

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