

Brooks, David K., EMNRD

From: Matthew Hood <MHood@cimarex.com>
Sent: Thursday, August 15, 2013 1:38 PM
To: Brooks, David K., EMNRD
Subject: RE: DVN's Bell Lake 24 Fed 1H
Attachments: Dos Equis Area Development.pdf

David,

Attached please find a plat showing the surrounding area around DVN's permitted Bell Lake Fed 1H well. As we previously discussed DVN is attempting to drill a non-standard 200 acre lateral in the Bone Spring formation from section 24 into the SW/4SW/4 of section 13. By doing so DVN will cause both Cimarex's and OXY's interest in the W/2W/2 of section 13 to be stranded. As it stands now, standard development in offsetting sections is for 160 acre Bone Spring laterals. Additionally, DVN has 3 additional permits in section 24 that are 160 acre Bone Spring laterals, so it seems clear that the 200 acre lateral they are proposing to drill does not conform with standard industry development. By allowing DVN to proceed with a 200 acre later into the SW/4SW/4 of section 13, neither Cimarex nor OXY would be able to develop the W/2W/2 of section 13 as it is uneconomic to drill a non-standard 120 acre lateral in the Bone Spring formation.

Please feel free to contact me should you have any questions or need any additional information.

Also, please be advised that the attached plat is confidential information and should not be shared with outside parties.

Thanks,
Matt

Matt Hood

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