

1                   Unit Operator shall have the right to resign in like  
2 manner and subject to like limitations as above provided at any  
3 time a participating area established hereunder is in existence,  
4 but, in all instances of resignation or removal, until a successor  
5 Unit Operator is selected and approved as hereinafter provided,  
6 the Working Interest Owners shall be jointly responsible for per-  
7 formance of the duties of Unit Operator, and shall not later than  
8 30 days before such resignation or removal becomes effective  
9 appoint a common agent to represent them in any action to be taken  
10 hereunder.

11                   The resignation of Unit Operator shall not release Unit  
12 Operator from any liability for any default by it hereunder occur-  
13 ing prior to the effective date of its resignation.

14                   The Unit Operator may, upon default or failure in the  
15 performance of its duties or obligations hereunder, be subject  
16 to removal by the same percentage vote of the owners of working  
17 interests determined in like manner as herein provided for the  
18 selection of a new Unit Operator. Such removal shall be effective  
19 upon notice thereof to the Director.

20                   The resignation or removal of Unit Operator under this  
21 agreement shall not terminate its right, title, or interest as the  
22 owner of a working interest or other interest in unitized sub-  
23 stances, but upon the resignation or removal of Unit Operator  
24 becoming effective, such Unit Operator shall deliver possession  
25 of all equipment, materials, and appurtenances used in conduct-  
26 ing the unit operations and owned by the Working Interest Owners  
27 to the new duly qualified successor Unit Operator or to the owners  
28 thereof if no such new Unit Operator is elected, to be used for  
29 the purpose of conducting unit operations hereunder. Nothing  
30 herein shall be construed as authorizing removal of any material,  
31 equipment and appurtenances needed for the preservation of any  
32 wells.