

H83

1 (3) Operate or provide for the operation of such land inde- 1  
2 pendently of this agreement as to any part thereof or any 2  
3 oil or gas deposits therein not then included within a par- 3  
4 ticipating area. 4

5 If the fee owner of the unitized substances does not execute this 5  
6 agreement and the unit operating agreement as a working interest owner or 6  
7 again lease such lands as above provided with respect to each existing par- 7  
8 ticipating area, within six (6) months after any such surrender or forfei- 8  
9 ture, such fee owner shall be deemed to have waived the right to execute 9  
10 the unit operating agreement or lease such lands as to each such partici- 10  
11 pating area, and to have agreed, in consideration for the compensation here- 11  
12 inafter provided, that operations hereunder as to any such participating 12  
13 area or areas shall not be affected by such surrender. 13

14 For any period the working interest in any lands are not expressly 14  
15 committed to the unit operating agreement as the result of any such surren- 15  
16 der or forfeiture, the benefits and obligations of operations accruing to 16  
17 such lands under this agreement and the unit operating agreement shall be 17  
18 shared by the remaining owners of unitized working interests in accordance 18  
19 with their respective participating working interest ownerships in any such 19  
20 participating area or areas, and such owners of working interests shall com- 20  
21 pensate the fee owner of unitized substances in such lands by paying sums 21  
22 equal to the rentals, minimum royalties, and royalties applicable to such 22  
23 lands under the lease in effect when the lands were unitized, as to such 23  
24 participating area or areas. 24

25 Upon commitment of a working interest to this agreement and the unit 25  
26 operating agreement as provided in this section, an appropriate accounting 26  
27 and settlement shall be made, to reflect the retroactive effect of the com- 27  
28 mitment, for all benefits accruing to or payments and expenditures made or 28  
29 incurred on behalf of such surrendered working interest during the period 29  
30 between the date of surrender and the date of recommitment, and payment of 30  
31 any moneys found to be owing by such an accounting shall be made as between 31  
32 the parties then signatory to the unit operating agreement and this agree- 32  
33 ment within thirty (30) days after the recommitment. The right to become a 33  
34 party to this agreement and the unit operating agreement as a working in- 34  
35 terest owner by reason of a surrender or forfeiture as provided in this 35  
36 section shall not be defeated by the nonexistence of a unit operating agree- 36  
37 ment and in the event no unit operating agreement is in existence and a 37  
38 mutually acceptable agreement between the proper parties thereto cannot be 38  
39 consummated, the Supervisor may prescribe such reasonable and equitable 39  
40 agreement as he deems warranted under the circumstances. 40

41 Nothing in this section shall be deemed to limit the right of 41  
42 joinder or subsequent joinder to this agreement as provided elsewhere in 42  
43 this agreement. The exercise of any right vested in a working interest 43  
44 owner to reassign such working interest to the party from whom obtained 44  
45 shall be subject to the same conditions as set forth in this section in 45  
46 regard to the exercise of a right to surrender. 46

47 31. TAXES. The working interest owners shall render and pay for 47  
48 their account and the account of the royalty owners all valid taxes on or 48  
49 measured by the unitized substances in and under or that may be produced, 49  
50 gathered and sold from the land subject to this contract after the effec- 50  
51 tive date of this agreement, or upon the proceeds or net proceeds derived 51  
52 therefrom. The working interest owners on each tract shall and may charge 52  
53 the proper proportion of said taxes to the royalty owners having interests 53  
54 in said tract, and may currently retain and deduct sufficient of the uni- 54  
55 tized substances or derivative products, or net proceeds thereof from the 55  
56 allocated shares of each royalty owner to secure reimbursement for the 56  
57 taxes so paid. No such taxes shall be charged to the United States or 57  
58 the State of Wyoming or to any lessor who has a con- 58  
59 tract with his lessee which requires the lessee to pay such taxes. 59

60 32. NO PARTNERSHIP. It is expressly agreed that the relation of 60  
61 the parties hereto is that of independent contractors and nothing in this 61  
62 agreement contained, expressed or implied, nor any operations conducted here- 62  
63 under, shall create or be deemed to have created a partnership or association 63  
64 between the parties hereto or any of them. 64