

the parties shall by a cash payment adjust their respective investments in all of the wells and equipment to and being operated for such reservoir so that, after such cash adjustment has been completed, each party's percentage of the total sum invested in such wells and equipment shall be the same as such party's new percentage interest in the substances produced from such reservoir not required for payment in cash or in kind of royalties and overriding royalties. In making such adjustments of investment costs, Continental shall advance or receive, as the case may be, all sums due or to be paid on behalf of Malco's interest in the substances in such reservoir.

In making the adjustments in the preceding paragraph provided for, there shall be no retroactive accounting for substances theretofore produced or for operating costs theretofore incurred. The valuation of all wells and equipment shall be on the basis of the original cost less 1/2 of 1% per month from the time of completion until the time of such adjustment unless the applicable unit operating agreement provides for a different basis for valuing such wells and equipment upon the making of an adjustment of investment cost, in which case valuation shall be upon the same basis as that provided for in the unit operating agreement. In case production from any reservoir has been substantially curtailed, any reduction of original costs shall be made upon an equitable basis. The cost of all development wells, whether or not productive, shall be included as investment costs.

In the event any well is produced concurrently or successively from two or more strata there shall be an equitable adjustment of the costs of drilling, completing and equipping such well between the parties hereto owning production from each such strata.

18. ARBITRATION.

In the event that all members of the committee do not agree upon a classification or determination to be