

Chronology of COG/BOCI Contacts regarding Operatorship Issues-Maljamar

By: David Rhodes, Land Manager Burnett Oil Co., Inc. (revised 8-24-11)

CASE NO: 14673
& 14674
EXHIBIT 5

<u>Date</u>	<u>Description of Event, phone call, etc.</u>
11/11/10	Randall Hudson (RH) owner of Hudson Oil of Texas received phone call from COG wanting TA of Hudson interests in the Maljamar area, Eddy County, NM.
11/12/10	David Rhodes (DR) and RH met with David Evans (DE), Ramon Reyes and Stuart Dirks of COG at RHs office. RH told COG they were supporting BOCI as operator for Maljamar.. We told them we had commitments for TA's and support from Hudson that would give BOCI a majority working interest. We hoped we could get a JOA signed and move forward with drilling soon.
1/6/11	On or about this date, DR called DE and left a voice message to call back to discuss drilling program and execution of a JOA. No response.
1/20/11	BOCI sent 2 well proposals to DE at Concho Resources, Inc. [Partition Fed 1 (SWSW 13) and Nosler Fed 3 (SESE 24)] via email, fax and certified mail. (Should have gone to COG Operating and Concho Oil & Gas). DE responded acknowledging receipt of email but couldn't open attachment. Wanted to know what it was.
1/21/11	DR responded to DE saying he had sent 2 AFE's for 2 Yeso wells. Also asked if he had received DR's phone message of a couple of weeks ago to discuss drilling program. No response.
1/24/11	BOCI and Hudson's received 32 well proposals from COG on the Maljamar leases totaling \$52,928,000.
2/7/11	DR sent 6 well proposals to COG (COG Operating and Concho Oil & Gas), including Partition Fed 2 and Nosler Fed 3 via certified mail
2/9/11	Bill Pollard, Burnett's president, sent letter to Tim Leach, President of COG, requesting that COG consent to let BOCI operate all wells on the leases.
2/17/11	BOCI and Hudson's received 7 more well proposals from COG (Puckett Fed 12 #53, 55, 56, 57, 60, 62, 63 under S/2 Sect 12 JOA) and 8 well proposals for wells in the N/2 of Section 12 (total well proposals from COG in 25 day period: 47 totaling \$ 77,738,00.00)
2/21/11	Tim Leach (TL) left voice message to Bill Pollard (BP) on his iPhone. TL apologized for being slow to respond to BP's letter of 2/9 but said he had been traveling. He wasn't up to speed on the issues but said he would get up to speed and respond. Bill P returned phone call to TL and left message.

Oil Conservation Division
Case No. _____
Exhibit No. 5

- 3/2/11 BOCI received notice COG has filed with NMOCD for allowable increase in 13 Pools in Eddy and Lea counties; DR received phone call in afternoon from David Evans of COG requesting early AM meeting next day in BOCI office requesting BOCI & HOCT agree to support their position.
- 3/3/11 COG personnel David Evans, Lead Landman – NM shelf, Keith Corbett – Engr & NM Shelf Team Leader meeting with Bill P, David R, Randall H, Mark Jacoby (MAJ) with COG asking BOCI & HOCT to agree to support their position. Bill P told them we wanted to get an agreement from COG to support BOCI as operator for all wells at Maljamar.
- 3/14/11 Bill P received letter from Matt Hyde with COG dated 3/10/11 responding to Bill's letter to Tim Leach. In the letter, MH said they own rights below base of San Andres and will pursue operations. They want to drill on 10 ac spacing.
- 3/25/11 Jim Bruce receive email from COG attorney informing him they has acquired the 10.8% Ard interest; MAJ phone conversation with Joe Wright. Joe W told MAJ he knew of BOCI's operations and wouldn't have a problem with BOCI operating at Maljamar. DR received email from David E saying he and Keith C would like to come to our office on 3/29 to discuss operations and development.
- 3/28/11 Joe Wright returned phone call to MAJ he promised in Friday conversation telling me David Evans will call David R to discuss issues, David E and COG personnel coming to BOCI office to discuss.
- 3/29/11 Meeting in BOCI office with COG - David Evans, Keith Corbett, Ramon Reyes (Geol – NM Shelf), BOCI – DR, WDP, MAJ + Randall Hudson – COG informed us they had taken a TA from the Ards. BOCI indicated we would consider drilling 4 wells this year and 8 wells next year if they met our economic parameters. BOCI asked if we could get JOA on entire area. Keith said no. They would sign JOA on 40 by 40 acre basis.
- 4/1/11 DR received email from David E saying he was drafting another proposal that would require 4 wells this year and 8 wells next year. DR responded that we would look it over when received.
- 4/7/11 DR received email from David E saying he was working on the drilling proposal that would split drilling between BOCI and COG. DR responded that we were firm on wanting to operate all wells on the leases. DR informed David E we have a rig coming to Maljamar and need to get this resolved.
- 4/19/11 DR received email from David E saying he and Keith C want to bring proposal for development to us tomorrow.

- 4/20/11 David Evans and Keith Corbett came to FW and met with DR and MAJ. They left their proposal dated 4/20. BOCI can operate the wells with restrictions. They want 4 wells in 2011, adhere to 45 day cdo in 2012, 2013 etc. They want to hold out 3-160 acre spacing units where BOC and Hudson's will agree to sign a JOA with COG as operator. The number of wells per year is "non-negotiable" per David E's email of 4-21-11.
- 4/25/11 DR responded to COG's proposal by saying it was unacceptable and since the pooling hearing was on Thursday (4/28) we were going to move forward with hearing so we could get started on our drilling program. Asked COG, again, to sign a JOA covering entire area, except S/2 of Sec 12, naming BOCI as operator and to vote for BOCI to succeed Hudson as operator under JOA for S/2 of Sec 12.
- 4/26/11 Jim Bruce received notification from COG attorney that yesterday COG had filed for a continuance to pooling hearing set for 4/28. Notified by David Brooks at OCD that pooling hearing set for 4/28 had been continued to 5/26.
- 5/12/11 Will Giraud, general counsel for COG, contacted Bob Grable, who was in Midland, and asked him to come by. He wanted to know what we wanted. Bob said to make us a proposal. That afternoon, Will sent Bob the same proposal that David Evans and Keith Corbett had left with DR and MJ at last meeting on 4/20.
- 5/25/11 Received email from COG transmitting 6 triple lateral well proposals at \$11,340,000 each (total of \$68,040,000).
- 5/26/11 Pooling Hearing for Partition Fed #1 and Nosler Fed #2 in Santa Fe. Still waiting on ruling.
- 5/27/11 Received via certified mail the 6 triple lateral well proposals we had gotten the email about on 5/25.
- 6/22/11 BOCI received 8 additional AFE's for triple laterals from COG at \$9,648,000 each totaling \$77,184,000. This brings the total number of AFE's received from COG since 1/24/11 to 61 totaling \$222,962,000.00.
- 6/23/11 Pooling hearing for Partition #2 and Nosler #3 in Santa Fe. Continued because we didn't have enough time to put on our case as other cases ran long. Continued until 7-21-11.
- 7/13/11 Jim Bruce forwarded, via email, a letter he received from OMD dated 7-12-11 requesting Cases 14673 & 14674 be continued and consolidated into a hearing involving competing pooling applications by COG. Received notice of compulsory pooling hearing for 11 triple laterals previously proposed. Hearing to be on Aug 4, 2011.

- 7/14/11 Received 2 more notices of compulsory pooling hearing for triple laterals to be held on Aug 4.
- 7/26/11 Received email from Jim Bruce forwarding email from OMD telling R. Ezeanyim that COG wants her to request a hearing in front of the full commission and bypass the special hearing with the examiner. Mr. Ezeanyim set the special hearing date for August 29th unless the commission decides to hear the case.
- 7/27/11 OMD filed to have all BOC and COG pooling applications consolidated and heard by the full commission on Aug 25, 2011 (this came to BOC via fax from J. Bruce on 7/28)
- 8/6/11 J. Bruce notified us via email that the OCD denied COG's request for Commission hearing.
- 8/8/11 We received 3 new AFE's for triple lateral wells and 3 amendments to previously sent triple lateral AFE's from COG.
- 8/9/11 Received 1 new well proposal from COG for another triple lateral along with 3 amendments of previously submitted triple laterals. J. Bruce sent Subpoena to COG via OMD for copy of Ard TA.
- 8/11/11 Received Subpoena from COG via J. Bruce for materials related to pooling hearing on Aug 29th.
- 8/15/11 Received 9 amendments of previously proposed triple laterals from COG.