

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

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

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

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

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