

1 regulations as though each participating area were a single consolidated
2 lease.

3 15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases
4 committed hereto shall be paid by working interest owners responsible
5 therefor under existing contracts, laws, and regulations, provided that
6 nothing herein contained shall operate to relieve the lessees of any land
7 from their respective lease obligations for the payment of any rental or
8 minimum royalty in lieu thereof due under their leases. Rental or mini-
9 mum royalty for lands of The United States subject to this agreement
10 shall be paid at the rate specified in the respective leases from the
11 United States unless such rental or minimum royalty is waived, suspended,
12 or reduced by law or by approval of the Secretary or his duly authorized
13 representative.

14 With respect to any lease on non-Federal land containing provisions
15 which would terminate such lease unless drilling operations were within
16 the time therein specified commenced upon the land covered thereby or
17 rentals paid for the privilege of deferring such drilling operations, the
18 rentals required thereby shall, notwithstanding any other provision of
19 this agreement, be deemed to accrue and become payable during the term
20 thereof as extended by this agreement and until the required drilling
21 operations are commenced upon the land covered thereby or some portion
22 of such land is included within a participating area.

23 16. CONSERVATION. Operations hereunder and production of unitized
24 substances shall be conducted to provide for the most economical and
25 efficient recovery of said substances without waste, as defined by or
26 pursuant to State or Federal law or regulation.

27 17. DRAINAGE. The Unit Operator shall take appropriate and ade-
28 quate measures to prevent drainage to unitized substances from unitized
29 land by wells on land not subject to this agreement, or pursuant to
30 applicable regulations pay a fair and reasonable compensatory royalty
31 as determined by the Supervisor.

32 18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms,