

CIMAREX ENERGY CO  
Form 10-Q  
May 07, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark  
One)

- Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934**
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period ended March 31, 2010

Commission File No. 001-31446

**CIMAREX ENERGY CO.**

1700 Lincoln Street, Suite 1800

Denver, Colorado 80203-4518

(303) 295-3995

Incorporated in the

Employer Identification

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State of Delaware

No. 45-0466694

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No .

The number of shares of Cimarex Energy Co. common stock outstanding as of March 31, 2010 was 83,883,540.

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**GLOSSARY**

**Bbl/d** Barrels (of oil or Natural gas liquids) per day

**Bbls** Barrels (of oil or Natural gas liquids)

**Bcf** Billion cubic feet

**Bcfe** Billion cubic feet equivalent

**MBbls** Thousand barrels

**Mcf** Thousand cubic feet (of natural gas)

**Mcfe** Thousand cubic feet equivalent

**MMBbls** Million barrels

**MMBtu** Million British Thermal Units

**MMcf** Million cubic feet

**MMcf/d** Million cubic feet per day

**MMcfe** Million cubic feet equivalent

**MMcfe/d** Million cubic feet equivalent per day

**Net Acres** Gross acreage multiplied by working interest percentage

**Net Production** Gross production multiplied by net revenue interest

**NGL** Natural gas liquids

**Tcf** Trillion cubic feet

**Tcfe** Trillion cubic feet equivalent

*One barrel of oil or NGL is the energy equivalent of six Mcf of natural gas*

**CAUTIONARY INFORMATION ABOUT FORWARD-LOOKING STATEMENTS**

*Throughout this Form 10-Q, we make statements that may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. These forward-looking statements include, among others, statements concerning our outlook with regard to timing and amount of future production of oil and gas, price realizations, amounts, nature and timing of capital expenditures for exploration and development, plans for funding operations and capital expenditures, drilling of wells, operating costs and other expenses, marketing of oil and gas and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. The forward-looking statements in this report are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements.*

*These risks and uncertainties include, but are not limited to, fluctuations in the price we receive for our oil and gas production, reductions in the quantity of oil and gas sold due to decreased industry-wide demand and/or curtailments in production from specific properties due to mechanical, marketing or other problems, operating and capital expenditures that are either significantly higher or lower than anticipated because the actual cost of identified projects varied from original estimates and/or from the number of exploration and development opportunities being greater or fewer than currently anticipated, and increased financing costs due to a significant increase in interest rates. In addition, exploration and development opportunities that we pursue may not result in productive oil and gas properties. There are also numerous uncertainties inherent in estimating quantities of proved reserves, projecting future rates of production and the timing of development expenditures. These and other risks and uncertainties affecting us are discussed in greater detail in this report and in our other filings with the Securities and Exchange Commission.*

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## Consolidated Balance Sheets

	March 31, 2010 (Unaudited)	December 31, 2009
	(In thousands, except share data)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 62,542	\$ 2,544
Restricted cash	593	593
Receivables, net	267,366	227,896
Oil and gas well equipment and supplies	128,207	145,153
Deferred income taxes		15,837
Derivative instruments	47,497	1,238
Other current assets	12,890	13,997
Total current assets	519,095	407,258
Oil and gas properties at cost, using the full cost method of accounting:		
Proved properties	7,730,333	7,549,861
Unproved properties and properties under development, not being amortized	435,379	399,724
	8,165,712	7,949,585
Less accumulated depreciation, depletion and amortization	(5,828,786)	(5,764,669)
Net oil and gas properties	2,336,926	2,184,916
Fixed assets, net	129,395	127,237
Goodwill	691,432	691,432
Other assets, net	31,272	33,694
	\$ 3,708,120	\$ 3,444,537
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Accounts payable	\$ 44,471	\$ 30,214
Accrued liabilities	232,622	235,815
Derivative instruments	7,171	13,902
Revenue payable	132,910	108,832
Total current liabilities	417,174	388,763
Long-term debt	367,832	392,793
Deferred income taxes	407,166	348,897
Other liabilities	277,886	275,978
Stockholders equity:		
Preferred stock, \$0.01 par value, 15,000,000 shares authorized, no shares issued		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 83,883,540 and 83,541,995 shares issued, respectively	839	835
Paid-in capital	1,861,417	1,859,255
Retained earnings	375,726	178,035
Accumulated other comprehensive income (loss)	80	(19)

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	2,238,062	2,038,106
\$	3,708,120	\$ 3,444,537

See accompanying notes to consolidated financial statements.

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**CIMAREX ENERGY CO.**

Consolidated Statements of Operations

(Unaudited)

**For the Three Months  
Ended March 31,  
2010                      2009  
(In thousands, except per share data)**

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