

1 unwarranted, production from such well shall, for the purposes 1  
2 of settlement among all parties other than working interest 2  
3 owners, be allocated to the land on which the well is located 3  
4 so long as such land is not within a participating area estab- 4  
5 lished for the pool or deposit from which such production is 5  
6 obtained. Settlement for working interest benefits from such 6  
7 a well shall be made as provided in the unit operating agreement. 7  
8       12. ALLOCATION OF PRODUCTION. All unitized substances 8  
9 produced from each participating area established under this 9  
10 agreement, except any part thereof used in conformity with good 10  
11 operating practices within the unitized area for drilling, 11  
12 operating, camp and other production or development purposes, 12  
13 for repressuring or recycling in accordance with a plan of 13  
14 development approved by the Supervisor, or unavoidably lost, 14  
15 shall be deemed to be produced equally on an acreage basis 15  
16 from the several tracts of unitized land of the participating 16  
17 area established for such production and, for the purpose of 17  
18 determining any benefits accruing under this agreement, each 18  
19 such tract of unitized land shall have allocated to it such 19  
20 percentage of said production as the number of acres of such 20  
21 tract included in said participating area bears to the total 21  
22 acres of unitized land in said participating area, except that 22  
23 allocation of production hereunder for purposes other than for 23  
24 settlement of royalty, overriding royalty, or payment out of 24  
25 production obligations of the respective working interest owners, 25  
26 shall be on the basis prescribed in the unit operating agree- 26  
27 ment whether in conformity with the basis of allocation herein 27  
28 set forth or otherwise. It is hereby agreed that production of 28  
29 unitized substances from a participating area shall be allo- 29  
30 cated as provided herein regardless of whether any wells are 30  
31 drilled on any particular part or tract of said participating 31  
32 area. If any gas produced from one participating area is used for<sup>32</sup>