

than reservations, liens or encumbrances securing the payment of indebtedness of the Company or any predecessor in title) existing thereon at the time of acquisition by the Company, (bb) rights or interests of third parties arising by virtue of any exploration, drilling, development, unitization and/or operating agreement or arrangement affecting such estates, or other liens or encumbrances of the character of permitted encumbrances, granted, created, entered into or made by the Company pursuant to the provisions of Section 8.01, (cc) royalties, in an amount not exceeding one per cent. (1%) in respect of any one lease, granted or created by the Company or San Juan Production Company (a former subsidiary, now merged into the Company), (dd) such irregularities or defects of title, if any, as shall be specified in such opinion, (ee) in the case of gas leasehold estates acquired from Wood River Oil and Refining Co., Inc., Rock Hill Oil Company, M. J. Florance and Florence A. Florance and/or Blanco Gas Company, subject to the royalties, reservations and/or production payments provided for or reserved in the agreement, dated April 18, 1949, between the Company and said Wood River Oil and Refining Co., Inc. and said Rock Hill Oil Company, and/or (ff) in the case of gas leasehold estates in or adjacent to the Barker Creek Dome Field in San Juan County, New Mexico or La Plata County, Colorado, subject to the rentals, royalties and reservations and the right of Delhi Oil Corporation provided for or mentioned in the agreement, dated January 27, 1950, between the Company and Delhi Oil Corporation or in the forms of subleases thereto annexed; that none of the irregularities or defects of title, if any, specified in such opinion substantially impair the value or usefulness of such estates for the purposes for which the same were acquired by the Company; and that the entire right, title and interest of the Company in and to all the gas leasehold estates and wells or interests in wells described in said certificate of the Company has been duly subjected to the lien of this Indenture free and clear of prior liens and encumbrances except as aforesaid.

The Company covenants and agrees that, as promptly as possible after the execution and delivery of the Eighth Supplemental Indenture and in any event not later than the time of the delivery to the Corporate Trustee of the documents provided for in the first paragraph of