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1           15. CONSERVATION. Operations hereunder and production of Unitized  
2 Substances shall be conducted to provide for the most economical and ef-  
3 ficient recovery of said substances without waste, as defined by or pur-  
4 suant to State or Federal law or regulation.

5           16. DRAINAGE. The Unit Operator shall take appropriate and ade-  
6 quate measures to prevent drainage of Unitized Substances from Unitized  
7 Land by wells on land not subject to this agreement, or with prior con-  
8 sent of the Director pursuant to applicable regulations pay a fair and  
9 reasonable compensatory royalty as determined by the Supervisor.

10           17. GAUGE OF MERCHANTABLE OIL. Unit Operator shall make a proper  
11 and timely gauge of all lease and other tanks within the Unit Area and  
12 associated with the operation of Unitized Land in order to ascertain  
13 the amount of merchantable oil produced from the Unitized Formation above  
14 the pipeline connections in such tanks as of 7:00 a.m. on the effective  
15 date hereof. All such oil shall be and remain the property of the inter-  
16 est owners entitled thereto the same as if the unit had not been formed;  
17 and such interest owners shall promptly remove said oil from said tanks.  
18 Any such oil not promptly removed shall be sold by Unit Operator for the  
19 account of such interest owners, subject to the payment of all royalty,  
20 overriding royalty, and all other payments under the terms and provisions  
21 of the applicable lease or other contracts.

22           18. LEASE AND CONTRACTS CONFORMED AND EXTENDED. The terms, condi-  
23 tions, and provisions of all leases, subleases, and other contracts re-  
24 lating to exploration, drilling, development, or operation for oil or  
25 gas of lands committed to this agreement are hereby expressly modified  
26 and amended to the extent necessary to make the same conform to the pro-  
27 visions hereof, but otherwise to remain in full force and effect; and  
28 the parties hereto hereby consent that the Secretary shall and by his  
29 approval hereof, or by the approval hereof by his duly authorized repre-  
30 sentative, does hereby establish, alter, change, or revoke the drilling,  
31 producing, rental, minimum royalty, and royalty requirements of Federal  
32 leases committed hereto and the regulations in respect thereto to conform