

the owners of such interests in proportion to their ownership in the substances produced from a gas reservoir and the portion of the rental burden to be borne by the oil interests shall be paid by the owners of such interest in proportion to their ownership in the substances produced from an oil reservoir.

Neither of the parties shall be liable to the other for failure to make proper rental payments under any lease provided it has acted in good faith.

7. DRILLING OBLIGATIONS.

El Paso agrees to commence, on or before October 15, 1954, a well at a location of its selection on said lands and continue drilling such well with due diligence to a depth of 15,000 feet, unless oil or gas in paying quantities is encountered at a lesser depth or unless lost circulation zones or impenetrable substances are encountered which prevent completion of said well.

In the event El Paso desires to discontinue drilling for any other reason, then, subject to first obtaining the consent in writing of Continental, which consent shall be given after

- (a) the entire Mesa Verde formation has been adequately tested in such well, and
- (b) the data obtained in the course of drilling such well has shown to Continental's satisfaction that it would be unreasonable to expect a prospective productive formation be penetrated above 15,000 feet,

El Paso may discontinue the drilling of such well.