

1 agreement, prior to the end of the primary term of such lease and are being 1
2 diligently prosecuted at that time, such lease shall be extended for two years 2
3 and so long thereafter as oil or gas is produced in paying quantities in accord- 3
4 ance with the provisions of the Mineral Leasing Act Revision of 1960. 4

5 (f) Each sublease or contract relating to the operation and 5
6 development of unitized substances from lands of the United States committed 6
7 to this agreement, which by its terms would expire prior to the time at which 7
8 the underlying lease, as extended by the immediately preceding paragraph, will 8
9 expire, is hereby extended beyond any such term so provided therein so that 9
10 it shall be continued in full force and effect for and during the term of 10
11 the underlying lease as such term is herein extended. 11

12 (g) The segregation of any Federal lease committed to this agreement 12
13 is governed by the following provision in the fourth paragraph of Sec. 17(j) 13
14 of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 14
15 Stat. 781-784): "Any [Federal] lease heretofore or hereafter committed to 15
16 any such [unit] plan embracing lands that are in part within and in part out- 16
17 side of the area covered by any such plan shall be segregated into separate 17
18 leases as to the lands committed and the lands not committed as of the effective 18
19 date of unitization: Provided, however, That any such lease as to the 19
20 nonunitized portion shall continue in force and effect for the term thereof 20
21 but for not less than two years from the date of such segregation and so 21
22 long thereafter as oil or gas is produced in paying quantities." 22

23 (h) Any lease, other than a Federal lease, having only a portion of 23
24 its lands committed hereto shall be segregated as to the portion committed and 24
25 the portion not committed, and the provisions of such lease shall apply 25
26 separately to such segregated portions commencing as of the effective date 26
27 hereof. In the event any such lease provides for a lump-sum rental payment, 27
28 such payment shall be prorated between the portions so segregated in 28
29 proportion to the acreage of the respective tracts. 29

30 19. COVENANTS RUN WITH LAND. The covenants herein shall be 30
31 construed to be covenants running with the land with respect to the interest 31
32 of the parties hereto and their successors in interest until this agreement 32
33 terminates, and any grant, transfer, or conveyance, of interest in land or 33