

rentals, royalties, overriding royalties, production payments, reservations, liens or encumbrances affecting such estates as specified in the opinion of counsel provided for in subdivision (2) of this paragraph (other than permitted encumbrances, exclusive of those permitted only by subdivision (14) of Section 1.16), and all other relevant facts, the value of the gas reserves attributable to such gas leasehold estates is not less than the cost of acquisition stated in said certificate of the Company.

SECTION 6D.05. The Company covenants and agrees that, within 180 days after the completion of the Second Permian-San Juan Project, it will deliver to the Corporate Trustee

(1) a certificate of the Company stating that the Second Permian-San Juan Project has been completed; that all payments required to be made on account of the cost of the acquisition or construction and completion of the Second Permian-San Juan Project have been made; and that no notices of violation of any requirement of any governmental or municipal authority have within the knowledge of the Company been filed in connection with the acquisition or construction and completion of the Second Permian-San Juan Project or in any other manner affecting it which have not theretofore been withdrawn or otherwise disposed of;

(2) a certificate signed by an independent engineer stating that in its opinion the Second Permian-San Juan Project has been completed as stated in said certificate of the Company;

(3) a certificate signed by an independent geologist stating in substance that, in the opinion of such geologist, the Company through its well drilling and development program the cost of which has been included in the Second Permian-San Juan Project as completed as set forth in the certificate of the Company provided for in subdivision (1) above has established proven reserves of natural gas attributable to gas leasehold estates owned by the Company and the deliverability of natural gas from such proven reserves through the wells so drilled (exclusive of reserves established through expenditures constituting part of the cost of the San Juan Project or the Permian-San Juan Project), in amounts not less than the reserves and deliverability, respectively, forecast therefor in the exhibits submitted by the Company to the Federal Power Commission in Docket No. G-8940