

1 of all obligations for development and operation with respect to each 1
 2 and every part or separately owned tract subject to this agreement, 2
 3 regardless of whether there is any development of any particular part 3
 4 or tract of the unit area, notwithstanding anything to the contrary in 4
 5 any lease, operating agreement or other contract by and between the 5
 6 parties hereto, or their respective predecessors in interest, or any of 6
 7 them. 7

8 (b) Drilling and producing operations performed hereunder upon any tract 8
 9 of unitized lands will be accepted and deemed to be performed upon and 9
 10 for the benefit of each and every tract of unitized land, and no lease 10
 11 shall be deemed to expire by reason of failure to drill or produce wells 11
 12 situated on the land therein embraced. 12

13 (c) Suspension of drilling or producing operations on all unitized lands 13
 14 pursuant to direction or consent of the Secretary of his duly authorized 14
 15 representative shall be deemed to constitute such suspension pursuant to 15
 16 such direction or consent as to each and every tract of unitized land. 16

17 (d) Each lease, sublease or contract relating to the exploration, drill- 17
 18 ing, development or operation for oil or gas of lands other than those 18
 19 of the United States committed to this agreement, which, by its terms 19
 20 might expire prior to the termination of this agreement, is hereby 20
 21 extended beyond any such term so provided therein so that it shall be 21
 22 continued in full force and effect for and during the term of this 22
 23 agreement. 23

24 (e) Any Federal lease for a fixed term of twenty (20) years or any 24
 25 renewal thereof or any part of such lease which is made subject to this 25
 26 agreement shall continue in force beyond the term provided therein until 26
 27 the termination hereof. Any other Federal lease committed hereto shall 27
 28 continue in force beyond the term so provided therein or by law as to 28
 29 the land committed so long as such lease remains subject hereto, pro- 29
 30 vided that production is had in paying quantities under this unit agree- 30
 31 ment prior to the expiration date of the term of such lease or in the 31
 32 event actual drilling operations are commenced on unitized land, in 32
 33 accordance with the provisions of this agreement, prior to the end of 33
 34 the primary term of such lease and are being diligently prosecuted at 34
 35 that time, such lease shall be extended for two years and so long there- 35
 36 after as oil or gas is produced in paying quantities in accordance with 36
 37 the provisions of the Mineral Leasing Act Revision of 1960. 37

38 (f) Each sublease or contract relating to the operation and development 38
 39 of unitized substances from lands of the United States committed to this 39
 40 agreement, which by its terms would expire prior to the time at which 40
 41 the underlying lease, as extended by the immediately preceding paragraph, 41
 42 will expire, is hereby extended beyond any such term so provided therein 42
 43 so that it shall be continued in full force and effect for and during 43
 44 the term of the underlying lease as such term is herein extended. 44

45 (g) The segregation of any Federal lease committed to this agreement is 45
 46 governed by the following provision in the fourth paragraph of Sec. 17(j) 46
 47 of the Mineral Leasing Act, as amended by the Act of September 2, 1960 47
 48 (74 Stat. 781-784): "Any Federal lease heretofore or hereafter committed 48
 49 to any such unit plan embracing lands that are in part within and in 49
 50 part outside of the area covered by any such plan shall be segregated 50
 51 into separate leases as to the lands committed and the lands not com- 51
 52 mitted as of the effective date of unitization: Provided, however, That 52
 53 any such lease as to the non-unitized portion shall continue in force 53
 54 and effect for the term thereof but for not less than two years from 54
 55 the date of such segregation and so long thereafter as oil or gas is 55
 56 produced in paying quantities." 56

57 (h) Any lease, other than a Federal lease, having only a portion of its 57
 58 lands committed hereto shall be segregated as to the portion committed 58