

hereunder equal to

(1) The principal amount of all Residue Bonds which shall have been theretofore issued on account of Natural Gas Properties or extensions, improvements or additions thereto; and

(2) The amount by which the Depletion and Depreciation Fund provided in Article VII hereof has been satisfied by expenditures in Natural Gas Properties or extensions, improvements or additions thereto in excess of thirty-five per cent (35%) of all expenditures made pursuant to Clause A of Section 1 of Article VII; provided that, at the time of the request for such release under this Section, the Company has not made expenditures equal to the amount of such excess in properties other than Natural Gas Properties of the kind described in Article VII hereof, for which no Bonds shall have been issued; but if the Company has made such expenditures equal to the amount of such excess thereafter such expenditures to such amount shall be considered for all the purposes of this Indenture as having been made to satisfy the requirements of Article VII in lieu of the expenditures in Natural Gas Properties of the same amount, and the Company shall at the time of the request for the release under this Section furnish to the Trustee a statement of the nature specified in Paragraph A of Section 2 of Article VII with reference to such expenditures, together with the instruments and opinion specified in Paragraph B of said Section; and

(3) An amount equal to the aggregate value of property other than Natural Gas Properties which has been released, sold or disposed of pursuant to Section 2 of this Article, in exchange for Natural Gas Properties; and

(4) An amount equal to the aggregate amount of money withdrawn by the Company from the Trustee, pursuant to Article X, where Natural Gas Properties or extensions, improvements or additions thereto have been used as the basis for such withdrawal, unless such moneys were originally deposited with the Trustee for the release of Natural Gas Properties; and

(5) An amount equal to fifty per cent. (50%) of the aggregate amount of money expended for Natural Gas Properties or extensions, improvements or additions thereto, pursuant to the sinking funds to be provided for Bonds of series other than Series "A", in compliance with the minimum requirements contained in Clause (b) of Section 11 of Article V hereof;

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(6) The amount of all Bonds retired through the proceeds of the release of any portion of the Natural Gas Properties or extensions, improvements or additions thereto; and

(7) An amount equal to the aggregate value of Natural Gas Properties or extensions, improvements or additions theretofore released where the consideration for such release has been property other than Natural Gas Properties; and

(8) An amount equal to the cash proceeds of the sale of Natural Gas Properties or improvements, extensions, or additions thereto where such cash is still in the possession of the Trustee or has been utilized to reimburse the Company for the acquisition of properties other than Natural Gas Properties; and

(9) Thirty-five per cent. (35%) of the principal amount of all Bonds of all series issued hereunder which shall have been theretofore retired, excepting Bonds retired with moneys received by the Trustee, pursuant to Section 1 of Article X, and excepting also Bonds for the retirement of which other Bonds have been issued, pursuant to provi-