

Chronology of Events

January 15, 2005 –

Scoping study initiated to identify analog basins for comparison to the Blanco Mesaverde and Basin Dakota Pools. The Piceance Basin was determined to be the best candidate.

March 01, 2005 –

Technical review team visits with staff of New Mexico Institute of Mining and Technology to review the scoping study results.

October 01, 2005 –

Technical team narrows focus of the study to the South East Federal Units in the San Juan Basin.

March 05, 2006 –

Best location for the pilot project decisioned and Section 8 of the San Juan 27-5 Unit chosen.

July 14, 2006 –

Certified letter delivered to all working interest owners in the San Juan 27-5 Unit inviting them to a presentation August 9, 2006 explaining and describing the Increased Density Pilot Project Proposal.

August 9, 2006 –

Presentation meeting for all invited working interest owners of the San Juan 27-5 Unit describing and explaining the Increased Density Pilot Project followed by a question and answer session.

January 16, 2007 –

Certified proposal letter delivered to all San Juan 27-5 Unit working interest owners requesting written approval to proceed with the proposed Increased Density Pilot Project.

January 18, 2007 –

Presentation with question and answer session explaining and describing the San Juan 27-5 Unit Proposed Increased Density Pilot Project to the Farmington, New Mexico staff of the Bureau of Land Management and the New Mexico Oil Conservation Division. Both agencies approved the filing of an application for the pilot project.

February 22, 2007 –

Application submitted to the New Mexico Oil Conservation Division to file for hearing to approve the San Juan 27-5 Unit Increased Density Pilot Project.

February 23, 2007 –

Certified letter delivered to all San Juan 27-5 Unit working interest owners notifying them of the March 15, 2007 hearing set before the New Mexico Oil Conservation Division to receive approval for the San Juan 27-5 Unit Proposed Increased Density Pilot Project.

March 5, 2007 –

Bureau of Land Management Letter supporting the application for the density project.