

If such well is not drilled by the Unit Operator and results in production such that the land upon which it is situated may properly be included in a participating area, the party paying the cost of drilling such well shall deliver title thereto and possession thereof to the Unit Operator (and, unless otherwise provided by separate agreement between the Operator and such party, be reimbursed as provided in the unit operating agreement for the cost of drilling similar wells in the unit area.) Any well so drilled shall be operated pursuant to the terms of this agreement as though the well had been drilled by the Unit Operator.

If any well drilled by the Unit Operator or by an owner of working interests, as provided in this section, obtains production insufficient to justify inclusion of the land on which said well is situated in a participating area, said owner of working interests at his election, within 30 days after determination of such insufficiency, shall be wholly responsible for and may operate and produce the well at his sole expense and for his sole benefit. If such well was drilled by the Unit Operator and said owner of working interests elects to operate said well, he shall pay the Unit Operator a fair salvage value for the casing and other necessary equipment left in the well.

Wells drilled or produced at the sole expense and for the sole benefit of any owner of working interest other than the Unit Operator shall be operated pursuant to the terms and provisions of this agreement. Royalties in amount or value of production from any such well shall be paid as specified in the lease affected.