

1 existence of a unit operating agreement and in the event no unit operating 1
2 agreement is in existence and a mutually acceptable agreement between the 2
3 proper parties thereto cannot be consummated, the Supervisor may prescribe 3
4 such reasonable and equitable agreement as he deems warranted under the 4
5 circumstances. 5

6 Nothing in this section shall be deemed to limit the right of joinder 6
7 or subsequent joinder to this agreement as provided elsewhere in this 7
8 agreement. The exercise of any right vested in a working interest owner to 8
9 reassign such working interest to the party from whom obtained shall be 9
10 subject to the same conditions as set forth in this section in regard to 10
11 the exercise of a right to surrender. 11

12 31. ROYALTY OWNERS' TAXES. Unless otherwise specifically provided 12
13 by law, each royalty owner shall render and pay all ad valorem taxes, 13
14 including ad valorem taxes measured by production levied against its royalty 14
15 or mineral interest. Unit Operator shall pay, as an agent for the Working 15
16 Interest Owners, each royalty owner's share of all taxes other than ad 16
17 valorem taxes levied on or measured by the unitized substances in and under, 17
18 or that may be produced, gathered, and sold from the lands subject hereto, 18
19 or upon the proceeds or net proceeds derived therefrom, and shall pay ad 19
20 valorem taxes to the extent that the same are made payable by law by any 20
21 Working Interest Owner. Each Working Interest Owner shall reimburse Unit 21
22 Operator for taxes so paid on its behalf and such Working Interest Owner 22
23 shall make proportionate deductions of said amounts in settling with its 23
24 royalty owners in each separately owned tract. No such taxes shall be 24
25 charged to the United States. 25

26 32. NO PARTNERSHIP. It is expressly agreed that the relation of the 26
27 parties hereto is that of independent contractors and nothing in this agree- 27
28 ment contained, expressed or implied, nor any operations conducted here- 28
29 under, shall create or be deemed to have created a partnership or association 29
30 between the parties hereto or any of them. 30

31 33. FOREST LAND STIPULATION (Form 4-216). As to the leases embraced 31
32 in this unit area issued under the Mineral Leasing Act of February 25, 1920 32
33 (41 Stat. 437), as amended, the parties hereto hereby further agree that 33
34 Unit Operator shall: 34