

### Sequence of Events

From date of first written and telephonic contact.

Starting November 10<sup>th</sup>, 2000 to present.

Initiated by McElvain concerning the Naomi Com #1 well

- ① *McElvain sent a Proposal Letter dated November 10<sup>th</sup>, 2000. McElvain proposed to re-enter the Wyonana #1 well in the NW/4SW/4 of Section 25, Township 25 North – Range 3 West, N.M.P.M., Rio Arriba County, New Mexico and complete same as Mesaverde producer. There was no AFE or Well Procedure included at that time.*
2. *Letter dated March 15, 2001, from Holland & Hart, law firm for McElvain, Application for Compulsory Pooling, pooling the S/2 of Section 25, Township 25 North – Range 3 West, N.M.P.M., Rio Arriba County, New Mexico.*
- ③ *McElvain letter dated March 28<sup>th</sup>, 2001 with an Election page to participate, AFE, Well Re-completion Procedure and JOA with Exhibits.*
- ④ *Phone conversation of March 30<sup>th</sup>, 2001, between Steve Shefte and Lisa Gusek. The discussion was centered around why Simmons opposed their Spacing Unit in the S/2 of Section 25, Township 25 North – Range 3 West, N.M.P.M., Rio Arriba County, New Mexico. Lisa simply explained to Steve that Simmons wanted the option to complete the Mesaverde in our Bishop #25-2 well in the NW/4SE/4 of Section 25, Township 25 North – Range 3 West, N.M.P.M., Rio Arriba County, New Mexico, should the Dakota be productive or non-productive.*
5. *April 5<sup>th</sup>, 2001, conversation at a meeting in Socorro, New Mexico, Steve Shefte commented to Lisa Gusek “why should McElvain take 100% of the risk and pay 100% of the cost to prove up Simmons acreage”.*
- ⑥ *Phone conversation of May 16<sup>th</sup>, 2001, the day before the first scheduled hearing, between Mona Binion and myself where we discuss ways we could resolve our differences before going to hearing.*
7. *Meeting on May 17<sup>th</sup>, 2001 at the Oil Conversation Division office Santa Fe, with Counsel and company personal from both companies, the morning of the hearing. We were unable to come to an equitable agreement.*