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If the fee owner of the unitized substances does not execute this agreement and the unit operating agreement as a working interest owner or again lease such lands as above provided with respect to each existing participating area, within six (6) months after any such surrender or forfeiture, such fee owner shall be deemed to have waived the right to execute the unit operating agreement or lease such lands as to each such participating area, and to have agreed, in consideration for the compensation hereinafter provided, that operations hereunder as to any such participating area or areas shall not be affected by such surrender.

For any period the working interest in any lands are not expressly committed to the unit operating agreement as the result of any such surrender or forfeiture, the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of unitized working interests in accordance with their respective participating working interest ownerships in any such participating area or areas, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized, as to such participating area or areas.

Upon commitment of a working interest to this agreement and the unit operating agreement as provided in this section, an appropriate accounting and settlement shall be made, to reflect the retroactive effect of the commitment, for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered working interest during the period between the date of surrender and the date of recommitment, and payment of any moneys found to be owing by such an accounting shall be made as between parties then signatory to the unit operating agreement and this agreement within thirty (30) days after the recommitment. The right to become a party to this agreement and the unit operating agreement as a working interest owner by reason of a surrender or forfeiture as provided in this section shall not be defeated by the non-existence of a unit operating agreement and in the event no unit operating agreement is in existence and a mutually acceptable agreement between the proper parties thereto cannot be consummated, the Supervisor may prescribe such reasonable and equitable agreement as he deems warranted under the circumstances.

Nothing in this section shall be deemed to limit the right of joinder or subsequent joinder to this agreement as provided elsewhere in this agreement. The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

32. TAXES. On or before the due date of any valid taxes of whatsoever character in any way measured or determined by the amount of unitized substances produced from lands committed hereto or by the proceeds thereof, a computation shall be made of the amount, if any, of such taxes that each party hereto would be liable for under the law and underlying leases and contracts, assuming the amount of unitized substances allocated hereunder to each tract to be the amount actually produced from such tract, and an adjustment shall be made to the end that such taxes will be borne by the parties so determined by such allocated basis computation to be responsible therefor. The payment of such taxes and the adjustment among the working interest owners shall be handled as provided in the unit operating agreement; but, in the settlements with each of the owners of royalty or other interests committed hereto for their respective portions of unitized substances or derivative products or the net proceeds thereof, there shall be withheld and deducted therefrom such amounts as each party may be determined to be liable for on account of such interests under the aforementioned allocated basis computation with consideration being given as aforesaid to the law and underlying lease and contract provisions.

33. RELATIONSHIP OF PARTIES. It is expressly agreed and understood that by this unit agreement, it is not the intention of the parties hereto to create a partnership or association. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective and nothing contained in this unit agreement shall ever be construed to create a trust or association or to impose a partnership duty, obligation or liability with respect to any one or more of the parties hereto.

34. STATE LAND PROVISIONS. Certain of the unitized lands are public lands of the State of Wyoming, and in connection with the approval of this agreement by the Board of Land Commissioners of said state pursuant to Chapter 24, Article 7, Section 24-702, Wyoming Compiled Statutes, 1945, as amended by Chapter 157, Session Laws 1951 and Federal regulations it is agreed that there shall be filed with the Commissioner of Public Lands of said state:

(a) Two copies of the complete Unit Agreement and two copies of any revised Exhibits "A" and "B" concurrently with the filing thereof with the Supervisor, pursuant to Section 2 hereof.

(b) Two copies of any notice of the proposed expansion or contraction of the unit area required to be delivered to the Supervisor pursuant to Section 2 (b) hereof.

(c) Two copies of any unit operating agreement executed pursuant to Section 7 hereof.

(d) A copy of any schedule of proposed participating area submitted for approval under Section 11, concurrently with its submission to the Director. The Commissioner, or his authorized representative, shall have a period of fifteen (15) days from receipt of said schedule within which to file with the Supervisor any objection thereto, together with any recommendation for revision thereof. If such objection or recommendation is not concurred in by Unit Operator and Supervisor prior to submission of the schedule to the Director for approval, the Director shall approve or disapprove the schedule after giving due consideration to the objections and recommendations filed by the Commissioner or his representative.

(e) A copy of any proposed Plan of Development or modification thereof, which is filed with the Supervisor under Section 10 hereof.

(f) A copy of all instruments of subsequent joinder executed under Section 29 hereof.

It is agreed further that:

(1) All valid, pertinent and reasonable regulations hereafter issued governing drilling and producing operations on non-Federal lands which are not inconsistent with the terms hereof or the laws of the State of Wyoming are hereby accepted and made a part of this agreement.

P.U.A.