

issued to provide funds for the acquisition or construction and completion of the Second Permian-San Juan Project properly chargeable to the account of interest during construction in accordance with sound accounting practice;

provided, however, that no moneys shall be withdrawable from the Second Permian-San Juan Construction Fund under this Section 6D.03 or otherwise in reimbursement to the Company of the cost of acquisition of any gas leasehold estates (as distinguished from the cost of wells and appurtenant lease equipment located on acreage covered by such gas leasehold estates acquired by the Company).

Unless an event of default shall have happened and be continuing, the Corporate Trustee shall pay out of the Second Permian-San Juan Construction Fund from time to time to the Company, or as directed in the certificate of the Company provided for in subdivision (1) below, an amount equal to expenditures made or indebtedness incurred as aforesaid on account of the cost of acquisition or construction and completion of the Second Permian-San Juan Project, as certified to the Corporate Trustee, upon receipt by the Corporate Trustee of:

(1) a certificate of the Company stating in substance

(i) that a stated amount of expenditures and/or indebtedness has been made or incurred by the Company on account of the cost of acquisition or construction and completion of the Second Permian-San Juan Project, specifying in reasonable detail the items of such expenditures and/or indebtedness, that such expenditures or indebtedness are of a character for which the Company is entitled to reimbursement pursuant to this Section 6D.03, and that the aggregate amount of expenditures and indebtedness representing costs of the acquisition or construction and completion of the Second Permian-San Juan Project included in such certificate and in all previous certificates furnished under this Section does not exceed the sum of \$195,935,000;

(ii) that no part of such expenditures and/or indebtedness has been included in any previous or other certificate furnished pursuant to any of the provisions of this Section or, as to any expenditures or indebtedness of the character referred to in clause (iii) below, has been made the basis for