

1 25. EFFECT OF TERMINATION. Upon the termination of this agreement, 1
2 unit operations shall cease, and thereafter the parties hereto shall be 2
3 governed by the terms and provisions of the leases and contracts affecting 3
4 the separate Tracts. 4

5 26. SALVAGING EQUIPMENT UPON TERMINATION. If not otherwise specified 5
6 by the leases unitized under this agreement, Basic Royalty Owners hereby 6
7 grant Working Interest Owners a period of six (6) months after termination 7
8 of this agreement in which to salvage, sell, distribute or otherwise dispose 8
9 of the personal property and facilities used in connection with unit operations. 9

10 27. CERTIFICATE OF TERMINATION. Unit Operator shall within thirty 10
11 (30) days after the termination of this agreement has been determined, 11
12 pursuant to Sections 8, 23 and 24 hereof, file for record in the office or 12
13 offices where a counterpart of this agreement is recorded, a certificate 13
14 setting forth the fact of such termination and the date thereof. 14

15 28. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director 15
16 is hereby vested with authority to alter or modify from time to time in his 16
17 discretion the quantity and rate of production under this agreement when 17
18 such quantity and rate is not fixed pursuant to Federal or State law or 18
19 does not conform to any state-wide voluntary conservation or allocation 19
20 program, which is established, recognized, and generally adhered to by the 20
21 majority of operators in such State, such authority being hereby limited 21
22 to alteration or modification in the public interest, the purpose thereof 22
23 and the public interest to be served thereby to be stated in the order of 23
24 alteration or modification. Without regard to the foregoing, the Director 24
25 is also hereby vested with authority to alter or modify from time to time 25
26 in his discretion the rate of prospecting and development and the quantity 26
27 and rate of production under this agreement when such alteration or modi- 27
28 fication is in the interest of attaining the conservation objectives stated 28
29 in this agreement and is not in violation of any applicable Federal or 29
30 State law. 30

31 Powers in this Section vested in the Director shall only be exercised 31
32 after notice to Unit Operator and opportunity for hearing to be held not 32
33 less than fifteen (15) days from notice. 33