

1 for the discovery, development, and production of unitized substances as 1
2 herein provided. Whenever reference is made herein to the Unit Operator, 2
3 such reference means the Unit Operator acting in that capacity and not as 3
4 an owner of interest in unitized substances, and the term "working interest" 4
5 owner" when used herein shall include or refer to Unit Operator as the 5
6 owner of a working interest when such an interest is owned by it. 6

7 5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall 7
8 have the right to resign at any time prior to the establishment of a par- 8
9 ticipating area or areas hereunder, but such resignation shall not become 9
10 effective so as to release Unit Operator from the duties and obligations of 10
11 Unit Operator and terminate Unit Operator's rights as such for a period of 11
12 6 months after notice of intention to resign has been served by Unit 12
13 Operator on all working interest owners and the Director, and until all 13
14 wells then drilled hereunder are placed in a satisfactory condition for 14
15 suspension or abandonment whichever is required by the Supervisor, unless 15
16 a new Unit Operator shall have been selected and approved and shall have 16
17 taken over and assumed the duties and obligations of Unit Operator prior 17
18 to the expiration of said period. 18

19 Unit Operator shall have the right to resign in like manner and sub- 19
20 ject to like limitations as above provided at any time a participating 20
21 area established hereunder is in existence, but, in all instances of resig- 21
22 nation or removal, until a successor Unit Operator is selected and approved 22
23 as hereinafter provided, the working interest owners shall be jointly 23
24 responsible for performance of the duties of Unit Operator, and shall not 24
25 later than 30 days before such resignation or removal becomes effective 25
26 appoint a common agent to represent them in any action to be taken here- 26
27 under. 27

28 The resignation of Unit Operator shall not release Unit Operator from 28
29 any liability for any default by it hereunder occurring prior to the ef- 29
30 feitive date of its resignation. 30

31 The Unit Operator may, upon default or failure in the performance of 31
32 its duties or obligations hereunder, be subject to removal by the same 32
33 percentage vote of the owners of working interests determined in like 33
34 manner as herein provided for the selection of a new Unit Operator. Such 34