

1 equipment and appurtenances needed for the preservation of any wells. 1

2 6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall ten- 2
3 der his or its resignation as Unit Operator or shall be removed as 3
4 hereinabove provided, the owners of the working interests in the parti- 4
5 cipating area or areas according to their respective acreage interests 5
6 in such participating area or areas, or, until a participating area shall 6
7 have been established, the owners of the working interests according to 7
8 their respective acreage interests in all unitized land, shall by 8
9 majority vote select a successor Unit Operator: Provided, That, if a 9
10 majority but less than 75 per cent of the working interests qualified to 10
11 vote are owned by one party to this agreement, a concurring vote of one 11
12 or more additional working interest owners shall be required to select a 12
13 new operator. Such selection shall not become effective until 13

14 (a) A Unit Operator so selected shall accept in writing the duties 14
15 and responsibilities of Unit Operator, and 15

16 (b) The selection shall have been approved by the Director. If no 16
17 successor Unit Operator is selected and qualified as herein provided, the 17
18 Director at his election may declare this unit agreement terminated. 18

19 7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the 19
20 Unit Operator is not the sole owner of working interests, costs and 20
21 expenses incurred by Unit Operator in conducting unit operations here- 21
22 under shall be paid and apportioned among and borne by the owners of 22
23 working interests, all in accordance with the agreement or agreements 23
24 entered into by and between the Unit Operator and the owners of working 24
25 interests, whether one or more, separately or collectively. Any agree- 25
26 ment or agreements entered into between the working interest owners and 26
27 the Unit Operator as provided in this section, whether one or more, 27
28 are herein referred to as the "unit operating agreement." Such unit 28
29 operating agreement shall also provide the manner in which the working 29
30 interest owners shall be entitled to receive their respective propor- 30
31 tionate and allocated share of the benefits accruing hereto in conform- 31
32 ity with their underlying operating agreements, leases, or other 32