

Belco to execute any and all instruments necessary or proper to unitize his interest in the oil and gas leases, leasehold interests or options covered by this agreement under any unit or cooperative plan approved by the Secretary of Interior with respect to the properties covered by this agreement.

FIFTH:

Belco is hereby designated as the operator of the properties jointly owned by Belco and Bintliff and covered by this agreement, and Belco and Bintliff agree that simultaneously with the execution of this agreement, they will execute and enter into an operating agreement in form attached hereto as Exhibit D.

In the event under the applicable federal laws and regulations any unit or cooperative plan is entered into covering all or any part of the properties involved in this agreement, Belco is hereby designated as the "unit operator" and such unit operating agreement shall contain in substance the same provisions with respect to accounting procedure, participation and development (subject to federal laws and regulations) as are contained in the operating agreement hereto attached as Exhibit D.

SIXTH:

Belco and Bintliff shall each execute and deliver to the other separate assignments in conventional form covering the interest in each lease conveyed by each to the other under this agreement.

With respect to options for leases covered by this agreement, Belco agrees that when it shall exercise any such option, it will forthwith execute and deliver to Bintliff an assignment of an undivided one-fourth (1/4th) interest in the lease covered by such option.

SEVENTH:

All notices or other communications to be sent or exercised as provided in this agreement shall be in writing, sent by registered mail, to the addresses herein designated or to such other addresses as may hereafter be designated in writing by Belco or Bintliff:

To Belco - Belco Petroleum Corporation
42 Broadway
New York 4, New York

To Bintliff - David C. Bintliff
812 Rusk Avenue
Houston 2, Texas

EIGHTH:

Ad valorem taxes with respect to the properties covered by this