

primary term of this lease (and within five years after the expiration of the primary term if this lease is still in force) to pool and combine this lease in so far as it covers gas in and under all or any portion or portions of the above described lands covered by this lease with other lands, lease or leases or portion or portions thereof, either as to one or more specified horizons or as to all depths, so as to establish a unit or units, pooled for gas, of such size in surface acres as lessee may desire, but containing not more than a total of 704 surface acres within any one unit.

(d) The establishment of each unit under the provisions of subparagraph (c) above shall be accomplished by the execution by lessee of a Declaration of Pool containing an appropriate description of the lands and the leases concerned and of the unit so established. Any mineral or royalty interest in any lands within a unit established under subparagraph (c) above which is not unitized at the time of execution of such Declaration of Pool may be included in the unit at a later date by execution by lessee of a Supplemental Declaration of Pool. Each such Declaration of Pool and Supplemental Declaration of Pool shall be filed for record within a reasonable time after execution in the county or counties where the lands concerned are located.

(e) If under the foregoing provisions lessee pools a portion (but not all) of the above described land as to gas by bringing same within said Brushy Creek Unit or pools a portion (but not all) of the above described land as to gas by including same within another pooled unit or units, it is understood that operations for gas on or production of gas from any such unit (including said Brushy Creek Unit) shall serve to continue this lease in force only as to the lands covered hereby which are included within such unit, and that as to any land covered by this lease but not included within a pooled unit, this lease may be continued in force only in accordance with its terms and provisions, just as though such pooled unit had not been established and operations thereunder for and/or production of gas from the unit had not occurred or were not occurring; provided, if in order to continue this lease in force as to any such acreage covered hereby but not included within a pooled unit, delay rentals must be paid under Paragraph 5 hereof during the primary term, such rentals shall be payable at the rate of \$1.00 per acre for the number of acres with respect to which this lease is in force but which are not included within a pooled unit established hereunder. Any well drilled or operations conducted on a gas unit established under subparagraph (c) above, at depths down to and including the horizon or depth unitized if the pool is so limited, shall be considered a well drilled or operations conducted under this lease in so far as this lease covers lands within such unit, and production from any such well of gas from a unitized horizon shall be considered, except as to the amount of royalty payable thereon, as production from this lease in so far as this lease covers lands within such unit. The foregoing provisions shall not affect the continuation of this lease in force as to all lands covered hereby by operations on or production of oil, gas or other minerals from lands covered hereby but not included within a pooled unit, or by operations for or production of a non-unitized mineral or from a non-unitized horizon on any lands covered hereby.

(f) With respect to any gas unit established under subparagraph (c) above, royalty shall be payable under this lease, as to gas production from wells on the unit producing gas from a unitized horizon, in lieu of any other royalty thereon, in accordance with the following: the total monthly production of such gas from the unit shall be allocated among the separate tracts making up the unit (including the producing tract) in the proportion that the total number of surface acres within each such separate tracts bears to the total number of surface acres within said unit, and as to each separate tract covered by this lease within such unit, royalty on such allocated portion of production of gas shall be paid to the owners