

Juan County or Rio Arriba County, New Mexico, or in the Ignacio Field in La Plata County, Colorado, or in extensions of any of said Fields, or in the gas and/or oil fields of Lea County, New Mexico, 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 Permian-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 Permian-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 Permian-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 Permian-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

(c) all overhead costs applicable to the construction period including, without limiting the generality of the foregoing, taxes, licenses, excises and assessments, surety bond premiums and insurance premiums, whether or not charged or chargeable to fixed property accounts; and interest during construction and that proportion of any discount on bonds or other securities issued to provide funds for the acquisition or construction and completion of the Permian-San Juan Project properly chargeable to the account of interest during construction in accordance with sound accounting practice;

provided, however, (i) that the aggregate amount of moneys which may be withdrawn from the Permian-San Juan Construction Fund under this Section 6C.03 in respect of the acquisition, drilling, testing, completion and/or equipping of gas or gas and oil wells (except for