# Conclusion

- As a prudent operator we feel that the best and most efficient use of the reservoir is to use Cimarex vertical completion techniques to generate high recovery efficiencies, strongly economic completions and the maximum value for the mineral interest owner.

Oil Conservation Division
Case No.
Exhibit No. 16

# Appendix

# INVESTOR PRESENTATION
## August 2011

- 12 rigs in Yeso
- 2,113 drilling opportunities in the Yeso
- Concho has drilled over 900 wells in Yeso since 2006 Chase acquisition
- Capital cost of approximately $1.6 million per well
- 5,000’ to 7,000’ **vertical** wells
- 48% of 2011 drilling capex allocated to Yeso

# Earning Conference Call (Q1 – 2011)

- Experimentation with Horizontal (Timothy Leach)
- Over 2000 locations on the shelf edge.
- Several comments about pumping cost increase and reducing stages to reduce cost.
- Have drilled some 5 acre Yeso wells (less than 10) and will continue to do so and evaluate the results.
- Majority of budget in the Yeso
- Drilling the Yeso at a pretty good pace right now.
- Yeso $1.6MM
- Horizontal Paddock test, have not disclosed results yet.