

the ownership of such properties is no longer necessary or advantageous to the business of the Company, (2) that the company has sold or exchanged or contracted to sell or exchange the property so to be released, (3) the consideration to be received by the Company on such sale or exchange, and (4) that the price for which the said property is to be sold or otherwise disposed of represents the fair value thereof, and may be treated by the Trustee as conclusive evidence of the facts therein set forth; and such written request and resolution shall fully protect the Trustee in consenting to such release. COMPARED

SECTION 2. It is expressly understood by and between the parties hereto and the holders of the bonds issued hereunder that the Trustee on the written request of the Company will release from this Indenture any lease, license or privilege which has expired by its own limitation or which is non-productive and in the judgment of the Board of Directors of the Company is not of sufficient value to justify the Company in paying the rentals or delay money thereon. A resolution of the Board of Directors of the Company duly certified by its Secretary or Assistant Secretary, stating that in the judgment of said Board it is to the best interest of the Company to release any such lease or license above referred to in this paragraph shall be accepted by the Trustee and the holders of the bonds issued hereunder as conclusive evidence of the facts therein stated, and the Trustee shall thereupon so release the same.

SECTION 3. The Company, from time to time, while not in default hereunder and while in possession of any of the land or property subject to this Indenture, shall have full power in its discretion to dispose of any portion of its equipment (including in that term machinery derricks, tanks, pipe lines, pumps, etc., but excluding lands and interest in lands), at that time subject to the lien hereof, which may have become unserviceable.

SECTION 4. The Company may at any time make any change in the location of any of the buildings or other structures upon any part of the mortgaged premises (provided the same or the replaced buildings or structures on their changed location and the premises upon which they are situated shall be of at least equal value and efficiency), and the Trustee, upon conveyance to it under the terms of this Indenture of new buildings or other structures of equal value and capacity, and the premises on which the same may be erected, shall, at the written request of the Company, release from the lien of this Indenture, the buildings and other structures, the location of which shall be so changed, and the premises on which they were erected, and shall execute and deliver any and all instruments necessary and proper to effect such purpose.

SECTION 5. Any new property acquired by the Company in exchange for, or to take the place of, any property released hereunder, shall ipso facto become and be subject to this Indenture, as fully as if specifically mortgaged or assigned hereby, but, if requested by the Trustee, the Company will convey and assign such new property to the Trustee by appropriate deeds or other instruments upon the trusts and for the purposes of this Indenture, and will cause such deeds or other instruments to be recorded or filed in such manner as appropriately to secure and continue the lien of this Indenture thereon. In no event shall any purchaser or purchasers of any property sold or disposed of under any provision of this Article Eighth be required to set to the application of the purchase money.

SECTION 6. All moneys, which shall be receivable by the Company on any and all such sales or exchanges, and all moneys received as compensation for any property subject to this Indenture taken by exercise of the power of eminent domain shall be paid directly to the Trustee, and shall be held by the Trustee for the benefit and security of the First Mortgage Bonds, and shall at the option of the Company, be