

Oil Company of Texas, Mike Abraham et ux, Sunray Oil Corporation or Three States Natural Gas Company under the respective agreements with said parties referred to in subdivision (46) of Part I of Article Three of said Fourteenth Supplemental Indenture, (ii) gas leasehold estates in or adjacent to the Fulcher-Kutz and West Kutz Fields in San Juan County, New Mexico, acquired by the Company from Murphy Corporation, A. M. Lloyd and Nelson and Edward Morris, Ltd., and (iii) those acquired or received by the Company in exchange or substitution for or in lieu of gas leasehold estates initially so acquired by the Company pursuant to or as a result of exchanges or the participation of the Company in unitization, communitization or development contracts or arrangements or other joint ventures or common enterprises as permitted by subdivisions (6) and (7) of Section 8.01 hereof, but exclusive of gas leasehold estates initially so acquired by the Company which have been surrendered or have been allowed to expire, or which have been transferred in exchange for other gas leasehold estates or for an obligation to drill a well or wells, as permitted by subdivisions (6) and (8) of said Section 8.01; that the Company has expended on the acquisition of such gas leasehold estates sums aggregating not less than \$2,500,000 (exclusive of sums paid by the Company for the acquisition of wells and appurtenant lease equipment located on acreage covered by gas leasehold estates so acquired by the Company); and that the amounts so expended are not greater than the fair value to the Company of the gas leasehold estates so acquired and owned by the Company at the date of said certificate, taking into account any rentals, royalties, reservations, liens or encumbrances or irregularities or defects of title affecting the same as specified in the opinion of counsel provided for in subdivision (2) of this paragraph;

(2) an opinion of counsel stating, in the opinion of such counsel, that the Company has good title to the gas leasehold estates acquired and owned by the Company as set forth in the certificate of the Company provided for in subdivision (1) of this paragraph, subject to such rentals, royalties, reservations, liens or encumbrances or irregularities or defects of title, if any, as shall be specified in such opinion, and that none of the irregularities or defects of title, if any, so specified substantially impairs the value or usefulness of such estates for the purposes for which the same were acquired by the Company, and that all of the Company's right, title and interest in and to all of the