

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, communitization 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) the royalties, reservations and/or production payments, if any, provided for or reserved in the several agreements referred to in the respective descriptions of said gas leasehold estates set forth in said Ninth Supplemental Indenture, and/or (ee) such irregularities or defects of title, if any, as shall be specified in such opinion; that none of the irregularities or defects of title, if any, specified in such opinion substantially impairs 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 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 Tenth 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 Section 6C.05 hereof, it will deliver or cause to be delivered to the Corporate Trustee

(1) a certificate of the Company stating in substance that the Company has completed the acquisition of gas leasehold estates constituting a part of the Permian-San Juan Project as defined in Section 1.12C hereof and as described generally in Part I of Article Three of the Fourteenth Supplemental Indenture hereto, including without limitation (i) gas leasehold estates in or adjacent to the Blanco (Mesaverde) Field in San Juan County and/or Rio Arriba County, New Mexico, acquired by the Company from The Atlantic Refining Company, General American