

1 inclusion in a participating area of the land upon which such well
2 is situated, such well may be operated and produced by the
3 party drilling the same subject to the conservation requirements
4 of this agreement. The royalties in amount or value of produc-
5 tion from any such well shall be paid as specified in the underlying
6 lease and agreements affected.

7 14. ROYALTY SETTLEMENT. The United States and
8 any State and all royalty owners who, under existing contract, are
9 entitled to take in kind a share of the substances now unitized here-
10 under produced from any tract, shall hereafter be entitled to the
11 right to take in kind their share of the unitized substances allocated
12 to such tract, and Unit Operator, or in case of the operation of a
13 well by a Working Interest Owner as herein in special cases pro-
14 vided for, such Working Interest Owner, shall make deliveries of
15 such royalty share taken in kind in conformity with the applicable
16 contracts, laws, and regulations. Settlement for royalty interest
17 not taken in kind shall be made by Working Interest Owners
18 responsible therefor under existing contracts, laws and regulations
19 on or before the last day of each month for unitized substances
20 produced during the preceding calendar month; provided, however,
21 that nothing herein contained shall operate to relieve the lessees
22 of any land from their respective lease obligations for the pay-
23 ment of any royalties due under their leases.

24 If gas obtained from lands not subject to this agreement
25 is introduced into any participating area hereunder, for use in
26 repressuring, stimulation of production, or increasing ultimate
27 recovery, which shall be in conformity with a plan first approved
28 by the Supervisor, a like amount of gas, after settlement as
29 herein provided for any gas transferred from any other participat-
30 ing area and with due allowance for loss or depletion from any
31 cause, may be withdrawn from the formation into which the gas
32 was introduced, royalty free as to dry gas, but not as to the