Cimarex Energy Co.

202 S. Cheyenne Ave

Suite 1000

Tulsa, Oklahoma 74103

PHONE 918.585.1100

FAX 918.749.8059

Steve J. Simonton

Vice President, Drilling & Completion Operations

DIRECT: 918.295.1710

ssimonton@cimarex.com

Chairman Murkowski, Ranking Member Cantwell, members of the committee, it is an honor to be with you this morning. My name is Steve Simonton, Vice President of Drilling and Completion Operations for Cimarex Energy Co., a publically traded (NYSE:XEC) oil and gas exploration company with operations primarily located in Oklahoma, Texas and New Mexico. The majority of our current activity is in the Permian Basin of West Texas and New Mexico and the Anadarko Basin in Western Oklahoma. We pride ourselves on having strong technical teams with a common goal of adding shareholder value through drilling and production. Simply stated, our business strategy is to maximize our cash flow from producing oil and gas properties and effectively redeploy the cash flow in drilling projects to grow the company. In order to be competitive and ultimately be successful in our business strategy, it is imperative we stay ahead in the technologies that continue to evolve in our industry.

Over the last decade, our industry has made tremendous advancements to improve the productivity of the wells we drill. Years ago, we drilled vertical holes into the earth to extract oil and gas from rock intervals, which were, in general, 20' – 300'+ thick. These "vertical completions" only allowed us to extract the oil and gas from the vertical section of the rock interval we contacted. With the evolution of horizontal drilling technology, we are now able to drill the vertical section of the well down to the rock interval we are targeting, and then drill horizontally out into the interval, thereby contacting up to 10,000' of rock section from which to produce. With more of the rock interval (or oil and gas reservoir) now contacted, producing rates from horizontal wells are multiples of those in vertical wells producing from the same rock interval while reducing impacts to landowners, wildlife, and other surface resources. Horizontal drilling now dominates the U.S. Oil and Gas Industry landscape. Today, approximately 85% of North America's active drilling rigs are drilling horizontal wells, opening a new window of opportunity for the industry.

With more rock interval now encountered in horizontal wells, came advancements in completion technology – mostly derived from empirical testing. Surprisingly enough, the industry downturn allowed industry participants to try many experiments which otherwise would have been too costly to attempt prior to the downturn. Low commodity prices resulted in lower cost of services. With lower costs for service came lower costs to experiment – especially in the completion, or frac design of the horizontal wells. The experimentation proved larger and larger frac designs would more efficiently contact the horizontal rock interval and further improve well productivity. As a result, although today's total costs to drill and complete a well may be just at or below those before the downturn, we are completing better and better wells, allowing us to drill economic wells and compete in today's low oil and gas price environment.

Our industry has made tremendous advancements over the years. My world is drilling and completing the wells. I have over 40 years of oilfield experience and I want to share just a few of the technological advancements that have allowed us to more efficiently drill and complete our wells. With these examples, I will just be scratching the surface on the advancements our industry has made, but hopefully will leave you with a flavor of the technology gains the industry has accomplished.

Modern drilling rig design has played a large role in our ability to drill wells faster. The rig design enhances safe drilling operations, allows for digital data acquisition of all drilling parameters and are fit-for-purpose to drill horizontal wells. They have the capability to "walk or skid" from well to well on multi-well pads to accelerate project timelines and lower mobilization costs.

Data gathering and communication technology has allowed us to make tremendous strides to drill our wells faster. Downhole rotary steering tool technology now allows us to "point and steer" the downhole drilling tools from the surface using real-time data. Technology gains in drill bit material and cutter design have resulted in faster drilling with longer run times for the bits we use to drill our wells. The bottom line is reduced time to drill equates to reduced cost.

We are utilizing technologies to understand the oil and gas reservoir rock we are penetrating to optimize our completion design. Digital data obtained from Fiber-optic recording tools provide us with real-time temperature and acoustic information to evaluate the effectiveness of frac operations and completion design. With this data, we have the means to re-calibrate our completion design with a goal of maximizing well productivity.

Resources, once considered out of reach, are now the targets of the "Unconventional Revolution" because of advancement in technology. In our view, this revolution is uniquely American. Through technology, creative trial and error, and perseverance, the U.S. Oil and Gas Industry has been able to change forever the landscape of our industry.

I welcome any specific questions you may have with regard to these or other industry technologies you may be interested in discussing.