

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