

1                   10. PLAN OF FURTHER DEVELOPMENT AND  
2 OPERATION. Within 6 months after completion of a well capable  
3 of producing unitized substances in paying quantities, the Unit  
4 Operator shall submit for the approval of the Supervisor an  
5 acceptable plan of development and operation for the unitized land  
6 which, when approved by the Supervisor, shall constitute the further  
7 drilling and operating obligations of the Unit Operator under this  
8 agreement for the period specified therein. Thereafter, from time  
9 to time before the expiration of any existing plan, the Unit Operator  
10 shall submit for the approval of the Supervisor a plan for an  
11 additional specified period for the development and operation of  
12 the unitized land. Any plan submitted pursuant to this section  
13 shall provide for the exploration of the unitized area and for the  
14 diligent drilling necessary for determination of the area or areas  
15 thereof capable of producing unitized substances in paying quantities  
16 in each and every productive formation and shall be as complete  
17 and adequate as the Supervisor may determine to be necessary  
18 for timely development and proper conservation of the oil and gas  
19 resources of the unitized area and shall  
20                   (a) specify the number and locations of any wells to be  
21 drilled and the proposed order and time for such drilling;  
22 and  
23                   (b) to the extent practicable specify the operating  
24 practices regarded as necessary and advisable for  
25 proper conservation of natural resources. Separate  
26 plans may be submitted for separate productive zones,  
27 subject to the approval of the Supervisor. Said plan  
28 or plans shall be modified or supplemented when  
29 necessary to meet changed conditions or to protect  
30 the interests of all parties to this agreement. Reason-  
31 able diligence shall be exercised in complying with the  
32 obligations of the approval plan of development. The  
33 Supervisor is authorized to grant a reasonable extension