

1	of all obligations for development and operation with respect to	1
2	each and every part or separately owned tract subject to this	2
3	agreement, regardless of whether there is any development of any	3
4	particular part or tract of the unit area, notwithstanding any-	4
5	thing to the contrary in any lease, operating agreement or other	5
6	contract by and between the parties hereto, or their respective	6
7	predecessors in interest, or any of them.	7
8	(b) Drilling and producing operations performed hereunder upon	8
9	any tract of unitized lands will be accepted and deemed to be	9
10	performed upon and for the benefit of each and every tract of	10
11	unitized land, and no lease shall be deemed to expire by reason	11
12	of failure to drill or produce wells situated on the land there-	12
13	in embraced.	13
14	(c) Suspension of drilling or producing operations on all uni-	14
15	tized lands pursuant to direction or consent of the Secretary or	15
16	his duly authorized representative shall be deemed to constitute	16
17	such suspension pursuant to such direction or consent as to each	17
18	and every tract of unitized land.	18
19	(d) Each lease, sublease or contract relating to the exploration,	19
20	drilling, development or operation for oil or gas of lands other	20
21	than those of the United States committed to this agreement, which,	21
22	by its terms might expire prior to the termination of this agree-	22
23	ment, is hereby extended beyond any such term so provided therein	23
24	so that it shall be continued in full force and effect for and dur-	24
25	ing the term of this agreement.	25
26	(e) Any Federal lease for a fixed term of twenty (20) years or	26
27	any renewal thereof or any part of such lease which is made sub-	27
28	ject to this agreement shall continue in force beyond the term	28
29	provided therein until the termination hereof. Any other Federal	29
30	lease committed hereto shall continue in force beyond the term so	30
31	provided therein or by law as to the land committed so long as such	31
32	lease remains subject hereto, provided that production is had in	32
33	paying quantities under this unit agreement prior to the expiration	33
34	date of the term of such lease.	34
35	(f) Each sublease or contract relating to the operation and	35
36	development of unitized substances from lands of the United States	36
37	committed to this agreement, which by its terms would expire prior	37
38	to the time at which the underlying lease, as extended by the im-	38
39	mediately preceding paragraph, will expire, is hereby extended	39
40	beyond any such term so provided therein so that it shall be con-	40
41	tinued in full force and effect for and during the term of the	41
42	underlying lease as such term is herein extended.	42
43	(g) The segregation of any Federal lease committed to this agree-	43
44	ment is governed by the following provision in the fourth paragraph	44
45	of Sec. 17(b) of the Act, as amended by the Act of July 29, 1954	45
46	(68 Stat. 583, 585): "Any (Federal) lease hereafter committed to	46
47	any such (unit) plan embracing lands that are in part within and	47
48	in part outside of the area covered by any such plan shall be seg-	48
49	regated into separate leases as to the lands committed and the	49
50	lands not committed as of the effective date of unitization:	50
51	<u>Provided, however,</u> That any such lease as to the nonunitized	51
52	portion shall continue in force and effect for the term thereof	52
53	but for not less than two years from the date of such segregation	53
54	and so long thereafter as oil or gas is produced in paying quan-	54
55	tities."	55
56	(h) Any lease, other than a Federal lease, having only a portion	56
57	of its lands committed hereto shall be segregated as to the portion	57
58	committed and the portion not committed, and the provisions of such	58
59	lease shall apply separately to such segregated portions commencing	59
60	as of the effective date hereof. In the event any such lease pro-	60
61	vides for a lump-sum rental payment, such payment shall be prorated	61
62	between the portions so segregated in proportion to the acreage of	62
63	the respective tracts.	63