

as "Director, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

(b) Said notice shall be delivered to the Supervisor and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director, become effective as of the date prescribed in the notice thereof.

(e) Automatic Elimination. All legal subdivisions of lands, no parts of which are within a participating area within 5 years after the effective date of the initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless, at the expiration of said 5-year period, diligent drilling operations are in progress on nonparticipating lands, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued