used but not defined in this introduction are used as defined in the original Mortgage or in the First Supplement.

2. To facilitate recordation of the First Supplement, a complete description of all of the Specified Property which comprises a portion of the Mortgaged Property (herein called a "Complete Exhibit B") is attached only to that counterpart of the First Supplement which will be filed in the office of the County Clerk for the County of Chaves, State of New Mexico, and all other counterparts of the Mortgage will have attached thereto only such portions of the Complete Exhibit B (herein called a "Partial Exhibit B") as will describe those portions of the Specified Property located in the particular jurisdiction in which such counterpart of the Mortgage is to be filed and/or recorded.

The Complete Exhibit B consists of this Introduction and Index, followed by the detailed descriptions of the Specified Property consisting of properties located in Toole, Pondera and Liberty Counties, Montana; Chaves, Roosevelt, Rio Arriba, and Lea Counties, New Mexico; Sweetwater, and Campbell Counties, Wyoming; and Eureka County, Nevada.

Partial Exhibit B consists of this Introduction and Index followed by the detailed descriptions of the Specified Property which comprises a portion of the Mortgaged Property consisting of a relevant portion only of such descriptions and including pages bearing page numbers which corresponded to the page numbers of the Complete Exhibit B.

3. Depth limitations, unit designations, unit tract descriptions and descriptions of undivided leasehold interests, well names, "Operating Interests", "Working Interests" and "Net Revenue Interests" contained in this Exhibit "B" shall not be deemed to limit or otherwise diminish the interests being subjected to the lien, security interest and encumbrances of this First Supplement, it being the express intent of the parties hereto that all right, title and interest of the Mortgagor is to be pledged, mortgaged, hypothecated and conveyed hereunder and that numerical designations of any kind whatsoever contained in this Exhibit are solely of the parties hereto and as stated shall not be deemed as a limitation in any form or fashion.

4. Some of the land descriptions in this Exhibit "B" may refer only to a portion of the land covered by a particular lease or operating agreement. This Mortgage is not limited to the land described in Exhibit "B" but is intended to cover the entire interest of Mortgagor in any lease or operating agreement described in Exhibit "B" even if such interest relates to land not described in Exhibit "B". To the extent that the land description in this Exhibit "B" are incomplete, incorrect or not equally sufficient, the land descriptions contained in the documents so recorded are incorporated herein by this reference.

It is not the intent of Mortgagors or Bank to cloud third parties title by the recording of this First Supplement. Where Mortgagors own no interest in any separate portion of the lands identified in this Exhibit and do not acquire any rights therein in the future, this Mortgage does not in and of itself make an adverse claim to a third party's valid title. This Mortgage only covers interests of the Mortgagors in and to the lands identified or such lands as included by virtue of this paragraph.

5. References in Exhibit "B" to instruments on file in the public records are made for all purposes. Unless provided otherwise, all recording references in Exhibit "B" are to the official real property records of the county or counties (or parish or parishes) in which the mortgaged property is located and in which records such documents are or in the past have been customarily recorded, whether Deed Records, Oil and Gas Records, Oil and Gas Lease Records or other records.

AMENDED COMPLETE INDEX OF EXHIBIT B
FIRST SUPPLEMENT TO MORTGAGE - DEED OF TRUST -
ASSIGNMENT OF PRODUCTION - SECURITY AGREEMENT
AND FINANCING STATEMENT

<u>County</u>	<u>State</u>	<u>Exhibit Pages</u>
Toole	Montana	1-1
Pondera	Montana	1-1
Liberty	Montana	1-1
Lea	New Mexico	1-2 and 2-2
Chaves	New Mexico	1-3, 2-3 and 3-3
Roosevelt	New Mexico	1-1
Rio Arriba	New Mexico	1-1
Eureka	Nevada	1-1
Sweetwater	Wyoming	1-1
Campbell	Wyoming	1-1

EXHIBIT B

TO THAT CERTAIN MORTGAGE, DEED OF TRUST, ASSIGNMENT OF PRODUCTION,
SECURITY AGREEMENT AND FINANCING STATEMENT DATED FEBRUARY 9, 1987

I. Abby Corporation's 12.50% interest in that certain NEVADA PROJECT AGREEMENT dated June 15, 1987 between Hanagan Petroleum Corporation as Manager and Abby Corporation, et al, as Participants, covering the following described property known as the Pine Valley Area of Mutual Interest situated in Eureka County, NV:

Mount Diablo Base and Meridian

Township 24 North - Ranges 49 and 50 East
Township 25 North - Ranges 49, 50 and 51 East
Township 26 North - Ranges 49, 50 and 51 East
Township 27 North - Ranges 50 and 51 East

Subject to that certain PARTICIPATION AGREEMENT and that certain OPERATING AGREEMENT dated February 5, 1990 between Hanagan Petroleum Corporation as operator and Marbob Energy Corporation, et al, as non-operators, covering the following described property:

U.S.A. Oil & Gas Lease N-46842 dated 10/01/87

Township 25 North - Range 51 East, MDM
Section 15: All Section 16: All Section 17: All
Section 18: Lots 1,2,3,4, E/2W/2, E/2
Section 19: Lots 1,2,3,4, E/2NW/4, NE/4SW/4, E/2
Section 20: All Section 21: All Section 22: All
Section 23: All Section 24: All Section 25: All
Section 26: N/2, SE/4, N/2SW/4, SE/4SW/4
Section 27: All Section 28: All Section 29: All
Section 30: Lots 1,4, E/2SW/4, SE/4, S/2NE/4, NE/4E/4

Jackpot #1 5.5% WI 4.5375% NRI
Location of well: Section 20: NW/4

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 209 PAGE 344
Hinkle, Cox, Eaton,
30 APR -2 4:55pm
Coffield & Hensley
EUREKA COUNTY, NEVADA
M.M. REBALEATI, RECORDER
FILE NO. FILE #1500
132055