

**CHRONOLOGY**  
**KF 4 State #1 Well**  
**SE/4, SW/4 Section 4-21S-35E, Lea County, New Mexico**

March 9, 2005,      Proposal letter to Samson and Kaiser Francis to drill the KF 4 State #1 well,  
  
                                 Surface lessee Merchant Livestock Company contacted to discuss access,

March 10, 2005,      West Surveying staked the KF 4 State #1 well,

March 11, 2005,      Drilling permit approved by the Hobbs OCD for the KF 4 State #1 well,

March 16, 2005,      Received letter from Thena Anderson/Samson, election to participate in the drilling of the KF 4 State #1 well,

March 17, 2005,      The Cattleman 4 State Com #1 was staked, SU unit comprising the NE/4 and lots 9, 10, 15, and 16,  
  
                                 The Cattleman 4 State Com #2 was staked, SU unit comprising the NW/4 and lots 11, 12, 13 and 14,

March 21, 2005,      Cattleman 4 State Com #1 drilling permit was approved by the Hobbs OCD,  
  
                                 Cattleman 4 State Com #2 drilling permit was approved by the Hobbs OCD,

March 30, 2005,      Received letter from Tim Reese/Samson attempting to withdraw their election to participate,  
  
                                 Cecil Gutierrez met with Clabe Pearson, Merchant Livestock Company, surface lessee on the state lease in the SE/4, and negotiated terms of Surface Release and Grant of Surface Easement,

April 4, 2005              Sent JOA, dated March 9, 2005, to Samson and Kaiser Francis,  
  
                                 \$5000 check sent to Merchant Cattle,

**BEFORE THE**  
**OIL CONSERVATION DIVISION**  
Case # 13492&13493 Exhibit No. \_\_  
Submitted By:  
**Chesapeake Inc.**  
Hearing Date: August 22, 2005

April 5, 2005, Received letter from Tim Reese/Samson Resources restating the withdrawal of their election to participate in the drilling of the KF 4 State #1 well.

April 7, 2005, Proposed the Cattleman 4 State Com #1 to Samson, Samson owns lots 9, 10, 15 and 16, being 50% of the SU unit,

April 15, 2005, Check for surface damages cleared the bank,  
Location work was started on the KF 4 State #1 well,

April 19, 2005, Cattlemen 4 State Com #1 JOA, dated April 7, 2005, was mailed to Samson,

April 21, 2005, Received a letter from Tim Reese/Samson refusing to make an election on the Cattleman 4 State Com #1,

April 26, 2005, Pooling application was filed with the OCD in Santa Fe to pool the uncommitted interests in the KF 4 State #1 well,

April 27, 2005, Rig moved in, rigged up and started drilling on the KF 4 State #1 well,  
  
Fifth Judicial, District Court Lawsuit, Samson Resources Company, Plaintiff, v. COI, Defendant, alleging trespass and request for a temporary restraining order,

May 3, 2005, District Court denied Samson's motion for a preliminary injunction and granted Chesapeake's motion to stay pending the administrative hearings to be heard in front of the OCD,

May 28, 29, 2005, Wireline logs were run on the KF 4 State #1 well,

June 1, 2005, Telephone call to Jim Wakefield/KF regarding his request for more detailed rig reports as opposed to daily drilling reports, Samson had been receiving since May 31<sup>st</sup>. Made arrangements for KF to receive rig reports as well,

June 2, 2005, Telephone call to Jim Wakefield/KF regarding logs and other documents.  
  
Second phone call was made to Mr. Wakefield, he was not in his office and I left a message asking him to advise where and to whom he wanted logs sent.

Supplemental APD was filed with the OCD to directional drill to bottom hole location advocated by Samson,

- June 3, 2005,           OCD approved the directional drill,
- Telephone message from Jim Wakefield/KF with log distribution information, information was passed on and all logs were delivered to KF that afternoon.
- June 6, 2005,           Telephone message from KF inquiring about the well.
- June 14, 2005,         Mike Hazlip met with the SLO,
- June 20, 2005,         Letter from Commissioner of Public Lands,
- August 9, 2005         Well completed.