

year, and (iv) not less than 568,000,000 cubic feet of natural gas per day to other customers of the Company in Texas, New Mexico and Arizona, and (B) the requirements stated in subdivision (3) of the first paragraph of Section 6E.05 as to reserves and deliverability of gas shall have been met.

The term "Non-bondable Third Permian-San Juan Property" shall mean any property, whether of the nature of bondable additions or otherwise, necessary for the completion of the Third Permian-San Juan Project to the capacity above stated and related facilities required for the operation of such Project as so completed.

SECTION 1.13. The term "proven gas acreage" means acreage known to contain natural gas in commercial quantities either through the existence thereon of a completed gas well producing natural gas in commercial quantities or a shut-in well capable of producing natural gas in commercial quantities or through the existence of such a well on other acreage located on the same reservoir.

The term "unproven gas acreage" shall mean gas acreage which does not constitute proven gas acreage as defined in this Section.

The term "gas leasehold estate" shall mean and include (i) a gas lease under which the lessee has the right to explore for, produce and dispose of the lessee's interest in gas, or an undivided interest therein, (ii) where a gas lease and/or operating agreement has been subjected to a unitization or communitization agreement providing for the sharing by the Company and others of production expenditures and the benefits of development upon a proportionate basis in accordance with established practice for similar joint operations, the resulting interest of the Company under such unitization or communitization agreement, (iii) an operating agreement made by a lessee under a gas lease, under which the Company has the operating rights to explore for, produce and dispose of the Company's interest in gas and the right of possession to the lands covered thereby for such purpose, or (iv) ownership of gas mineral rights. Any gas interest under an oil and gas lease which is severable from the oil interest thereunder shall be deemed to be a gas lease. Any gas leasehold estate which covers both proven gas acreage and unproven gas acreage shall, for all purposes of this