

be used by the Company to pay the cost of drilling wells on any lands covered by leases at the time subject to the lien of this Indenture to offset commercial wells drilled by others on adjoining property and (iii) the principal amount (not to exceed \$6,000,000) of the indebtedness of the corporation referred to above in *paragraph* (2) of this §5.19 which the Company at the time shall have guaranteed or contingently agreed to purchase, if at the time said corporation's cumulative net earnings available for the payment of the principal and interest on the indebtedness of said corporation which the Company has guaranteed or contingently agreed to purchase are in excess of the total amount of principal and interest theretofore paid or accrued on said indebtedness. For the purpose of this §5.19(a)(iii) the term "cumulative net earnings available for the payment of the principal and interest on the indebtedness of said corporation which the Company has guaranteed or contingently agreed to purchase" shall mean the sum of the net income and depreciation expense of said corporation and all interest paid or accrued on said indebtedness, determined in accordance with sound accounting practice, computed cumulatively from the date on which said corporation places its plant for the manufacture of chemicals through the utilization of natural gas in commercial operation, to the close of the immediately preceding quarterly reporting period; or

(b) the aggregate amount of (i) all dividends and distributions declared or paid on any capital stock and the aggregate amount paid for the purchase, redemption or acquisition of any capital stock, (ii) all interest paid or accrued on, and all payments in respect of principal of, the 3.75% Unsecured Notes and any securities issued in payment of or the proceeds of which shall have been applied to the repayment, purchase or redemption of any of the 3.75% Unsecured Notes except to the extent such payments of principal of the 3.75% Unsecured Notes are permitted by clause (c) or (d) of §5.28, and all other interest paid or accrued by the Company, less interest charged to construction, (iii) all amounts invested in other corporations (other than the sum of \$1,000,000 invested, as hereinabove permitted, in an exploration subsidiary), and (iv) the excess, if any, of the amount of funded debt required to be theretofore retired by the Company prior to the final maturity date thereof under the provisions of any sinking fund, purchase fund or analogous fund relating to such funded debt (including serial maturities other than the final maturities)