

\$12,000,000 of expenditures have been made by the Company on account of the cost of the acquisition or construction and completion of facilities constituting a part of the Permian-San Juan Project (not including, however, any expenditures for the acquisition, drilling, testing, completion or equipping of gas or gas and oil wells, other than administrative or overhead charges which may be applicable thereto, or any expenditures for the acquisition by the Company of any gas leasehold estates). In the event that the aggregate amount of expenditures covered by said certificate of the Company shall exceed the sum of \$12,000,000, the Company shall be entitled to withdraw or have paid out of the Permian-San Juan Construction Fund a sum equal to such excess.

The Company covenants and agrees that, whenever any moneys shall be withdrawn from the Permian-San Juan Construction Fund pursuant to this Section on the basis of indebtedness incurred, such moneys will be applied by it to the payment of such indebtedness promptly when due and payable and in any event within 90 days after receipt of such moneys by the Company from the Corporate Trustee.

SECTION 6C.04. The Company covenants and agrees that, simultaneously with or promptly after the execution and delivery of the Tenth Supplemental Indenture hereto, it will deliver or cause to be delivered to the Corporate Trustee

(1) a certificate of the Company stating in substance that the Company has completed the acquisition of the gas rights or interests in and under gas and oil leases (hereinafter in this Section generally referred to as "gas leasehold estates") described in Divisions One, Two, Three, Four, Six, Eight, Ten and Twelve of Article One of the Ninth Supplemental Indenture hereto; and

(2) an opinion of counsel stating, in the opinion of such counsel, that the Company has good title to the gas leasehold estates referred to in the certificate of the Company provided for in subdivision (1) of this paragraph, subject only to (aa) rentals, royalties, reservations, liens or encumbrances (other than reservations, liens or encumbrances securing the payment of indebtedness of the Company or any predecessor in title)