

1 showing to the extent known to the Unit Operator the acreage, percentage 1
 2 and kind of ownership of oil and gas interests in all land in the Unit 2
 3 Area. Exhibit "C" attached hereto, is a schedule showing the percentage 3
 4 of participation credited to each Tract in the Unit Area based upon a pre- 4
 5 sumed one hundred percent (100%) commitment. (Tract means each parcel of 5
 6 land described as such and given a Tract Number in Exhibit "B"). However, 6
 7 nothing herein or in said schedule or map shall be construed as a repre- 7
 8 sentation by any party hereto as to the ownership of any interest other 8
 9 than such interest or interests as are shown in said map or schedule as 9
 10 owned by such party. Exhibits "A" and "B" shall be revised by the Unit 10
 11 Operator whenever changes in the Unit Area render such revision necessary, 11
 12 or when requested by the Oil and Gas Supervisor, hereinafter referred to 12
 13 as "Supervisor" and not less than six (6) copies of the revised exhibits 13
 14 shall be filed with the Supervisor. 14

15 3. EXPANSION OF UNIT AREA. It is recognized that at some time or 15
 16 times in the future it might be desirable and beneficial to expand the 16
 17 Unit Area to include therein additional tracts of land. The Unit Area 17
 18 may, therefore, with the approval of the Director of the United States 18
 19 Geological Survey, hereinafter referred to as "Director", be expanded to 19
 20 include therein any additional Tract or Tracts whenever such expansion 20
 21 is necessary or advisable to conform with the purposes of this agreement 21
 22 and Unit Operator, acting on behalf of the Working Interest Owners col- 22
 23 lectively after being duly authorized by them as provided for in the 23
 24 Unit Operating Agreement, has negotiated an agreement or agreements with 24
 25 the owners of such Tract or Tracts fixing the tract participation of each 25
 26 such tract and committing the interests of such owners to this agreement and 26
 27 to the Unit Operating Agreement. Whenever the Unit Area is enlarged 27
 28 Exhibit "C" shall be revised as set forth in Section 12, Participation and 28
 29 Allocation of Production. Any such expansion shall be effected in the 29
 30 following manner: 30

31 (a) Unit Operator, on its own motion, after preliminary 31
 32 concurrence by the Director, shall prepare a notice of proposed 32
 33 expansion describing the contemplated changes in the boundaries 33
 34 of the Unit Area, the tract participation of each added tract, the 34
 35 reasons therefore, and the proposed effective date thereof, preferably 35