

12.2.7 In the event it becomes necessary and economically feasible to redrill a dually completed well, the costs of the same shall be mutually agreed upon by the Parties and the Other Parties.

12.2.3 Abandonment of a dually completed well shall be in accordance with Article 17 hereof.

#### ARTICLE 13

##### LIABILITY, CLAIMS AND SUITS

13.1 Individual Liability. The duties, obligations and liabilities of the Parties shall be several and not joint or collective; and nothing contained herein shall ever be construed as creating a partnership of any kind, joint venture, or an association or trust between or among the Parties.

13.2 Settlements. In the event claim is made against any Party or any Party is sued on account of any matter or thing arising from the development and operation of the Reservoir and over which such Party individually has no control because of the rights, powers and duties granted by this agreement, said Party shall immediately notify the Operator of such claim or suit. The Operator shall assume and take over the further handling of such claim or suit including the reporting of insured claims to the insurance carrier, and all costs and expenses of handling, settling or otherwise discharging such claim or suit shall be borne by the Parties as any other cost or expense of operating the Reservoir. Where a claim is not completely covered by insurance carried for the benefit of the joint account, Operator shall consult with and obtain the consent of the Parties before making a final settlement of such claim.

#### ARTICLE 14

##### INTERNAL REVENUE PROVISION

14.1 Internal Revenue Provision. Each Party hereby elects that it and the operations covered by this agreement be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954, or such portion or portions thereof as the Secretary of the Treasury of the United States or his delegate shall permit by election to be excluded therefrom. Operator is hereby authorized and directed to execute on behalf of each Party such additional or further evidence of said