

CHRONOLOGY OF EVENTS (Supplement)
WEST LOVINGTON STRAWN UNIT

July 13, 1999	The first draft of the WLSU Working Interest Owners Technical Committee version of a proposed order for the second expansion of the unit in case # 12,171 is circulated for review by counsel for the parties.
July 15, 1999	Energen requests certain modifications to the WLSU Technical Committee draft version of the proposed order in case #12,171.
July 16, 1999	The WLSU Working Interest Owners Technical Committee meets in Midland. The Gillespie representative makes it clear that Mr. Gillespie refuses to ratify the committee's HPV map.
July 20, 1999	The Division authorizes an extension to July 26, 1999 to provide the hearing examiner with a proposed draft order in case # 12,171.
July 30, 1999	The WLSU Working Interest Owners Technical Committee meets in Midland. Gillespie and the working interest owners are in disagreement over the allocation of pore volume, construction of a new HPV map and additional development outside the current unit. Gillespie representatives indicate refusal to agree to the use of the Technical Committee's HPV map in the unit expansion process along with the April 1, 1999 effective date and the 200 percent well payout provision. Because of the impasse, the Technical Committee adjourns

	with no plans to reconvene.
August 18, 1999	The unit operator circulates an AFE for a proposal to drill the WLSU well #14 located in the southwest quarter, northwest quarter of Section 33, T 15 S, R 36 E. In the AFE proposal, the Unit Operator acknowledges that the well will determine whether further development is warranted by reducing the unit's producing gas/oil ratio and related gas injection costs and possibly increase the ultimate oil recovery of the unit.
August 19, 1999	Gillespie Oil, Inc. proposes a draft border agreement between the operators of the WLSU and the offsetting non-unit wells communicated with the unit's pressure maintenance project as a purported means of reducing the rate of reservoir pressure decline and to the lessen the burden on the unit owners to maintain reservoir pressure. Under the border agreement, the unit agrees to accept delivered residue gas processed from non-unit wells that are in pressure communication with the unitized interval.
August 26, 1999	Notification of operators, working interest owners, overriding royalty interest owners and royalty owners in case #12,086 is commenced.
August 27, 1999	Gillespie Oil, Inc. circulates a revised border agreement incorporating certain changes requested by Energen. Among other things, the revisions make clear that the operators of non-unit wells can commit to the delivery of no more than their proportionate share of gas produced from the well. Gillespie Oil, Inc., as operator of the West Lovington Strawn Unit, executes the revised border agreement

September 2, 1999	Hanley Petroleum, Inc. requests a modification to finding 12A(iii) in the working interests owners' proposed order for the unit expansion in case #12,171.
September 8, 1999	Gillespie Oil, Inc. is advised in writing by Energen that it stands ready to execute the revised border agreement dated August 27, 1999, as soon as it is provided with copies executed by both Gillespie Oil, Inc. and Charles B. Gillespie, Jr.
September 9, 1999	Energen states that it has no objection to the changes requested by Hanley Petroleum, Inc. Charles B. Gillespie, Jr. executes the Border Agreement. Energen executes the next day.

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