

a result of operations under said leases, taking into consideration all expenses theretofore incurred in connection with such operations and all accounts payable or receivable with regard thereto at the end of said month and all payments of net profits theretofore made to Novi. In making the foregoing computations, deficits shall be carried over from month to month and the accumulated total thereto applied against subsequent earnings before profits will be considered to have accrued. Payment of such net profits shall be made as soon as practicable after the end of any month in which net profits have been so realized. Notwithstanding that there may be separate operations under said leases relating to separate deposits of oil and gas (whether conducted by Continental or El Paso or some by Continental and some by El Paso), all accounting for the purpose of determining net profits hereunder shall be upon a consolidated basis involving all operations under said leases and the said Pinedale Unit.

Operator shall keep an accurate record of all accounts hereunder, showing the costs and expenses incurred and charges made and all receipts and credits received, which record shall be available at all reasonable times for the examination and inspection of Novi or its duly authorized representative. Within one (1) month after the close of each calendar month, Operator shall furnish to Novi a statement of costs and expenses incurred and charges made and all receipts and credits received during such calendar month.