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April 8, 2020

VIA EMAIL RRCconference@rrc.texas.gov

Chairman Wayne Christian
Commissioner Ryan Sitton
Commissioner Christi Craddick
Railroad Commission of Texas
1701 North Congress Avenue
Austin, Texas 78711

c/o Callie Farrar, Commission Secretary
Callie.Farrar@rrc.texas.gov

Re: MOTION FOR COMMISSION CALLED HEARING ON THE VERIFIED COMPLAINT OF PIONEER NATURAL RESOURCES U.S.A. INC. AND PARSLEY ENERGY INC. TO DETERMINE REASONABLE MARKET DEMAND FOR OIL IN THE STATE OF TEXAS

Dear Chairman Christian and Commissioners Sitton and Craddick:

Cimarex Energy Co. ("Cimarex") appreciates the opportunity to provide the Texas Railroad Commission ("RRC") with comments regarding requesting the Commission to conduct a hearing for the purposes of determining the reasonable market demand for oil, whether wasteful production either is occurring or is reasonably imminent, and, if so, the necessary and appropriate proration orders to prevent such waste. Cimarex is an exploration and production company with operations primarily in the Permian Basin in Texas and New Mexico and the Anadarko Basin in Western Oklahoma. Cimarex is a significant Texas producer and employer in the Delaware Basin.

The shale revolution in Texas was only possible due to the free market economy. Frictionless capital flowed into Texas to develop the resources demanded by domestic and global markets. The oil and gas industry successfully weathered a 57% oil price decline in 2014 and a 77% oil price decline during the 2008 financial crisis. In each of those crises, free market forces compelled oil producers to respond to the changing supply and demand by becoming more efficient. Today, Cimarex is responding to those market forces by cutting our capital expenditures, shutting in production from our wells and managing our business in accordance with supply and demand.

We recognize the majority of the world's operators do not participate in the same free market. We also recognize the current market is suffering from global demand destruction on a scale we have never before seen. We nonetheless do not believe the RRC should interfere with the free market that has brought Texas strength and prosperity. Once Texas crosses that line of manipulating the market for what some perceive as short-term relief, we can never go back.

The free market, not artificial limitations, has made the Texas oil and gas industry efficient and resilient against past challenging price environments. The RRC should not undermine what has brought us success by tying our future to a global oil cartel.

Thank you for the opportunity to offer these written comments. We believe this letter speaks for itself and are not asking for the opportunity to testify at the April 14, 2020 RRC hearing.

Sincerely,

CIMAREX ENERGY CO.



By: _____
Thomas E. Jordan
Chairman, Chief Operating Officer and
President