

Summary of the Major Events of the Unitization Process

Marathon

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- 1-7-91 Marathon begins feasibility study.
- 3-13-91 Marathon completes feasibility study.
- *3-14-91 Letter to WIO calling first WIO meeting on 3-25-91.
- *3-25-91 First Working Interest Owners Meeting.
MOC elected Unit Expediter.
Feasibility study distributed.
(copy of Agenda only)
- 3-27-91 Letter from HEYCO with proposed interim formula.
- 4-1-91 Conference with BLM on requirements for obtaining approval of Unit.
- *4-3-91 Minutes of March 25 meeting sent out..
- *4-3-91 First Ballots on interim formula mailed out (ballots 1A, 1B, 1C; 1C proposed by MOC; 1A and 1B proposed by HEYCO).
- *4-5-91 Draft Unit Agreement and Unit Operating Agreement sent to WIO by Marathon. (Copy of cover only)
- *4-8-91 Marathon receives responses to Ballots 1A through 1C (none passes).
- *4-10-91 Letter announcing result of ballots 1A, 1B and 1C sent to WIO by Marathon. Meeting called for 4-23-91.
- *4-15-91 Ballots 2A-2D on interim formula sent to WIO by Marathon.
- *4-19-91 Results of second ballot on interim formula sent to WIO by Marathon along with third ballot (proposed by Marathon).
- *4-23-91 Second WIO meeting; approval of ballot 3 on interim formula by 92% of WIO announced; proposal to use interim formula as allocation formula in Unit Agreement passed by 92% of working interest.
(copy of agenda only)
- *4-25-91 Marathon sends letter to BLM announcing agreement by 92% of Working Interest on allocation formula.
- *4-26-91 Minutes of April 23 meeting sent out.
- 5-1-91 Marathon sends out proposed changes to Unit Agreement draft.
- 5-1-91 BLM indicates it has a problem with the adopted allocation formula.
(telephone call)
- 5-2-91 Marathon receives HEYCO's comments on the draft Unit Agreement and Unit Operating Agreement and on minutes for the 4-23 meeting.
- 5-3-91 Marathon receives Pennzoil's comments on Unit Agreement.

*5-6-91 Marathon sends letter to all WIO notifying of meeting on 5-8-91 with BLM on allocation formula.

*5-7-91 Marathon sends letter issued to WIO amending the minutes of the 4-23 meeting.

5-7-91 Marathon sends letter to HEYCO regarding HEYCO's comments on the minutes from the 4-23 meeting.

5-8-91 WIO meet with BLM regarding allocation formula.

*5-9-91 Marathon sends letter to WIO summarizing comments received on Unit Agreement.

*5-9-91 Marathon sends letter to WIO announcing second meeting with BLM on 5-13-91.

5-13-91 WIO meet again with BLM.

*5-14-91 Marathon sends letter calling third WIO meeting to be held on 5-16-91.

5-14-91 Hudson & Hudson sends Marathon its approval as to form of Unit Agreement.

5-15-91 Wainoco sends Marathon its approval as to form of Unit Agreement. (form is then approved under voting procedure)

5-16-91 Third WIO meeting held. Agreement reached by 97% of WIO to new allocation formula.

*5-17-91 Marathon sends letter to the ORRI Owners describing the proposed Unit and enclosing copy of draft Unit Agreement. (same version that was executed)

*5-20-91 Marathon sends letter to WIO with exhibits and allocation formula to be included in Unit Agreement. (Cover only)

5-20-91 HEYCO and Yates Energy send Marathon their approval as to form of the Unit Agreement.

5-21-91 Pennzoil sends Marathon its approval as to form of the Unit Agreement.

*5-21-91 Marathon sends letter to Yates Energy asking it to approve the allocation formula.

*5-24-91 Letter sent to WIO summarizing Marathon's response to comments previously received on the form of the UOA.

*5-24-91 Application for Designation of Unit Area sent to BLM by Marathon.

*5-24-91 Minutes from the 5-16 WIO meeting sent out by Marathon.

5-28-91 ARCO sends Marathon its approval as to form of Unit Agreement.

*5-29-91 Yates Energy sends approval of participation formula to Marathon.

*5-31-91 Request sent to WIO by Marathon to vote on using draft 4 of the Unit Operating Agreement, with certain amendments, as the final form UOA.

6-3-91 Application to NMOCD filed.

6-3-91 Approval of UOA as to form received by Marathon from Hudson & Hudson.

*6-4-91 Marathon sends request to ORRI Owners to ratify Unit Agreement in form originally sent to them on 5-17-91.

*6-4-91 Notices of hearing sent to the ORRI Owners. (Copy Notice & cover letter only)

*6-5-91 Notices of hearing sent to all WIO and Offset Operators and BLM. (copy all 3 versions of cover letters - one to WIO only; one to Offset Operators only; one to BLM)

*6-5-91 BLM issues its preliminary approval of the Unit. (Randal must take original)

6-6-91 Approval of UOA as to form received by Marathon from HEYCO.

6-7-91 Approval of UOA as to form received from Wainoco. (form is thus approved under the voting procedure)

*6-13-91 Unit Agreement, Unit Operating Agreement and Amendment to the Unit Agreement (to meet requirements set by BLM), sent by Marathon to WIO for execution.

*6-20-91 Amendment to voting procedure set out in Unit Operating Agreement issued at request of Pennzoil. (cover letter only)