

1 beyond any such term so provided therein so that it shall be continued in full force 1
 2 and effect for and during the term of the underlying lease as such term is herein 2
 3 extended. 3

4 (g) The segregation of any Federal lease committed to this agreement is 4
 5 governed by the following provision in the fourth paragraph of Sec. 17 (j) of the 5
 6 Mineral Leasing Act, as amended by the Act of September 2, 1960, (74 Stat. 781-784): 6
 7 "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan 7
 8 embracing lands that are in part within and in part outside of the area covered by 8
 9 any such plan shall be segregated into separate leases as to the lands committed 9
 10 and the lands not committed as of the effective date of unitization: Provided, 10
 11 however, That any such lease as to the nonunitized portion shall continue in 11
 12 force and effect for the term thereof but for not less than two years from the 12
 13 date of such segregation and so long thereafter as oil or gas is produced in pay- 13
 14 ing quantities." 14

15 (h) Any lease, other than a Federal lease, having only a portion of its 15
 16 lands committed hereto shall be segregated as to the portion committed and the 16
 17 portion not committed, and the provisions of such lease shall apply separately 17
 18 to such segregated portions commencing as of the effective date hereof. In the 18
 19 event any such lease provides for a lump-sum rental payment, such payment shall 19
 20 be prorated between the portions so segregated in proportion to the acreage of 20
 21 the respective tracts. 21

22 19. COVENANTS RUN WITH LAND. The covenants herein shall be construed 22
 23 to be covenants running with the land with respect to the interest of the parties 23
 24 hereto and their successors in interest until this agreement terminates, and any 24
 25 grant, transfer, or conveyance, of interest in land or leases subject hereto 25
 26 shall be and hereby is conditioned upon the assumption of all privileges and 26
 27 obligations hereunder by the grantee, transferee, or other successor in interest. 27
 28 No assignment or transfer of any working interest, royalty, or other interest 28
 29 subject hereto shall be binding upon Unit Operator until the first day of the 29
 30 calendar month after Unit Operator is furnished with the original, photostatic, 30
 31 or certified copy of the instrument of transfer. 31

32 20. EFFECTIVE DATE AND TERM. This agreement shall become effective 32
 33 upon approval by the Secretary or his duly authorized representative and shall 33
 34 terminate five (5) years from said effective date unless 34