

It is understood and agreed that nothing herein contained shall be construed so as to oblige or require the said Company to keep and maintain in their original location the pipe lines hereby mortgaged or the tanks, derricks, machinery, fixtures equipment and appliances on any of the oil and gas mining leases, lease holds or rights which it may now own or hereafter acquire or appurtenant or to become appurtenant thereto or placed or to be placed thereon or connected or to be connected therewith, for the production, transportation and sale of natural gas or petroleum. But if, in order to maintain or increase the production, transportation and sale of gas or petroleum or because they shall become worn out or unfit for use or otherwise unnecessary or useless or for any other reason whatsoever it shall seem to the said Company necessary or advantageous to take up or remove any of its pipe lines or the pumping or compressing stations, machinery, equipment, appliances or fittings connected therewith or any casing or tubing in its oil or gas wells or any of the tanks, derricks, machinery, equipment, fixtures, pipe lines, appliances or apparatus appurtenant or belonging to such wells in order to use the same elsewhere, the said Company shall have full power and authority so to do.

Nothing in this Section shall be construed to apply to any part of the mortgaged estates, properties of franchises from which the lien of this indenture may have been released under the provisions of Article Five of this indenture or which, in the opinion of the Company, it is no longer necessary or expedient to retain for use in its business.

Section 6. The Company covenants that proper books of record and account will be kept, in which full, true and proper entries will be made, of all dealings, business and affairs of the Company, including the making of proper and complete credits to the capital or property accounts covering the original cost (or the fair value after making due allowance for depreciation, as the case may be) of property worn out, dismantled, abandoned or sold, and that it will furnish to the Trustee, at such times as the Trustee shall reasonably request, statements in full detail, showing the earnings, expenses and financial condition of the Company and such other data as to the plants, properties and equipment of the Company as the Trustee shall reasonably request.

Section 7. The Company covenants that no sale, lease, consolidation or merger of the Company or of any of the mortgaged property shall be made or allowed to remain in force which shall in any manner diminish or impair the lien or security of this indenture or any of the rights or powers of the Trustee or of the bondholders hereunder.

Section 8. The Company covenants that it will at all times keep insured such of the plants, buildings, stations, machinery, equipment and apparatus of the Company as are usually insured by companies operating like properties, to the reasonable insurable value thereof, in responsible companies, against destruction or damage by fire or other accident against which insurance is usually carried by companies operating like properties; that all policies for such insurance shall be so drawn as to make any losses payable thereunder to the Trustee, as its interest may appear, and that upon the written request of the Trustee, such policies will be deposited with it; provided, however, that if any property so insured is covered by any mortgage or other instrument the lien of which on such property shall be prior to that of this indenture, the losses under the policies for such insurance, until the final satisfaction and release of such prior mortgage or other instrument, may be made payable to and such policies may be deposited with the mortgagee or trustee under such prior mortgage or other instrument; the Company hereby agreeing that upon the satisfaction or release of such prior mortgage or other instrument, any insurance moneys then in the hands of the mortgagee or trustee thereunder shall forthwith be paid over to the Trustee. In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor, which shall be agreed upon between the Company and any insurance company, and which shall be approved in writing by some person appointed by the Company and approved by the Trustee, shall, upon the written request of the Company, be consented to and accepted by the Trustee.

Section 9. Instead of insuring its property in accordance with the provisions of Section 8 of this Article, the Company may, at its election, establish an adequate insurance fund and maintain the same out of its earnings, which fund shall be established, maintained, invested and disbursed in care of loss, in such manner and under such terms and conditions as may at the time of the establishment thereof be determined by three (3) persons appointed by the Company and approved by the Trustee. Such fund may at any time be discontinued and all accumulations therein used by the Company, provided the Company shall first insure its property in accordance with Section 8 of this Article. Such fund may be established and discontinued, in accordance with the terms hereof, from time to time, at the election of the Company.

Section 10. All insurance moneys received by the Trustee, under any of the provisions of this Section, shall be held by the Trustee as part of the mortgaged property and shall be paid out from time to time upon checks or drafts drawn by the Company either for the purpose of paying the reasonable cost of replacing part or all of the property destroyed or damaged; or for any of the purposes for which cash may be withdrawn under the provisions of Section 8 of Article One of this indenture.

All such checks and drafts of the Company for the payment of insurance money shall be signed by the Company by its President or a Vice President and its Treasurer or an Assistant Treasurer and prior to the presentation thereof to the Trustee, the Company shall deliver to the Trustee sworn statements of its President, Vice President, General Manager or Assistant General Manager and of its Treasurer or an Assistant Treasurer showing that such checks or drafts are drawn for one or more of the purposes for which moneys may be paid out under the provisions of this Section, and the Trustee shall be fully protected in paying any and all checks or drafts mentioned in such sworn statements. The Trustee, however, shall have the right, but shall not be obliged, to require the Company to furnish such further evidence in the premises as the Trustee may deem necessary in order to establish the right of the Company to the payment of any such checks or drafts.