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- (a) Comprehensive general liability insurance, excluding products, with a single combined limit of \$500,000.00 each accident for bodily injuries or death and property damage.
 - (b) Automobile public liability and property damage insurance with a single combined limit of \$500,000.00 each accident for bodily injuries or death and property damage. Insurance premiums on Operator's fully owned automotive equipment will not be directly charged to the joint account, but will be covered by the flat rate usage charge for such equipment.

8.2 For Contracted Operations. The Operator shall require its contractors and subcontractors working or performing services on the lands covered hereby to comply with the workmen's compensation laws of the State of Wyoming and to carry such other insurance and in such amounts as the Operator shall deem necessary.

ARTICLE 9

DEVELOPMENT AND OPERATING COSTS

9.1 Basis of Charge to Parties. Operator initially shall pay and discharge all costs and expenses incurred in the development and operation of the Reservoir. The Parties hereto shall reimburse Operator for all such costs and expenses, in proportion to their respective percentage of ownership in the Reservoir. All charges, credits and accounting for costs and expenses shall be in accordance with Exhibit No. 1.

9.2 Budgets. Before or as soon as practical after the effective date hereof, Operator shall prepare a budget of estimated costs and expenses for the remainder of the calendar year and on or before the first day of each October thereafter shall prepare a budget of estimated costs and expenses for the ensuing calendar year. Such budgets shall set forth the estimated costs and expenses by quarterly periods. Unless otherwise specified in the budget, it shall be presumed for the purpose of advance billings that the estimated costs and expenses for each month of a quarterly