

ARTICLE 19  
EFFECTIVE DATE AND TERM

19.1 Effective Date. This agreement shall become effective on the date and at the time the Unit Agreement becomes effective.

19.2 Term. This agreement shall continue in full force and effect so long as the Unit Agreement remains in force and effect and thereafter until all unit wells have been abandoned and plugged or turned over to Other Working Interest Owners in accordance with the terms hereof, and all personal and real property acquired for the joint account of Working Interest Owners has been disposed of by Unit Operator in accordance with instructions of Working Interest Owners, and there has been a final accounting.

ARTICLE 20  
ABANDONMENT OF OPERATIONS

20.1 Termination. Upon termination of the Unit Agreement, the following will occur:

20.1.1 Oil and Gas Rights. Oil and Gas Rights in and to each separate Tract shall no longer be affected by the Unit Agreement, and thereafter the parties thereto shall be governed by the terms and provisions of the lease and contract affecting the separate Tracts.

20.1.2 Right to Operate. Other Working Interest Owners of any such Tract desiring to take over and continue to operate a well or wells located thereon may do so by paying Unit Operator, for the credit of the joint account, the net salvage value of the casing and equipment in and on the well insofar as said casing and equipment is owned for the joint account and by agreeing to properly plug the well at such time as it is abandoned.

20.1.3 Salvaging Wells. With respect to all wells not taken over by Other Working Interest Owners, Unit Operator shall salvage as much of the casing and equipment in or on such wells as can economically and reasonably be salvaged and shall cause the same to be properly plugged and abandoned.

20.1.4 Cost of Salvaging. Working Interest Owners shall share the cost of salvaging, liquidation or other distribution of assets and properties used in the development and operation of the Unit Area and owned for the joint account in proportion to their respective Unit Participations, and the benefits of such salvage operations shall be credited to the joint account. The cost of salvaging, liquidation or other distribution of equipment used in the operation of the Unit Area but