

SECTION 1.13B. The term "bondable value of gas production expenditures", as to gas production expenditures included in any certificate or application of the Company delivered to the Corporate Trustee pursuant to Section 4.03 or Section 4.06, shall be computed on a field basis and shall mean, in the case of the proven gas acreage in each field,

(A) the aggregate of all gas production expenditures, as defined in Section 1.13A hereof, made by the Company in respect of such proven gas acreage, including the cost of the acquisition of the gas leasehold estates covering such acreage, whether such expenditures were made before or after such acreage became proven gas acreage, up to a date (to be specified in such certificate or application) not earlier than ninety days prior to the receipt of such certificate or application by the Corporate Trustee, including all such expenditures which have been made the basis of the withdrawal of cash from any construction fund established pursuant to any provision of this Indenture or the basis of any other credit on account of the cost of completion of any special project established under this Indenture but excluding all such expenditures which have been made out of the proceeds of insurance on the mortgaged property or any part thereof,

but only to the extent that the sum so computed is not greater than

(B) the value of the gas reserves in place attributable to the Company's gas leasehold estates covering such proven gas acreage as of the date specified in the certificate or application of the Company referred to in (A) above, plus the value of all gas, if any, withdrawn from the gas reserves attributable to such gas leasehold estates prior to such date and since the date of the initial acquisition of such gas leasehold estates by the Company, all as determined by an independent geologist, taking into account the costs incurred or to be incurred in producing the gas from such reserves, any development or other contract obligation of the Company with respect thereto, the amount of the royalties, overriding royalties, production payments, production taxes, severance taxes and other similar charges paid or payable by the Company in respect of the gas produced or to be produced from such reserves and all other factors relevant to the valuation of such gas and/or reserves,