

1 shall submit for approval by the Director a schedule, based on sub- 1  
2 divisions of the public-land survey or aliquot parts thereof, of all 2  
3 unitized land then regarded as reasonably proved to be productive 3  
4 of unitized substances in paying quantities; all lands in said schedule 4  
5 on approval of the Director to constitute a participating area, ef- 5  
6 fective as of the date of completion of such well or the effective date 6  
7 of the Unit Agreement, whichever is later. Said schedule shall set 7  
8 forth the percentage of unitized substances to be allocated as herein 8  
9 provided to each unitized tract in the participating area so established, 9  
10 and shall govern the allocation of production from and after the date 10  
11 the participating area becomes effective. A separate participating 11  
12 area shall be established in like manner for each separate pool or 12  
13 deposit of unitized substances or for any group thereof produced as 13  
14 a single pool or zone, and any two or more participating areas so 14  
15 established may be combined into one with the consent of the owners 15  
16 of all working interests in the lands within the participating areas 16  
17 so to be combined, on approval of the Director. The participating 17  
18 area or areas so established shall be revised from time to time, 18  
19 subject to like approval, whenever such action appears proper as a 19  
20 result of further drilling operations or otherwise, to include additional 20  
21 land then regarded as reasonably proved to be productive in paying 21  
22 quantities, or to exclude land then regarded as reasonably proved 22  
23 not to be productive in paying quantities and the percentage of 23  
24 allocation shall also be revised accordingly. The effective date of 24  
25 any revisions shall be the first of the month in which is obtained the 25  
26 knowledge or information on which such revision is predicated, 26  
27 provided, however, that a more appropriate effective date may be 27  
28 used if justified by the Unit Operator and approved by the Director. 28  
29 No land shall be excluded from a participating area on account of 29  
30 depletion of the unitized substances. 30

31 It is the intent of this section that a participating area shall 31  
32 represent the area known or reasonably estimated to be productive 32