

1 the fixed term or any extension thereof that the unitized land 1
2 is incapable of production of unitized substances in paying 2
3 quantities in the formations tested hereunder and after notice 3
4 of intention to terminate the agreement on such ground is given 4
5 by the Unit Operator to all parties in interest at their last 5
6 known addresses, the agreement is terminated with the approval 6
7 of the Director, or 7
8 (c) a valuable discovery of unitized substances has been made 8
9 on unitized land during said initial term or any extension 9
10 thereof, in which event the agreement shall remain in effect for 10
11 such term and so long as unitized substances can be produced in 11
12 paying quantities, i.e., in this particular instance in quantities 12
13 sufficient to pay for the cost of producing same from wells on 13
14 unitized land within any participating area established hereunder, 14
15 and, should production cease, so long thereafter as diligent 15
16 operations are in progress for the restoration of production or 16
17 discovery of new production and so long thereafter as the unitized 17
18 substances so discovered can be produced as aforesaid, or 18
19 (d) it is terminated as heretofore provided in this agreement. 19
20 This agreement may be terminated at any time by not less than 75 20
21 per centum, on an acreage basis, of the owners of working interests 21
22 signatory hereto, with the approval of the Director; notice of any such 22
23 approval to be given by the Unit Operator to all parties hereto. 23
24 21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director 24
25 is hereby vested with authority to alter or modify from time to time 25
26 in his discretion the quantity and rate of production under this agree- 26
27 ment when such quantity and rate is not fixed pursuant to Federal or 27
28 State law or does not conform to any state-wide voluntary conservation 28
29 or allocation program, which is established, recognized, and generally 29
30 adhered to by the majority of operators in such State, such authority 30
31 being hereby limited to alteration or modification in the public 31
32 interest, the purpose thereof and the public interest to be served 32