

(14) in respect of gas production property,

(a) any and all rentals, royalties, overriding royalties or production payments (whether payable in kind or in money), reservations, liens or encumbrances, and rights or interests of third parties arising by virtue of any exploration, drilling, development, unitization, communitization or operating agreement or agreements relating to or affecting, or the lease which created, any gas leasehold estate (such rentals, royalties, overriding royalties, production payments, reservations, liens, encumbrances, rights and interests being herein in this subdivision (14) referred to as "leasehold encumbrances"),

(i) in respect of gas leasehold estates covering proven gas acreage owned by the Company at June 1, 1946, existing at such date, or, in the case of such gas leasehold estates thereafter acquired by the Company, existing or created at the time of the acquisition of such estates by the Company;

(ii) in respect of gas leasehold estates covering acreage which becomes proven gas acreage after June 1, 1946, in case of estates then owned by the Company, or after the acquisition of such estates in case of estates subsequently acquired by the Company, existing at the time such acreage becomes proven gas acreage; or

(iii) granted, created, entered into or made by the Company pursuant to the provisions of Section 8.01 hereof;

other than (x) leasehold encumbrances securing the payment of money in amounts not dependent on or measured by production, and (y) any reservations or rights (other than prior rights limited to reimbursement of well drilling and operating costs and overriding royalties) to gas or to the proceeds of gas ranking prior to the Company's interest in such gas leasehold estates, and

(b) overriding royalties, in an amount not exceeding one per cent. (1%) in respect of any one lease, granted or created by the Company or its former subsidiary San Juan Production Company prior to January 1, 1955; and

(15) any right which any party may have by virtue of any contract or agreement to purchase or take over the Company's interest in any gas well which has become an oil well and in the fittings and equipment used in connection with the operation of