

be borne by the parties having interests in production in the reservoir after such determination or change in determination in proportion to their new interests in production except that Continental shall be responsible for what would otherwise be Malco's share of such deficit.

Proceeds of the five per cent (5%) gross revenue from any operation received by an operator, as above defined, shall first be used for reimbursing such operator for five per cent (5%) of the expenses of such operator's operations chargeable in computing the Novi net profits interest; then to reimbursing each party proportionately for amounts advanced on account of deficits in the Novi account resulting from such operations; then to reimbursing each party proportionately for amounts advanced on account of deficits in the Novi account resulting from other operations subject to said Novi net profits interest; and finally after the parties hereto have been so reimbursed, to payment of the amounts due Novi under the Net Profits Contract marked Exhibit C and attached to the Novi Agreement.

In construing the words "reservoir" and "gas reservoir" as used herein, reference shall be had to the El Paso Farmout.

3. This agreement shall take effect as of the date hereof and shall continue and remain in full force and effect so long as any of the leases shown on Exhibit A attached hereto shall remain subject to the Novi Agreement and, in the event the five per cent (5%) net profits interest is created, pursuant to the said Novi Agreement, then so long as such net profits interest remain in effect.