

1 by the Unit Operator whenever changes in the unit area render such
2 revision necessary, or when requested by the Oil and Gas Supervisor,
3 hereinafter referred to as "Supervisor" and not less than six copies of
4 the revised exhibits shall be filed with the Supervisor.

5 The above-described unit area shall when practicable be expanded
6 to include therein any additional tract or tracts regarded as reason-
7 ably necessary or advisable for the purposes of this agreement, or
8 shall be contracted to exclude lands not within any participating area
9 whenever such expansion or contraction is necessary or advisable to
10 conform with the purposes of this agreement. Such expansion or con-
11 traction shall be effected in the following manner:

12 (a) Unit Operator, on its own motion or on demand of the Director
13 of the Geological Survey, hereinafter referred to as "Director," after
14 preliminary concurrence by the Director, shall prepare a notice of
15 proposed expansion or contraction describing the contemplated changes
16 in the boundaries of the unit area, the reasons therefor, and the pro-
17 posed effective date thereof, preferably the first day of a month sub-
18 sequent to the date of notice.

19 (b) Said notice shall be delivered to the Supervisor, and copies
20 thereof mailed to the last known address of each working interest owner,
21 lessee, and lessor whose interests are affected, advising that 30 days
22 will be allowed for submission to the Unit Operator of any objections.

23 (c) Upon expiration of the 30-day period provided in the preceding
24 item (b) hereof, Unit Operator shall file with the Supervisor evidence
25 of mailing of the notice of expansion or contraction and a copy of any
26 objections thereto which have been filed with the Unit Operator, to-
27 gether with an application in sufficient number, for approval of such
28 expansion or contraction and with appropriate joinders.

29 (d) After due consideration of all pertinent information, the
30 expansion or contraction shall, upon approval by the Director, become
31 effective as of the date prescribed in the notice thereof.

32 (e) All legal subdivisions of unitized lands (i.e., 40 acres by