

1 Director, and until all wells then drilled hereunder are placed in a 1  
2 satisfactory condition for suspension or abandonment whichever is requir- 2  
3 ed by the Supervisor, unless a new Unit Operator shall have been selected 3  
4 and approved and shall have taken over and assumed the duties and obli- 4  
5 gations of Unit Operator prior to the expiration of said period. 5

6 Unit Operator shall have the right to resign in like manner and 6  
7 subject to like limitations as above provided at any time a participating 7  
8 area established hereunder is in existence, but, in all instances of 8  
9 resignation or removal, until a successor Unit Operator is selected and 9  
10 approved as hereinafter provided, the working interest owners shall be 10  
11 jointly responsible for performance of the duties of Unit Operator, and 11  
12 shall not later than 30 days before such resignation or removal becomes 12  
13 effective appoint a common agent to represent them in any action to be 13  
14 taken hereunder. 14

15 The resignation of Unit Operator shall not release Unit Operator 15  
16 from any liability for any default by it hereunder occurring prior to 16  
17 the effective date of its resignation. 17

18 The Unit Operator may, upon default or failure in the performance 18  
19 of its duties or obligations hereunder, be subject to removal by the 19  
20 same percentage vote of the owners of working interests determined in 20  
21 like manner as herein provided for the selection of a new Unit Operator. 21  
22 Such removal shall be effective upon notice thereof to the Director. 22

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