

OPERATOR'S HANDBOOK FOR ENHANCED RECOVERY UNIT AGREEMENTS

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SUGGESTED PROCEDURES FOR FORMULATING A FEDERAL SECONDARY RECOVERY UNIT AGREEMENT

Address application and unit agreement papers to the Chief, Branch of Fluid Minerals, Bureau of Land Management. An application for designation of unit area must be submitted in an **approvable** format two weeks prior to a hearing before the Utah Board of Oil Gas and Mining or we will formally protest the agreement. Review and processing of the proposal will be facilitated if the following suggestions are observed and negotiations with our office are commenced prior to submittal of the designation application (please allow four weeks):

A. APPLICATION FOR DESIGNATION OF UNIT AREA FOR SECONDARY RECOVERY OPERATIONS. (Submit original and 2 copies.)

The request should consist of an application letter accompanied by a supporting engineering and geologic report.

1. Application letter.

- a. Set out the benefits to be derived by the proposed operations.
- b. Set forth the proposed basis for allocating unitized production.
- c. Describe the proposed unit area by reference to a land ownership map (Exhibit A of the proposed unit agreement may be used). A legal description of all lands in the proposed unit area may also be included. The map and description should show any odd-sized lots and sections and surveyed tracts and the exact acreage in each. Lands being unitized should be divided into separate tracts for participation purposes on the basis of mineral ownership.
- d. List the serial number of all Federal leases, lease applications, and Indian leases on the land ownership map in sequence (grouped by Land Office identities).
- e. State whether engineering and geological data and discussions are to be held confidential.

2. Engineering and Geologic Report.

- a. The engineering and geological report should be designed to support the application for designation of a logical unit area boundary and the proposed participation formula.
- b. Include a brief history of the field. Mention any unique features relating to the development of the field.
- c. Tabulate production by tracts, showing the annual production from each tract since discovery and the monthly production from each tract during the 18 to 24 months immediately preceding the date of the application. (This requirement may be waived if production is not used in the participation formula).

- d. Include copies of all logs, core analysis, and other well data which has not previously been submitted. Provide a table which indicates the reservoir top, reservoir bottom and reservoir thickness as interpreted by the engineering committee. Define the criteria used in interpreting the aforementioned data.
- e. Submit structure and isopach maps which define the operators' interpretations of the reservoir conditions pertinent to the proposal. At least one of said maps should show all wells that have been drilled in the unit area and immediate vicinity thereof, the depth of each well, the reservoir thickness penetrated in each well, results of any well tests, the strike and throw of faults, and type of logs ran on each well. The map should also identify proposed injection wells to be drilled or converted.
- f. Include pertinent geophysical interpretations.
- g. Include schematic cross-sections and stratigraphic columns when appropriate.
- h. Define the geological and engineering basis for selecting the boundary of the unit area, i. e., zero sand contour, fault trace or reservoir pinch-out and support the boundary with appropriate references to items d through g.
- i. Identify your plan of development for the unit area for the first year of unitization. The plan will then be updated on a yearly basis. All drilling and completion operations within the unit area must be covered by an approved plan of development.

B. REQUEST FOR PRELIMINARY APPROVAL OF THE PROPOSED FORM OF UNIT AGREEMENT.

(This request is normally combined with the application for designation of the unit area).

The proposed form of unit agreement, with all deviations from the standard form plainly marked and explained, should be submitted for preliminary approval by the Chief, Branch of Fluid Minerals. (Include Exhibits A, B, and C with the proposed form of unit agreement). Submit 2 copies of the proposed form of agreement. Additional copies may be needed if special type lands are involved.

Exhibit "A" should be based on the latest official public land survey (scale should be no less than 1 inch to 1 mile) and should show:

- a. The proposed unit area, the acreage and official number of each lot, tract, and section, and total acreage of the unit area.
- b. The boundary of each separate tract of land based on mineral ownership.
- c. The different types of land such as Federal, Indian, State, and Patented. Also, indicate different types of Federal and Indian lands, such as Forest, Fish and Wildlife, allotted Indian or Tribal.
- d. Working interest owners, lease numbers of Federal, Indian, and State leases, and owners of basic royalty interests under Indian and Patented lands.

2 . Exhibit "B"- Schedule of lands and ownerships.

- a. Area should be divided into tracts on the basis of mineral ownership and the ownership of the mineral interests under each tract should be clearly defined. (See sample Exhibit B in 43 CFR 3186.1-2).
- b. The lands in the unit area should be grouped in Exhibit B listing Federal tracts first, followed by Indian, State, and Patented tracts in that order.
- c. The Federal and Indian leases should be listed in Exhibit B by land office or Indian reservation in order of lease numbers.
- d. The subtotal of acreage for each type of land and its percentage of the total unit area should be shown in Exhibit B.

3. Exhibit "C"- Allocation Schedule

- a. List tracts in numerical order.
- b. Show allocation (percent of production) to be credited to each tract. If allocation formula incorporates more than one phase, show allocation to each tract during each phase. The percent of production should be shown as a percent with a maximum of 5 decimal places i.e., 99.99999%.
- c. Define basis for allocating production to the individual tracts.

Our designation letter will incorporate the following language which can be submitted as proof of our concurrence at the Board Hearing.

The form of unit agreement and Exhibits "A", "B" and "C" as submitted with your application will be accepted provided they are modified as indicated in red on the enclosed "marked copies".

In the absence of any objections not now apparent, a duly executed agreement, identical with said form, modified as indicated, will be approved if submitted in approvable status within a reasonable period of time (not to exceed six months from approval by the Utah Board of Oil, Gas and Mining).

C . SUBMITTAL OF EXECUTED UNIT AGREEMENT FOR FINAL APPROVAL

For approval all interest owners must executed the unit agreement, or sufficient interest as outlined in Sections 40-6-7 and 8, Utah Code Annotated and you have obtained approval by the Utah Board of Oil Gas and Mining.

When you are ready to proceed with secondary recovery operations, the executed agreement should be submitted to the Chief, Branch of Fluid Minerals with a request for final approval. The effective date of the agreement will be the first of the Month following our approval.

1. If no special types of land are involved, a minimum of four copies must be submitted, include one original and three copies. The original copy will be retained

by our office. If special types of land are involved, ask how many agreements will be required. If more than one copy is to be returned to the operator increase the number of copies submitted for approval.

2. The text of the unit agreement should be identical to the form approved in the letter from the Chief, Branch of Fluid Minerals designating the unit area.

3. If there is more than one committed working interest owner, two copies of the unit operating agreement must accompany the executed unit agreement when it is submitted for final approval.

4. Every owner of an interest in the unit area must be invited to commit that interest to the unit agreement. If any interest owner declines to join the unit, submit evidence of reasonable effort to obtain a joinder. Try to obtain a letter giving the reasons for nonjoinder from any party who declines to commit his interests.

5. All signatures should be witnessed or acknowledged (notarized). If the signature is by an agent, attorney-in-fact, or other representative, submit evidence of authority to act for the principal. Execution by a corporate officer should show that official's title, and should carry proper attestation and the corporate seal.

Authorized Officer
Bureau of Land Management

Re: Application for Designation of Proposed
Enhanced Recovery Unit for the _____
Unit Area
_____ County, _____

Dear Sir:

Attached hereto is a map, marked Exhibit "A", on which the proposed _____ Unit is outlined. We request that _____ acres, more or less, of Federal, State and Patented Land within the outline be designated as a logical Unit Area pursuant to the unitization provisions of the Mineral Leasing Act, as amended. The proposed Unit Area of _____ acres, more or less, is composed of _____ acres (___%) Federal Lands, _____ acres (___%) State Lands and _____ acres (___%) Patented Lands.

For the lands within the proposed Unit Area, we refer you to the attached Exhibit "A", which shows, in addition to the proposed Unit boundary, the boundaries and identity of the various tracts and leases in the proposed Unit Area to the extent of our present knowledge. The serial numbers of all Federal leases within the proposed Unit are listed on Exhibit "B", hereto attached.

The allocation formula for the unit area as defined in Section 12 of the unit agreement is as follows:

Exhibit "C" attached is a schedule showing the percentage of participation credited to each tract in the Unit area based upon a presumed one hundred percent (100%) commitment.

The standard form of Unit Agreement for Pressure Maintenance, Secondary and Enhanced Recovery, recommended by your office will be utilized. We hereby request the following modifications:

To the best of our knowledge, there are no Federal lands within the proposed Unit Area requiring the inclusion of special provision in the Unit Agreement other than those set forth above.

In support of this Application, we are submitting separately, in duplicate, an Engineering and Geological Report with maps showing the geologic conditions within the proposed Unit Area. It is requested that this information be held confidential.

As stated in the Engineering and Geological Report the implementation of the project will result in an additional _____ bbls of oil being recovered from the Unit Area and is necessary and advisable in the public interest.

Sincerely,

Enclosure

Exhibit "A"
Swan Lake Unit Area
Campbell County, Wyoming
R. 59 W.

 DEER 6-30-85 16 (7) 78-820	FROST 6-30-81 15 (1) W-8470	FROST 6-30-81 14 (1) W-8470	 DEER 6-31-82 13 (2) 78-820 J.G. Smith
FROST 6-30-85 21 (3) W-41345	 SMITH 6-31-82 22 (8) T.J. Cook	FROST 6-30-81 23 (1) W-8470	HOLDER 2-28-86 24 (6) (642.30) W-53970
FROST 6-30-85 28 (3) W-41345	DEER et al. 6-30-85 27 (4) W-41679	DEER 12-31-85 26 (5) W-52780	HOLDER 2-28-86 25 (6) W-53970 <hr/> DEER (646.00) 2-28-86 25 (5) W-52780
DEER et al. 6-30-85 33 (4) W-41679	 DEER 6-30-82 34 (8) open et al.	DEER 7-31-81 35 (2) W-9123	 DEER 6-30-85 36 (7) (640.50) 78-820

T.
54
N.

① Tract Number Scale - Generally 2" = 1 mile

	Acreage
Public Land	7,047.30
State Land	1,280.60
Patented Land	1,921.20
Total	10,249.10

EXHIBIT "B"
SWAN UNIT
CAMPBELL COUNTY, WYOMING

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	
FEDERAL LANDS								
1.	T54N-R59W, 6THPM SEC. 14: ALL SEC. 15: ALL SEC. 23: ALL	1,920.00	W-8470 EXPIRES 6-30-81	U.S.A. 100%	T.J. COOK 100%	T.J. COOK 2%	FROST OIL COMPANY 100%	
2.	T54N-R59W, 6THPM SEC. 35: ALL	640.00	W-9123 EXPIRES 7-31-81	U.S.A. 100%	O.M. ODOM 100%	O.M. ODOM 1%	DEER OIL COMPANY 100%	
3.	T54N-R59W, 6THPM SEC. 21: ALL SEC. 28: ALL	1,280.00	W-41345 EXPIRES 6-30-85	U.S.A. 100%	MAX PEN 50% SAM SMALL 50%	MAX PENN 1% SAM SMALL 1%	FROST OIL COMPANY 100%	
4.	T54N-R59W, 6THPM SEC. 27: ALL SEC. 33: ALL	1,280.00	W-41679 EXPIRES 6-30-85	U.S.A. 100%	AL PREEN 100%	AL PREEN 2%	DEER OIL COMPANY 50% DOE OIL COMPANY 30% ABLE DRILLING CO. 20%	
5.	T54N-R59W, 6THPM SEC. 26: ALL SEC. 25: LOTS 3,4, SW ¹ / ₄ , W ¹ / ₂ SE ¹ / ₄	961.50	W-52780 EXPIRES 12-31-85	U.S.A. 100%	DEER OIL CO 100%	J.G. GOODIN 2%	DEER OIL COMPANY 100%	
6.	T54N-R59W, 6THPM SEC. 24: LOTS 1-4, W ¹ / ₂ , W ¹ / ₂ E ¹ / ₂ (ALL) SEC. 25: LOTS 1,2, NW ¹ / ₄ , W ¹ / ₂ NE ¹ / ₄	965.80	W-53970 EXPIRES 2-28-86	U.S.A. 100%	T.H. HOLDER 100%	T.H. HOLDER 100%		
6 FEDERAL TRACTS		TOTALING	7,047.30	ACRES	68.76%	OF	UNIT	AREA
STATE LANDS								
7.	T54N-R59W, 6THPM SEC. 16: ALL SEC. 36: LOTS 1-4, W ¹ / ₂ , W ¹ / ₂ E ¹ / ₂ (ALL)	965.80	ML- 78620 EXPIRES 6-30-88	STATE 100%	DEER OIL CO 100%	T.T. TIMO 2%	DEER OIL COMPANY 100%	
1 STATE TRACT		TOTALING	965.80	ACRES	12.49%	OF	UNIT	AREA

EXHIBIT "C"
SWAN UNIT
CAMPBELL COUNTY, WYOMING

PARTICIPATION FORMULA

TRACT NUMBER	TRACT PARTICIPATION
1	32.56871%
2	6.53521%
3	6.23589%
4	8.45678%
5	1.45678%
6	25.68934%
7	0.56897%
8	0.56897%
9	0.45789%
10	17.46146%
TOTAL	100.00000%

EXHIBIT "D"
SWAN UNIT
CAMPBELL COUNTY, WYOMING
WORKING INTEREST PARTICIPATION

WORKING INTEREST OWNER WORKING INTEREST PARTICIPATION

ABLE DRILLING COMPANY	1.69136%
DEER OIL COMPANY	30.25081%
DOE OIL COMPANY	3.10600%
FROST OIL COMPANY	38.80460%
T.H. HOLDER	25.68934%
W.W. SMITH	0.45789%
TOTAL	100.00000%

Authorized Officer
Bureau of Land Management

Re: _____ Unit Area
_____ County, _____

Dear Sir:

Pursuant to letter, dated _____, your office designated _____ acres, more or less, in _____ County, _____, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended, to be known as the _____ Unit Area.

We now enclose, for your final consideration and approval, four (4) copies of the proposed Unit Agreement for the development and operation of the _____ Unit Area. We are also enclosing two (2) copies of the Unit Operating Agreement.

All parties to the _____ Unit and Unit Operating Agreements have been offered the opportunity to commit their interest. In response to the evidence required for approval, please refer to the attached, marked Exhibit "A-1". With the execution of those owners of interest who are required to pay 70% of the costs of the unit operation and the execution of the owners of 70% of the proceeds which are free of cost, the unit area is force pooled under order by the Utah Board of Oil, Gas and Mining dated _____ Docket Number _____.

We respectfully request your consideration of the Unit Agreement and its final approval, if satisfactory, as soon as possible after your office has given final approval to the _____ Unit Area, _____ County, _____. Upon approval, we request that all copies of the Unit Agreement not retained by your office be returned to our letterhead address.

Sincerely,

Enclosure

EXHIBIT "A-1"

All parties to the ____ Unit and Unit Operating Agreements have been invited to commit their interest to the Unit. In this regard, please refer to the following:

Our letter of _____, addressed to the working interest owners, transmitting a copy of the proposed ____ Unit and Unit Operating Agreements, Ratification and Joinder instruments thereto, and inviting them to commit their interest or furnish a letter declining to commit to the unit.

My letter of _____, addressed to the royalty interest owners, transmitting a copy of the proposed ____ Unit Agreement, Ratification and Joinder instruments thereto, and inviting them to commit their interest or furnish a letter declining to commit to the unit.

We are not enclosing Ratification and Joinder instruments executed by:

WORKING INTEREST OWNERS:

1. Lessee/Working Interest Owner: _____ (Tr. _). He has agreed to join but we have not received his joinder at this time.

BASIC ROYALTY INTEREST OWNERS:

1. Leased basic royalty interest owner: _____, (Tr. _). He has not made his decision to join the unit at this time.

OVERRIDING ROYALTY INTEREST OWNERS:

1. Overriding interest owners: _____ (Tr. _), _____ (Tr. _) and _____ (Tr. _). None of the above Parties have made their decision to join the unit at this time.

TO: WORKING INTEREST OWNERS

Re: _____ Unit Area
_____ County, _____

Ladies and Gentlemen:

_____ has engaged in the formation of the _____ Unit Area, covering _____, acres in Township _____, Range _____, _____ M., _____ County, _____. A check of public records indicates you own a working interest on a lease, or leases within the unit area, and you are cordially invited to join your interest to this effort for enhanced recovery of the unit area.

Please review the enclosed unit and unit operating agreements, dated _____, and the Bureau of Land Management's letter granting preliminary approval of the _____ Unit Area.

Should you elect to commit your interest to the proposed _____ Unit and Unit Operating Agreements, please execute all six (6) copies of the enclosed ratification and joinder instrument, have your signature attested, if necessary, and acknowledged by a Notary Public. Then, return five (5) originally executed copies to us for further handling.

Prior to returning the enclosed ratification and joinder instruments, please examine the Exhibit "B" to make sure that your interest is set out correctly. The title, as shown on this exhibit, has been compiled from federal and state records, as they pertain to Federal and State lands, and from county records, as they pertain to Patented Lands. Please advise of any pending assignments, or assignments of overriding royalty, so that they may be properly reflected. Concurrent with this letter, all royalty owners are being supplied with copies of the unit agreement, with exhibits thereto, and are also being invited to commit their interests to the agreement.

Your early consideration of joinder to the _____ Unit will be greatly appreciated. Should you elect not to commit your interest, please so advise in writing as soon as possible.

Sincerely,

Enclosures

TO: ROYALTY INTEREST OWNERS

Re: _____ Unit Area
_____ County, _____

Ladies and Gentlemen:

_____ has engaged in the formation of the _____ Unit Area, covering _____, acres in Township _____, Range _____, _____ M., _____ County, _____. A check of public records indicates you own a royalty interest on a lease, or leases within the unit area, and you are cordially invited to join your interest to this cooperative exploration effort.

Enclosed for your consideration, are copies of the _____ Unit Agreement, dated _____, with a plat of the unit area, attached as Exhibit "A", and a schedule of ownership, attached as Exhibit "B", as well as a copy of the Bureau of Land Management's preliminary approval of the proposed unit area.

The purpose of this type of agreement is to allow Enhanced Recovery from the unit area under guidelines established by Federal law.

Before becoming effective, the agreement must be approved by the Bureau of Land Management, U.S. Department of the Interior, as being necessary, or advisable, to conserve natural resources in the public interest. The BLM makes this determination based on the units merits and the percentage of oil and gas interests committed to the agreement; then, following final approval of the unit agreement, supervises operations within the unit area.

Should you elect to commit your royalty interest to the proposed _____ Unit Agreement, please execute all six (6) copies of the enclosed ratification and joinder instrument, have your signature attested, if necessary, and acknowledged by a Notary Public. Then, return five (5) originally executed copies to us in the enclosed, self-addressed, postage-paid envelope.

Your early consideration of joinder to the _____ Unit will be greatly appreciated. Should you elect not to commit your interest, please so advise in writing as soon as possible. If you have any questions regarding any of the enclosures, please feel free to call or write.

Sincerely,

Enclosures

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181, et seq., and delegated to the Bureau of Land Management, by Executive Order of the Secretary of the Interior, I do hereby:

A. Approve the attached agreement for the development and operation of the _____ Unit Area, _____ County, _____.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: _____

Authorized Officer
Bureau of Land Management

Contract Number: _____

1 UNIT AGREEMENT AND PLAN OF UNITIZATION
2 FOR THE DEVELOPMENT AND OPERATION
3 OF THE _____ UNIT AREA

4 _____ COUNTY

5 STATE OF _____

6
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1 UNIT AGREEMENT AND PLAN OF UNITIZATION
2 FOR THE DEVELOPMENT AND OPERATION
3 OF THE _____ UNIT AREA

4 _____ COUNTY

5 STATE OF UTAH
6
7

1
2 THIS AGREEMENT, entered into as of the ___ day of ____, 20__, by and between
3 the parties subscribing, ratifying, or consenting hereto, and herein referred to as the
4 "parties hereto",

5 WITNESSETH:

6 WHEREAS, the parties hereto are the owners of working, royalty, or other oil and
7 gas interests in the Unit Area subject to this Unit Agreement; and

8 WHEREAS, the term "Working Interest" as used herein shall mean the interest held
9 in Unitized Substances or in lands containing Unitized Substances by virtue of a lease
10 operating agreement, fee title, or otherwise, which is chargeable with and obligated to pay
11 or bear all or a portion of the costs of drilling, developing, producing, and operating the
12 land under the unit or cooperative agreement. "Royalty Interest" as used herein shall mean
13 a right to or interest in any portion of the Unitized Substances or proceeds thereof other
14 than a Working Interest. The Owner of oil and gas rights that are free of lease or other
15 instrument conveying the working interest rights to another shall be regarded as a Working
16 Interest Owner to the extent of a seven-eighths (7/8ths) interest in and to such oil and gas
17 rights, and as a Royalty Interest Owner to the extent of the remaining one-eighth (1/8th)
18 interest therein; and

19 WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as
20 amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their
21 representatives to unite with each other, or jointly or separately with others, in collectively
22 adopting and operating under a cooperative or unit plan of development or operation of
23 any oil or gas pool, field, or like area, or any part thereof, for the purpose more properly
24 conserving the natural resources thereof whenever determined and certified by the
25 Secretary of the Interior of the United States, hereinafter referred to as "Secretary", to be
26 necessary or advisable in the public interest; and

27 WHEREAS, Sections 40-6-7 and 40-6-8, *Utah Code Annotated*, empowers the
28 Board of Oil, Gas and Mining of the State of Utah, hereinafter referred to as the "Board,"
29 upon application, to determine the need for and make orders providing for the operation
30 as a unit of one or more pools, or parts thereof, in a field after approval of seventy percent

1 (70%) of the parties involved, which said order shall be binding on all parties in said Unit
2 Area; and

3 WHEREAS, it is the purpose of the parties hereto to conserve natural resources,
4 prevent waste, and secure other benefits obtainable through development and operation
5 of the area subject to this Unit Agreement under the terms, conditions, and limitations
6 herein set forth:

7 NOW, THEREFORE, in consideration of the premises and the promises herein
8 contained, the parties hereto commit to this Unit Agreement their respective interests in
9 the below-defined Unit Area, and agree severally among themselves as follows:

10 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25,
11 1920, as amended, supra, and all valid, pertinent regulations, including operating and unit
12 plan regulations, heretofore issued thereunder or valid, pertinent and reasonable
13 regulations hereafter issued thereunder are accepted and made a part of this Unit
14 Agreement as to Federal lands, provided such regulations are not inconsistent with the
15 terms of this Unit Agreement; and as to non-Federal lands, the oil and gas operating
16 regulations in effect as of the effective date hereof governing drilling and producing
17 operations, not inconsistent with the terms hereof or the laws of the State of Utah, are
18 hereby accepted and made a part of this Unit Agreement.

19 2. UNIT AREA. The area specified on the plat attached hereto marked Exhibit "A"
20 is hereby designated and recognized as constituting the Unit Area, containing _____
21 acres, more or less.

22 Exhibit "A" shows, in addition to the boundary of the Unit Area, the boundaries and
23 identity of tracts and leases in said Area to the extent known to the Unit Operator. Exhibit
24 "B" attached hereto is a schedule showing to the extent known to the Unit Operator the
25 acreage, percentage and kind of ownership of oil and gas interests in all land in the Unit
26 Area. Exhibit "C" attached hereto is a schedule showing the percentage of participation
27 credited to each Tract in the Unit Area based upon a presumed one hundred percent
28 (100%) commitment. (Tract means each parcel of land described as such and given a tract
29 number in Exhibit "B".) However, nothing herein or in said schedule or map shall be
30 construed as a representation by any party as to the ownership of any interest other than
31 such interest or interests as are shown in said map or schedule owned by such party.
32 Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the Unit
33 Area render such a revision necessary, or when requested by the Authorized Officer of the
34 Bureau of Land Management, hereinafter referred to as "A.O." or by the Board. In such
35 case, not less than six (6) copies of the revised Exhibits shall be filed with the A.O.

1 3. EXPANSION OF UNIT AREA. Any enlargement of the Unit Area shall require
2 approval by the A.O. of the Bureau of Land Management. The Unit Area may, with the
3 approval of the A.O., be expanded to include therein any additional lands whenever such
4 expansion is necessary or advisable to conform with the purposes of this Unit Agreement.
5 Subject to such approval of the A.O., any such expansion may be accomplished either (1)
6 by order of the Board in accordance with the Utah Oil and Gas Conservation Act 40-6-1
7 et. seq. Utah Code Annotated or (2) pursuant to agreement fixing the tract participation of
8 each tract added by such expansion and providing for the commitment of the interests of
9 the owner, thereof to this Unit Agreement, and, if applicable, to the Unit Operating
10 Agreement, and negotiated with such owners by the Unit Operator acting on behalf of the
11 Working Interest Owners collectively after being duly authorized by them as provided in
12 the Unit Operating Agreement. Whenever the Unit Area is enlarged so as to admit
13 additional land qualified for participation, Exhibit "C" shall be revised as set forth in
14 Section 12, "Participation and Allocation of Production". Any such expansion shall be
15 effected in the following manner:

16 (a) Unit Operator, on its own motion, (after preliminary concurrence by the
17 A.O.), shall prepare a notice of proposed expansion describing the contemplated changes
18 in the boundaries of the Unit Area, the reasons therefor, and the proposed effective date
19 thereof, preferably the first day of the month subsequent to the date of notice.

20 (b) Said notice shall be delivered to the appropriate Bureau of Land
21 Management office, and copies thereof mailed to the last known address of each Working
22 Interest Owner, Lessee, and Lessor whose interests are affected, advising that thirty (30)
23 days will be allowed for submission to the Unit Operator of any objections.

24 (c) Upon expiration of the thirty (30) day period provided in the preceding
25 item (b) hereof, Unit Operator shall file with the A.O. evidence of mailing of the notice of
26 expansion and a copy of any objections thereto which have been filed with the Unit
27 Operator, together with an application and appropriate joinder in sufficient number, for
28 approval of such expansion.

29 (d) After due consideration of all pertinent information, the expansion shall,
30 upon approval by the A.O., become effective as of the date prescribed in the notice
31 thereof.

32 4. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this Unit
33 Agreement as provided in Section 5, "Tracts Qualified for Participation", as to the Unitized
34 Formation defined immediately below, shall constitute land referred to herein as "Unitized
35 Land" or "land subject to this Unit Agreement". All oil and gas in and produced from the

1 Unitized Formation is unitized under the terms of this Unit Agreement and herein is called
2 "Unitized Substances".

3 The "Unitized Formation" shall mean the _____ formation as identified by the
4 _____ run in the _____ well located in the _____ of Section __, Township _
5 _ Range ____, _____ County, _____, with the top of the Unitized Formation being found
6 a measured depth of _____ feet a vertical depth of _____ feet below the surface (_____ feet
7 subsea) and the base of the Unitized Formation being found at a measured depth of __
8 ___ feet a vertical depth of _____ feet below the surface (_____ feet subsea) or to the
9 stratigraphic equivalent thereof.

10 5. UNIT OPERATOR. _____ is hereby designated as Unit Operator, and by
11 signature hereto as Unit Operator agrees and consents to accept the duties and
12 obligations of Unit Operator for the development and production of Unitized Substances
13 as herein provided. Whenever reference is made herein to the Unit Operator, such
14 reference means the Unit Operator acting in that capacity and not as an owner of interest
15 in Unitized Substances, and the term "Working Interest Owner" when used herein shall
16 include or refer to Unit Operator as the owner of a Working Interest when such an interest
17 is owned by it.

18 6. TRACTS QUALIFIED FOR PARTICIPATION. Inasmuch as the objective of this
19 Unit Agreement is to have lands in the Unit Area operated and entitled to participation
20 under the terms hereof, no joinder shall be considered a commitment to this Unit
21 Agreement unless the Tract involved is qualified under this Section. On or after the
22 effective date hereof, the Tracts within the Unit area which, in absence of an involuntary
23 pooling order issued by the Board shall be entitled to participation in the production of
24 Unitized Substances therefrom shall be those Tracts within the Unit Area more particularly
25 described in Exhibit "B" that are qualified as follows (for the purpose of this section, the
26 record interest shall replace the royalty interest as to Federal Land):

27 (a) Each Tract as to which Working Interest Owners owning one hundred
28 percent (100%) of the Working Interest have signed or ratified this Unit Agreement and the
29 Unit Operating Agreement and Royalty Owners owning seventy-five (75%) or more of the
30 royalty interest created by the basic leases have signed or ratified this Unit Agreement:

31 (b) Each Tract as to which Working Interest Owners owning one hundred
32 percent (100%) of the Working Interests have signed or ratified this Unit Agreement and
33 the Unit Operating Agreement, and Royalty Owners owning less than seventy-five percent
34 (75%) of the royalty interests created by the basic leases have signed or ratified this Unit
35 Agreement, and as to which (1) all Working Interest Owners in such Tract join in a request

1 for inclusion of such Tract in Unit participation upon the basis of such commitment status,
2 and further as to which (2) seventy-five percent (75%) or more of the combined voting
3 interests of Working Interest Owners in all Tracts which meet the requirements of
4 Subsection 5(a) vote in favor of the acceptance of such Tract as qualified. For the purpose
5 of this Subsection 5(b), the voting interest of each Working Interest Owner shall be equal
6 to the ratio (expressed in percentage) which the total of such Working Interest Owner's
7 percentage participating in all Tracts which qualify under Subsection 5(a), bears to the
8 total percentage participation of all Working Interest Owners in all Tracts which qualify
9 under said Subsection 5(a), as such percentages are shown on Exhibit "C";

10 (c) Each Tract as to which Working Interest Owners owning less than one
11 hundred percent (100%) of the Working Interest have signed or ratified this Unit
12 Agreement and the Unit Operating Agreement, regardless of the percentage of royalty
13 interest therein that is committed hereto, and as to which (1) the Working Interest Owner
14 who operates the Tract and all of the other subscribing Working Interest Owners in such
15 Tract have joined in a request for inclusion of such Tract in Unit participation upon the
16 basis of such commitment status and have tendered and executed and delivered an
17 indemnity agreement, indemnifying and agreeing to hold the Owners of the Working
18 Interests in the other Qualified Tracts harmless from and against any and all claims and
19 demands that may be made by the nonsubscribing Working Interest Owners in such Tract
20 on account of the inclusion of the same in Unit participation, and further as to which (2)
21 seventy-five percent (75%) or more of the combined voting interests of the Working
22 Interest Owners in all Tracts which meet the requirements of Subsection 5(a) and 5(b)
23 above, vote in favor of the inclusion of such Tract. For the purpose of this Subsection 5(c),
24 the voting interest of each Working Interest Owner shall be equal to the ratio (expressed
25 in percentage) which the total of such Working Interest Owner's percentage participation
26 attributed to Tracts which qualify under Subsections 5(a) and 5(b) bears to the total
27 percentage of all Working Interest Owners attributed to all Tracts which qualify under
28 Subsections 5(a) and 5(b), as such percentages are set out in Exhibit "C."

29 Notwithstanding anything in this Section to the contrary, all tracts other than
30 unleased Federal lands within the Unit Area shall be deemed to be qualified for
31 participation if this Unit Agreement and the Unit Operating Agreement are duly approved
32 the as Plan of Unitization and Operating Plan by order of Sections 40-6-7 and 40-6-8, *Utah*
33 *Code Annotated*.

34 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have
35 the right to resign at any time, but such resignation shall not become effective so as to

1 release Unit Operator from the duties and obligations of Unit Operator and terminate that
2 Unit Operator's rights as such for a period of six (6) months after notice of intention to
3 resign has been served by Unit Operator on all Working Interest Owners and the A.O., and
4 until all wells are placed in a satisfactory condition for suspension or abandonment,
5 whichever is required by the A.O., unless a new Unit Operator shall have been selected
6 and accepted and shall have taken over and shall have assumed obligations of Unit
7 Operator prior to the expiration of said period.

8 The resignation of Unit Operator shall not release the Unit Operator from any
9 liability for default by it hereunder occurring prior the effective date of its resignation.

10 The Unit Operator may, upon default or failure in the performance of its duties or
11 obligations hereunder, be subject to removal by an affirmative vote of the Working Interest
12 Owners of at least ninety percent (90%) of the voting interest remaining after excluding the
13 voting interest of the Unit Operator. Such removal shall be effective upon notice thereof
14 to the A.O. In all such instances of resignation or removal, until a successor Unit Operator
15 is selected and accepted as hereinafter provided, the Working Interest Owners shall be
16 jointly responsible for the performance of the duties of Unit Operator, and shall not later
17 than thirty (30) days before such resignation or removal becomes effective appoint a
18 common agent to represent them in any action to be taken hereunder.

19 The resignation or removal of Unit Operator under this Unit Agreement shall not
20 terminate its right, title, or interest as the owner of Working Interest or other interest in
21 Unitized Substances, but upon the resignation or removal of Unit Operator becoming
22 effective, such Unit Operator shall deliver possession of all wells, equipment, materials,
23 and appurtenances used in conducting the Unit Operations and owned by the Working
24 Interest Owners to the new duly qualified successor Unit Operator or to the owners thereof
25 if no such new Unit Operator is selected, to be used for the purpose of conducting Unit
26 Operations hereunder. Nothing herein shall be construed as authorizing removal of any
27 material, equipment and appurtenances needed for the preservation of any wells.

28 **8. SUCCESSOR UNIT OPERATOR.** Whenever the Unit Operator shall tender his
29 or its resignation as Unit Operator or shall be removed as hereinabove provided, or a
30 change of Unit Operator is negotiated by the Working Interest Owners, a successor Unit
31 Operator shall be selected by Working Interest Owners voting according to their respective
32 Tract participation in all unitized land by a majority vote; provided, that, if a majority but
33 less than seventy-five percent (75%) of the Working Interests qualified to vote are owned
34 by one party to this Unit Agreement, a concurring vote of one or more additional Working
35 Interest Owners shall be required to select a new Unit Operator. Such selection shall not
36 become effective until:

1 (a) A Unit Operator so selected shall accept in writing the duties and
2 responsibilities of Unit Operator, and

3 (b) The selection shall have been approved by the A.O.

4 If no successor Unit Operator is selected and qualified as herein provided, the A.O. at his
5 election may declare this Unit Agreement terminated.

6 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit
7 Operator is not the sole owner of Working Interests, costs and expenses incurred by Unit
8 Operator in conducting Unit Operations hereunder shall be paid and apportioned among
9 and borne by the owners of Working Interests, all in accordance with the agreement or
10 agreements, whether one or more, separately or collectively, entered into by and between
11 the Unit Operator and the owners of Working Interests. Any agreement or agreements,
12 whether one or more, entered into between the Working Interest Owners and the Unit
13 Operator as provided in this Section are hereinafter referred to as the "Unit Operating
14 Agreement".

15 Such Unit Operating Agreement shall also set forth such other rights and obligations
16 as between Unit Operator and the Working Interest Owners as may be agreed upon by
17 Unit Operator and the Working Interest Owners; however, no such Unit Operating
18 Agreement shall be deemed either to modify any of the terms and conditions of this Unit
19 Agreement or to relieve the Unit Operator of any right or obligation established under this
20 Unit Agreement, and in case of any inconsistency or conflict between the Unit Agreement
21 and the Unit Operating Agreement this Unit Agreement shall prevail. Three (3) true copies
22 of any Unit Operating Agreement executed pursuant to this Section shall be filed with the
23 A.O. prior to approval of this Unit Agreement, and thereafter promptly after any revision
24 or amendment.

25 10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except specifically
26 provided herein, the exclusive right, privilege, and duty of exercising any and all rights of
27 the parties hereto, including surface rights, which are necessary or convenient for
28 prospecting for, producing, storing, allocating, and distributing the Unitized Substances are
29 hereby delegated to and shall be exercised by the Unit Operator as herein provided.
30 Acceptable evidence of title to said rights shall be deposited with said Unit Operator and,
31 together with this Unit Agreement, shall constitute and define the rights, privileges, and
32 obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title
33 to any land or to any lease or operating agreement, it being understood that under this Unit
34 Agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of
35 possession and use vested in the parties hereto only for the purposes herein specified.

1 11. PLAN OF OPERATION. It is recognized and agreed by the parties hereto that
2 the Unit Area is developed and productive, and only such hereto drilling as is incidental
3 to a secondary recovery or pressure maintenance program or enhanced recovery program
4 is contemplated.

5 Inasmuch as the primary purpose of this Unit Agreement is to permit the institution
6 and consummation of a secondary recovery or pressure maintenance program or
7 enhanced recovery program for the maximum economic production of Unitized Substances
8 consistent with good engineering and conservation practices, Unit Operator, concurrently
9 with the filing of this Unit Agreement for approval, shall submit to the A.O. for approval, a
10 plan of operation for the Unitized Land, and upon approval thereof by the A.O., such plan
11 shall constitute the future operating obligations of the Unit Operator under this Unit
12 Agreement for the period specified therein. Thereafter, from time to time before the
13 expiration of any existing plan, the Unit Operator shall submit for the approval of the A.O.
14 a plan for an additional specified period of operation; said plan or plans shall be modified
15 or supplemented when necessary to meet changed conditions, or to protect the interest
16 of all parties to the Unit Agreement. Reasonable diligence shall be exercised in complying
17 with the obligations of any approved plan of operation.

18 Unit Operator shall have the right to inject into the Unitized Formation any
19 substance for secondary recovery or pressure maintenance or enhanced recovery
20 purposes in accordance with a plan of operation approved by the A.O. including the right
21 to drill and maintain injection wells on the Unitized Land and completed in the Unitized
22 Formation, and to use abandoned well or wells producing from the Unitized Formation for
23 said purpose, and the parties hereto, to the extent of their rights and interests, hereby
24 grant to the Unit Operator the right to use as much of the surface of the land within the Unit
25 Area as may be reasonably necessary for the operation and development of the Unit Area
26 hereunder. Unit Operator shall have free use of water from the unitized land for operations
27 hereunder and for operations on adjacent lands except water from surface owner's and
28 Royalty Owner's fresh water wells, private lakes, ponds, or irrigation ditches.

29 12. PARTICIPATION AND ALLOCATION OF PRODUCTION. Beginning at 7:00
30 a.m. of the effective date hereof, the Tract Participation of each Tract shall be based upon
31 the following factors and formula:

32 _____
33 _____
34 _____

1 The figure set forth opposite each Tract in Exhibit "C" represents the Tract
2 Participation to which such Tract is entitled if all Tracts are committed hereto and qualified
3 as of the effective date of this Unit Agreement.

4 Promptly after approval of this Unit Agreement, if all Tracts are not qualified hereto,
5 Unit Operator shall revise Exhibit "C" to show the Tracts qualified for participation under
6 this Unit Agreement by setting forth opposite each Tract a revised tract participation
7 therefor, which shall be calculated by using the same Tract factors and formula which were
8 used to arrive at the Tract Participation of each tract as set out in the original Exhibit "C"
9 but applying the same only to those Tracts which are qualified for participation as of the
10 effective date of this Unit Agreement. Said revised Exhibit "C" shall be subject to approval
11 by the A.O. and shall be effective as of the effective date of this Unit Agreement.

12 If, after the effective date of this Unit Agreement, any tract or tracts are
13 subsequently committed hereto and qualified because of expansion of the Unit Area under
14 Section 3, "Expansion of Unit Area", or any Tract or Tracts are subsequently qualified
15 under the provisions of Section 5, "Tracts Qualified for Participation, " and Section 30,
16 "Subsequent Joinder", or if any Tract is eliminated from this Unit Agreement as provided
17 in Section 29, "Loss of Title", the schedule of participation as shown in Exhibit "C" shall be
18 revised by the Unit Operator to show the new Tract Participation of all the then qualified
19 Tracts: and the revised Exhibit "C", upon approval by the A.O., shall govern the allocation
20 of production from the effective date thereof until a new schedule is so approved. In any
21 such revised Exhibit "C", pursuant to this paragraph, the Tract Participation of the
22 previously qualified Tracts shall remain in the same ratio one to the other.

23 On the effective date of this Unit Agreement and thereafter, all Unitized Substances
24 produced hereunder (except any part thereof used in conformity with good operating
25 practices for drilling, operating, camp, and other production or development purposes, for
26 pressure maintenance or secondary recovery operations or enhanced recovery operations
27 in accordance with a plan of operation approved by the A.O., or unavoidably lost), shall
28 be deemed to be produced from the several Tracts of Unitized Land, and for the purpose
29 of determining any benefits accruing under this Unit Agreement each such Tract shall have
30 allocated to it that percentage of said production equal to its Tract Participation effective
31 hereunder during the respective period such Unitized Substances were produced, as set
32 out in Exhibit "C".

1 If, as of the effective date hereof, any Tract is overproduced with respect to the
2 allowables of the wells on that Tract as established by the State of Utah and the amount
3 of over production has been sold or otherwise disposed of, such over production shall be
4 regarded as a part of the Unitized Substances produced after the effective date hereof and
5 shall be charged to such Tract as having been delivered to the parties entitled to Unitized
6 Substances allocated to such Tracts.

7 The amount of Unitized Substances allocated to each Tract shall be deemed to be
8 produced from such Tract irrespective of the location of the wells from which the same is
9 produced and regardless of depletion of wells or Tracts. In the absence of a controlling
10 contract or agreement to the contrary, when two or more leases or part or parts thereof,
11 have been combined into a single Tract, the percentage participation assigned to such
12 Tract shall for all purposes be divided among the separate leases, or part or parts thereof,
13 which have been put into such Tract, in proportion to the number of surface acres of the
14 leases, or part or parts thereof, contained in such Tract bears to the total surface acres
15 contained in said Tract.

16 13. ROYALTY SETTLEMENT. The United States and all Royalty Owners who,
17 under existing contract, are entitled to take in kind a share of the substance now unitized
18 hereunder produced from any Tract, shall hereafter be entitled to the right to take in kind
19 their proportionate share of the Unitized Substances allocated to such Tract, and Unit
20 Operator shall make deliveries of such royalty share taken in kind in conformity with the
21 applicable contracts, laws, and regulations. Settlement for Royalty interest not taken in
22 kind shall be made by Working Interest Owners responsible therefor under existing
23 contracts, laws and regulations on or before the last day of each month for Unitized
24 Substances produced during the preceding calendar month: provided, however, that
25 nothing herein contained shall operate to relieve the lessees of any land from their
26 respective lease obligations for the payment of any royalties due under their leases.

27 If gas obtained from lands or formations not subject to this Unit Agreement is
28 introduced into the Unitized Formation hereunder, for use in repressuring, stimulation of
29 production, or increasing ultimate recovery, which shall be in conformity with a plan first
30 approved by the A.O., a like amount of gas less appropriate deduction for loss or depletion
31 from any cause, may be withdrawn from the Unitized Formation, royalty free as to dry gas,
32 but not as to the products extracted therefrom; provided that such withdrawal shall be at
33 such time as may be provided in the approved plan of operations or as may otherwise be
34 consented to by the A.O. as conforming to good petroleum engineering practice and
35 provided further, that such right of withdrawal shall terminate on the termination of this Unit
36 Agreement.

1 If natural gasoline, liquid petroleum gas fractions or other liquid hydrocarbon
2 substances (herein collectively called "LPGS") which were not extracted from gas
3 produced from the Unitized Formation are injected into the Unitized Formation, which shall
4 be in conformity with a plan of operation first approved by the A.O., Working Interest
5 Owners shall be entitled to recover, royalty free, part of all such "LPGS" pursuant to such
6 conditions and formulas as may be prescribed or approved by the A.O.

7 Royalty due the United States shall be computed as provided in the operating
8 regulations and paid in value or delivered in kind as to all Unitized Substances on the
9 basis of the amounts thereof allocated to unitized Federal land as provided herein at the
10 rates specified in the respective Federal leases, or at such lower rates as may be
11 authorized by law or regulation; provided that for leases on which the royalty rate depends
12 on the daily average production per well, said average production shall be determined in
13 accordance with the operating regulations as though the Unitized Lands were a single
14 consolidated lease.

15 As to non-Federal lands, any royalty or other payment which varies under the terms
16 of the instrument creating it, according to actual production from a Tract or according to
17 the capabilities of wells located thereon to produce, shall, on and after the effective date,
18 be computed upon that portion of the Unitized Substances allocated to the particular Tract
19 and not upon the actual production of oil and gas from the Tract or the capability of the
20 well thereon to produce. If any such royalty or other payment depends on the production
21 or pipeline runs from a well, such production or pipeline run shall be determined by
22 dividing the Unitized Substances allocated to the Tract by the number of wells located
23 thereon that were capable of producing or capable of being used in unit operations as a
24 producing well or otherwise as of the effective date. If any Tract has no such well located
25 thereon as of the effective date, it shall be treated as having one well within the meaning
26 of this Section.

27 **14. RENTAL SETTLEMENT.** Rental or minimum royalties due on leases committed
28 hereto shall be paid by Working Interest Owners responsible therefor under existing
29 contracts, laws, and regulations, provided that nothing herein contained shall operate to
30 relieve the lessees of any land from their respective lease obligations for the payment of
31 any rental or minimum royalty in lieu thereof due under their leases. Rental and minimum
32 royalty for lands of the United States subject to this Unit Agreement shall be paid at the
33 rate specified in the respective leases from the United States unless such rental or
34 minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary
35 of the Interior, hereinafter referred to as "Secretary", or his duly authorized representative.

1 15. CONSERVATION. Operations hereunder and production of Unitized
2 Substances shall be conducted to provide for the most economical and efficient recovery
3 of said substances without waste, as defined by or pursuant to State or Federal law or
4 regulation.

5 16. DRAINAGE. The Unit Operator shall take appropriate and adequate measures
6 to prevent drainage of Unitized Substances from Unitized Land by wells on land not
7 subject to this Unit Agreement, or with prior consent of the A.O. pursuant to applicable
8 regulations, pay a fair and reasonable compensatory royalty as determined by the A.O. In
9 the event compensatory royalty is so paid, it shall be treated in the same manner as
10 Unitized Substances.

11 17. GAUGE OF MERCHANTABLE OIL. The Unit Operator shall make a proper and
12 timely gauge of all lease tanks and other tanks within the Unit Area and associated with
13 the operation of Unitized Land in order to ascertain the amount of merchantable oil above
14 the pipeline connections in such tanks at 7:00 a.m. on the effective date hereof. All such
15 oil shall be and remain the property of the parties entitled thereto the same as if the Unit
16 had not been formed; and such parties shall promptly remove said oil from said tanks. Any
17 such oil not so removed shall be sold by Unit Operator for the account of parties entitled
18 thereto, subject to the payment of all royalties, overriding royalties, production payments,
19 and all other payments under the terms and provisions of the applicable lease, leases, or
20 other contracts.

21 18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms,
22 conditions, and provisions of all leases, subleases, and other contracts relating to
23 exploration, drilling, development, or operation for oil or gas on lands committed to this
24 Unit Agreement are hereby expressly modified and amended to the extent necessary to
25 make the same conform to the provisions hereof, but otherwise to remain in full force and
26 effect; and the parties hereto hereby consent that the Secretary shall and by his approval
27 hereof, or by the approval hereof by his duly authorized representative, does hereby
28 establish, alter, change or revoke the drilling, producing, rental, minimum royalty, and
29 royalty requirements of Federal leases committed hereto and the regulations in respect
30 thereto to conform said requirements to the provisions of this Unit Agreement, and, without
31 limiting the generality of the foregoing, all leases, subleases, and contracts are particularly
32 modified in accordance with the following:

33 (a) The development and operation of lands subject to this Unit Agreement
34 under the terms hereof shall be deemed full performance of all obligations for development
35 and operation with respect to each and every part of separately owned Tracts subject to

1 this Unit Agreement, regardless of whether there is any development of any particular part
2 of a tract of Unitized Land, notwithstanding anything to the contrary in any lease, operating
3 agreement, or other contract by and between the parties hereto, or their respective
4 predecessors in interest, or any of them.

5 (b) Drilling and producing operations performed hereunder upon any Tract
6 of Unitized Land will be accepted and deemed to be performed upon and for the benefit
7 of each and every Tract of Unitized Land, and no lease shall be deemed to expire by
8 reason of failure to drill or produce wells situated on the land therein embraced.

9 (c) Suspension of drilling or producing operations on all Unitized Land
10 pursuant to direction or consent of the Secretary or his duly authorized representative shall
11 be deemed to constitute such suspension pursuant to such direction or consent as to each
12 and every Tract of Unitized Land.

13 (d) Each lease, sublease, or contract relating to the exploration, drilling,
14 development, or operation for oil or gas on lands committed to this Unit Agreement which,
15 by its terms might expire prior to the termination of this Unit Agreement, is hereby extended
16 beyond any such term so provided therein so that it shall be continued in full force and
17 effect for and during the term of this Unit Agreement.

18 (e) The segregation of any Federal lease committed to this Unit Agreement
19 is governed by the following provision in the fourth paragraph of Section 17(m) of the
20 Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784):
21 "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing
22 lands that are in part within and in part outside of the area covered by any such plan shall
23 be segregated into separate leases as to the lands committed and the lands not committed
24 as of the effective date of unitization; provided, however, that any such lease as to the
25 non-unitized portion shall continue in force and effect for the term thereof but for not less
26 than two (2) years from the date of such segregation and so long thereafter as oil or gas
27 is produced in paying quantities".

28 19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to
29 be covenants running with the land with respect to the interest of the parties hereto and
30 their successors in interest until this Unit Agreement terminates, and any grant, transfer,
31 or conveyance of interest in land or leases subject hereto shall be and hereby is
32 conditioned upon the assumption of all privileges and obligations hereunder by the
33 grantee, transferee, or other successor in interest. No assignment or transfer of any
34 Working Interest shall be binding upon Unit Operator nor shall any transfer of any Royalty
35 Interest or other interest be binding on the Working Interest Owner responsible for

1 payment or settlement thereof, until the first day of the calendar month after Unit Operator
2 or responsible Working Interest Owner, as the case may be, is furnished with the original,
3 photostat, or certified copy of the instrument of transfer.

4 20. EFFECTIVE DATE. This Unit Agreement shall become binding upon each party
5 who executes or ratifies it as of the date of execution or ratification by such party and shall
6 become effective as of 7:00 a.m. on the first day of the calendar month next following
7 approval of this Unit Agreement by the Secretary of the Interior or his duly authorized
8 delegate.

9 Unit Operator shall within thirty (30) days after the effective date of this Unit
10 Agreement file for record in _____ County, Utah, a copy of this Unit Agreement and a
11 certificate to the effect that this Unit Agreement has become effective according to its
12 terms and stating further the effective date.

13 21. TERM. The term of this Unit Agreement shall be for and during the time that
14 Unitized Substances can be produced in quantities sufficient to pay for the cost of
15 producing same from wells on Unitized Land and for as long thereafter as drilling,
16 reworking, or other operations are prosecuted on Unitized Land without cessation of more
17 than sixty (60) consecutive days, and so long thereafter as Unitized Substances can be
18 produced as aforesaid, unless sooner terminated by the A.O. as provided in Section 8,
19 "Successor Unit Operator", or by the Working Interest Owners as provided in Section 22,
20 "Termination by Working Interest Owners".

21 22. TERMINATION BY WORKING INTEREST OWNERS. This Unit Agreement may
22 be terminated at any time by Working Interest Owners owning ninety percent (90%) or
23 more of the participation percentage in the Unitized Land, with the approval of the A.O.
24 Notice of any such termination shall be given by the Unit Operator to all parties hereto.
25 Upon termination of this Unit Agreement, the parties hereto shall be governed by the terms
26 and provisions of the leases and contracts affecting the separate Tracts.

27 If not specified otherwise by the leases unitized under this Unit Agreement, the
28 basic royalty owners hereby grant the Working Interest Owners a period of six (6) months
29 after termination of this Unit Agreement in which to salvage, sell, distribute, or otherwise
30 dispose of the personal property and facilities used in connection with Unit operations.

31 Unit Operator shall, within thirty (30) days after the termination this Unit Agreement
32 has been determined, pursuant to Section 8 "Successor Unit Operator", and Section 22
33 "Termination by Working Interest Owners" hereof, file for record in the office or offices
34 where a counterpart of this Unit Agreement is recorded, a certificate setting forth the fact
35 of such termination and the date thereof.

1 23. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. The A.O. is
2 hereby vested with authority to alter or modify from time to time in his discretion the
3 quantity and rate of production under this Unit Agreement when such quantity and rate is
4 not fixed pursuant to Federal or State law or does not conform to any statewide voluntary
5 conservation or allocation program, which is established, recognized, and generally
6 adhered to by the majority of operators in such State, such authority being hereby limited
7 to alteration or modification in the public interest, the purpose thereof and the public
8 interest to be served thereby to be stated in the order of alteration or modification. Without
9 regard to the foregoing, the A.O. is also hereby vested with authority to alter or modify from
10 time to time in his discretion the rate of prospecting and development and the quantity and
11 rate of production under this Unit Agreement when such alteration or modification is in the
12 interest of attaining the conservation objectives stated in this Unit Agreement and is not
13 in violation of any applicable Federal or State law.

14 Powers in this section vested in the A.O. shall only be exercised after notice to Unit
15 Operator and opportunity for hearing to be held not less than fifteen (15) days from notice.

16 24. APPEARANCES. The Unit Operator shall, after notice to other parties affected,
17 have the right to appear for and on behalf of any and all interests affected hereby before
18 the Department of the Interior and to appeal from orders issued under the regulations of
19 said Department or to apply for relief from any of said regulations or in any proceedings
20 relative to operations before the Department of the Interior or any other legally constituted
21 authority; provided, however, that any other interested party shall also have the right at his
22 own expense to be heard in any such proceeding.

23 25. NOTICES. All notices, demands, or statements required hereunder to be given
24 or rendered to the parties hereto shall be deemed fully given if given in writing and
25 personally delivered to the party or sent by postpaid registered or certified mail, addressed
26 to such party at the address such party has furnished to the party sending the notice,
27 demand or statement.

28 26. NO WAIVER OF CERTAIN RIGHTS. Nothing in this Unit Agreement contained
29 shall be construed as a waiver by any party hereto of the right to assert any legal or
30 constitutional right or defense as to the validity or invalidity of any law of the State of Utah,
31 or of the United States, or regulations issued thereunder in any way affecting such party,
32 or as a waiver by any such party of any right beyond his or its authority to waive; provided,
33 however, each party hereto except the United States covenants that during the existence
34 of this Unit Agreement, such party shall not resort to any action at law or in equity to
35 partition the Unitized Land or the facilities used in the development or operation thereof

1 and to that extent waives the benefits of all laws authorizing such partition.

2 27. UNAVOIDABLE DELAY. All obligations under this Unit Agreement, except the
3 payment of money, shall be suspended while, but only so long as, the Unit Operator,
4 despite the exercise of due care and diligence is prevented from complying with such
5 obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or
6 agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain
7 necessary materials in open market, or other matters beyond the reasonable control of the
8 Unit Operator, whether similar to matters herein enumerated or not.

9 28. NONDISCRIMINATION. In connection with the performance of work under this
10 Unit Agreement, the Unit Operator agrees to comply with all the provisions of Section 202
11 (1) to (7) inclusive, of Executive Order 11246, (30 F.R. 12319), as amended, which are
12 hereby incorporated by reference in this Unit Agreement.

13 29. LOSS OF TITLE. In the event title to any Tract of Unitized Land shall fail and
14 the true owner cannot be induced to join in this Unit Agreement, such Tract shall be
15 automatically regarded as not committed hereto and there shall be such readjustment of
16 future costs and benefits as may be required on account of the loss of such title. In the
17 event of a dispute as to title as to any Royalty, Working Interest, or other interests subject
18 hereto, payment or delivery on account thereof may be withheld without liability for interest
19 until the dispute is finally settled: provided that as to Federal lands or leases, no payments
20 of funds due the United States shall be withheld, but such funds shall be deposited as
21 directed by the A.O. to be held as unearned money pending final settlement of the title
22 dispute, and then applied as earned or returned in accordance with such final settlement.

23 Unit Operator as such is relieved from any responsibility for any defect or failure of
24 any title hereunder.

25 In order to avoid title failure, which might incidentally cause the title to a Working
26 Interest or Interests to fail, the owners of (a) the surface rights to land subject to this Unit
27 Agreement, (b) severed minerals or Royalty Interests in said land and (c) improvements
28 located on said lands but not utilized for Unit Operations, shall individually be responsible
29 for the rendition and assessment, for ad valorem tax purposes, of all such property, and
30 for payment of such taxes, except as otherwise provided in any contract or agreement
31 between such owners and a Working Interest Owner or Owners in the Unit Operating
32 Agreement. If any ad valorem taxes are not paid by such owners responsible therefor
33 when due, the Unit Operator may, at any time prior to tax sale, pay the same, redeem such
34 property and discharge such tax liens as may arise through nonpayment. In the event the
35 Unit Operator makes any such payment or redeems any such property from tax sale, the

1 Unit Operator shall be reimbursed therefor by the Working Interest Owners in proportion
2 to their respective percentages of Unit Participation and the Unit Operator shall withhold
3 from the proceeds otherwise due to said delinquent taxpayer or taxpayers, an amount
4 sufficient to defray the costs of such payment or redemption, such withholdings to be
5 distributed among the Working Interest Owners in proportion to their respective
6 contributions toward such payment or redemption.

7 30. SUBSEQUENT JOINDER. After the effective date of this Unit Agreement, the
8 commitment of any interest in any tract within the Unit Area shall be upon such equitable
9 terms as may be negotiated by Working Interest Owners and the owner of such interest.
10 After the effective date hereof, joinder by a Royalty Owner must be consented to in writing
11 by the Working Interest Owner committed hereto and responsible for the payment of any
12 benefits that may accrue hereunder in behalf of such Royalty Interest. Joinder by any
13 Royalty Owner at any time must be accompanied or preceded by appropriate joinder by
14 the Owner of the corresponding Working Interest in order for the interest to be regarded
15 as effectively committed. Joinder to the Unit Agreement by a Working Interest Owner at
16 any time must be accompanied by appropriate joinder to the Unit Operating Agreement in
17 order for the interest to be regarded as committed to this Unit Agreement. Except as may
18 otherwise herein be provided, subsequent joinders to this Unit Agreement shall be
19 effective as of the date of filing with the A.O. of duly executed counterparts of all or any
20 papers necessary to establish commitment of any Tract to this Unit Agreement unless
21 objection to such joinder is made within sixty (60) days by the A.O.

22 31. COUNTERPARTS. This Unit Agreement may be executed in any number of
23 counterparts, no one of which needs to be executed by all parties, or may be ratified or
24 consented to by separate instrument in writing specifically referring hereto and shall be
25 binding upon all those parties who have executed such a counterpart, ratification or
26 consent hereto with the same force and effect as if all such parties had signed the same
27 document and regardless of whether or not it is executed by all other parties owning or
28 claiming an interest in the lands within the above described Unit Area.

29 In the event any of the parties hereto owns both Working Interests and Royalty
30 Interests, as such interests are shown on Exhibit "B", it shall not be necessary for such
31 party to execute this Unit Agreement in both capacities in order to commit both classes of
32 interests. Execution hereof by any such party in one capacity shall also constitute
33 execution in the other capacity, provided said interest owner has also executed the Unit
34 Operating Agreement in its capacity as a Working Interest Owner.

1 32. ROYALTY OWNERS' TAXES. Unless otherwise specifically provided by law,
2 each Royalty Owner shall render and pay all ad valorem taxes, including ad valorem taxes
3 measured by production levied against its royalty or mineral interest. Unit Operator shall
4 pay, as an agent for the Working Interest Owners, each Royalty Owner's share of all taxes
5 other than ad valorem taxes levied on or measured by the Unitized Substances in and
6 under, or that may be produced, gathered and sold from the lands subject hereto, or upon
7 the proceeds or net proceeds derived therefrom, and shall pay ad valorem taxes to the
8 extent that the same are made payable by law by any Working Interest Owner. Each
9 Working Interest Owner shall reimburse Unit Operator for taxes so paid on its behalf and
10 such Working Interest Owner shall make proportionate deductions of said amounts in
11 settling with its Royalty Owners in each separately owned Tract. No such taxes shall be
12 charged to the United States or the State of Utah, or to any lessor who has a contract with
13 his lessee which requires the lessee to pay such taxes.

14 33. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto
15 is that of independent contractors and nothing in this Unit Agreement contained,
16 expressed, or implied, nor any operations conducted hereunder, shall create or be deemed
17 to have created a partnership or association between the parties hereto or any of them.

18 34. BORDER AGREEMENTS. Unit Operator, subject to the provisions of the Unit
19 Operating Agreement and subject to approval of the A.O., may enter into an agreement
20 or agreements with the Working Interest Owners of adjacent lands with respect to
21 operations designed to increase the ultimate recovery of oil and/or gas from the Unitized
22 Formation, prevent waste, and protect the correlative rights of the parties.

23 35. CORRECTION OF ERRORS. It is hereby agreed by all parties to this Unit
24 Agreement that Unit Operator is empowered to correct any mathematical or clerical errors
25 which may exist in the pertinent Exhibits to this Unit Agreement; provided, however, that
26 correction of any error other than mathematical or clerical shall be made by the Unit
27 Operator only after first having obtained approval of Working Interest Owners and the A.O.
28 If any such corrections are made, Unit Operator shall file not less than six, (6) copies of
29 the corrected pages of this Unit Agreement or of the Exhibits hereto with the A.O. Unit
30 Operator shall also provide, in conformance with Section 25, "Notices", such corrected
31 pages to the parties hereto.

32 36. SPECIAL SURFACE STIPULATIONS. Nothing in this Unit Agreement shall
33 modify the special Federal Lease stipulations attached to the individual Federal Oil and
34 Gas Leases.

1 37. UTAH STATE LAND PROVISION. Certain of the unitized lands are public lands
2 of the State of Utah, and in connection with the approval of this agreement by the School
3 and Institution Trust Land Administration of said State pursuant to applicable State Laws
4 and Federal regulations, it is agreed that there shall be filed with the Director of Public
5 Lands of said State:

6 (a) Two copies of the complete Unit Agreement and two copies of any revised
7 Exhibits "A" "B" and "C" concurrently with the filing thereof with the A.O. pursuant to
8 Section 2 hereof.

9 (b) Two copies of any notice of the proposed expansion or contraction of the
10 Unit Area required to be delivered to the A.O. pursuant to Section 2 hereof.

11 (c) Two copies of any Unit Operating Agreement executed pursuant to
12 Section 9 hereof.

13 (d) A copy of any proposed Plan of Development or modification thereof
14 which is filed with the A.O. under section 11 hereof.

15 (e) A copy of all instruments of subsequent joinder executed under Section
16 30 hereof.

17 It is agreed further that:

18 (1) All valid, pertinent and reasonable regulations hereafter issued governing drilling
19 and producing operations on non-Federal lands which are not inconsistent with the terms
20 hereof or the laws of the State of Utah are hereby accepted and made a part of this
21 agreement.

22 (2) Nothing in this agreement contained shall relieve lessees of the public lands of
23 the State of Utah from their obligation to pay rentals and royalties with respect to unitized
24 substances allocated to such lands hereunder, at the rates specified in their respective
25 leases.

26 (3) In the event that a title dispute arises as to the State lands or leases, no
27 payments of funds due the State of Utah should be withheld, but such funds shall be
28 deposited as directed by the Director of Public Lands to be held as unearned money
29 pending final settlement of the title dispute, and then applied as earned or returned in
30 accordance with such final settlement.

31 Each party to this agreement holding any lease or leases of public lands from the
32 State of Utah subject to this agreement, or holding any interest in or under such lease or
33 leases or in the production from the lands covered thereby, agrees that said School and
34 Institutional Trust Land Administration may, and by its approval hereof, does hereby alter,
35 change, modify, or revoke the drilling, producing and royalty requirements of such lease

1 or leases, and the regulations in respect thereto, to conform the provisions of said lease
2 or leases to the provisions of this agreement. Such parties and said Administration further
3 agree that, except as otherwise expressly provided in this agreement, no such leases shall
4 be deemed to terminate or expire so long as it shall remain committed hereto.
5 Notwithstanding anything to the contrary in Section 18 hereof contained, should any of the
6 public lands of the State of Utah cease to be committed to this agreement, such lands shall
7 thereafter be free from the effect of this agreement unless and until such lands are
8 expressly recommitted to this agreement pursuant to Section 30 hereof, with the approval
9 of the School and Institutional Trust Land Administration.

10 IN WITNESS WHEREOF, the parties hereto have caused this agreement to be
11 executed and have set opposite their respective names the date of execution.

12
13 UNIT OPERATOR AND WORKING INTEREST OWNER

14
15 _____
16 BY _____
17 Execution Date: _____
18

40-6-7. Agreements for repressuring or pressure maintenance or cycling or recycling operations-- Plan for development and operation of pool or field.

- (1) An agreement for repressuring or pressure maintenance operations, cycling or recycling operations, including the extraction and separation of liquid hydrocarbons from natural gas, or for carrying on any other methods of unit or cooperative development or operation of a field or pool or a part of either, is authorized and may be performed, and shall not be held or construed to violate any statutes relating to trusts, monopolies, or contracts and combinations in restraint of trade, if the agreement is approved by the board as being in the public interest and promotes conservation, increases ultimate recovery and prevents waste of oil or gas provided the agreement protects the correlative rights of each owner or producer.

- (2) A plan for the development and operation of a pool or field shall be presented to the board and may be approved after notice and hearing.

as enacted by Chapter 205, Laws of Utah 1983

40-6-8. Field or pool units-- Procedure for establishment-- Operation.

- (1) The board may hold a hearing to consider the need for the operation as a unit of one or more pools or parts of them in a field.
- (2) The board shall make an order providing for the unit operation of a pool or part of it, if the board finds that:
 - (a) Such operation is reasonably necessary for the purpose of this chapter; and
 - (b) The value of the estimated additional recovery of oil or gas substantially exceeds the estimated additional cost incident to conducting such operations.
- (3) The order shall prescribe a plan for unit operations that shall include:
 - (a) A description of the lands and of the pool or pools or parte of them to be so operated, termed the unit area;
 - (b) A statement of the nature of the operations contemplated;
 - (c) An allocation to the separately owned tracts in the unit area of all the oil and gas that is produced from the unit area and is saved, being the production that is not used in the conduct of operations on the unit area or not unavoidably lost. The allocation shall be in accord with the agreement, if any, of the interested parties. If there is no such agreement, the board shall determine the relative value, from evidence introduced at the hearing of the separately owned tracts in the unit area, exclusive of physical equipment, for development of oil and gas by unit operations, and the production allocated to each tract shall be the proportion that the relative value of each tract so determined bears to the relative value of all tracts in the unit area;
 - (d) A provision for adjustment among the owners of the unit area (not including royalty owners) of their respective investment in wells, tanks, pumps,

machinery, materials, equipment, and other things and services of value attributable to the unit operations. The amount to be charged unit operations for any such item shall be determined by the owners of the unit area (not including royalty owners); but if the owners of the unit area are unable to agree upon the amount or correctness, the board shall determine them. The net amount charged against the owner of an interest in a separately owned tract shall be considered expense of unit operation chargeable against his interest in the tract. The adjustments provided for may be treated separately and handled by agreements separate from the unitization agreement;

- (e) A provision providing how the costs of unit operations, including capital investments, shall be determined and charged to the separately owned tracts and how these costs shall be paid, including a provision providing a procedure for the unit production allocated to an owner who does not pay the share of the cost of unit operation charged to such owner, or the interest of such owner, to be sold and the proceeds applied to the payment of such costs. The operator of the unit shall have a first and prior lien for costs incurred pursuant to the plan of unitization upon each owner's oil and gas rights and his share of unitized production to secure the payment of such owner's proportionate part of the cost of developing and operating the unit area. This lien may be established and enforced in the same manner as provided by sections 38-1-8 to 38-1-26 inclusive. For such purposes any nonconsenting owner shall be deemed to have contracted with the unit operator for his proportionate part of the cost of developing and operating the unit area. A transfer or conversion of any owner's interest or any portion of it, however accomplished, after the effective date of the order creating the unit, shall not relieve the transferred interest of the operator's lien on said interest for the cost and expense of unit operations;
- (f) A provision, if necessary, for carrying or otherwise financing any owner who elects to be carried or otherwise financed, allowing a reasonable interest charge for each service payable out of such owner's share of the production;
- (g) A provision for the supervision and conduct of the unit operations, in respect to which each owner shall have a percentage vote corresponding to the percentage of the costs of unit operations chargeable against the interest of the owner;

- (h) The time when the unit operations shall commence, and the manner in which, and the circumstances under which, the unit operations shall terminate;
 - (i) Such additional provisions that are found to be appropriate for carrying on the unit operations, and for the protection of correlative rights; and
 - (j) The designation of a unit operator.
- (4) No order of the board providing for unit operations of a pool or pools shall become effective unless and until the plan for unit operations prescribed by the division has been approved in writing by those owners who, under the board's order, will be required to pay 70% of the costs of the unit operation, and also by the owners of 70% of the production or proceeds that will be credited to interests which are free of cost, such as royalties, overriding royalties, and production payments, and the board has made a finding, either in the order providing for unit operations or in a supplemental order, that the plan for unit operations has been so approved. If the persons owning required percentage of interest in that unit area do not approve the plan for unit operations within a period of six months from the date on which the order providing for unit operations is made, the order shall be ineffective and shall be revoked by the board unless for good cause shown the board extends this time.
- (5) An order providing for unit operations may be amended by an order made by the board in the same manner and subject to the same conditions as an original order providing for unit operations, provided:
- (a) If such an amendment affects only the rights and interests of the owners, the approval of the amendment by the owners of royalty, overriding royalty, production payments and other such interests which are free of costs shall not be required.
 - (b) No such order of amendment shall change the percentage for the allocation of oil and gas as established for any separately owned tract by the original order, or change the percentage for allocation of cost as established for any separately owned tract by the original order.

- (6) The board, by an order, may provide for the unit operation of a pool or pools or parte thereof that embrace a unit area established by a previous order of the division. The order, in providing for the allocation of unit production, shall first treat the unit area previously established as a single tract, and the portion of the unit production allocated shall then be allocated among the separately owned tracts included in the previously established unit area in the same proportions of those specified in the previous order.
- (7) An order may provide for unit operations on less than the whole of a pool where the unit area is of such size and shape as may be reasonably required for that purpose, and the conduct will have no adverse effect upon other portions of the pool.
- (8) All operations, including, but not limited to, the commencement, drilling, or operation of a well upon any portion of the unit area shall be deemed for all purposes the conduct of such operations upon each separately owned tract in the unit area by the several owners. The portions of the unit production allocated to a separately owned tract in a unit area shall, when produced, be deemed, for all purposes, to have been actually produced from such tract by a well drilled. Operations conducted pursuant to an order of the board providing for unit operations shall constitute a fulfillment of all the express or implied obligations for each lease or contract covering lands in the unit area to the extent that compliance with such obligations cannot be had because of the order of the board.
- (9) The portion of the unit production allocated to any tract, and the proceeds from the sale, shall be the property and income of the several owners, subject to the rights of royalty owners, to whom, or to whose credit, they are allocated or payable under the order providing for unit operations.
- (10) No division order or other contract relating to the sale or purchase of production from a separately owned tract shall be terminated by the order providing for unit operations but shall remain in force and apply to oil and gas allocated to such tract until terminated in accordance with the provisions thereof.

- (11) Except to the extent that the parties affected agree and as provided in (e) of subsection (3) of this section, no order providing for unit operations shall be construed to result in a transfer of all or any part of the title of any person to the oil and gas rights in any tract in the unit area. All property, whether real or personal, that may be acquired in the conduct of unit operations hereunder shall be acquired for the account of the owners within the unit area and shall be the property of the owners in the proportion that the expenses of unit operations are charged, unless otherwise provided in the plan of unit operation.

- (12) This section shall apply only to field or pool units and shall not apply to the unitization of interests within a drilling unit as may be authorized and governed under the provisions of section 40-6-6.

as enacted by Chapter 205, Laws of Utah 1983