

Ocean Munds-Dry

From: Larry Scott [lrsconfig@leaco.net]
Sent: Tuesday, February 16, 2010 11:40 AM
To: Ocean Munds-Dry
Subject: Section 21 Volumetrics

Ocean:

An 8% recovery factor will yield 24.82 bbls/acre-ft recoverable in Section 21. I see no reason to adjust Cimarex's parameters which leaves the number of acre-feet as the main point of discussion. A planimetered my map and sawe no reason to assume much more than 20' of pay for the tracts NOT listed in the detail. Again, I do not believe that this is nearly as much a technical issue as a land rights issue. Give a shout if you have any questions.

SW/4 SW/4 – 1704 acre-feet * 24.82 bbls/acre-ft = 42,293 bbls.
 SE/4 SW/4 – 1920 acre-feet * 24.82 bbls/acre-ft = 47,654 bbls.
 SW/4 SE/4 – 1530 acre-feet * 24.82 bbls/acre-ft = 37,975 bbls.
 SE/4 SE/4 – 1016 acre-feet * 24.82 bbls/acre-ft = 25,217 bbls.

 Total S/2 S/2 Section 21 153,139 bbls.

NW/4 NW/4 – 800 acre-feet * 24.82 bbls/acre-ft = 19,856 bbls.
 SW/4 NW/4 – 800 acre-feet * 24.82 bbls/acre-ft = 19,856 bbls.
 NE/4 SW/4 – 1046 acre-feet * 24.82 bbls/acre-ft = 25,961 bbls.
 SW/4 SW/4 – 1704 acre-feet * 24.82 bbls/acre-ft = 42,293 bbls.

 Total W/2 W/2 Section 21 107,966 bbls.

Horizontal completions should be able to improve the recovery factors beyond the 8% but should be approximately in proportion to the pay thickness and quality. There is very limited technical justification for allocating more than 20 feet of net pay to any of the other 40 acre tracts in the section. If my map is correct, over 63 % of the production from a W/2 W/2 well would be attributed to our acreage.

Larry

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2/16/2010