

**TIMELINE FOR DEVELOPMENT
SOUTH HALF OF SECTION 3 – TOWNSHIP 15 SOUTH – RANGE 31 EAST
CHAVES COUNTY, NEW MEXICO**

DATE	
5/2007	Original ownership reports received from Continental Land on Section 3-T15S-R31E
11/21/2007	Received proposals from Chesapeake on Pegasus wells in S2 of Section 3-T15S-R31E
11/2008	Entered into agreement with Chesapeake with regard to drilling and operations on jointly owned acreage in T15S-R31E
3/26/2009	APD submitted to BLM
1/21/2010	2 nd Amendment of Recordation Notice and Memorandum of Surface Use and Compensation Agreement (BK 655 PG 1725) finalized with Billy Medlin as well as payment for Leo locations
2/5/2010	APD approved by BLM
2/10/2010	APD approved by OCD
4/4/2010	We observed that Marshall & Winston P&A'd their Caprock 35 State #1H situated in Section 35 – T14S-31E T15S-R31E
4/9/2010	Received 4 Boxer well proposals from Cimarex. COG does not own in one of the well proposals (W2E2). Proposal included AFE dated 4/1/2010 with comment that an Operating Agreement would be sent under separate cover
4/22/2010	COG well proposal on S2S2 sent out – refer to tracking sheet
4/23/2010	Contacted Hinkle law firm in Roswell to prepare drilling title opinion. In mid-May Hinkle law firm conflicted out. Attempted to work with Cimarex where we could both utilize the Hinkle law firm. Did not occur
6/17/2010	Contacted Jeff Bowman to prepare Drilling Title Opinion
7/17/2010	Received preliminary title report indicating that there were multiple unleased mineral owners and discrepancy in working interest ownership. On Tuesday, July 20 th had commitments from one unleased mineral owner and one unnoticed working interest owner.

LEO 3 FED COM #1H

Sec. 3-T15S-R31E

SHL: 660' FSL & 430' FEL

BHL: 660' FSL & 330' FWL

Drilling - AFE dated 4/20/2010 Turkey Track Prospect 720018 Chaves County, NM				cc: Sandy, Renee, Noemi			
				AFE Mailed 4/22/2010			
OWNER	WI Approved Drilling	WI Approved Completion	RETURN RECEIPT Drfg Proposal	Due	PARTICIPATE Drilling	PARTICIPATE Completion	NOTES
Chisos, Ltd. 670 Dona Ana Road SW Attention: Sue Ann Craddick Attention: Sue Ann Craddick	0.06250000		4/26/2010 via cert 5328				Well proposal, AFE and proposed OA sent via certified mail 4/22/2010 25% mineral interest in the W2SE4 of Section 3
	0.06250000	0.06250000	Via FedEx 4/29/10		yes 04/27/10		Well proposal, AFE and proposed OA sent FedEx 4/22/2010 25% mineral interest in the W2SE4 of Section 3 OA signed
	0.03125000		4/27/2010 via cert 5501				Well proposal, AFE and proposed OA sent via certified mail 4/22/2010 12.5% mineral interest in the W2SE4 of Section 3
First Roswell Company c/o JF Management Company 111 South Kentucky Ave. P. O. Box 1797 Roswell, NM 88202-1797							
	0.03125000		Via FedEx 4/29/10				Well proposal, AFE and proposed OA sent via FedEx 4/29/2010 12.5% mineral interest in the W2SE4 of Section 3
The Blanco Company 110 2nd Street, SW Albuquerque, NM 87102 P. O. Box 25968 (87125) Phone: 505-345-3350							
	0.03125000		4/27/2010 via cert 5311				Well proposal, AFE and proposed OA sent via certified mail 4/22/2010 12.5% leasehold interest in the W2SE4 of Section 3
Chesapeake Exploration L.L.C. 6100 N. Western Avenue Oklahoma City, OK 73154-0496 Attn: Permian Land Manager Fax 405-935-4251	0.28125000	0.28125000	4/26/2010 via cert 5335		yes 05/27/10		Well proposal, AFE and proposed OA sent via certified mail 4/22/2010 12.5% leasehold interest in the W2SE4 of Section 3 OA signature pages received 7/12/2010.
Cimarex Energy Co. 600 N. Marientfeld, Suite 600 Midland, TX 79701 Attn: Hayden Tresner Fax 432-571-7832 email: htresner@cimerax.com	0.18750000	0.00000000	4/27/2010 Hand delivery				Well proposal, AFE and proposed OA hand delivered 4/27/2010.
COG Operating LLC	0.31250000	0.31250000					
	1.00000000	0.65625000					
	Total						
LAND APPROVAL:							