

NOTICE OF FORECLOSURE SALE

Notice is hereby given of a public nonjudicial foreclosure sale.

1. Deed of Trust. The sale is a nonjudicial deed of trust lien foreclosure sale being conducted pursuant to the power of sale granted by the following described deed of trust:

Date: June 13, 2013

Grantors: Scout Investments, LLP and Craig A. Edwards

Beneficiary: Citizens Bank

Substitute Trustee: Scott A. Ritcheson, and/or Douglas A. Ritcheson,
And/or Charles E. Lauffer, Jr. and/or Lance Vincent

Recording Information: Deed of Trust recorded on June 26, 2013, under
Clerk's File No. 2013-1663 of the Official Public
Records of Yoakum County, Texas

2. Property to be Sold. The property to be sold (the "Property") is described as follows:

All of the right, title and interest of Grantors in and to those certain oil, gas and mineral fee and leasehold estates, including without limitation all royalty interests, overriding royalty interests and working interests in and to the property more particularly described in the schedule attached hereto, marked Exhibit "A" for identification, incorporated herein and made a part hereof for all purposes (the "Land");

(b) All of the right, title and interest of Grantors in and to all improvements and personal property of any kind or character defined in and subject to the provisions of the Uniform Commercial Code, including the proceeds and products from any and all of such improvements and personal property and situated on any of the Land, including, but not limited to, pipe, casing, tubing, rods, storage tanks, boilers, loading racks, pumps, foundations, warehouses, and all other personal property and equipment of every kind and character upon, incident, appurtenant or belonging to and used in connection Grantor's interest in the Land, including all oil, gas, and other minerals produced or to be produced to the account of Grantor from the Land and all accounts receivable, general intangibles and contract rights of Grantor in connection with the Land or Leases, defined in the Deed of Trust, and all proceeds, products, substitutions and exchanges thereof;

(c) Any and all rights of Grantor to liens and security interests securing payment of proceeds from the sale of production from the Land, including but not limited to, those liens and security interests provided for in Tex. Bus. & Com. Code Ann. Sec. 9.343;

(d) Any and all other real or personal property described in (i) that certain Deed of Trust, Security Agreement, Financing Statement and Assignment of Production dated June 13, 2013, in favor of Kenneth R. Plunk, Trustee, filed for record in the Office of the County Clerk of Yoakum County, Texas, under Clerk's File No. 2013-1663, of the Real Property Records of Yoakum County, Texas, and any modifications or amendments thereto (the "Deed of Trust"); or (ii) that certain Assignment to Trustee of Oil and Gas Production dated June 13, 2013, in favor of Kenneth R. Plunk, Trustee, filed for record in the Office of the County Clerk of Yoakum County, Texas, under Clerk's File No. 2013-1664, of the Real Property Records of Yoakum County, Texas, and any modifications or amendments thereto (the "Assignment of Production"), or (iii) any instrument or lien thereby renewed or extended. The Deed of Trust, Assignment of Production and other documents described above are referred to herein collectively as the "Lien Documents;" and

(e) Any additional right, title or interest of Grantors (or either Grantor) acquired or to which a Grantor became entitled to in any of the foregoing, or in the oil, gas or other minerals in or under the Land at any time after the Lien Documents.

3. Date, Time, and Place of Sale. The sale is scheduled to be held at the following date, time and place:

Date: **February 6, 2018**

Time: The sale shall begin no earlier than 1:00 p.m. or no later than three (3) hours thereafter. The sale shall be completed by no later than 4:00 p.m.

Place: Yoakum County Courthouse in Plains, Texas, at the following location:

In the area of such Courthouse designated by the Yoakum County Commissioners' Court as the area where foreclosure sales shall take place, or, if no such area has been designated, then at the South Door of the Yoakum County Courthouse.

The deed of trust permits the beneficiary to postpone, withdraw, or reschedule the sale for another day. In that case, the trustee or substitute trustee under the deed of trust need not appear at the date, time and place of a scheduled sale to announce the postponement, withdrawal, or

rescheduling. Notice of the date of any rescheduled foreclosure sale will be reposted and refiled in accordance with the posting and filing requirements of the Texas Property Code. Such reporting or refiling may be after the date originally scheduled for this sale.

4. Terms of Sale. The sale will be conducted as a public auction to the highest bidder for cash, subject to the provisions of the deed of trust permitting the beneficiary thereunder to have the bid credited to the note up to the amount of the unpaid debt secured by the deed of trust at the time of sale.

Those desiring to purchase the property will need to demonstrate their ability to pay cash on the date the property is sold.

The sale will be made expressly subject to unpaid ad valorem taxes and any title matters set forth in the deed of trust, but prospective bidders are reminded that by law the sale will necessarily be made subject to all other 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. Prospective bidders are strongly urged to examine the applicable property records to determine the nature and extent of such matters, if any.

A purchaser at the sale of the Property "acquires the Property "AS IS" without any expressed or implied warranties" (except as to the warranties of title from the grantor identified in the deed of trust described below). Any purchaser acquires the Property "at the purchaser's own risk." Texas Property Code §51.009. Nothing set forth in this Notice is an express or implied representation or warranty regarding the Property, all of which are specifically disclaimed by the undersigned and by the beneficiary of the herein described deed of trust.

5. Type of Sale. The sale is a nonjudicial deed of trust lien foreclosure sale being conducted pursuant to the power of sale granted by the deed of trust executed by Scout

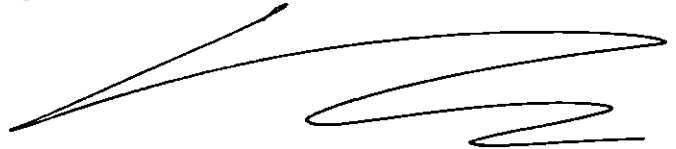
Investments, LLP. The deed of trust is dated June 13, 2013, and is recorded in the office of the County Clerk of Yoakum County, Texas, under Clerk's File No. 2013-1663 of the Official Public Records of Yoakum County, Texas

6. Obligations Secured. The deed of trust provides that it secures the payment of the indebtedness and obligations therein described (collectively the "Obligations") including, but not limited to, (1) the October 27, 2014 promissory note in the original principal amount of \$1,950,000.00, executed by Scout Investments, LLP, and payable to the order of Citizens Bank; (2) all renewals and extensions of the note; (3) all interest, late charges, fees and other expenses payable under said note on the herein described deed of trust; and (4) all other debts and obligations described in the deed of trust (including all debts secured by any cross-collateralization clause in the deed of trust). Citizens Bank is the current owner and holder of the Obligations and is the beneficiary under the deed of trust.

Questions concerning the sale may be directed to the undersigned or to the beneficiary, Citizens Bank, Attention: Jim Griffin, telephone (903) 984-8671.

7. Default and Request to Act. Default has occurred under the deed of trust, and the beneficiary has asked me, as substitute trustee, to conduct this sale. Notice is given that before the sale the beneficiary may appoint another person substitute trustee to conduct the sale.

DATED: January 12, 2018.



SCOTT A. RITCHESON, Substitute Trustee
821 ESE Loop 323, Suite 530
Tyler, Texas 75701
Tel: (903) 535-2900
Fax: (903) 533-8646

Notice to Members of the Armed Forces of the United States:

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.

EXHIBIT "A"

Yoakum County, Texas

The oil, gas and mineral leases included within the following oil units, insofar and only insofar as they cover lands included within said units, to-wit:

T-25447 OIL AND GAS LEASE dated February 14, 1946 by and between Mrs. Hattie Weems, et al, as Lessor, and J.D. Hunter as Lessee, recorded in Volume 85, Page 203, Deed Records of Yoakum County, Texas, INsofar as said lease covers the NW/4 of Section 403, Block "D", John H. Gibson Survey, Yoakum County, Texas, containing 160 acres, more or less.

T-31035 OIL, GAS AND MINING LEASE dated March 19, 1940 by and between W.J. Weaver, et ux, as Lessor, and The Texas Company, as Lessee, recorded in Volume 60, Page 336, Deed Records, Yoakum County, Texas, INsofar as said Lease covers Fractional Section 404, Block "D", John H. Gibson Survey, Yoakum County, Texas, containing 8.5 acres, more or less.

All of Mortgagor's contractual rights and obligations existing under all contracts and agreements, including but not limited to, letter agreements, unitization agreements, pooling agreements, declaration of pooling or unitization agreements, farmout agreements, and assignments in and to those lands governed by Operating Agreement dated May 16, 1952 which are more particularly described as follows:

Block "D", John H. Gibson Survey, Yoakum County, Texas

Section 403: W/2

Section 404: All of said Fractional Section

1590-A - Bronco Unit (L.R. Weems Oil Unit A) - 80 Acres

All of the working interest of Coates Energy Trust and Coates Energy Interests, Ltd. ("Coates") created by that certain Operating Agreement dated May 16, 1952 between Amerada Petroleum Corporation, as Operator, and Magnolia Petroleum Company, et al, as Nonoperators, INsofar AS AND ONLY INsofar AS said Agreement covers 80 acres of land comprised of the South 5.75 acres of Section 404 and the West 74.25 acres of the SW/4 of Section 403, Blk. D, John H. Gibson Survey, Yoakum County, Texas, and ONLY INsofar AS said Agreement covers the depths from the surface down to 100 feet below the base of the Bronco Siluro Devonian Formation.

The interest being conveyed hereunder is all the .0765000 unit participation interest set out in said Agreement under George H. Coates and now owned by Coates Energy Trust and Coates Energy Interests, Ltd., jointly, and covers not less than a .06604100 Net Revenue Interest, and is subject to the following:

- A. Operating Agreement(s): Operating Agreement dated May 16, 1952 as described above as well as Assignment dated October 10, 1952 subject to Agreement dated August 28, 1952 between the Texas Company and Amerada Petroleum Corporation, and any amendments or additional agreements thereto executed on behalf of Coates.
- B. Gas Purchasing/Balancing Agreement(s): None
- C. Other Agreement(s): Designation of Units dated April 13, 1953 recorded in Volume 126, Page 549, Deed Records of Yoakum County, Texas; Unitization Agreement dated May 25, 1953 recorded in Volume 126, Page 552, Deed Records of Yoakum County, Texas; Bronco Salt Water Disposal System Agreement.

1590-A - Bronco Unit (L.R. Weems Oil Unit B) - 80 Acres

All of the working interest of Coates Energy Trust and Coates Energy Interests, Ltd. ("Coates") created by that certain Operating Agreement dated May 16, 1952 between Amerada Petroleum Corporation, as Operator, and Magnolia Petroleum Company, et al, as Nonoperators, INsofar AS AND ONLY INsofar AS said Agreement covers 80 acres of land comprised of the North 2.75 acres of Section 404 and the West 77.25 acres of the SW/4 of Section 403, Blk. D, John H. Gibson Survey, Yoakum County, Texas, and ONLY INsofar AS said Agreement covers the depths from the surface down

to 100 feet below the base of the Bronco Siluro Devonian Formation.

The interest being conveyed hereunder is all the .0765000 unit participation interest set out in said Agreement under George H. Coates and now owned by Coates Energy Trust and Coates Energy Interests, Ltd., jointly, and covers not less than a .06650870 Net Revenue Interest, and is subject to the following:

- A. Operating Agreement(s): Operating Agreement dated May 16, 1952 as described above as well as Assignment dated October 10, 1952 subject to Agreement dated August 28, 1952 between the Texas Company and Amerada Petroleum Corporation, and any amendments or additional agreements thereto executed on behalf of Coates.
- B. Gas Purchasing/Balancing Agreement(s): None
- C. Other Agreement(s): Designation of Units dated April 13, 1953 recorded in Volume 126, Page 549, Deed Records of Yoakum County, Texas; Unitization Agreement dated May 25, 1953 recorded in Volume 126, Page 552, Deed Records of Yoakum County, Texas; Bronco Salt Water Disposal System Agreement.

1590-A - Bronco Unit (L.R. Weems) - 168.5 Acres

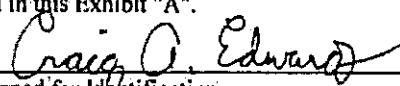
All of the working interest of Coates Energy Trust and Coates Energy Interests, Ltd. ("Coates") created by that certain Operating Agreement dated May 16, 1952 between Amerada Petroleum Corporation, as Operator, and Magnolia Petroleum Company, et al, as Nonoperators, INsofar AS AND ONLY INsofar AS said Agreement covers 168.5 acres of land comprised of the East 168.5 acres of the West Half of Section 403, Blk. D, John H. Gibson Survey, Yoakum County, Texas, and ONLY INsofar AS said Agreement covers the depths from the surface down to 100 feet below the base of the Bronco Siluro Devonian Formation.

The interest being conveyed hereunder is all the .0765000 unit participation interest set out in said Agreement under George H. Coates and now owned by Coates Energy Trust and Coates Energy Interests, Ltd., jointly, and covers not less than a .06693750 Net Revenue Interest, and is subject to the following:

- A. Operating Agreement(s): Operating Agreement dated May 16, 1952 as described above as well as any amendments or additional agreements thereto executed on behalf of Coates.
- B. Gas Purchasing/Balancing Agreement(s): None
- C. Other Agreement(s): Bronco Salt Water Disposal System Agreement.

PERSONAL PROPERTY

All oil wells, pumping units, casing rods, production tubing, separators, surface flowlines, wellheads, tanks and other equipment incidental to and used in connection with the production, treating and storing of minerals or the like (including oil and gas) from those certain oil, gas and mineral leases described in this Exhibit "A".


Signed for Identification