

1       accomplished by consent of the owners of 90% of the current unitized  
2       working interests and 60% of the current unitized basic royalty inter-  
3       ests (exclusive of the basic royalty interests of the United States), on  
4       a total-nonparticipating-acreage basis, respectively, with approval of  
5       the Director, provided such extension application is submitted to the  
6       Director not later than 60 days prior to the expiration of said 10-year  
7       period.

8       Any expansion of the unit area pursuant to this section which  
9       embraces lands theretofore eliminated pursuant to this subsection 2(e)  
10       shall not be considered automatic commitment or recommitment of such  
11       lands.

12       3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to  
13       this agreement shall constitute land referred to herein as "unitized  
14       land" or "land subject to this agreement." All oil and gas in any and  
15       all formations of the unitized land are unitized under the terms of  
16       this agreement and herein are called "unitized substances."

17       4. UNIT OPERATOR. Belfer Natural Gas Company is hereby designat-  
18       ed as Unit Operator and by signature hereto as Unit Operator agrees and  
19       consents to accept the duties and obligations of Unit Operator for the  
20       discovery, development, and production of unitized substances as herein  
21       provided. Whenever reference is made herein to the Unit Operator, such  
22       reference means the Unit Operator acting in that capacity and not as an  
23       owner of interest in unitized substances, and the term "working interest  
24       owner" when used herein shall include or refer to Unit Operator as the  
25       owner of a working interest when such an interest is owned by it.

26       5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall  
27       have the right to resign at any time prior to the establishment of a  
28       participating area or areas hereunder, but such resignation shall not  
29       become effective so as to release Unit Operator from the duties and  
30       obligations of Unit Operator and terminate Unit Operator's rights as  
31       such for a period of 6 months after notice of intention to resign has  
32       been served by Unit Operator on all working interest owners and the