

CIMAREX ENERGY CO  
Form 424B5  
March 07, 2019

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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-230048

## CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of Securities to be Registered</b>	<b>Proposed Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee</b>
4.375% Senior Notes due 2029	\$500,000,000	\$60,600.00

(1) Equals the aggregate principal amount of notes being registered. Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

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**Prospectus supplement  
(To prospectus dated March 4, 2019)**

***\$500,000,000***

**Cimarex Energy Co.**

***4.375% Senior Notes due 2029***

We are offering \$500,000,000 aggregate principal amount of our 4.375% Senior Notes due 2029 (the "notes"). The notes will mature on March 15, 2029. Interest will accrue from March 8, 2019, and will be payable semi-annually in arrears on March 15 and September 15 of each year, beginning September 15, 2019. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000.

We may redeem all or a part of the notes at any time at the applicable redemption prices described under "Description of Notes - Optional Redemption." If we experience a Change of Control Triggering Event (as defined herein), we will be required to offer to repurchase the notes as described under "Description of Notes - Change of Control Triggering Event."

The notes will be our general unsecured, senior obligations, will be equal in right of payment with any of our existing and future unsecured senior indebtedness that is not by its terms subordinated to the notes, and will be effectively junior to any future secured indebtedness to the extent of the value of collateral securing that debt. The notes will be structurally subordinated to the indebtedness and other liabilities of any subsidiaries.

**You should read this prospectus supplement and the accompanying base prospectus carefully before you invest in our notes. Investing in our notes involves risks. See "Risk Factors" beginning on page S-10 for a discussion of certain risks that you should consider in connection with an investment in the notes.**

	<b>Public offering price(1)</b>	<b>Underwriting discounts</b>	<b>Proceeds, before expenses, to us(1)</b>
Per note	99.862%	0.65%	99.212%
Total	\$ 499,310,000	\$ 3,250,000	\$ 496,060,000

(1) Plus accrued interest, if any, from March 8, 2019

The notes are a new issue of securities with no established trading market. We do not intend to apply to list the notes on any securities exchange or automated quotation system.

The Issuer expects that delivery of the notes will be made on or about March 8, 2019, in book-entry form, through The Depository Trust Company, or DTC, for the account of its participants, including Clearstream Banking société anonyme and Euroclear Bank SA/NV.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.**

*Joint Book-Running Managers*

**J.P. Morgan**

BBVA

BMO Capital  
Markets

**MUFG**

PNC Capital  
Markets LLC  
*Co-Managers*

Scotiabank

**Wells Fargo Securities**

US Bancorp

BB&T Capital  
Markets

CIBC Capital  
Markets

ING

BOK Financial  
Securities, Inc.

The date of this prospectus supplement is March 6, 2019.

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**This prospectus supplement is part of a registration statement that we have filed with the Securities and Exchange Commission, or the "SEC," utilizing a "shelf" registration process. This prospectus supplement relates to the offer and sale of the notes.**

**In making your investment decision, you should rely only on the information included or incorporated by reference in this prospectus supplement or to which this prospectus supplement refers or that is contained in any free writing prospectus relating to the notes. We and the underwriters have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it.**

**We and the underwriters are offering to sell the notes only in places where offers and sales are permitted.**

**You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying base prospectus is accurate as of any date other than its date or that the information incorporated by reference in this prospectus supplement is accurate as of any date other than the date of the incorporated document. Neither the delivery of this prospectus supplement nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since those respective dates.**

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## **About this prospectus supplement**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters. The second part, the accompanying base prospectus dated March 4, 2019, provides more general information about the various securities that we may offer from time to time, some of which information may not apply to the notes we are offering hereby. Generally when we refer to this "prospectus," we are referring to both this prospectus supplement and the accompanying base prospectus combined. We urge you to read carefully this prospectus supplement, the accompanying base prospectus, the information incorporated by reference herein and therein, and any free writing prospectus that we authorize to be distributed to you before buying any of the notes being offered under this prospectus supplement. This prospectus supplement may supplement, update or change information contained in the accompanying base prospectus. To the extent that any statement that we make or other information in this prospectus supplement is inconsistent with statements made or other information in the accompanying base prospectus or any documents incorporated by reference therein, the statements made or other information in this prospectus supplement will be deemed to modify or supersede those made or contained in the accompanying base prospectus and such documents incorporated by reference therein.

Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in or incorporated by reference into this prospectus supplement or the accompanying base prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer of these notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information provided by this prospectus supplement, the accompanying base prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than the respective dates of such documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before you invest in our notes, you should carefully read the registration statement described in the accompanying base prospectus (including the exhibits thereto) of which this prospectus supplement and the accompanying base prospectus form a part, as well as this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein and therein. The documents incorporated by reference into this prospectus supplement are described under "Incorporation by Reference."

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## **Cautionary statement regarding forward-looking statements**

Throughout this prospectus supplement and the accompanying base prospectus, including the information incorporated by reference herein and therein, we make statements that may be deemed "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical facts, that address activities, events, outcomes and other matters that Cimarex plans, expects, intends, assumes, believes, budgets, predicts, forecasts, projects, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein and therein. Forward-looking statements include statements with respect to, among other things:

fluctuations in the price we receive for our oil, gas, and natural gas liquid ("NGL") production, including local market price differentials;

operating costs and other expenses;

timing and amount of future production of oil, gas, and NGLs;

reductions in the quantity of oil, gas, and NGLs sold and prices received due to decreased industrywide demand and/or curtailments in production from specific properties or areas due to mechanical, transportation, marketing, weather, or other problems;

estimates of proved reserves, exploitation potential, or exploration prospect size;

our ability to integrate acquired assets or businesses into our existing operations, including the recent acquisition of Resolute Energy Corporation;

our hedging activities and viability of hedge counterparties;

the effectiveness of our internal control over financial reporting;

cash flow and anticipated liquidity;

amount, nature, and timing of capital expenditures;

availability of financing and access to capital markets;

administrative, legislative, and regulatory changes;

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;





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exploration and development opportunities that we pursue may not result in economic, productive oil and gas properties;

drilling of wells;

increased financing costs due to a significant increase in interest rates;

proving up undeveloped acreage; and

full cost ceiling test impairments to the carrying values of our oil and gas properties.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, many of which are beyond our control, incident to the exploration for and development, production and sale of oil, gas and NGLs. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of goods and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating proved oil, natural gas and NGL reserves and in projecting future rates of production, production type curves, well spacing, timing of development expenditures and other risks described under "Risk Factors" in our most recent Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (other than, in each case, information furnished rather than filed), which are incorporated by reference herein.

Reserve engineering is a subjective process of estimating underground accumulations of oil, natural gas and NGLs that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data and the interpretation of such data by our engineers. As a result, estimates made by different engineers often vary from one another. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions could change the timing of future production and development drilling. Accordingly, reserve estimates are generally different from the quantities of oil, natural gas and NGLs that are ultimately recovered.

Should one or more of the risks or uncertainties described above or elsewhere in this prospectus supplement or the accompanying base prospectus, including the information incorporated by reference herein or therein, cause our underlying assumptions to be incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, express or implied, included in this prospectus supplement or the accompanying base prospectus, including the information incorporated by reference herein or therein, and attributable to Cimarex are qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Cimarex or persons acting on its behalf may issue. Cimarex does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of this prospectus supplement, except as required by law.

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## Summary

*This summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and this offering. Please read the section entitled "Risk Factors" commencing on page S-10 of this prospectus supplement and additional information contained in our Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference in this prospectus supplement, for financial and other important information you should consider before investing in the notes.*

*In this prospectus supplement, unless otherwise indicated or the context otherwise requires, the terms "Cimarex," "our Company," "us," "we" and "our" refer to Cimarex Energy Co. and its consolidated subsidiaries. References to "underwriters" refer to the firms listed on the cover page of this prospectus supplement.*

### **Our business**

We are an independent oil and gas exploration and production company. Our operations are located mainly in Oklahoma, Texas, and New Mexico. Currently our operations are focused in two main areas: the Permian Basin and the Mid-Continent. Our Permian Basin region encompasses west Texas and southeast New Mexico located in the western half of the Permian Basin known as the Delaware Basin. Our Mid-Continent region consists of Oklahoma and the Texas Panhandle with activity focused in the Woodford shale and the Meramec horizon, both in Oklahoma. Our corporate headquarters are in Denver, Colorado. Our main operating offices are in Tulsa, Oklahoma and Midland, Texas.

Proved reserves at December 31, 2018 totaled 591.2 MMBOE, consisting of 1.59 Tcf of natural gas, 146.5 million barrels of crude oil and 179.4 million barrels of NGLs. Of total proved reserves, 85% are classified as proved developed.

Our 2018 production volumes averaged 221.9 MBOE per day. Average daily production comprised 563.9 MMcf of natural gas (42%), 67.7 MBbls of crude oil (31%) and 60.3 MBbls of NGLs (27%). At December 31, 2018, the wells we operate accounted for approximately 81% of our production and 83% of our total proved reserves.

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The following table provides a summary of reserve and acreage information for each of our regional operations as of December 31, 2018 and production information for the year ended December 31, 2018:

Region	Proved reserves (MMBOE)	As of December 31, 2018		Year ended December 31, 2018
		Gross acreage	Net acreage	Average daily production (MBOE/d)
Mid-Continent	256.3	949,611	455,700	95.3
Permian Basin	334.2	502,484	347,334	126.1
Other	0.7	5,936,657	5,539,964	0.5
	<b>591.2</b>	<b>7,388,752</b>	<b>6,342,998</b>	<b>221.9</b>

**Recent developments***Resolute acquisition*

On March 1, 2019, we completed our acquisition of Resolute Energy Corporation ("Resolute") through a merger transaction (the "Resolute Acquisition"). In the aggregate, Resolute common stockholders received approximately \$325.6 million in cash and approximately 5.7 million shares of Cimarex common stock in the merger. In addition, Resolute preferred stockholders received a total of 62,500 shares of a new series of our preferred stock in exchange for the preferred stock of Resolute. The new preferred stock has an aggregate liquidation preference of \$62.5 million, is entitled to dividends at an annual rate of 8<sup>1</sup>/<sub>8</sub>% and is convertible into cash and shares of our common stock at the option of holders. In addition, we spent approximately \$289.7 million to repay in full the amount outstanding under Resolute's revolving credit facility and to pay transaction fees and expenses. In connection with the Resolute Acquisition and concurrently with the closing, we also deposited approximately \$621.3 million to redeem all \$600 million aggregate principal amount of Resolute's 8.50% Senior Notes due 2020 (the "Resolute Senior Notes") on April 1, 2019, satisfying and discharging the indenture governing the Resolute Senior Notes.

**Corporate information**

We are a Delaware corporation formed in February 2002. Our principal executive offices are located at 1700 Lincoln Street, Suite 3700, Denver, Colorado 80203, and the phone number at this address is (303) 295-3995. Our common stock is listed on the New York Stock Exchange under the symbol "XEC." We maintain a website at [www.cimarex.com](http://www.cimarex.com). However, our website and the information on our website is not part of this prospectus supplement or the accompanying base prospectus, and you should rely only on the information contained in this prospectus supplement and the accompanying base prospectus and in the documents incorporated by reference herein and therein when making a decision as to whether to buy the notes in this offering.

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## The offering

*The following summary contains basic information about the notes, but may not contain all of the information that may be important to you. For a more complete understanding of the notes, please refer to the section entitled "Description of Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying base prospectus. For purposes of the description of notes included in this prospectus, references to the "Company," "issuer," "us," "we" and "our" refer to Cimarex Energy Co. and do not include our subsidiaries.*

<b>Issuer</b>	Cimarex Energy Co.
<b>Securities offered</b>	\$500,000,000 aggregate principal amount of 4.375% Senior Notes due 2029.
<b>Maturity date</b>	March 15, 2029.
<b>Interest rate</b>	4.375% per year.
<b>Interest payment dates</b>	March 15 and September 15, commencing September 15, 2019. Interest will accrue from March 8, 2019.
<b>Optional redemption</b>	<p>We may, at our option, at any time from time to time, redeem the notes, in whole or in part, upon not less than 30 nor more than 60 days prior notice sent to each holder's registered address.</p> <p>At any time prior to December 15, 2028, we may redeem all or a part of the notes at a make-whole redemption price calculated as described herein, together with accrued and unpaid interest to, but excluding, the redemption date.</p> <p>At any time on or after December 15, 2028, we may redeem all or part of the notes at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the redemption date. See "Description of Notes Optional Redemption."</p>
<b>Change of control offer</b>	Upon the occurrence of a Change of Control Triggering Event (as defined herein), we will be required to offer to repurchase the notes at 101% of their principal amount, plus accrued and unpaid interest to, but not including, the repurchase date. See "Description of Notes Change of Control Triggering Event" in this prospectus supplement.
<b>Ranking</b>	<p>The notes will be our senior unsecured obligations and will:</p> <p>rank senior in right of payment to all of our existing and future subordinated indebtedness;</p>

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rank equally in right of payment with all of our existing and future senior indebtedness;

be effectively junior to any of our existing and future secured debt, to the extent of the value of the collateral securing such debt; and

be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries.

As of December 31, 2018, on an as further adjusted basis as shown under "Capitalization":

we would have approximately \$2.01 billion of total indebtedness, consisting of approximately \$30.4 million outstanding under our \$1.25 billion revolving credit facility, as amended and restated as of February 5, 2019, the notes, our 4.375% Senior Notes due 2024 in the principal amount of \$750.0 million (the "2024 Notes") and our 3.90% Senior Notes due 2027 in the principal amount of \$750.0 million (the "2027 Notes" and, together with the 2024 Notes, the "existing notes");

we would not have any secured indebtedness or subordinated indebtedness; and

we would have commitments available to be borrowed under our revolving credit facility, as amended and restated as of February 5, 2019, of approximately \$1.22 billion, all of which, if borrowed, would rank equally in right of payment to the notes.

**Covenants**

We will issue the notes under an indenture, as supplemented, with U.S. Bank National Association as trustee. The indenture will, among other things, limit our ability and the ability of our subsidiaries to:

incur liens securing indebtedness; and

consolidate, merge or sell all or substantially all of our assets.

These covenants will be subject to a number of important exceptions and qualifications. For more details, see "Description of Notes" in this prospectus supplement.

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<b>Absence of public market for the notes</b>	The notes are a new issue of securities with no established trading market. We do not intend to apply for a listing of the notes on any securities exchange or an automated dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and any market making with respect to the notes may be discontinued without notice.
<b>Use of proceeds</b>	We intend to use the net proceeds from this offering to repay borrowings under our revolving credit facility. As of March 5, 2019, we had approximately \$525 million of borrowings outstanding under our revolving credit facility, all of which was used to fund the redemption of the Resolute Senior Notes in connection with the completion of the Resolute Acquisition. Amounts repaid under our revolving credit facility may be reborrowed, subject to the terms of the revolving credit facility. See "Use of Proceeds" in this prospectus supplement.
<b>Conflict of interest</b>	<p>Affiliates of each of the underwriters are lenders under our revolving credit facility and, accordingly, will receive a portion of the net proceeds of this offering. Accordingly, certain of these underwriters are deemed to have a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority. No underwriter with a conflict of interest will confirm sales to any account over which it exercises discretionary authority without the specific prior written approval of the account holder.</p> <p>Please see "Underwriting (Conflicts of Interest)" in this prospectus supplement.</p>
<b>Governing law</b>	State of New York.
<b>Trustee</b>	U.S. Bank National Association.
<b>Form, delivery and denomination</b>	The notes will be represented by one or more global notes registered in the name of DTC or its nominee. Beneficial interests in the notes will be evidenced by, and transfers thereof will be effected only through, records maintained by participants in DTC. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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**Risk factors**

In evaluating an investment in the notes, prospective investors should carefully consider, along with the other information contained or incorporated in this prospectus, the specific factors set forth under "Risk Factors" commencing on page S-10 of this prospectus supplement for risks involved with an investment in the notes.

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## **Summary historical consolidated financial data**

The following table shows our summary historical consolidated financial data for the periods indicated. Our consolidated statement of operations and cash flows data for the fiscal years ended December 31, 2018, 2017 and 2016 has been derived from our audited financial statements incorporated by reference in this prospectus supplement.

You should read the summary historical consolidated financial data below in conjunction with our consolidated financial statements and the accompanying notes and "Management's Discussion and Analysis of Results of Operations and Financial Condition" included in our Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference in this prospectus supplement.

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Statement of operations data:	2018	Year ended December 31,	
		2017	2016
			(in thousands)
Revenues:			
Oil sales	\$ 1,398,813	\$ 981,646	\$ 632,934