

CHRONOLOGY OF EVENTS

- August 21, 1999 The Bertha J. Barber Well No. 12 (“the Barber Well”) was recompleted by Cross Timbers Oil Company (“Cross Timbers”) from an oil well to a producing gas well in the Tubb formation at a location 330 feet from the North line and 660 feet from the East Line of Section 7, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.
- January 6, 2000 The Oil Conservation Division created the West Monument-Tubb Gas Pool (effective February 1, 2000), designated the E/2 of Section 7 as the acreage to be included in the pool and approved the Barber Well as the discovery well for the pool (Order No. R-11304).
- April 1, 2000 Falcon Creek Resources, Inc. (“Falcon Creek”) acquired the Barber Well from Cross Timbers.
- July 14, 2000 Sapient Energy Corp. (“Sapient”) acquired the Barber Well from Falcon Creek.
- October 11, 2000 Chevron U.S.A. Production Company (“Chevron”) filed an application with the Oil Conservation Division seeking administrative approval of an unorthodox gas well location for its G. C. Matthews Well No. 12 (“Matthews Well”) at a point 330 feet from the South line and 990 feet from the East line of Section 6, Township 20 South, Range 37 East, NMPM. This location is a direct offset to the Barber Well and, like the location of the Barber Well, is 330 feet from the common boundary between the Sapient and Chevron tracts.
- October 31, 2000 Although the Chevron location was only as close to the common boundary between the Chevron and Sapient spacing unit as the Barber Well, Sapient objected to the proposed location and the Chevron application was set for hearing before a Division examiner on January 25, 2001.
- January 2, 2001 Sapient filed an application with the Oil Conservation Division seeking approval of the unorthodox gas well location of the Barber Well and approval of two non-standard gas spacing units; one to be comprised of the E/2 E/2 of Section 7 and the other to be comprised of the W/2 E/2 of Section 7.
- January 22, 2001 Sapient files amended application.
- January 23, 2001 Two days before the scheduled hearing on Sapient’s objection to the Chevron well location, Sapient withdrew its objection to the Chevron location.