

1 and the parties hereto, insofar as they have the right to do so, hereby
2 grant unto Unit Operator the right to use so much of the surface of the
3 Unitized Land as may be reasonably necessary for conducting the inject-
4 ion program.

5 12. PARTICIPATION AND ALLOCATION OF PRODUCTION. On the effective
6 date of this agreement all Unitized Substances produced hereunder (ex-
7 cept any part thereof used in conformity with good operating practices
8 for drilling, operating, camp and other production or development pur-
9 poses, for pressure maintenance or secondary recovery operations in ac-
10 cordance with a plan of operation approved by the Supervisor, or un-
11 avoidably lost), shall be deemed to be produced from the several Tracts
12 of Unitized Land established for such production, and for the purpose
13 of determining any benefits accruing under this agreement each such Tract
14 shall have allocated to it that percentage of said production equal to
15 its percentage participation as set out in Exhibit "B".

16 The amount of Unitized Substances allocated to each Tract shall be
17 deemed to be produced from such Tract irrespective of the location of
18 the wells from which the same is produced and regardless of depletion
19 of wells or Tracts. Where two or more leases have been combined into a
20 single Tract because the royalty and working interest ownerships are
21 identical on said leases, the percentage participation assigned to such
22 Tract shall for all purposes be divided among such separate leases
23 comprising such Tract in proportion to the number of surface acres con-
24 tained in each separate lease to the acres contained in said Tract.

25 The figures set forth opposite each Tract in Exhibit "B" repre-
26 sent the percentage participation to which such Tract is entitled if
27 all said Tracts are committed hereto as of the effective date of this
28 agreement. In the event that all said Tracts are not committed to this
29 agreement on the effective date, Unit Operator, as soon as practicable
30 after the effective date of this agreement, shall file with the Director
31 a Revised Exhibit "B" which shall set forth opposite each Tract a re-
32 vised percentage participation therefor, which shall be calculated by