

separately shown) as shown or reflected on the books of Pacific or Northwest Production Corporation, as the case may be, immediately prior to the acquisition thereof by the Company,

after deducting from the lesser of the sums computed under (A) and (B) above the sum of

(a) the aggregate amount of all gas production expenditures, if any, made by the Company on or prior to August 31, 1955 in respect of such certified proven gas acreage or the gas leasehold estates covering such certified proven gas acreage, unless such acreage is included in the Schedule A Properties as hereinafter in this Section defined;

(b) the aggregate amount of all gas production expenditures, if any, made by the Company in respect of such certified proven gas acreage and the gas leasehold estates covering such acreage subsequent to August 31, 1955 which shall have been made the basis of the withdrawal of cash from any construction fund established pursuant to any provision of this Indenture or the basis of any other credit on account of the cost of completion of any special project established under this Indenture; and

(c) the aggregate amount of all gas production expenditures, if any, made by the Company in respect of such certified proven gas acreage and the gas leasehold estates covering such acreage as set forth in any previous certificate or application delivered by the Company to the Corporate Trustee pursuant to Section 4.03 or Section 4.06, to the extent that such expenditures shall have been utilized as the basis for the issuance of bonds or the withdrawal of cash,

provided that such bondable value shall not in any event exceed the value, determined as provided in (B) above, of the gas reserves in place attributable to the Company's gas leasehold estates covering the certified proven gas acreage in question as of the date specified in the current certificate (excluding the value of all gas, if any, withdrawn prior to such date).";

(b), by striking out the following language appearing in the next to last paragraph of said Section: "unless the gas reserves