

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.

BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case Nos. 12605/12587 de novo
Conoco/Chevron Exhibit No. 2
Hearing Date: November 6, 2001

January 24, 2001	The Oil Conservation Division approved the location for the Matthews Well by Administrative Order No. NSL-3752-A.
January 30, 2001	Sapient filed its Second Amended Application in which it also seeks special pool rules for the West Monument-Tubb Gas Pool including provisions for 80-acre spacing. The Sapient applications were set for hearing before a Division examiner on March 1, 2001.
March 1, 2001	The Oil Conservation Division held a special examiner hearing on the Sapient applications. Chevron and Conoco, Inc. ("Conoco") opposed Sapient. At the hearing, the examiner stayed the administrative approval of the unorthodox location for the Matthews Well (NSL-3752-A) until additional notice of the application was provided to offset operators.
March, 2001	Chevron provides additional notice to affected offset owners of its application for an unorthodox well location for the Matthews Well.
August 9, 2001	The Oil Conservation Division lifted the stay and reinstated Division Administrative Order No. NSL-3752-A approving the unorthodox for the Matthews Well.
September 13, 2001	Oil Conservation Division Order R-11652 is entered denying the application of Sapient and directing Sapient to shut in the Barber Well "...until such time as all production from the well has been appropriately reallocated to all of the mineral interest owners in the standard 160-acre unit comprising the NE/4 of Section 7..."
September 19, 2001	Sapient appeals Division Order No. R-11652 to the Oil Conservation Commission and seeks a stay of the Division Order.
October 4, 2001	The Oil Conservation Commission holds a hearing on Sapient's Motion for Stay.
October 15, 2001	Oil Conservation Division Order No. R-11652-A is entered denying Sapient's Motion for Stay
October 11, 2001	Chevron and Conoco appeal Division Order No. R-11652.
October 17, 2001	Sapient shuts in the Barber Well.

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