

1 Supervisor that further drilling of said well would be unwarranted 1
2 or impracticable, provided, however, that Unit Operator shall 2
3 not in any event be required to drill said well to a depth in excess 3
4 of 6000 feet. Until the discovery of a deposit of unitized substances 4
5 capable of being produced in paying quantities, the Unit Operator 5
6 shall continue drilling diligently one well at a time, allowing not 6
7 more than 6 months between the completion of one well and the 7
8 beginning of the next well, until a well capable of producing unitized 8
9 substances in paying quantities is completed to the satisfaction of 9
10 said Supervisor or until it is reasonably proved that the unitized 10
11 land is incapable of producing unitized substances in paying 11
12 quantities in the formations drilled hereunder. Nothing in this 12
13 section shall be deemed to limit the right of the Unit Operator to 13
14 resign as provided in Section 5 hereof, or as requiring Unit 14
15 Operator to commence or continue any drilling during the period 15
16 pending such resignation becoming effective in order to comply 16
17 with the requirements of this section. The Director may modify 17
18 the drilling requirements of this section by granting reasonable 18
19 extensions of time when, in his opinion, such action is warranted. 19
20 Upon failure to comply with the drilling provisions of this 20
21 section, the Director may, after reasonable notice to the Unit 21
22 Operator, and each Working Interest Owner, lessee, and lessor at 22
23 their last known addresses, declare this Unit Agreement terminated. 23
24 10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. 24
25 Within 6 months after completion of a well capable of producing 25
26 unitized substances in paying quantities, the Unit Operator shall 26
27 submit for the approval of the Supervisor an acceptable plan of 27
28 development and operation for the unitized land which, when approved 28
29 by the Supervisor, shall constitute the further drilling and operating 29
30 obligations of the Unit Operator under this agreement for the period 30
31 specified therein. Thereafter, from time to time before the 31
32 expiration of any existing plan, the Unit Operator shall submit for 32