

SECTION 6B.03. Subject to the provisions of Section 6B.09 and Section 6B.10 hereof, any moneys held by the Corporate Trustee from time to time in the San Juan Construction Fund may be withdrawn by the Company from time to time to reimburse the Company for expenditures made (whether out of the Current Construction Fund provided for in Section 6B.10 or from other funds of the Company) or indebtedness incurred (exclusive of indebtedness for money borrowed), whether before or after the date of execution of the Eighth Supplemental Indenture, on account of the cost of acquisition or construction and completion of the San Juan Project, including the drilling, testing, completion and/or equipping of gas or gas and oil wells on acreage owned by the Company or in which it has an interest and located in the Barker Creek Dome Field in San Juan County, New Mexico, and La Plata County, Colorado, in the Blanco Field in San Juan and Rio Arriba Counties, New Mexico, or in the Fulcher-Kutz Field in San Juan County, New Mexico, or in extensions of any of said Fields, whether or not any such well upon the completion thereof be a well producing natural gas in commercial quantities. Such cost shall include

(a) all costs of the acquisition or construction and completion of the San Juan Project which shall have been charged or shall be chargeable to fixed property accounts of the Company in accordance with sound accounting practice, including the cost of property or rights acquired for the right of way in, on or under which the San Juan Project or any portion thereof is to be located;

(b) all costs of labor and services, including services of foremen, inspectors, supervisors, surveyors, engineers, counsel and accountants, performed or rendered in connection with the acquisition or construction and completion of the San Juan Project and all costs of materials, supplies, machinery, construction equipment and apparatus acquired or used (including rental charges for machinery, equipment or apparatus hired) for or in connection with the construction and completion of the San Juan Project, whether or not constituting or to constitute a part thereof when completed, and whether or not such costs are charged or chargeable to fixed property accounts of the Company; and