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1 the next such well, except that the time allowed between such wells shall not 1
2 expire earlier than thirty days after the expiration of any period of time during 2
3 which drilling operations are prevented by a matter beyond the reasonable control 3
4 of unit operator as set forth in the section hereof entitled "Unavoidable Delay"; 4
5 provided that all legal subdivisions of lands not in a participating area and 5
6 not entitled to become participating under the applicable provisions of this 6
7 agreement within ten years after said first day of the month following the 7
8 effective date of said first initial participating area shall be eliminated as 8
9 above specified. Determination of creditable "Unavoidable Delay" time shall 9
10 be made by unit operator and subject to approval of the Director. The unit 10
11 operator shall, within ninety days after the effective date of any elimination 11
12 hereunder, describe the area so eliminated to the satisfaction of the Director 12
13 and promptly notify all parties in interest. 13

14 If conditions warrant extension of the ten-year period specified 14
15 in this subsection 2(e), a single extension of not to exceed two years may be 15
16 accomplished by consent of the owners of 90% of the current unitized working 16
17 interest and 60% of the current unitized basic royalty interests (exclusive 17
18 of the basic royalty interests of the United States), on a total-nonparticipating- 18
19 acreage basis, respectively, with approval of the Director, provided such ex- 19
20 tension application is submitted to the Director not later than sixty days 20
21 prior to the expiration of said ten-year period. 21

22 Any expansion of the unit area pursuant to this section which embraces 22
23 lands theretofore eliminated pursuant to this subsection 2(e) shall not be 23
24 considered automatic commitment or recommitment of such lands. 24

25 3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this 25
26 agreement shall constitute land referred to herein as "unitized land" or "land 26
27 subject to this agreement." All oil and gas in any and all formations of the 27
28 unitized land are unitized under the terms of this agreement and herein are 28
29 called "unitized substances." 29

30 4. UNIT OPERATOR. California Oil Company is hereby designated as 30
31 Unit Operator and by signature hereto as Unit Operator agrees and consents to 31
32 accept the duties and obligations of Unit Operator for the discovery, develop- 32
33 ment and production of unitized substances as herein provided. Whenever refer- 33