

Nothing in this Section contained shall be deemed to prevent the Company from abandoning, selling, exchanging or otherwise disposing of (otherwise than by way of security for indebtedness) any Production Property, now owned or hereafter acquired, which is not subject or required to be subjected to the lien of this Indenture; *provided, however*, that, and the Company covenants that, all cash proceeds of (including the proceeds of any obligations constituting any part of the consideration for) any such sale, exchange or other disposition shall be reinvested by the Company in property of the character of Property Additions or in property of the character of Production Property; and *provided further* that all property of the character of Property Additions which shall have been either acquired by the Company upon any such exchange or acquired by the Company through the use of any such cash proceeds of or other consideration for any such sale, exchange or other disposition shall forthwith and without further act on the part of the Company be deemed to constitute Bonded Property for all purposes of this Indenture. The Company covenants that, promptly after each such acquisition of Property Additions as aforesaid, it will, for the purpose of establishing a basis for computing Retirements of property included in such Property Additions, file with the New York Trustee a **CERTIFICATE OF THE COMPANY**, signed also by an Engineer selected by the Company, who may be in the employ of the Company, and who shall be acceptable to the New York Trustee, setting forth a brief description of such Property Additions and the principal subdivisions of capital account to which the Cost of such Property Additions has been charged, and stating the Cost to the Company of said Property Additions, and also the Fair Value thereof at the date of acquisition thereof by the Company, as appraised by said Engineer, and stating that said Cost and Fair Value have been computed and ascertained as required by *Paragraph C of Section 24*. The Company further covenants that it will keep true and proper records and accounts with respect to all