

BOOK 406 PAGE 279-289
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EUREKA COUNTY, NEVADA
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FILE NO. FEES 24.00

196155

AMENDMENT TO DEEDS OF TRUST

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TO BE FILED IN EUREKA COUNTY, NEVADA

AMENDMENT TO DEEDS OF TRUST

This amendment ("Amendment") is effective as of the 29th day of December, 2004 by and between GULF COAST PACKAGE, LTD. (hereinafter sometimes called "Gulf Coast"), a Texas limited partnership (Federal Taxpayer Identification Number 75-2430642), with a mailing address of 8150 N. Central Expressway, Suite 400, Dallas, Texas 75206, ELAND ENERGY, INC. (hereinafter sometimes called "Eland"), a Texas corporation (Federal Taxpayer Identification Number 75-2078004), with a mailing address of 8150 N. Central Expressway, Suite 400, Dallas, Texas 75206 (Gulf Coast and Eland are hereinafter collectively referred to herein as the "Grantor"), and JPMORGAN CHASE BANK, N.A. (successor by merger to Bank One, N.A. (Illinois)), a national banking association (Federal Taxpayer Identification Number 75-2270994), as agent for itself and each and every financial institution participating as a Bank. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them pursuant to the Loan Agreement (as hereinafter defined).

RECITALS

a. Grantor and JPMorgan Chase (JPMorgan Chase in its capacity as a lender under the Loan Agreement together with each and every other lender who becomes a party to the Loan Agreement are hereinafter collectively referred to as "Banks", and individually as "Bank") and JPMorgan Chase, as Agent for Banks ("Agent"), are parties to that certain Restated Loan Agreement dated November 1, 2000, as same has been amended and restated from time-to-time (the "Loan Agreement");

b. Grantor has requested, and Agent and Banks have agreed to amend the Loan Agreement to, among other things, extend the Maturity Date to December 31, 2008.

c. As a condition to the agreement of Agent and Banks to amend the Loan Agreement, Agent and Banks have required, inter alia, that the instruments particularly referenced, identified and described on Schedule 1, attached hereto and incorporated herein (the "Deeds of Trust"), which encumber the property therein described, be amended by the execution of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, Agent and Banks, hereby agree as follows:

A. All recitals stated in paragraphs a through c above are true and correct. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them pursuant to the Loan Agreement (as hereinafter defined). For good and valuable consideration, which is hereby acknowledged, Grantor and Agent hereby amend the Deeds of Trust as follows:

1. Loan Agreement. As used in the Deeds of Trust, the term "Loan Agreement" shall mean that certain Restated Loan Agreement dated as of November 1, 2000 by and among

Gulf Coast Package, Ltd. ("Borrower") and JPMorgan Chase Bank, N.A. (successor by merger to Bank One, N.A. (Illinois)), a national banking association ("JPMorgan Chase") (JPMorgan Chase in its capacity as a lender under the Loan Agreement together with each and every other lender who becomes a party to the Loan Agreement are collectively referred to as "Banks", and individually as "Bank") and JPMorgan Chase, as Agent for Banks ("Agent") (said Restated Loan Agreement, as amended by that certain First Amendment to Restated Loan Agreement dated July 1, 2002, as amended by that certain Second Amendment to Restated Loan Agreement dated August 11, 2003, as amended by that certain Third Amendment to Restated Loan Agreement dated December 29, 2004, and as may be further amended or restated from time to time, referred to as the "Loan Agreement"; capitalized terms not defined herein shall have the meaning set forth in the Loan Agreement).

2. Secured Indebtedness. Article 2 of each of the Deeds of Trust is hereby amended in its entirety to read as follows:

2.1 This Deed of Trust is given to secure payment and performance of the following promissory notes, indebtedness, obligations and liabilities, to wit:

(a) The Commitment of Agent and Banks to make loans pursuant to the Loan Agreement to Gulf Coast, from time to time in amounts not to exceed, in the aggregate principal amount outstanding at any time, \$75,000,000.00, together with any and all promissory notes at any time representing all or any part of the Commitment, any and all renewals, increases, refundings, substitutions, replacements, consolidations and/or extensions of or for any such promissory notes and without limiting the foregoing, including but not limited to, that certain Amended and Restated Revolving Note dated the 29th day of December, 2004, in the original principal amount of SEVENTY-FIVE MILLION AND NO/100 DOLLARS (\$75,000,000.00), executed by Gulf Coast payable to the order of JPMorgan Chase Bank, N.A., bearing interest as provided in the Loan Agreement and containing usual and customary provisions for collection and attorneys' fees, and any and all renewals, increases, refundings, substitutions, replacements, consolidations, and/or extensions thereof or therefor, or any part thereof (the "Note");

(b) All indebtedness, obligations and liabilities of Grantor arising pursuant to the provisions of any loan agreement, including, without limitation, the Loan Documents, or any of them, whether now existing or hereafter arising, executed or to be executed between Grantor and Agent, Banks or any Bank, or any affiliate of any Bank, and all supplements, amendments, restatements, modifications and replacements thereof or therefor, together with any and all renewals, increases, refundings, substitutions, replacements, consolidations and/or extensions of or for any such indebtedness, obligations and liabilities, or any part thereof;

(c) All indebtedness, obligations and liabilities arising pursuant to the provisions of this Deed of Trust, and any and all other deeds of trust, mortgages, indentures, security agreements, pledge agreements, collateral mortgages,

collateral chattel mortgages, assignments, or other conveyances, whether now existing or hereafter arising, and all supplements, amendments, restatements, modifications and replacements thereof or therefor, executed or to be executed by Grantor or any guarantor of the Secured Indebtedness to or for the use and benefit of Agent, Banks or any Bank, or any affiliate of any Bank, together with any and all renewals, increases, refundings, substitutions, replacements, consolidations and/or extensions of or for any such indebtedness, obligations and liabilities, or any part thereof (hereinafter collectively referred to as the "Security Instruments");

(d) All loans and advances which Agent, Banks or any Bank, or any affiliate of any Bank, may hereafter make to Grantor, including, without limitation, any other debt or obligation secured hereby, this Deed of Trust shall also secure unpaid balances of advances heretofore and hereafter made with respect to the Mortgaged Properties, for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Mortgaged Properties, and any and all renewals, increases, refundings, substitutions, replacements, consolidations and/or extensions of any and all such loans and advances, or any part thereof;

(e) Any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of Grantor to Agent, Banks or any Bank, or any affiliate of any Bank, arising under or in connection with Rate Management Transactions (as hereinafter defined). For the purposes hereof, the term "Rate Management Transactions" means any transactions (including an agreement with respect thereto) now existing or hereafter entered into among Grantor with Agent, Banks or any Bank, or any affiliate of any Bank, which is a rate swap, basic swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, forward exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures; and

(f) All other and additional debts, obligations and liabilities of every kind and character of Grantor, now existing or hereafter arising in favor of Agent, Banks or any Bank, or any affiliate of any Bank, regardless of whether such debts, obligations and liabilities are direct or indirect, primary or secondary, joint, several or joint and several, fixed or contingent, and regardless of whether such present or future debts, obligations and liabilities may, prior to their acquisition by Agent, Banks or any Bank, or any affiliate of any Bank, be or have been payable to, or be or have been in favor of, some other persons or have been acquired by Agent, Banks or any Bank, or any affiliate of any Bank, in a transaction with one other than Grantor, together with any and all renewals, increases, refundings, substitutions, replacements, consolidations and/or

extensions of or for any and all such debts, obligations, and liabilities, or any part thereof (it being contemplated that Agent, Banks or any Bank, or any affiliate of any Bank, may lend additional sums of money to Grantor from time to time, but shall not be obligated to do so, and that all such additional sums and loans shall be part of the "Secured Indebtedness" as hereinafter defined).

The term "Secured Indebtedness," as used herein, shall mean all of the indebtedness, obligations and liabilities described or referred to above in Subsections (a) through (f), inclusive, of this Section 2.1 and shall be prioritized as specified in the Loan Agreement. The term "holder", as used herein, shall mean the holder or holders of the Secured Indebtedness or any part thereof.

2.2 *This Deed of Trust secures future indebtedness and obligations up to a maximum principal amount of ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000).*

3. Security Agreement. Article 6 of each of the Deeds of Trust is hereby amended in its entirety to read as follows:

6.1 *With respect to all personal property and fixtures comprising a part of the Mortgaged Properties, together with all proceeds and products thereof (hereinafter collectively referred to as the "Collateral"), this Deed of Trust shall likewise be a security agreement, and for a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of further securing payment and performance of the Secured Indebtedness, Grantor hereby grants to Agent for the benefit of Banks a security interest in the Collateral including, without limitation, all rights now owned and at any time hereafter acquired by Grantor in all (a) Hydrocarbons and as-extracted collateral produced from or allocated to the Mortgaged Properties, (b) accounts, chattel paper and general intangibles arising in connection with the sale or other disposition of such production, or otherwise associated with the Mortgaged Properties, (c) equipment, inventory, materials, other personal property, and fixtures at any time used on or in connection with the Mortgaged Properties or in connection with such production, and (d) geological, geophysical, engineering, accounting, title, legal and other technical or business data concerning the Mortgaged Properties, and the Hydrocarbons which are in the possession of Grantor or in which Grantor can otherwise grant a security interest, and all books, files, records, seismic, magnetic media and other forms of recording or obtaining access to such data, together with all accessions, additions, proceeds, products, replacements, substitutions, and modifications to or for any of the foregoing.*

6.2 *Grantor hereby assigns to Agent for benefit of the Banks Grantor's security interests and liens and all other interests of Grantor arising pursuant to or perfected by any instrument to which Grantor is a party affecting real or immovable property in which Grantor is an interest owner by virtue of the first sale of Hydrocarbons produced from the Mortgaged Properties.*

6.3 *Grantor represents and warrants that, except as disclosed in the Loan*

Agreement, no financing statement covering the Collateral, or any part thereof, has been filed with any filing officer, and no other security interest now in force has attached or been perfected in the Collateral, or any part thereof.

6.4 *This Deed of Trust shall be effective as a financing statement filed as a fixture filing with respect to all of the Collateral which is or will become fixtures related to the Lands and Leases and is to be filed for record as a financing statement in the Uniform Commercial Code records of a Nevada county. Such of the Mortgaged Properties which constitute as-extracted collateral subject to Section 9-502(b) of the Uniform Commercial Code – Secured Transactions (and to similar provisions, if any, of the Uniform Commercial Code as enacted in any other state where the Mortgaged Properties are situated) are or will be financed at the wellhead or minehead of the well or mine located on the Lands described in Exhibit "A". This Deed of Trust shall also be effective as a financing statement covering such as-extracted collateral, and, where so permitted or required, is to be filed for record as such a financing statement in the real estate records for each county where a mortgage on the Mortgaged Properties would be filed or recorded. The above goods are or are to become fixtures on the Lands. The record owner of the real estate interests covered by this Deed of Trust is Grantor.*

6.5 *Grantor hereby authorizes Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Grantor at any time after the execution of this Deed of Trust.*

4. Address. Section 7.3 of each of the Deeds of Trust is hereby amended in its entirety to read as follows:

7.3 *For all purposes of this instrument, the address of JPMorgan Chase Bank, N.A., as Agent shall be: Mail Code IL1-0429, 21 South Clark Street, Chicago, Illinois 60670-0429, Attention: Syndication, with a copy to JPMorgan Chase Bank, N.A., 1717 Main Street, TXI-2448, Dallas, Texas 75201, Attention: Tom K. Martin, Associate Director; and the address of Grantor shall be: 8150 N. Central Expressway, Suite 400, Dallas, Texas 75206.*

B. **Miscellaneous.**

1. Except as modified herein, the Deeds of Trust and other Loan Documents remain in full force and effect without modification thereto and are hereby ratified and affirmed.

2. This Amendment shall not constitute a novation or have the effect of discharging any liability or obligation evidenced by the Deeds of Trust or the other Loan Documents.

3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas; provided, however, that to the extent the mandatory provisions of the laws of another jurisdiction relating to (i) the perfection or the effect of perfection or non-perfection of the security interests in any of the Mortgaged Properties, (ii) the lien encumbrance or other interest in the Mortgaged Properties granted or conveyed by the Deeds of Trust or this

Amendment, or (iii) the availability of and procedures relating to any remedy hereunder or related to the Deeds of Trust or this Amendment are required to be governed by such other jurisdiction's laws, such other laws shall be deemed to govern and control. The invalidity, illegality or unenforceability of any provision of this Amendment shall not affect or impair the validity, legality or enforceability of the remainder of this Amendment, and to this end, the provisions of this Amendment are declared to be severable.

4. This Amendment shall be binding upon, and shall inure to the benefit of, Grantor and Agent, and their respective successors and assigns.

[Signature Pages Follow]

DRAFT

IN WITNESS WHEREOF, the parties have executed this instrument on the date of their respective acknowledgments, but effective December 29, 2004.

GRANTOR:

GULF COAST PACKAGE, LTD.,
a Texas limited partnership

By: Eland Energy, Inc.,
its general partner

By: 
Name: Gregg Allen
Its: Vice President

ELAND ENERGY, INC.,
a Texas corporation

By: 
Name: Gregg Allen
Its: Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me this 19th day of January, 2005, before me personally appeared Gregg Allen, known to me to be the Vice President of Eland Energy, Inc., a Texas corporation, the general partner of Gulf Coast Package, Ltd., a Texas limited partnership, on behalf of such partnership.

My Commission Expires:

6/10/2006

Christina Jane Geeslin
Notary Public, State of Texas

Christina Jane Geeslin
(Printed or Typed Name of Notary)

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me this 19th day of January, 2005, before me personally appeared Gregg Allen, known to me to be the Vice President of Eland Energy, Inc., a Texas corporation, on behalf of such corporation.

My Commission Expires:

6/10/2006

Christina Jane Geeslin
Notary Public, State of Texas

Christina Jane Geeslin
(Printed or Typed Name of Notary)

AGENT AND BANK:

JPMORGAN CHASE BANK, N.A.
(successor by merger to Bank One, N.A. (Illinois)),
a national banking association,
as a Bank and Agent

By: *Tom K. Martin*
Name: Tom K. Martin
Title: Associate Director

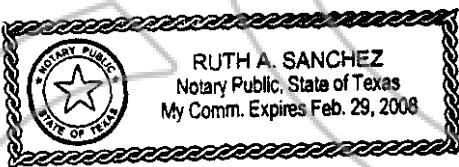
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me this 25 day of January, 2005, by Tom K. Martin, Associate Director of JPMorgan Chase Bank, N.A. (successor by merger to Bank One, N.A. (Illinois)), a national banking association, on behalf of said national banking association, as Agent and as a Bank.

My Commission Expires:

Ruth A. Sanchez
Notary Public, State of Texas

(Printed or Typed Name of Notary)



SCHEDULE 1

Nevada

1. Deed of Trust, Security Agreement, Assignment of Production and Financing Statement, dated September 30, 1997, filed in the Records of Eureka County, Nevada on October 10, 1997, as file number 168730, recorded in Book 314, Pages 57-83.
2. Deed of Trust, Security Agreement, Assignment of Production and Financing Statement, dated September 30, 1997, filed in the Records of Nye County, Nevada on October 10, 1997, as file number 0 429438.

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