

1 interests in all unitized land, shall by majority vote select a successor Unit
2 Operator: Provided, that, if a majority but less than 75 per cent of the work-
3 ing interests qualified to vote are owned by one party to this agreement a con-
4 curring vote of one or more additional Working Interest Owners shall be re-
5 quired to select a new operator. Such selection shall not become effective until

6 (a) a Unit Operator so selected shall accept in writing the duties and
7 responsibilities of Unit Operator, and

8 (b) the selection shall have been approved by the Director. If no succes-
9 sor Unit Operator is selected and qualified as herein provided, the Director at
10 his election may declare this Unit Agreement terminated.

11 7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

12 If the Unit Operator is not the sole owner of working interests, costs and ex-
13 penses incurred by Unit Operator in conducting unit operations hereunder shall
14 be paid and apportioned among and borne by the owners of working interests,
15 all in accordance with the agreement or agreements entered into by and between
16 the Unit Operator and the owners of working interests, whether one or more,
17 separately or collectively. Any agreement or agreements entered into between
18 the Working Interest Owners and the Unit Operator as provided in this section,
19 whether one or more, are herein referred to as the "Unit Operating Agree-
20 ment". Such Unit Operating Agreement shall also provide the manner in which
21 the Working Interest Owners shall be entitled to receive their respective pro-
22 portionate and allocated share of the benefits accruing hereto in conformity
23 with their underlying operating agreements, leases, or other independent
24 contracts, and such other rights and obligations as between Unit Operator and
25 the Working Interest Owners as may be agreed upon by Unit Operator and the
26 Working Interest Owners; however, no such Unit Operating Agreement shall be
27 deemed either to modify any of the terms and conditions of this Unit Agreement
28 or to relieve the Unit Operator of any right or obligation established under this
29 Unit Agreement, and in case of any inconsistency or conflict between the Unit
30 Agreement and the Unit Operating Agreement, this Unit Agreement shall
31 prevail. Three true copies of any Unit Operating Agreement executed pursuant
32 to this section should be filed with the Supervisor, prior to approval of this
33 Unit Agreement.