Drilling Improvements in the Second Bone Spring, NM

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Forward-looking Statements

This presentation contains projections and other forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These projections and statements reflect the Company’s current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors. A discussion of these factors is included in the Company’s periodic reports filed with the U.S. Securities and Exchange Commission.

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Outline

- Quote
- Cimarex Strategy
- Delaware Bone Spring
- Typical Wellbore Design
- Median Days – Historical
- Best of the Best Days
- 17-1/2” Hole
- 12-1/4” Hole
- 8-3/4” & 7-7/8” Vertical Hole
- Curve
- Lateral
If past history was all there was to the game, the richest people would be librarians.

- Warren Buffett
Cimarex Strategy

Grow through the drill-bit
- Generate our own drilling inventory

Portfolio approach
- Keep a mix of opportunities…gas/oil; low-medium-higher risk projects; seek geologic and geographic diversity

Rate of return based decisions
- Strong relative oil prices have resulted in capital shift
- Expanding Permian Basin operations and focus on liquids rich shale projects
- Growing oil and NGL proved reserves
Drill-Bit Production by Region

- **Base**
- **Permian**
- **Mid-Continent**
- **Cana**
- **Gulf Coast/Other**

Legend:
- Magnum Hunter Acquisition
- Cimarex Formed 10/02
- PB/MC/Cana CAGR = 31%
- 81%
Typical Wellbore Design

Hole

Formation

Mud

17-1/2"

13-3/8" 48# J-55

Rustler

Top Salt

Bottom Salt

9-5/8" 40# J-55

Bell Canyon

Cherry Canyon

Bone Spring

Avalon Shale

1st Bone Spring

8-3/4"

2nd Bone Spring

3rd Bone Spring Carbonate

Production Casing: 5-1/2" 17# P110

Fresh Water

Brine

Cut Brine

Mud

Fresh Water

Brine

Cut Brine
Median Days

- 2010: 41.0
Median Days

• 2010: 41.0
• 2011: 35.0
Median Days

- 2010: 41.0
- 2011: 35.0
- 2012 Q1-Q2: 30.5
Median Days

- 2010: 41.0
- 2011: 35.0
- 2012 Q1-Q2: 30.5
- 2012 Q2-Q4: 25.3
Best of the Best

- Composite performance of all wells
- Wells are divided into 10 different segments
- 2010: 20.7 Days
- 2011: 17.0 Days
- 2012: 12.2 Days
17-1/2” Hole Section

Cimarex 17-1/2” ROP (ft/hr) - Minimum Depth Out 900’ - Lea and Eddy Counties, NM

38% ROP Increase

31 ft/hr avg.  
96% Tri-cones  
4% PDCs  

50 ft/hr avg.  
39% Tri-cones  
61% PDCs
12-1/4” Hole Section

Cimarex 12-1/4” ROP (ft/hr) - Minimum Depth Out 1,500’ Lea and Eddy Counties, NM

32% ROP Increase
26% Footage Increase/Run

36 ft/hr avg.
40% Tri-cones
60% PDCs

2011

53 ft/hr avg.
23% Tri-cones
77% PDCs

2012
Vertical Deviation Solutions

“Old School” Solution
- Packed Pendulum BHA – Drill with light weight and higher RPM to “fan” back vertical
- Decreased ROP due to light WOB

“New School” Solutions
- Vertical Control, “Pad-Type” Tools
- Bent Motor
12-1/4” Hole Section – Conv. v Directional

Cimarex 12-1/4” - Conventional v Directional Tools - All Runs After 1/1/12 - Lea & Eddy Counties, NM

$19/Foot Reduction

Conventional Runs

Directional Tools
8-3/4” & 7-7/8” Vertical Hole

Cimarex 8-3/4” & 7-7/8” ROP (ft/hr) - Bit In > 1,000’ - Deviation < 10° Lea and Eddy Counties, NM

30% ROP Increase
28% Footage Increase/Run

41 ft/hr avg.
2,144 footage avg.

58 ft/hr avg.
2,959 footage avg.

2011 2012
Curve

PDC Bits

- 16% utilization in 2011
- 45% utilization in 2012
- 26% ROP and footage increase per run

Friction Reduction

- Mechanical
  - Oscillation Tools
- Hydraulic
  - Lubricants
Lateral

Torque Reduction
- Typically TD with over 10,000 ft-lbs off-bottom torque
- Oscillation Tools
- Lubricants

Rotary Steerable
Cimarex NM 2nd Bone Spring - Lateral Feet/Day

- Conventional
- Rotary Steerable
- Combination

June 2012 to Feb 2013
Questions?

Recap:

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• Curve
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