

(xvii) That the terms used in the Certificate which are defined in *Article 1* are used as therein defined.

(b) In case any second stage property additions as shown by the Engineer's Certificate provided for in § 4.03(a) consist of an acquired system or of production expenditures, an Independent Engineer's Certificate, dated within 30 days prior to the date of the application, stating, as the case may be, in the opinion of the signer (i) the fair value to the Company of the gross property additions consisting of such acquired system, except such as have been retired by the Company, determined as provided in *Article 1*, or (ii) that the total value of the Company's interest in all oil and gas leases or interests or portions thereof which are then subject to the lien of this Indenture is not less than the aggregate of production expenditures by the Company included in Engineer's Certificates conforming with the provisions of *paragraph (a)* of this § 4.03 then and theretofore filed pursuant to any provision of this Indenture (excluding any production expenditures in respect of oil and gas leases identified, described and tabulated in Exhibit D hereto paid or accrued prior to the date of the subjection thereof to the lien of this Indenture), and in Engineer's Certificates theretofore filed pursuant to *paragraphs (A)(1) and (C)(1)* of § 9.03 hereof, after deducting from said aggregate production expenditures the value of all oil and gas and any derivatives therefrom theretofore produced by the Company from the properties referred to above, calculated on the basis of the average field price thereof for the year in which so produced.

(c) In case any second stage property additions are shown by the Engineer's Certificate provided for in § 4.03(a) to have been acquired or paid for in whole or in part directly through the issue or delivery of shares of stock or other securities, an Appraiser's Certificate, stating the fair value in cash of such shares of stock or other securities at the time of the issue or delivery thereof in payment for such second stage property additions.

(d) An Opinion of Counsel, dated within ten days prior to the date of the application, to the effect that:

(i) The Company has good title to any tracts or parcels of land and the improvements thereon and to any production property the cost of which is included in production expenditures, and has duly obtained any easements or rights-of-way, described pursuant to § 4.03(a) (ii), except such as have been retired, subject only to permitted liens, and to defects in title