

1 until an amount equal to that transferred shall be so produced for sale  
2 and such gas shall be allocated to the participating area from which  
3 initially produced as constituted at the time of such final production.

4       13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR  
5 FORMATIONS. Any party hereto owning or controlling the working interest  
6 in any unitized land having thereon a regular well location may with the  
7 approval of the Supervisor, at such party's sole risk, costs, and  
8 expense, drill a well to test any formation for which a participating  
9 area has not been established or to test any formation for which a  
10 participating area has been established if such location is not within  
11 said participating area, unless within 90 days of receipt of notice from  
12 said party of his intention to drill the well the Unit Operator elects  
13 and commences to drill such a well in like manner as other wells are  
14 drilled by the Unit Operator under this agreement.

15       If any well drilled as aforesaid by a working interest owner results  
16 in production such that the land upon which it is situated may properly  
17 be included in a participating area, such participating area shall be  
18 established or enlarged as provided in this agreement and the well shall  
19 thereafter be operated by the Unit Operator in accordance with the terms  
20 of this agreement and the unit operating agreement.

21       If any well drilled as aforesaid by a working interest owner obtains  
22 production in quantities insufficient to justify the inclusion in a  
23 participating area of the land upon which such well is situated, such  
24 well may be operated and produced by the party drilling the same subject  
25 to the conservation requirements of this agreement. The royalties in  
26 amount or value of production from any such well shall be paid as speci-  
27 fied in the underlying lease and agreements affected.

28       14. ROYALTY SETTLEMENT. The United States and any State and all  
29 royalty owners who, under existing contract, are entitled to take in  
30 kind a share of the substances now unitized hereunder produced from any  
31 tract, shall hereafter be entitled to the right to take in kind their  
32 share of the unitized substances allocated to such tract, and Unit