

of this §5.24, such portion of such lease or interest shall be subjected to the lien of this Indenture, pursuant to this §5.24, as shall involve either (a) an area of approximately 320 acres on which said commercially producing gas well is located or (b) the lease, if owned by the Company, or, if not, the Company's interest in the lease, on which said commercially producing gas well is located, whichever of (a) or (b) shall involve the lesser amount of acreage.

§5.25. For not less than 60 consecutive days of the calendar year beginning January 1, 1956 and of each calendar year thereafter the Company will have no outstanding indebtedness other than funded debt and other indebtedness of the Company the principal of which is payable at the option of the Company in capital stock of the Company.

§5.26. On and after April 1, 1958 the Company will not create, assume or otherwise incur any funded debt if immediately thereafter the funded debt of the Company would be in excess of 75% of the total capitalization of the Company, provided, however, that in computing the amount of funded debt outstanding and the total capitalization of the Company for the purposes of this §5.26, there shall be disregarded (a) \$3,000,000 principal amount of funded debt of the Company and (b) the further principal amount, if any, of funded debt of the Company (not exceeding \$3,000,000) the proceeds of which have been used or are to 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 (c) the principal amount (not to exceed \$6,000,000) of the indebtedness of the corporation referred to in paragraph (2) of §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 §5.26 the term "cumulative net earnings available for the payment of the principal and interest on the indebtedness of said corporation which the Company has