

11. PARTICIPATION AFTER DISCOVERY. Upon completion  
of a well capable of producing unitized substances in paying quantities  
or as soon thereafter as required by the Supervisor, the Unit Operator  
shall submit for approval by the Director a schedule, based on sub-  
divisions of the public-land survey or aliquot parts thereof, of all  
unitized land then regarded as reasonably proved to be productive  
of unitized substances in paying quantities; all lands in said schedule  
on approval of the Director to constitute a participating area, effective  
as of the date of completion of such well or the effective date of the  
Unit Agreement, whichever is later. Said schedule shall set forth  
the percentage of unitized substances to be allocated as herein  
provided to each unitized tract in the participating area so established,  
and shall govern the allocation of production from and after the date  
the participating area becomes effective. A separate participating  
area shall be established in like manner for each separate pool or  
deposit of unitized substances or for any group thereof produced as  
a single pool or zone, and any two or more participating areas so  
established may be combined into one with the consent of the owners  
of all working interests in the lands within the participating areas  
so to be combined, on approval of the Director. The participating  
area or areas so established shall be revised from time to time,  
subject to like approval, whenever such action appears proper as a  
result of further drilling operations or otherwise, to include  
additional land then regarded as reasonably proved to be productive  
in paying quantities, or to exclude land then regarded as reasonably  
proved not to be productive in paying quantities and the percentage  
of allocation shall also be revised accordingly. The effective date  
of any revision shall be the first of the month in which is obtained  
the knowledge or information on which such revision is predicated  
provided, however, that a more appropriate effective date may be  
used if justified by the Unit Operator and approved by the Director.