

1 regulations, provided that nothing herein contained shall operate
2 to relieve the lessees of any land from their respective lease
3 obligations for the payment of any rental or minimum royalty in lieu
4 thereof due under their leases. Rental or minimum royalty for lands
5 of the United States subject to this agreement shall be paid at the rate
6 specified in the respective leases from the United States unless such
7 rental or minimum royalty is waived, suspended, or reduced by law
8 or by approval of the Secretary or his duly authorized representative.

9 With respect to any lease on non-Federal land containing
10 provisions which would terminate such lease unless drilling operations
11 were within the time therein specified commenced upon the land
12 covered thereby or rentals paid for the privilege of deferring such
13 drilling operations, the rentals required thereby shall, notwithstanding
14 any other provision of this agreement, be deemed to accrue and
15 become payable during the term thereof as extended by this agreement
16 and until the required drilling operations are commenced upon the
17 land covered thereby or some portion of such land is included within
18 a participating area.

19 16. CONSERVATION. Operations hereunder and production
20 of unitized substances shall be conducted to provide for the most
21 economical and efficient recovery of said substances without waste,
22 as defined by or pursuant to State or Federal law or regulation.

23 17. DRAINAGE. The Unit Operator shall take appropriate
24 and adequate measures to prevent drainage of unitized substances
25 from unitized land by wells on land not subject to this agreement,
26 or pursuant to applicable regulations pay a fair and reasonable
27 compensatory royalty as determined by the Supervisor.

28 18. LEASES AND CONTRACTS CONFORMED AND EXTENDED.
29 The terms, conditions, and provisions of all leases, subleases, and
30 other contracts relating to exploration, drilling, development, or
31 operation for oil or gas of lands committed to this agreement are
32 hereby expressly modified and amended to the extent necessary to