

CIMAREX ENERGY CO
Form S-4
February 25, 2005

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[ANNEX A TABLE OF CONTENTS](#)

As filed with the Securities and Exchange Commission on February 25, 2005

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CIMAREX ENERGY CO.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1311
(Primary Standard Industrial
Classification Code Number)

45-0466694
(I.R.S. Employer
Identification Number)

**1700 Lincoln Street, Suite 1800
Denver, Colorado 80203-4518
(303) 295-3995**

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

**Paul Korus
Cimarex Energy Co.
1700 Lincoln Street, Suite 1800
Denver, Colorado 80203-4518
(303) 295-3995**

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies to:

**Thomas A. Richardson
J. Gregory Holloway
Jennifer A. D'Alessandro
Holme Roberts & Owen LLP
1700 Lincoln Street, Suite 4100
Denver, Colorado 80203
(303) 861-7000**

**Joe Dannenmaier
Wesley P. Williams
Thompson & Knight L.L.P.
1700 Pacific Avenue, Suite 3300
Dallas, Texas 75201
(214) 969-1700**

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective and upon consummation of the merger described in the enclosed proxy statement/prospectus. If any of the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(3)	Amount of Registration Fee
Common Stock, \$0.01 par value	36,330,639 shares	Not Applicable	\$1,356,051,324.38	\$159,607.24

- (1) Each share of common stock registered hereunder includes an associated preferred stock purchase right. Until the occurrence of certain prescribed events, none of which has occurred, the preferred stock purchase rights are not exercisable, are evidenced by certificates representing the common stock, and may be transferred only with the common stock. No separate consideration is payable for the preferred stock purchase rights, and no additional registration fee is payable with respect to such preferred stock purchase rights.
- (2) Represents the maximum number of shares of the registrant's common stock that the registrant may be required to issue to holders of Magnum Hunter Resources, Inc. common stock (excluding shares held by a subsidiary of Magnum Hunter) and Series A preferred stock in the merger, calculated as (i) the product of (a) 87,543,662, which is the estimated maximum number of shares of Magnum Hunter common stock (excluding shares held by a subsidiary of Magnum Hunter) that may be canceled in the merger, multiplied by (b) the exchange ratio of 0.415 of a share of registrant common stock for each share of Magnum Hunter common stock, plus (ii) 20 shares of the registrant's common stock that the registrant may be required to issue to holders of Magnum Hunter Series A preferred stock in the merger.
- (3) Estimated solely for the purposes of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended, and calculated pursuant to Rule 457(f) under the Securities Act. Pursuant to Rule 457(f)(1) under the Securities Act, the proposed maximum aggregate offering price of the registrant's common stock was calculated based upon (a) the market value of shares of Magnum Hunter common stock to be exchanged in the merger, determined in accordance with Rule 457(c), as the product of (i) \$15.49, the average of the high and low prices per share of Magnum Hunter common stock outstanding as of February 17, 2005, as reported on the New York Stock Exchange, and (ii) 87,543,662, the estimated maximum number of shares of Magnum Hunter common stock that may be canceled in the merger (excluding shares held by a subsidiary of Magnum Hunter).

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 25, 2005

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Cimarex Energy Co., referred to as Cimarex, its wholly owned subsidiary, Cimarex Nevada Acquisition Co., referred to as Merger Sub, and Magnum Hunter Resources, Inc., referred to as Magnum Hunter, have entered into an Agreement and Plan of Merger dated as of January 25, 2005, as amended by Amendment No. 1 dated as of February 18, 2005, referred to as the merger agreement. Under the merger agreement, Cimarex will acquire Magnum Hunter through a merger of Merger Sub with and into Magnum Hunter, referred to as the merger. Following the merger, Magnum Hunter will be the surviving corporation and will continue as a wholly owned subsidiary of Cimarex. The merger agreement is attached as *Annex A* to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference.

This joint proxy statement/prospectus describes the merger agreement, the merger and the transactions related to the merger in detail and provides information concerning the special meeting of Cimarex stockholders and the special meeting of Magnum Hunter stockholders. Before we can complete the merger, we must obtain the approval of our common stockholders. We are sending you this joint proxy statement/prospectus to ask holders of Cimarex common stock to vote in favor of the approval of the issuance of shares of Cimarex common stock in connection with the merger and holders of Magnum Hunter common stock to vote in favor of the approval of the merger agreement.

At the effective time of the merger, each issued and outstanding share of Magnum Hunter common stock will be canceled and converted into the right to receive 0.415 of a share of Cimarex common stock, and all of the issued and outstanding shares of Magnum Hunter Series A preferred stock will be canceled and converted into the right to receive, in the aggregate, 20 shares of Cimarex common stock, each as described under "The Merger Merger Consideration" in this joint proxy statement/prospectus.

The board of directors of Cimarex, by unanimous vote of the directors present:

has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Cimarex and its stockholders;

has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and

recommends that the stockholders of Cimarex vote "FOR" approval of the issuance of shares of Cimarex common stock in connection with the merger.

The issuance of shares of Cimarex common stock in the merger requires the affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting.

Cimarex also is proposing to amend its amended and restated certificate of incorporation to increase the number of authorized shares of common stock and the maximum number of board seats. Approval of each of these proposals requires the affirmative vote of a majority of the outstanding shares of Cimarex common stock as of the record date for the meeting. Finally, Cimarex is proposing to amend its Amended and Restated 2002 Stock Incentive Plan. Approval of this proposal requires the affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting. The merger is not conditioned on approval of any of these additional proposals.

The board of directors of Magnum Hunter unanimously:

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has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Magnum Hunter and its stockholders;

has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and

recommends that the stockholders of Magnum Hunter vote "FOR" approval of the merger agreement and the merger.

The approval of the merger agreement and the merger by Magnum Hunter stockholders requires the affirmative vote of the holders of at least a majority of the shares of Magnum Hunter common stock issued and outstanding and entitled to vote at the Magnum Hunter special meeting.

Cimarex stockholders will vote at the Cimarex special meeting at _____, at _____ p.m. local time on _____, 2005. Magnum Hunter stockholders will vote at the Magnum Hunter special meeting at _____ at _____ a.m. local time on _____, 2005.

Cimarex common stock is listed for trading on the New York Stock Exchange under the symbol "XEC." Magnum Hunter common stock is listed for trading on the New York Stock Exchange under the symbol "MHR."

Before casting your vote, please take the time to review carefully this joint proxy statement/prospectus, including the section entitled "Risk Factors" beginning on page 29.

Your vote is very important regardless of the number of shares you hold. We enthusiastically support this combination of our companies and join with our boards of directors in recommending that you vote "FOR" the approval of the issuance of shares of Cimarex common stock in connection with the merger, in the case of Cimarex stockholders, and "FOR" the approval of the merger agreement and the merger, in the case of Magnum Hunter stockholders.

Sincerely,

F.H. Merelli
Chairman of the Board, Chief Executive Officer
and President of Cimarex Energy Co.

Gary C. Evans
President and Chief Executive Officer
of Magnum Hunter Resources, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities offered by this joint proxy statement/prospectus or passed on the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated on _____, 2005, and is first being mailed to Cimarex stockholders on or about _____, 2005 and to Magnum Hunter stockholders on or about _____, 2005.

Cimarex Energy Co.

1700 Lincoln Street, Suite 1800
Denver, Colorado 80203-4518

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON _____, 2005

To the Stockholders of Cimarex Energy Co.:

A special meeting of stockholders of Cimarex Energy Co., referred to as Cimarex, will be held on _____, 2005, at _____ p.m., Mountain Time, at _____, for the following purposes:

1. To consider and vote on a proposal to approve the issuance of shares of Cimarex common stock in connection with the merger of Cimarex Nevada Acquisition Co., referred to as Merger Sub, a wholly owned subsidiary of Cimarex, with and into Magnum Hunter Resources, Inc., a Nevada corporation, referred to as Magnum Hunter.
2. To consider and vote upon a proposal to amend Cimarex's amended and restated certificate of incorporation to increase the number of authorized shares of common stock from 100 million shares to 200 million shares.
3. To consider and vote upon a proposal to amend Cimarex's amended and restated certificate of incorporation to increase the maximum size of the board of directors from nine to ten directors.
4. To consider and vote upon a proposal to amend Cimarex's Amended and Restated 2002 Stock Incentive Plan to increase the number of shares authorized for issuance under the plan from seven million shares to 12.7 million shares and make certain other changes.
5. To transact any other business that may be properly brought before the special meeting or any adjournments or postponements thereof.

A copy of the merger agreement is attached as *Annex A* to the joint proxy statement/prospectus accompanying this notice.

The board of directors of Cimarex, by unanimous vote of the directors present:

- (i) **has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Cimarex and its stockholders;**
- (ii) **has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and**
- (iii) **recommends that the stockholders of Cimarex vote "FOR" approval of the issuance of shares of Cimarex common stock in connection with the merger.**

Before its special meeting, Cimarex plans to ask its board of directors to approve and recommend that the stockholders of Cimarex vote "FOR" approval of each of the proposed amendments to the amended and restated certificate of incorporation and "FOR" approval of the proposed amendment to the Amended and Restated 2002 Stock Incentive Plan.

Only stockholders of record at the close of business on _____, 2005 are entitled to notice of and to vote at the special meeting. All stockholders are invited to attend the special meeting in

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person. To ensure your representation at the special meeting, you are urged to vote in one of the following ways:

- (1) by completing, signing and dating the accompanying proxy card and returning it in the enclosed postage-prepaid envelope,
- (2) by completing your proxy using the toll free number listed on the proxy card, or
- (3) by completing your proxy on the Internet at the address listed on your proxy card.

You may revoke your proxy in the manner described in the accompanying joint proxy statement/prospectus at any time before it has been voted. Any stockholder attending the special meeting may vote in person even if he, she or it has returned a proxy.

IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, WE ASK YOU TO COMPLETE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED OR TO VOTE BY TELEPHONE OR ON THE INTERNET USING THE INSTRUCTIONS ON THE PROXY CARD.

By order of the Board of Directors,

Mary K. Rohrer
Assistant Corporate Secretary

Date: _____, 2005

Magnum Hunter Resources, Inc.

600 East Las Colinas Boulevard
Suite 1100
Irving, Texas 75039

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON _____, 2005

Dear Stockholder:

A special meeting of stockholders of Magnum Hunter Resources, Inc., referred to as Magnum Hunter, on _____, 2005, at _____ a.m., Central Time, at _____, for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Merger, dated as of January 25, 2005, as amended by Amendment No. 1, dated as of February 18, 2005, by and among Magnum Hunter, Cimarex Energy Co., a Delaware corporation, referred to as Cimarex, and Cimarex Nevada Acquisition Co., referred to as Merger Sub, a wholly owned subsidiary of Cimarex, and the merger contemplated thereby, in which Merger Sub will merge with and into Magnum Hunter.
2. To transact any other business that may be properly brought before the special meeting or any adjournments or postponements thereof.

A copy of the merger agreement is attached as *Annex A* to the joint proxy statement/prospectus accompanying this notice.

The board of directors of Magnum Hunter unanimously:

- (i) **has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Magnum Hunter and its stockholders;**
- (ii) **has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and**
- (iii) **recommends that the stockholders of Magnum Hunter vote "FOR" approval of the merger agreement and the merger.**

The board of directors has fixed _____, 2005, as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only stockholders of record at the close of business on _____, 2005 are entitled to notice of and to vote at the special meeting. A complete list of stockholders entitled to vote at the special meeting will be maintained in Magnum Hunter's offices at 600 East Las Colinas Boulevard, Suite 1100, Irving, Texas 75039, for ten days before the special meeting. The enclosed proxy is solicited by the board of directors of Magnum Hunter. All stockholders are invited to attend the special meeting in person. To ensure your representation at the special meeting, you are urged to vote in one of the following ways:

- (1) by completing, signing and dating the accompanying proxy card and returning it in the enclosed postage-prepaid envelope,
 - (2) by completing your proxy using the toll free number listed on the proxy card, or
 - (3) by completing your proxy on the Internet at the address listed on your proxy card.
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You may revoke your proxy in the manner described in the accompanying joint proxy statement/prospectus at any time before it has been voted. Any stockholder attending the special meeting may vote in person even if he, she or it has returned a proxy.

IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, WE ASK YOU TO COMPLETE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED OR TO VOTE BY TELEPHONE OR ON THE INTERNET USING THE INSTRUCTIONS ON THE PROXY CARD.

By Order of the Board of Directors

Gary C. Evans

President and Chief Executive Officer

Irving, Texas
, 2005

Please do not send your stock certificates at this time. If the merger is completed, you will be sent written instructions for exchanging your stock certificates.

ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about Cimarex and Magnum Hunter that is not included in or delivered with this document. Such information is included in Cimarex's and Magnum Hunter's documents filed with the Securities and Exchange Commission, referred to as the SEC, which are available without charge from the SEC's website at www.sec.gov. See "Where You Can Find More Information" on page 184.

Copies of the documents relating to Cimarex may also be obtained without charge from Cimarex on the Internet at www.cimarex.com, under the "Investor Relations" section, or by contacting Cimarex, Attn: Mary Kay Rohrer, Assistant Corporate Secretary, 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, telephone (303) 295-3995. Information contained on Cimarex's website does not constitute part of this joint proxy statement/prospectus. Cimarex includes its website address in this joint proxy statement/prospectus only as an inactive textual reference and does not intend it to be an active link to Cimarex's website. Reports and other information concerning Cimarex can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

Copies of the documents relating to Magnum Hunter may be obtained without charge from Magnum Hunter on the internet at Magnum Hunter's website at <http://www.magnumhunter.com>, or by contacting Magnum Hunter, Attn: Morgan F. Johnston, Corporate Secretary, 600 East Las Colinas Blvd., Suite 1100, Irving, Texas 75039, telephone (972) 401-0752. Information contained on Magnum Hunter's website does not constitute part of this joint proxy statement/prospectus. Magnum Hunter includes its website address in this joint proxy statement/prospectus only as an inactive textual reference and does not intend it to be an active link to Magnum Hunter's website. Reports and other information concerning Magnum Hunter can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

If you wish to obtain any of these documents from Cimarex or Magnum Hunter, you should, to ensure timely delivery, make your request no later than _____, 2005.

All information in this document concerning Cimarex has been furnished by Cimarex. All information in this document concerning Magnum Hunter has been furnished by Magnum Hunter. Cimarex has represented to Magnum Hunter, and Magnum Hunter has represented to Cimarex, that the information furnished by and concerning it is true and complete.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE MERGER

General

For Cimarex Stockholders

For Magnum Hunter Stockholders

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

SUMMARY

The Companies

The Merger

The Special Meetings and Voting

Matters to Consider in Deciding How to Vote

The Merger Agreement

Selected Historical Financial Data of Cimarex

Selected Historical Financial Data of Magnum Hunter

Selected Unaudited Pro Forma Combined Financial Data

COMPARATIVE PER SHARE INFORMATION

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

RISK FACTORS

Risks Relating to the Merger

Risks Relating to the Combined Company's Business Following the Merger

Risks Relating to the Combined Company's Indebtedness Following the Merger

Risks Relating to the Combined Company's Common Stock

THE COMPANIES

Cimarex

Magnum Hunter

THE CIMAREX SPECIAL MEETING

Date, Place and Time

Purpose of the Special Meeting

Record Date, Stock Entitled to Vote, Quorum

Vote Required

Share Ownership of Cimarex Directors, Executive Officers and Significant Stockholders

Voting of Proxies

Revoking Your Proxy

Expenses of Solicitation

Miscellaneous

THE MAGNUM HUNTER SPECIAL MEETING

Date, Place and Time

Purpose of the Special Meeting

Record Date; Stock Entitled to Vote; Quorum

Vote Required

Share Ownership of Magnum Hunter Directors, Executive Officers and Significant Stockholders

Voting of Proxies

Revoking Your Proxy

Expenses of Solicitation

Miscellaneous

THE MERGER

General

Background of the Merger

Cimarex's Reasons for the Merger and Share Issuance

Recommendation of the Cimarex Board of Directors

Magnum Hunter's Reasons for the Merger

Recommendation of the Magnum Hunter Board of Directors

Petrie Parkman & Co.

Opinion of Lehman Brothers Inc. to the Cimarex Board of Directors

Opinions of Magnum Hunter's Financial Advisors - Deutsche Bank Securities Inc.

Opinions of Magnum Hunter's Financial Advisors - Merrill Lynch, Pierce, Fenner & Smith

Incorporated

Merger Consideration

Distribution of TEL Offshore Trust Units

Accounting Treatment

Dissenters' Rights of Appraisal

Federal Securities Laws Consequences; Stock Transfer Restrictions on Affiliates

Regulatory Filings and Approvals Required to Complete the Merger

Magnum Hunter Rights Agreement

New York Stock Exchange Listing of Cimarex Common Stock to be Issued in the Merger

Delisting and Deregistration of Magnum Hunter Common Stock and Warrants

Credit Facilities

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

General

Tax Opinions

United States Federal Income Tax Consequences to U.S. Holders That Participate in the Merger

United States Federal Income Tax Consequences to Non-U.S. Holders That Participate in the Merger

United States Federal Income Tax Consequences to U.S. Holders and Non-U.S. Holders That Receive a Pre-Merger Distribution of TEL Offshore Trust Units
Backup Withholding and Information Reporting
FIRPTA Withholding

INTERESTS OF CERTAIN PERSONS IN THE MERGER

Directorship of Cimarex
Cimarex Incentive Plan
Cimarex Deferred Compensation Plan for Nonemployee Directors
Cimarex Supplemental Savings Plan
Magnum Hunter Outside Director Policy Change of Control Provisions
Magnum Hunter Employment Agreement Change in Control Provisions
Magnum Hunter 2003 Bonus Deferral Plan
Acceleration and Assumption of Magnum Hunter Stock Options
Voting Agreement
Indemnification of Magnum Hunter Directors and Officers

OTHER INFORMATION REGARDING DIRECTORS, EXECUTIVE OFFICERS AND FIVE PERCENT STOCKHOLDERS

Magnum Hunter
Cimarex

THE MERGER AGREEMENT

General
Merger Consideration
Conversion of 1996 Series A Convertible Preferred Stock
Effective Time of the Merger
Conditions to the Completion of the Merger
No Solicitation of Takeover Proposals
Termination
Termination Fee
Expenses
Conduct of Business Pending the Merger
Representations and Warranties
Employee Benefit Plans and Existing Agreements
Amendment; Waiver
Conversion of Merger Sub and Magnum Hunter Common Stock
Exchange of Shares; Fractional Shares
Cancellation or Assumption of Stock Options
Assumption of Warrants
Treatment of Indenture Obligations and Notes

Voting Agreement

Organizational Documents, Directors and Officers of the Surviving Corporation

OTHER PROPOSALS TO BE PRESENTED AT THE CIMAREX SPECIAL MEETING

Proposal to Amend the Cimarex Charter to Increase the Authorized Common Stock

Proposal to Amend the Cimarex Charter to Increase the Maximum Number of Directors

Proposal to Amend the Cimarex Incentive Plan

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

DESCRIPTION OF CIMAREX'S CAPITAL STOCK

Authorized Capital Stock

Common Stock

Preferred Stock

Stockholder Rights Plan

Transfer Agent and Registrar

Stock Exchange Listing

COMPARISON OF STOCKHOLDER RIGHTS

LEGAL MATTERS

EXPERTS

INDEPENDENT ACCOUNTANTS

CIMAREX 2005 ANNUAL STOCKHOLDERS MEETING AND STOCKHOLDER PROPOSALS

MAGNUM HUNTER 2005 ANNUAL STOCKHOLDERS MEETING AND STOCKHOLDER

PROPOSALS

WHERE YOU CAN FIND MORE INFORMATION

LIST OF ANNEXES:

Annex A Agreement and Plan of Merger and Amendment No. 1

Annex B Opinion of Lehman Brothers Inc.

Annex C Opinion of Deutsche Bank Securities Inc.

Annex D Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated

Annex E Stockholder Voting Agreement

Annex F Rights of Dissenting Owners

Annex G Form of Amendment to the Cimarex Energy Co. Amended and Restated 2002 Stock

Incentive Plan

QUESTIONS AND ANSWERS ABOUT THE MERGER

General

Q: Why are Cimarex and Magnum Hunter proposing the merger?

A: Cimarex believes that the merger will provide it with:

the opportunity to expand in its existing core areas and to add new projects, without jeopardizing its strong financial position;

a substantial footprint in the Permian Basin from which Cimarex can grow;

complementary operations in the Mid-Continent and Gulf Coast areas;

measured exposure to high potential projects in the Gulf of Mexico; and

the ability to greatly expand its balanced-risk drilling program underpinned by a strong balance sheet.

Magnum Hunter believes that the merger will provide its stockholders with:

a premium over the trading price of Magnum Hunter common stock at the time the transaction was announced; and

the opportunity to participate in a combined enterprise with a highly skilled employee group, enhanced financial strength, and growth opportunities to further build stockholder value.

Please review the more detailed description of our reasons for the merger beginning on page 59.

Q: What will happen if the merger is completed?

A: Cimarex will acquire Magnum Hunter through the merger of Merger Sub, a wholly owned subsidiary of Cimarex, with and into Magnum Hunter. Magnum Hunter will be the surviving corporation in the merger and, after the merger, Magnum Hunter will continue as a wholly owned subsidiary of Cimarex.

Q: When will the merger be completed?

A: The merger will be completed when the conditions described below under "The Merger Agreement Conditions to the Closing of the Merger" are satisfied (or, where permitted, waived). Fulfilling some of these conditions, such as required regulatory approvals, is not entirely within our control. Cimarex and Magnum Hunter believe that they can complete the merger during the second quarter of 2005. There can be no guarantee, however, as to when all conditions to the merger will be satisfied (or, where permitted, waived) and when, if at all, the closing of the merger will take place. See "Risk Factors Risks Relating to the Merger" beginning on page 29.

Q: What do I need to do now?

A:

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After carefully reading and considering the information contained in this document, please fill out and sign your proxy card, or vote by mail, telephone or on the Internet according to the instructions provided on the proxy card. Please mail your signed proxy card in the enclosed return envelope, or vote by phone or on the Internet, as soon as possible so that your shares may be represented at the applicable special meeting. Your proxy will instruct the persons named on the proxy card to vote your shares at the applicable special meeting as you direct on the card.

Q:

May I change my vote after I have mailed my signed proxy?

A:

Yes. You may change your vote at any time before your proxy is voted at the applicable special meeting. You can do this in several ways. First, you can send a written notice stating that you would

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like to revoke your proxy. Second, you can complete and submit a new proxy card. Third, if you choose to vote by telephone or on the Internet, you may change your vote by telephone or on the Internet by following the instructions given to you when you call or visit the Internet site. Fourth, you can attend the special meeting and vote in person. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote. Further information about these procedures is contained in "The Cimarex Special Meeting" on page 45 and "The Magnum Hunter Special Meeting" on page 48.

Q:
Do I have dissenters' rights of appraisal?

A:
Neither Cimarex common stockholders nor Magnum Hunter common stockholders will have dissenters' rights of appraisal as a result of the merger.

Holdings of Magnum Hunter's Series A preferred stock will have dissenters' rights of appraisal as a result of the merger. See "The Merger Dissenters' Rights of Appraisal" beginning on page .

Q:
Who will be the directors of the combined company?

A:
The board of directors of the combined company will consist of the nine current directors of Cimarex plus one current Magnum Hunter director to be selected by Cimarex before the effective time of the merger.

Q:
Where can I find more information about Cimarex and Magnum Hunter?

A:
You can find more information about Cimarex and Magnum Hunter from various sources described under "Where You Can Find More Information" on page 184.

For Cimarex Stockholders

Q:
When and where is the special meeting of the Cimarex stockholders?

A:
The Cimarex special meeting will take place on , 2005 at p.m., local time. The location of the special meeting is .

Q:
What are Cimarex stockholders being asked to vote upon?

A:
Cimarex stockholders are voting on a proposal to approve the issuance of shares of Cimarex common stock to stockholders of Magnum Hunter in connection with the merger. This stockholder vote is required under the rules of the New York Stock Exchange, referred to as the NYSE, because the aggregate number of shares of Cimarex common stock to be issued to Magnum Hunter stockholders in the merger will exceed 20% of the total number of shares of Cimarex common stock issued and outstanding immediately before the completion of the merger. The approval of the issuance of Cimarex common stock in connection with the merger is a condition to the closing of the merger.

In addition, Cimarex stockholders are voting on two proposals to amend Cimarex's amended and restated certificate of incorporation, referred to as the Cimarex charter. The first proposal would increase the number of shares of common stock that Cimarex is authorized to issue from 100 million shares to 200 million shares. The second proposal would increase the maximum size of Cimarex's board of directors from nine to ten directors. Finally, Cimarex stockholders are voting on a proposal to increase the number of shares available for grants under the Cimarex Amended and Restated 2002 Stock Incentive Plan, referred to as the Cimarex incentive plan, from seven million shares to 12.7 million shares and make other changes to the Cimarex incentive plan as discussed in this joint proxy statement/prospectus. Approval of these amendments is not a condition to the closing of the merger, and the proposed amendment to the Cimarex incentive plan, if approved, will be effected

regardless of the outcome of the vote on the share issuance. Neither of the amendments to the Cimarex charter will be effected unless the merger takes place.

Q:
How will Cimarex stockholders be affected by the merger and share issuance?

A:
After the merger, each Cimarex stockholder will have the same number of shares of Cimarex common stock that the stockholder held immediately before the merger. However, because Cimarex will be issuing new shares of Cimarex common stock to Magnum Hunter stockholders in the merger, each outstanding share of Cimarex common stock immediately before the merger will represent a smaller percentage of the aggregate number of shares of Cimarex common stock outstanding after the merger. As a result of the merger, each Cimarex stockholder will own shares in a larger company with more assets.

Q:
What are the tax consequences of the merger?

A:
Cimarex and Magnum Hunter intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to as the Code. Cimarex stockholders will not recognize gain or loss for U.S. federal income tax purposes in connection with the merger. For a summary of the U.S. federal income tax consequences of the merger that are expected to be material to Magnum Hunter stockholders, see "Material United States Federal Income Tax Consequences of the Merger" beginning on page 98.

Q:
What vote of Cimarex stockholders is required to approve the proposals at the Cimarex special meeting?

A:
Assuming a quorum is present at the Cimarex special meeting, the approval of the issuance of shares of Cimarex common stock in connection with the merger and the approval of the proposed amendment to the Cimarex incentive plan require the affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting.

Under applicable Delaware law, the approval of each proposed amendment to the Cimarex charter requires the affirmative vote of a majority of the issued and outstanding shares of Cimarex common stock as of the record date for the Cimarex special meeting.

Q:
Does Cimarex's board of directors support the merger?

A:
Yes. The Cimarex board of directors, by unanimous vote of the directors present at their meeting, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Cimarex and its stockholders; approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and recommended that the stockholders of Cimarex vote "FOR" approval of the issuance of shares of Cimarex common stock in the merger.

For a more detailed description of the background and reasons for the merger, see "The Merger - Cimarex's Reasons for the Merger and Share Issuance" beginning on page 59 and "The Merger - Magnum Hunter's Reasons for the Merger" beginning on page 60.

Q:
Does Cimarex's board of directors support the proposed amendments to the Cimarex charter and the Cimarex incentive plan?

A:
Before its special meeting, Cimarex plans to ask its board of directors to approve and recommend that the stockholders of Cimarex vote "FOR" approval of each of the proposed amendments to the Cimarex charter and "FOR" approval of the proposed amendment to the Cimarex incentive plan.

Q: How do I vote my shares if they are held in the name of a bank, broker or other nominee?

A: Your bank, broker or other nominee will vote your shares of Cimarex common stock with respect to the issuance of Cimarex common stock in the merger, the proposed amendments to the Cimarex charter or the proposed amendment to the Cimarex incentive plan only if you provide written instructions to them on how to vote, so it is important that you provide them with instructions. If you do not provide them with instructions, under the rules of the NYSE, they will not be authorized to vote with respect to the issuance of shares of Cimarex common stock in the merger or the other proposals to be presented at the Cimarex special meeting. If you wish to vote in person at the special meeting and hold your shares in the name of a bank, broker or other nominee, you must contact your bank, broker or other nominee and request an appropriate proxy. You must bring this proxy to the special meeting in order to vote in person.

If you are a participant in the Cimarex 401(k) plan and you have shares of Cimarex common stock allocated to your account, you may instruct the plan trustee on how to vote your shares. You will receive instructions from the trustee or the plan administrator on how to give instructions and the effect of not giving instructions.

Q: What if I do not vote, or abstain from voting, my shares of Cimarex common stock?

A: Neither an abstention nor a failure to vote will affect the outcome of the vote regarding the issuance of Cimarex common stock in connection with the merger or the proposal to amend the Cimarex incentive plan, since they will not be counted as votes either for or against the proposals.

Abstentions and failures to vote (including broker non-votes) with respect to either of the proposed amendments to the Cimarex charter will have the effect of a vote against that amendment.

If you sign your proxy card but do not indicate how you want to vote, your shares of Cimarex common stock will be voted "FOR" approval of the issuance of Cimarex common stock in the merger, "FOR" each proposed amendment to the Cimarex charter and "FOR" the proposed amendment to the Cimarex incentive plan.

Q: Are there risks associated with the merger that I should consider in deciding how to vote?

A: Yes. There are risks associated with all business combinations, including this merger. In particular, you should be aware that the exchange ratio determining the number of shares of Cimarex common stock that Cimarex will issue in return for shares of Magnum Hunter common stock in the merger is fixed and will not change as the market price of shares of Cimarex or Magnum Hunter common stock fluctuates in the period before the merger. Accordingly, the value of the shares of Cimarex common stock that Cimarex will issue in the merger in return for shares of Magnum Hunter common stock may be either less than or more than the current price of shares of Magnum Hunter common stock. There are also a number of other risks that are discussed in this joint proxy statement/prospectus. Please read with particular care the more detailed description of the risks associated with the merger and the combined company's operations following the merger under "Risk Factors" beginning on page 29.

Q: Who should I contact if I have questions?

A: If you have any questions about the merger agreement, the merger or the issuance of shares of Cimarex common stock in the merger, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact Cimarex, Attn: Mary Kay Rohrer, Assistant Corporate Secretary, 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, telephone (303) 295-3995. You may also call Cimarex's proxy solicitor, Georgeson Shareholder Communications, Inc. toll-free at (866) 288-2196.

For Magnum Hunter Stockholders

Q: When and where is the special meeting of the Magnum Hunter stockholders?

A: The Magnum Hunter special meeting will take place on _____, 2005, at _____ a.m., local time. The location of the special meeting is _____.

Q: What are Magnum Hunter stockholders being asked to vote upon?

A: Magnum Hunter stockholders are voting on a proposal to approve the merger agreement entered into among Cimarex, Merger Sub and Magnum Hunter, and the merger contemplated by the merger agreement. Approval of the merger agreement and the merger by the stockholders of Magnum Hunter is a condition to the closing of the merger.

Q: What will Magnum Hunter common stockholders receive in the merger?

A: At the effective time of the merger, each issued and outstanding share of common stock of Magnum Hunter will be canceled and converted into the right to receive 0.415 of a share of Cimarex common stock, as described under "The Merger Merger Consideration." The ratio of 0.415 of a share of Cimarex common stock for each share of Magnum Hunter common stock is referred to as the exchange ratio.

Q: What will happen to options and warrants to purchase Magnum Hunter common stock in the merger?

A: Magnum Hunter has agreed to use commercially reasonable efforts to obtain the consent of holders of all options to purchase Magnum Hunter common stock that require consent for cancellation of the options. Magnum Hunter also will cause all stock options that do not require consent for cancellation to be canceled as of the effective time of the merger. At the effective time of the merger, the holder of each canceled stock option will be entitled to receive a cash payment equal to the product of the total number of shares of Magnum Hunter common stock subject to the option (whether vested or unvested) times the excess, if any, of the closing price of Magnum Hunter common stock on the day before the closing date over the exercise price of the option, less applicable withholding taxes. Options with exercise prices higher than the closing price of Magnum Hunter common stock on that date will not be entitled to any cash payment.

If Magnum Hunter does not receive consent before the effective time to cancel any options that require consent for cancellation, those options will be assumed by Cimarex. Any assumed options will be converted into an option to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to that option at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed option will be equal to the exercise price per share of the existing option divided by the exchange ratio. Each assumed option will remain subject to the same conditions that applied before the merger, except that upon closing of the merger, each option will be fully vested.

Magnum Hunter's outstanding warrants expire on March 21, 2005, which we expect will be before the closing of the merger. To the extent any warrants to purchase shares of Magnum Hunter common stock are outstanding at the closing of the merger, each of those warrants will be assumed by Cimarex at the effective time of the merger and converted into a warrant to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the warrant at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed warrant will be equal to the exercise price per share of the existing warrant divided by the exchange ratio. Each assumed warrant will remain subject to the same conditions that applied before the merger. Any assumed warrants will be listed for trading on the NYSE.

Promptly following the effective time of the merger, Cimarex will cause the shares of Cimarex common stock issuable upon exercise of any assumed options and warrants to be registered with the SEC and listed on the NYSE, and will use all reasonable efforts to maintain the effectiveness of that registration statement for so long as any assumed options and warrants remain outstanding.

Q:
What will happen to Magnum Hunter's preferred stock?

A:
Magnum Hunter currently has two series of preferred stock outstanding, the Series A preferred stock and the 1996 Series A convertible preferred stock. At the effective time of the merger, all of the issued and outstanding shares of Magnum Hunter's Series A preferred stock will be canceled and converted into the right to receive, in the aggregate, 20 shares of Cimarex common stock. Based upon the 80,000 shares of Series A preferred stock currently outstanding, holders of Magnum Hunter's Series A preferred stock would receive 0.00025 of a share of Cimarex common stock for each share of Series A preferred stock that they own. See "The Merger Merger Consideration" on page 92.

Before the effective time of the merger, Magnum Hunter will cause its wholly owned subsidiary that owns all of the issued and outstanding shares of Magnum Hunter's 1996 Series A convertible preferred stock to convert those shares into Magnum Hunter common stock, on the terms set forth in the certificate of designations for the 1996 Series A convertible preferred stock. The shares of Magnum Hunter common stock issued upon conversion of the 1996 Series A convertible preferred stock will then be canceled and exchanged in the merger for shares of Cimarex common stock in accordance with the exchange ratio.

Q:
What will happen to the notes issued under Magnum Hunter's indentures?

A:
Magnum Hunter currently has two series of notes outstanding, the 9.6% senior notes due 2012 and the floating rate convertible senior notes due 2023. The indentures under which each series of notes was issued permit the holders of the notes to sell their notes back to Magnum Hunter upon a change of control of Magnum Hunter, such as the merger, for a price equal to 101% of the principal amount of the 9.6% senior notes plus accrued interest, and 100% of the principal amount of the convertible senior notes plus accrued interest. At or before the effective time of the merger, Cimarex will execute a supplemental indenture with the trustee under the indenture covering the convertible senior notes, with respect to the conversion provisions. See "The Merger Agreement Treatment of Indenture Obligations and Notes" on page 144.

Upon the happening of certain events, the convertible senior notes are convertible into cash in the amount of the principal amount of the notes, plus shares of Magnum Hunter common stock to the extent the conversion value exceeds the principal amount. After the merger, the portion of the convertible senior notes that is convertible into stock will become convertible into shares of Cimarex common stock. Promptly following the effective time of the merger, Cimarex will cause the shares of Cimarex common stock issuable upon conversion of the convertible senior notes to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of such registration statement for so long as any convertible senior notes remain outstanding.

Q:
What will happen to Magnum Hunter's credit facility?

A:
Cimarex intends to pay off Magnum Hunter's credit facility at the closing of the merger. Cimarex and its bank group are currently negotiating a new credit facility or an expansion of Cimarex's existing credit facility. See "The Merger Credit Facilities" on page 98.

Q: Will Magnum Hunter's shares of common stock continue to be traded on the New York Stock Exchange after the merger is completed?

A: No. If the merger is completed, Magnum Hunter's shares of common stock will no longer be listed for trading on the NYSE. However, the shares of Cimarex common stock that you receive in the merger will be listed on the NYSE.

Q: Will I be able to trade the Cimarex common stock that I receive in connection with the merger?

A: Yes. The shares of Cimarex common stock issued in connection with the merger will be freely tradable, unless you are an affiliate of Magnum Hunter. Generally, persons who are deemed to be affiliates of Magnum Hunter must comply with Rule 145 under the Securities Act of 1933 if they wish to sell or otherwise transfer any of the shares of Cimarex common stock they receive in connection with the merger. You will be notified if you are an affiliate of Magnum Hunter.

Q: What are the tax consequences of the merger?

A: Cimarex and Magnum Hunter intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. As a result, Magnum Hunter stockholders who are U.S. holders (as defined in this joint proxy statement/prospectus) generally will not recognize gain or loss for U.S. federal income tax purposes in connection with the merger, except with respect to the amount of cash received instead of fractional shares of Cimarex common stock by U.S. holders of Magnum Hunter common stock and except with respect to any cash received by U.S. holders of Magnum Hunter Series A preferred stock that exercise appraisal rights. Magnum Hunter stockholders who are non-U.S. holders (as defined in this joint proxy statement/prospectus) may recognize gain or loss for U.S. federal income tax purposes in connection with the merger, depending on their individual circumstances. For a summary of the U.S. federal income tax consequences of the merger that are expected to be material to Magnum Hunter stockholders, see "Material United States Federal Income Tax Consequences of the Merger" beginning on page 98.

Q: What vote of Magnum Hunter stockholders will be required to approve the merger agreement and the merger?

A: The approval of the merger agreement and the merger requires the affirmative vote of the holders of at least a majority of shares of Magnum Hunter common stock issued and outstanding and entitled to vote at the Magnum Hunter special meeting. Magnum Hunter's President and Chief Executive Officer and a related stockholder, who together held an aggregate of approximately 5.2% of the issued and outstanding shares of Magnum Hunter common stock entitled to vote on the date the merger agreement was executed, have entered into a voting agreement with Cimarex under which each stockholder party has agreed, among other things, to vote his or its shares of Magnum Hunter common stock in favor of the approval of the merger agreement and the merger contemplated thereby. See "The Merger Agreement Voting Agreement" beginning on page 145.

Q: Does Magnum Hunter's board of directors support the merger?

A: Yes. The Magnum Hunter board of directors has unanimously: determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Magnum Hunter and its stockholders; approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and recommended that the stockholders of Magnum Hunter vote "FOR" approval of the merger agreement and the merger.

For a more detailed description of the background and reasons for the merger, see "The Merger Background of the Merger" beginning on page 52.

Q:
How do I vote my shares if they are held in the name of a bank, broker or other nominee?

A:
Your bank, broker or other nominee will vote your shares of Magnum Hunter common stock with respect to the merger agreement and the merger only if you provide written instructions to them on how to vote, so it is important that you provide them with instructions. If you do not provide them with instructions, under the rules of the New York Stock Exchange, they will not be authorized to vote with respect to the merger agreement. If you wish to vote in person at the special meeting and hold your shares in the name of a bank, broker or other nominee, you must contact your bank, broker or other nominee and request an appropriate proxy. You must bring this proxy to the special meeting in order to vote in person.

If you are a participant in the Magnum Hunter 401(k) employee stock ownership plan and you have shares of Magnum Hunter common stock allocated to your account, you may instruct the plan trustee on how to vote your shares. You will receive instructions from the trustee or the plan administrator on how to give instructions and the effect of not giving instructions.

Q:
What if I do not vote, or abstain from voting, my shares of Magnum Hunter common stock?

A:
If you do not vote, it will have the same effect as a vote against the merger agreement and the merger. Abstentions and broker non-votes will also have the effect of votes against the merger agreement and the merger.

If you sign your proxy card but do not indicate how you want to vote, your shares of Magnum Hunter common stock will be voted "FOR" approval of the merger agreement and the merger.

Q:
Should I send in my stock certificates now?

A:
No. If the merger is completed, you will be sent written instructions for exchanging your stock certificates. Please do not send in your stock certificates with your proxy.

Q:
Are there risks associated with the merger that I should consider in deciding how to vote?

A:
Yes. There are risks associated with all business combinations, including this merger. In particular, you should be aware that the exchange ratio determining the number of shares of Cimarex common stock that Magnum Hunter stockholders will receive is fixed and will not change as the market price of shares of Cimarex or Magnum Hunter common stock fluctuates in the period before the merger. Accordingly, the value of the shares of Cimarex common stock that you as a Magnum Hunter stockholder will receive in the merger in return for your shares of Magnum Hunter common stock may be either less than or more than the current price of the shares of Magnum Hunter common stock that you currently hold. There are also a number of other risks that are discussed in this joint proxy statement/prospectus. Please read with particular care the more detailed description of the risks associated with the merger and the combined company's operations following the merger under "Risk Factors" beginning on page 29.

Q:
Who should I contact if I have questions?

A:
If you have any questions about the merger agreement or the merger, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact Magnum Hunter, Attn: Morgan F. Johnston, Corporate Secretary, 600 East Las Colinas Blvd., Suite 1100, Irving, Texas 75039, telephone (972) 401-0752. You may also call Magnum Hunter's proxy solicitor, Georgeson Shareholder Communications, Inc. toll-free at (866) 288-2196.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Cimarex and Magnum Hunter have made certain statements in this joint proxy statement/prospectus and in the documents referred to in this joint proxy statement/prospectus that may be deemed "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. All statements, other than statements of historical facts, that address activities, events, outcomes and other matters that Cimarex, Magnum Hunter or the combined company 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 the current belief of management of the companies, 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 joint proxy statement/prospectus. Forward-looking statements occur, among other places, in the following sections of this document:

"Questions and Answers About the Merger";

"Summary Selected Historical Financial Data of Cimarex"; " Selected Historical Financial Data of Magnum Hunter"; and
" Selected Unaudited Pro Forma Combined Financial Data";

"Comparative Per Share Information";

"Comparative Per Share Market Price and Dividend Information";

"Risk Factors";

"The Merger Background of the Merger"; " Cimarex's Reasons for the Merger and Share Issuance"; " Recommendation of the Cimarex Board of Directors"; " Magnum Hunter's Reasons for the Merger"; and " Recommendation of the Magnum Hunter Board of Directors";

"The Merger Opinion of Lehman Brothers Inc. to the Cimarex Board of Directors"; " Opinions of Magnum Hunter's Financial Advisors Deutsche Bank Securities Inc." and " Opinions of Magnum Hunter's Financial Advisors Merrill Lynch, Pierce, Fenner & Smith Incorporated";

"Unaudited Pro Forma Condensed Combined Financial Statements"; and

Statements contained elsewhere in this document concerning Cimarex's and Magnum Hunter's plans for the combined company's growth and future operations or financial position.

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 and gas. 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 and natural gas reserves and in projecting future rates of production and timing of development expenditures and other risks described in this joint proxy statement/prospectus.

Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas 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 the 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, these revisions could change the schedule of any future production and development drilling. Accordingly,

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reserve estimates are generally different from the quantities of oil and natural gas that are ultimately recovered.

Should one or more of the risks or uncertainties described above or elsewhere in this joint proxy statement/prospectus occur, or should underlying assumptions prove incorrect, the actual future results and stockholder values of Cimarex, Magnum Hunter and the combined company may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond Cimarex's and Magnum Hunter's ability to control or predict. Stockholders of Cimarex and Magnum Hunter are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date of this joint proxy statement/prospectus.

You should understand that various factors, in addition to those discussed elsewhere in this joint proxy statement/prospectus and in the documents referred to in this joint proxy statement/prospectus, could affect the future results of the combined company following the merger and could cause results to differ materially from those expressed in the forward-looking statements, including:

the possibility that the companies may be unable to obtain stockholder or regulatory approvals required for the acquisition;

the possibility that problems may arise in successfully integrating the businesses of the two companies;

the possibility that the acquisition may involve unexpected costs;

the possibility that the combined company may be unable to achieve cost-cutting synergies;

the possibility that the businesses may suffer as a result of uncertainty surrounding the acquisition;

the possibility that the industry may be subject to future regulatory or legislative actions;

the volatility in commodity prices for oil and gas;

the presence or recoverability of estimated reserves;

the ability to replace reserves;

environmental risks;

drilling and operating risks;

exploration and development risks;

competition;

the ability of management to execute its plans to meet its goals; and

other risks that are described in SEC reports filed by Cimarex and Magnum Hunter.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements, express or implied, included in this joint proxy statement/prospectus and attributable to Cimarex or Magnum Hunter. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that

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Cimarex, Magnum Hunter, or persons acting on their respective behalf may issue. Except for their ongoing obligations to disclose material information as required by the federal securities laws, Cimarex and Magnum Hunter do not have any intention, and do not undertake any obligation, to update forward-looking statements after they distribute this joint proxy statement/prospectus, even if new information, future events or other circumstances have made them incorrect or misleading.

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus and does not contain all of the information that may be important to you. To understand the merger agreement and the merger fully and for a more complete description of the legal terms of the merger agreement, you should carefully read this entire document and the documents to which we refer you. See "Where You Can Find More Information" on page 184. We have included page references parenthetically to direct you to a more complete description of the topics summarized here.

The Companies (page 41)

Cimarex Energy Co.
1700 Lincoln Street, Suite 1800
Denver, Colorado 80203-4518
(303) 295-3995
Internet address: www.cimarex.com

Cimarex is an independent oil and gas exploration and production company. Its principal areas of operations are located in Oklahoma, Texas, Kansas, and Louisiana. Cimarex also has active exploration and development programs underway in each of those states as well as in California, New Mexico and Mississippi. Cimarex's principal operations offices are at 15 East 5th Street, Suite 1000, Tulsa, Oklahoma 74103, telephone (918) 585-1100. Cimarex's common stock is listed on the New York Stock Exchange and trades under the symbol "XEC."

Magnum Hunter Resources, Inc.
600 East Las Colinas Boulevard, Suite 1100
Irving, Texas 75039
(972) 401-0752
Internet address: www.magnumhunter.com

Magnum Hunter is an independent energy company engaged in the exploration, exploitation and development, acquisition and operation of oil and gas properties with a geographic focus in the Mid-Continent Region, Permian Basin Region, Gulf Coast Region and the Gulf of Mexico. Additionally, Magnum Hunter owns and operates five gas gathering systems covering over 480 miles and holds a 50% or greater ownership interest in four natural gas processing plants that are located adjacent to certain company-owned and operated producing properties within the states of Texas, Oklahoma and Arkansas. Magnum Hunter's common stock is listed on the New York Stock Exchange and trades under the symbol "MHR."

The Merger (page 52)

Structure of the Merger (page 52)

Under the terms of the proposed merger, Merger Sub will merge with and into Magnum Hunter, with Magnum Hunter continuing as the surviving corporation. As a result of the merger, Magnum Hunter will become a wholly owned subsidiary of Cimarex.

What Magnum Hunter Stockholders Will Receive in the Merger (page 92)

In the merger, holders of shares of Magnum Hunter common stock will receive 0.415 of a share of Cimarex common stock for each share of Magnum Hunter common stock that they own immediately before the effective time of the merger. This ratio is referred to as the exchange ratio. Magnum Hunter common stockholders will receive cash for any fractional shares which they would otherwise receive in the merger.

In the merger, all of the issued and outstanding shares of Magnum Hunter's Series A preferred stock will be canceled and converted into the right to receive, in the aggregate, 20 shares of Cimarex common stock. Based upon the 80,000 shares of Series A preferred stock currently outstanding, holders of Magnum Hunter's Series A preferred stock would receive 0.00025 of a share of Cimarex common stock for each share of Series A preferred stock that they own immediately before the effective time of the merger. Magnum Hunter Series A preferred stockholders will receive fractional shares of Cimarex common stock to the extent necessary. However, Cimarex may offer Series A preferred stockholders the opportunity either to purchase an additional fraction of a share or to aggregate its fractional share with those of other Series A preferred stockholders to be sold. Cimarex may not force Series A preferred stockholders to receive cash in respect of their fractional shares.

Treatment of Magnum Hunter Stock Options and Warrants (pages 143 and 144)

Magnum Hunter has agreed to use commercially reasonable efforts to obtain the consent of holders of all options to purchase Magnum Hunter common stock that require consent for cancellation of the options. Magnum Hunter also will cause all stock options that do not require consent for cancellation to be canceled as of the effective time of the merger. At the effective time of the merger, the holder of each canceled stock option will be entitled to receive a cash payment equal to the product of the total number of shares of Magnum Hunter common stock subject to the option (whether vested or unvested), times the excess, if any, of the closing price of Magnum Hunter common stock on the day before the closing date over the exercise price of the option, less the amount of any required withholding taxes. Options with exercise prices higher than the closing price of Magnum Hunter common stock on that date will not be entitled to any cash payment.

Any options requiring consent for cancellation as to which Magnum Hunter does not receive consent before the effective time will be assumed by Cimarex, and converted into an option to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the option at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed option will be equal to the exercise price per share of the existing option divided by the exchange ratio. Each assumed option will remain subject to the same conditions that applied before the merger, except that each option will be fully vested.

Magnum Hunter's outstanding warrants expire on March 21, 2005, which we expect will be before the closing of the merger. To the extent any warrants to purchase shares of Magnum Hunter common stock are outstanding at the closing of the merger, each of those warrants will be assumed by Cimarex at the effective time of the merger and converted into a warrant to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the warrant at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed warrant will be equal to the exercise price per share of the existing warrant divided by the exchange ratio. Each assumed warrant will remain subject to the same conditions that applied before the merger. Any assumed warrants will be listed for trading on the New York Stock Exchange, referred to as the NYSE.

Promptly following the effective time of the merger, Cimarex has agreed to cause the shares of Cimarex common stock issuable upon exercise of any assumed options and warrants to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of that registration statement for so long as any assumed options and warrants remain outstanding.

Treatment of Magnum Hunter 1996 Series A Preferred Stock (page 124)

All 1,000,000 issued and outstanding shares of Magnum Hunter's 1996 Series A convertible preferred stock are currently held by a wholly owned subsidiary of Magnum Hunter. Before the

effective time of the merger, Magnum Hunter will cause its subsidiary to convert all of the issued and outstanding shares of Magnum Hunter's 1996 Series A convertible preferred stock into Magnum Hunter common stock, on the terms set forth in the certificate of designations for the 1996 Series A convertible preferred stock. The shares of Magnum Hunter common stock issued upon conversion of the 1996 Series A convertible preferred stock will then be canceled and exchanged in the merger for shares of Cimarex common stock in accordance with the exchange ratio.

Treatment of Magnum Hunter Indebtedness (page 144)

The indentures under which Magnum Hunter's \$195 million 9.6% senior notes due 2012 and \$125 million floating rate convertible senior notes due 2023 were issued permit the holders of the notes to sell their notes back to Magnum Hunter upon a change of control of Magnum Hunter, for a price equal to 101% of the principal amount of the 9.6% senior notes plus accrued interest, and 100% of the principal amount of the convertible senior notes plus accrued interest. The interest rate on the convertible senior notes is a floating interest rate based on three-month LIBOR, which as of September 30, 2004 was 1.88%. The merger qualifies as a change of control for these purposes. Magnum Hunter as the surviving corporation will be obligated to buy back any notes that are offered in accordance with these provisions.

At or before the effective time of the merger, Cimarex will execute a supplemental indenture with the trustee under the indenture covering the convertible senior notes, with respect to the conversion provisions of those notes. After the merger, the convertible senior notes will be convertible into cash in the amount of the principal amount of the notes, plus shares of Cimarex common stock to the extent the conversion value exceeds the principal amount. Promptly following the effective time of the merger, Cimarex will cause the shares of Cimarex common stock issuable upon conversion of the convertible senior notes to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of such registration statement for so long as any convertible senior notes remain outstanding.

Cimarex intends to pay off Magnum Hunter's existing credit facility at the closing of the merger.

Distribution of TEL Offshore Trust Units (page 94)

Magnum Hunter currently owns approximately 1.4 million trust units, which represents 29.1% of the outstanding trust units, of TEL Offshore Trust. Before the merger, Magnum Hunter's board of directors intends to distribute these trust units to the holders of Magnum Hunter common stock as of the distribution record date selected by the Magnum Hunter board. In the distribution, each holder of Magnum Hunter common stock (other than Magnum Hunter and its subsidiaries) will receive a percentage of TEL Offshore Trust units equal to the percentage of Magnum Hunter common stock it holds, and cash instead of any fractional units it would otherwise be entitled to receive.

TEL Offshore Trust's trust units are traded on the Nasdaq SmallCap Market under the symbol "TELOZ." On January 25, 2005, the last full trading day on the Nasdaq SmallCap Market before the public announcement of the proposed merger, the closing price of TEL Offshore Trust's trust units was \$10.97 per unit. On _____, 2005, the most recent trading day practicable before the printing of this joint proxy statement/prospectus, the closing price of TEL Offshore Trust's trust units was \$ _____ per unit.

Ownership of Cimarex After the Merger (page 52)

Based on the number of outstanding shares of Magnum Hunter common stock on the record date relating to the Magnum Hunter special meeting, we anticipate that Magnum Hunter stockholders will receive approximately 36.3 million shares of Cimarex common stock in the merger (excluding 790,476 shares to be issued to a wholly owned subsidiary of Magnum Hunter). Based on that number and on

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the number of outstanding shares of Cimarex common stock as of the record date relating to the Cimarex special meeting, following the merger, former Magnum Hunter stockholders will own 46.4% of the outstanding shares of Cimarex common stock and current Cimarex stockholders will own 53.6% of the outstanding shares of Cimarex common stock. These numbers do not give effect to shares that may be issued upon exercise of outstanding Cimarex or Magnum Hunter stock options or Magnum Hunter warrants or upon conversion of Magnum Hunter convertible senior notes.

Board of Directors After the Merger (page 117)

After the merger and assuming that Cimarex stockholders approve the proposal to amend the Cimarex charter to increase the maximum size of its board of directors from nine to ten directors, the combined company will have ten directors. The board will consist of the nine current members of Cimarex's board of directors and one current member of the Magnum Hunter board of directors to be selected by Cimarex before the effective time of the merger.

The Special Meetings and Voting (pages 45 and 48)

Date and Time of the Special Meetings (pages 45 and 48)

The special meeting of Cimarex stockholders will be held at _____, at _____ p.m., local time, on _____, 2005. At the special meeting, Cimarex stockholders will be asked to approve:

the issuance of shares of Cimarex common stock in connection with the merger;

a proposal to amend the Cimarex charter to increase the number of authorized shares of common stock from 100 million shares to 200 million shares;

a proposal to amend the Cimarex charter to increase the maximum size of the board of directors from nine to ten directors; and

a proposal to amend the Cimarex incentive plan to increase the number of shares authorized for issuance under the plan from seven million shares to 12.7 million shares.

The special meeting of Magnum Hunter stockholders will be held at _____, at _____ a.m., local time, on _____, 2005. At the special meeting, Magnum Hunter stockholders will be asked to approve the merger agreement and the merger.

Record Date; Voting Power (pages 46 and 49)

Cimarex stockholders are entitled to vote at the Cimarex special meeting if they owned shares as of the close of business on _____, 2005, referred to as the Cimarex record date. On the Cimarex record date, there were _____ shares of Cimarex common stock entitled to vote at the special meeting. Stockholders will have one vote at the special meeting for each share of Cimarex common stock they owned on the Cimarex record date.

Magnum Hunter stockholders are entitled to vote at the Magnum Hunter special meeting if they owned shares as of the close of business on _____, 2005, referred to as the Magnum Hunter record date. On the Magnum Hunter record date, there were _____ shares of Magnum Hunter common stock entitled to vote at the special meeting. Stockholders will have one vote at the special meeting for each share of Magnum Hunter common stock they owned on the Magnum Hunter record date.

Vote Required (pages 46 and 49)

At the Cimarex special meeting, assuming a quorum is present:

the affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting is required to approve the issuance of shares of Cimarex common stock in connection with the merger and the proposed amendment to the Cimarex incentive plan; and

the affirmative vote of a majority of the issued and outstanding shares of Cimarex common stock as of the record date for the Cimarex special meeting is required to approve each of the proposed amendments to the Cimarex charter.

As of the _____, 2005 record date, shares representing approximately _____ % of the total outstanding shares of Cimarex common stock were held by Cimarex's directors, executive officers and their respective affiliates.

At the Magnum Hunter special meeting, assuming a quorum is present, the affirmative vote of the holders of a majority of the shares of Magnum Hunter common stock issued and outstanding and entitled to vote at the Magnum Hunter special meeting is required to approve the merger agreement and the merger. As of the _____, 2005 record date, shares representing approximately _____ % of the total outstanding shares of Magnum Hunter common stock were held by Magnum Hunter's directors, executive officers and their respective affiliates.

As further discussed below under "The Merger Agreement Voting Agreement," on the date the merger agreement was executed, Cimarex entered into an agreement with Gary C. Evans, Magnum Hunter's President and Chief Executive Officer, and Jacquelyn Evelyn Enterprises, Inc., a related stockholder, who on that date collectively held an aggregate of approximately 5.2% of the issued and outstanding shares of Magnum Hunter common stock. Under this agreement, each stockholder party has agreed, among other things, to vote his or its shares in favor of approval of the merger agreement.

Quorum, Abstentions and Broker Non-Votes (pages 46 and 49)

A quorum must be present to conduct business at each of the meetings. This means that at the Cimarex meeting, greater than 50% of the outstanding shares of common stock as of Cimarex's record date must be represented in person or by proxy. At the Magnum Hunter meeting, greater than one-third of the outstanding shares of common stock as of Magnum Hunter's record date must be represented in person or by proxy.

Abstentions and broker non-votes are counted as present for establishing a quorum at both meetings. Abstentions and broker non-votes are not counted in tabulating votes on the Cimarex and Magnum Hunter proposals but have the effect of a vote against the proposals to approve the merger agreement and amend the Cimarex charter. Abstentions and broker non-votes have no effect on the votes with respect to the issuance of Cimarex common stock in the merger or the proposed amendment to the Cimarex incentive plan.

An abstention occurs when a stockholder abstains from voting (either in person or by proxy) on one or more of the proposals. Broker non-votes occur when a bank, broker or other nominee returns a proxy but does not have authority to vote on a particular proposal.

Matters to Consider in Deciding How to Vote

Board of Directors' Recommendations to Stockholders (pages 60 and 62)

The board of directors of Cimarex, by unanimous vote of the directors present at their meeting, has determined that the merger agreement and the transactions contemplated thereby, including the

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merger, are fair to, and in the best interests of, Cimarex and its stockholders and recommends that the stockholders of Cimarex vote "FOR" approval of the issuance of shares of Cimarex common stock in connection with the merger. Before its special meeting of stockholders, Cimarex plans to ask its board of directors to approve and recommend that the stockholders of Cimarex vote "FOR" approval of each proposed amendment to the Cimarex charter and "FOR" approval of the proposed amendment to the Cimarex incentive plan.

The board of directors of Magnum Hunter has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Magnum Hunter and its stockholders and recommends that the stockholders of Magnum Hunter vote "FOR" approval of the merger agreement and the merger.

Reasons for the Merger (pages 59 and 60)

Cimarex believes that the merger will provide it with:

the opportunity to expand in its existing core areas and to add new projects, without jeopardizing its strong financial position;

a substantial footprint in the Permian Basin from which Cimarex can grow;

complementary operations in the Mid-Continent and Gulf Coast areas;

measured exposure to high potential projects in the Gulf of Mexico; and

the ability to greatly expand its balanced-risk drilling program underpinned by a strong balance sheet.

Magnum Hunter believes that the merger will provide its stockholders with:

a premium over the trading price of Magnum Hunter common stock at the time the transaction was announced; and

the opportunity to participate in a combined enterprise with a highly skilled employee group, enhanced financial strength, and growth opportunities to further build stockholder value.

Please review the more detailed description of our reasons for the merger beginning on page 59.

Financial Advisors (pages 63, 72 and 84)

Cimarex's Financial Advisor and Fairness Opinion. Cimarex retained Petrie Parkman & Co., referred to as Petrie Parkman, to act as its financial advisor in connection with the merger. Petrie Parkman was not requested to, and did not, render an opinion to the Cimarex board of directors in connection with the merger.

Lehman Brothers Inc., referred to as Lehman Brothers, delivered a written opinion to the Cimarex board of directors as to the fairness, from a financial point of view, to Cimarex of the exchange ratio to be paid by Cimarex in the merger. The full text of Lehman Brothers' written opinion, dated January 25, 2005, is attached to this joint proxy statement/prospectus as *Annex B*. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, and qualifications and limitations of the review undertaken. **Lehman Brothers' opinion was provided to the Cimarex board of directors in connection with its consideration of the merger, and does not constitute a recommendation to any stockholder of Cimarex as to whether to vote for or against the issuance of shares of Cimarex common stock in connection with the merger.**

Magnum Hunter's Financial Advisors and Fairness Opinions. Magnum Hunter retained Deutsche Bank Securities Inc., referred to as Deutsche Bank, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to as Merrill Lynch, to act as its financial advisors in connection with the

merger. Each of Deutsche Bank and Merrill Lynch delivered a written opinion to the Magnum Hunter board of directors as to the fairness, from a financial point of view, of the exchange ratio provided for in the merger. The full text of Deutsche Bank's written opinion, dated January 25, 2005, is attached to this joint proxy statement/prospectus as *Annex C* and the full text of Merrill Lynch's written opinion, dated January 25, 2005, is attached to this joint proxy statement/prospectus as *Annex D*. We encourage you to read these opinions carefully in their entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **Each of Deutsche Bank's and Merrill Lynch's opinions was intended for the use and benefit of the board of directors of Magnum Hunter, does not address the merits of the underlying decision by Magnum Hunter to engage in the merger and does not constitute a recommendation to any stockholder as to how that stockholder should vote on the merger or any related matter.**

Interests of Certain Persons in the Merger (page 109)

When considering the recommendation of Cimarex's board of directors with respect to the issuance of Cimarex common stock and the recommendation of Magnum Hunter's board of directors with respect to the merger agreement and the merger, Cimarex and Magnum Hunter stockholders, respectively, should be aware that certain executive officers and directors of Cimarex and Magnum Hunter may have interests in the merger that may be different from, or in addition to, the interests of Cimarex and Magnum Hunter stockholders generally. For a more detailed description of these interests, see "Interests of Certain Persons in the Merger" beginning on page 109.

Cimarex's and Magnum Hunter's boards of directors were aware of these interests and considered them in making their recommendations.

Material United States Federal Income Tax Consequences of the Merger (page 98)

Cimarex and Magnum Hunter intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. As a result, Magnum Hunter stockholders who are U.S. holders (as defined in this joint proxy statement/prospectus) generally will not recognize gain or loss for U.S. federal income tax purposes in connection with the merger, except with respect to the amount of cash received instead of fractional shares of Cimarex common stock by U.S. holders of Magnum Hunter common stock and except with respect to any cash received by U.S. holders of Magnum Hunter Series A preferred stock that exercise appraisal rights. Magnum Hunter stockholders who are non-U.S. holders (as defined in this joint proxy statement prospectus) may recognize gain or loss for U.S. federal income tax purposes in connection with the merger, depending on their individual circumstances. Although the U.S. federal income tax treatment of Magnum Hunter's potential pre-merger distribution of TEL Offshore Trust units, or possibly cash instead of TEL Offshore Trust units, is not entirely free from doubt, it is expected that the receipt of the units or cash by holders of Magnum Hunter common stock should be taxed as a dividend distribution that is separate from the merger. Holders of Cimarex common stock will not recognize any gain or loss for U.S. federal income tax purposes as a result of the merger. For a summary of the U.S. federal income tax consequences of the merger that are expected to be material to Magnum Hunter stockholders, see "Material United States Federal Income Tax Consequences of the Merger" beginning on page 98.

Tax matters are very complicated, and the tax consequences of the merger to you will depend on the facts of your particular situation. You should consult your own tax advisor for a full understanding of the tax consequences of the merger to you.

Dissenters' Rights of Appraisal (page 95)

Holders of Cimarex common stock and Magnum Hunter common stock are not entitled to dissenters' rights of appraisal in connection with the merger.

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Holders of Magnum Hunter Series A preferred stock are entitled to dissenters' rights of appraisal in connection with the merger.

Accounting Treatment of the Merger (page 95)

Cimarex will account for the merger under the purchase method of accounting for business combinations under accounting principles generally accepted in the United States of America.

Regulatory Approvals (page 97)

The merger is subject to antitrust laws. On February 15, 2005, each of Cimarex and Magnum Hunter made its initial filings under applicable antitrust laws with the United States Department of Justice and the United States Federal Trade Commission. Cimarex and Magnum Hunter are not permitted to complete the merger until the applicable waiting periods associated with those filings, including any extension of those waiting periods, have expired or been terminated and applicable clearances have been obtained. If no second request is made, the waiting period will expire on March 16, 2005, 30 days from the date of the initial filings. In addition, the reviewing agencies or governments, states or private persons, may challenge the merger at any time before or after its completion. Cimarex and Magnum Hunter have not yet obtained any of the governmental or regulatory approvals required to complete the merger.

Cimarex and Magnum Hunter are not permitted to complete the merger unless the regulatory conditions to completion of the merger described above are satisfied.

Market Price Information (page 27)

Cimarex's and Magnum Hunter's common stock are each listed on the NYSE. On January 25, 2005, the last full trading day on the NYSE before the public announcement of the proposed merger, Cimarex common stock closed at \$40.18 per share and Magnum Hunter common stock closed at \$13.24 per share. Based on the exchange ratio of 0.415 of a share of Cimarex common stock for each share of Magnum Hunter common stock, the pro forma equivalent per share value of the Magnum Hunter common stock on January 25, 2005 was approximately \$16.67.

On _____, 2005, the most recent trading day practicable before the printing of this joint proxy statement/prospectus, Cimarex common stock closed at \$ _____ per share and Magnum Hunter common stock closed at \$ _____ per share. Based on the foregoing assumptions, the pro forma equivalent per share value of the Magnum Hunter common stock on _____, 2005 was approximately \$ _____ per share.

Material Differences in the Rights of Stockholders (page 173)

The rights of Magnum Hunter stockholders are governed by Nevada law and by Magnum Hunter's amended articles of incorporation and amended and restated bylaws. Upon completion of the merger, Magnum Hunter stockholders' rights as stockholders of Cimarex will be governed by Delaware law and by Cimarex's amended and restated certificate of incorporation and bylaws. Nevada law and Magnum Hunter's articles of incorporation and bylaws differ from Delaware law and Cimarex's certificate of incorporation and bylaws in some material respects. For more information on these differences, see "Comparison of Stockholder Rights" beginning on page 173.

Risk Factors (page 29)

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, you should carefully consider the factors discussed in the section entitled "Risk Factors," beginning on page 29 of this joint proxy statement/prospectus in deciding whether to vote in favor of the issuance of Cimarex common stock in the merger, in the case of Cimarex stockholders, or in favor of the merger agreement, in the case of Magnum Hunter stockholders.

The Merger Agreement (page 124)

The merger agreement, as amended, is attached as *Annex A* to this joint proxy statement/prospectus. We encourage you to read the merger agreement carefully and fully as it is the legal document that governs the merger.

Conditions to the Closing of the Merger (page 125)

Cimarex's and Magnum Hunter's respective obligations to complete the merger are subject to the satisfaction or, to the extent legally permissible, the waiver of the following conditions:

the approval of the merger agreement and the merger by Magnum Hunter's stockholders and the approval of the issuance of Cimarex common stock in the merger by Cimarex's stockholders;

the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of all other applicable material governmental and regulatory approvals;

the effectiveness with the SEC of the registration statement of which this joint proxy statement/prospectus is a part;

the absence of any law, order or injunction prohibiting completion of the merger;

the approval for listing on the NYSE of the Cimarex common stock to be issued in the merger and upon exercise of any outstanding options and warrants to be assumed by Cimarex, subject to official notice of issuance;

material accuracy, as of the closing, of the representations and warranties made by the parties and material compliance by the parties with their respective covenants and agreements under the merger agreement; and

the absence of any change that would be reasonably likely to have a material adverse effect on either Cimarex or Magnum Hunter.

In addition, Cimarex's obligation to complete the merger is subject to the satisfaction or, to the extent legally permissible, the waiver of the following conditions:

the receipt by Cimarex of an opinion of its tax counsel to the effect that, among other things, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

the absence of any event which would trigger a distribution under Magnum Hunter's stockholder rights plan; and

the receipt by Magnum Hunter of all material consents and approvals (other than those of governmental and regulatory authorities) required in connection with the execution of the merger agreement and completion of the merger.

In addition, Magnum Hunter's obligation to complete the merger is subject to the satisfaction or, to the extent legally permissible, the waiver of the following conditions:

the receipt by Magnum Hunter of an opinion of its tax counsel to the effect that, among other things, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

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the absence of any event which would trigger a distribution under Cimarex's stockholder rights plan;

the delivery by Cimarex to its transfer agent of instructions authorizing the issuance of Cimarex common stock to Magnum Hunter stockholders upon surrender of certificates representing shares of Magnum Hunter common stock; and

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the receipt by Cimarex of all material consents and approvals (other than those of governmental and regulatory authorities) required in connection with the execution of the merger agreement and completion of the merger.

No Solicitation of Takeover Proposals (page 127)

The merger agreement contains detailed provisions prohibiting Magnum Hunter from seeking an alternative transaction. These "no solicitation" provisions prohibit Magnum Hunter, its officers, directors, employees and representatives from taking any action to solicit a takeover proposal. These provisions also prohibit these persons from recommending, participating in discussions regarding, or furnishing information with respect to any takeover proposal, although this is subject to some exceptions, including some exceptions that permit the directors of Magnum Hunter to comply with their fiduciary duties, after following specified procedures. In specified circumstances, the merger agreement permits Magnum Hunter's board of directors to terminate the merger agreement and accept a takeover proposal it determines to be superior to the merger, referred to as a superior proposal.

Termination of Merger Agreement (page 129)

The merger agreement may be terminated at any time before the closing of the merger in any of the following ways:

The merger agreement may be terminated by mutual written consent of Cimarex and Magnum Hunter.

Either Cimarex or Magnum Hunter may terminate the merger agreement if:

the merger is not completed by July 25, 2005 (or October 1, 2005 if the SEC has not declared the registration statement, of which this joint proxy statement/prospectus is a part, effective by June 1, 2005), except that a party may not terminate the merger agreement if the cause of the merger not being completed is that party's breach of a representation or warranty or failure to fulfill its obligations under the merger agreement;

a governmental authority or a court issues an injunction or order permanently enjoining or prohibiting the completion of the merger, except that a party may not terminate the merger agreement until that party has used all reasonable efforts to remove the injunction or order; or

either Cimarex's stockholders fail to approve the issuance of Cimarex common stock or Magnum Hunter's stockholders fail to approve the merger agreement and the merger.

In addition, Cimarex may terminate the merger agreement if:

Magnum Hunter has breached in any material respect any of its representations or warranties, or has failed to perform in any material respect any of its covenants or agreements under the merger agreement, if Cimarex gives notice of the breach and Magnum Hunter fails to cure the breach within 10 days following the notice, but no later than July 25, 2005 (or October 1, 2005 if the SEC has not declared the registration statement, of which this joint proxy statement/prospectus is a part, effective by June 1, 2005); or

Magnum Hunter's board of directors either withdraws or changes its recommendation in a manner adverse to Cimarex, recommends an alternative transaction or willfully and materially breaches its non-solicitation obligations described under " No Solicitation of Takeover Proposals" above.

In addition, Magnum Hunter may terminate the merger agreement if:

Cimarex has breached in any material respect any of its representations or warranties, or has failed to perform in any material respect any of its covenants or agreements under the merger agreement, if Magnum Hunter gives notice of the breach and Cimarex fails to cure the breach within 10 days following the notice, but no later than July 25, 2005 (or

October 1, 2005 if the

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SEC has not declared the registration statement of which this joint proxy statement/prospectus is a part effective by June 1, 2005); or

Magnum Hunter's board of directors authorizes Magnum Hunter to enter into a binding written agreement concerning a transaction that Magnum Hunter's board of directors has determined in accordance with the merger agreement is a superior proposal, except that Magnum Hunter cannot terminate the merger agreement for this reason unless:

Magnum Hunter has not materially breached its non-solicitation obligations described under " No Solicitation of Takeover Proposals" above;

Magnum Hunter provides Cimarex with written notice that it intends to enter into such an agreement, attaching the most current version of the agreement or a description of its material terms; and

Magnum Hunter pays Cimarex the fee described under " Termination Fee" below before the termination.

Termination Fee (page 131)

Magnum Hunter must pay Cimarex a termination fee of \$45 million if:

the merger agreement is terminated because of:

Magnum Hunter's board of directors either withdrawing or changing its recommendation in a manner adverse to Cimarex, recommending an alternative transaction or willfully and materially breaching its non-solicitation obligations described under " No Solicitation of Takeover Proposals" above; or

Magnum Hunter's board of directors authorizing Magnum Hunter to enter into a binding written agreement concerning a transaction that Magnum Hunter's board of directors has determined in accordance with the merger agreement is a superior proposal, subject to the limitations described above; or

an alternative takeover proposal in respect of Magnum Hunter is publicly announced or is proposed or offered or made to Magnum Hunter or to the Magnum Hunter stockholders before the approval of the merger agreement by the Magnum Hunter stockholders, the merger agreement is terminated by Cimarex or Magnum Hunter because the Magnum Hunter stockholders do not approve the merger agreement, and within 12 months following the termination, Magnum Hunter consummates or enters into an agreement or commitment with the proponent, or an affiliate of the proponent, of the alternative takeover proposal.

Magnum Hunter must pay the termination fee no later than one business day following termination of the merger agreement or, in the case of termination in connection with an alternative transaction, on the date of consummation of or entry into the agreement for that transaction.

Expenses (page 131)

Each of Cimarex and Magnum Hunter will bear all expenses it incurs in connection with the merger, except that Cimarex has agreed to pay the fee for filing the registration statement of which this joint proxy statement/prospectus is a part with the SEC, along with the expenses of printing this joint proxy statement/prospectus and complying with any other applicable securities laws in connection with the registration statement and this joint proxy statement/prospectus.

Cimarex will pay all costs and expenses related to mailing this joint proxy statement/prospectus to Cimarex stockholders and soliciting the votes of Cimarex stockholders. Magnum Hunter will pay all costs and expenses related to mailing this joint proxy statement/prospectus to Magnum Hunter stockholders and soliciting the votes of Magnum Hunter stockholders.

Voting Agreement (page 145)

On the date the merger agreement was executed, Gary C. Evans, Magnum Hunter's President and Chief Executive Officer, and Jacquelyn Evelyn Enterprises, Inc., a related stockholder, entered into a voting agreement with Cimarex. As of the date of the voting agreement, these stockholders beneficially owned and were entitled to vote, in the aggregate, 4,733,945 shares of Magnum Hunter common stock, which represented approximately 5.2% of the shares of Magnum Hunter common stock outstanding on that date. Under the voting agreement, these stockholders agreed, among other things, to vote all of their shares of Magnum Hunter common stock in favor of the merger agreement, against any action or agreement that they would reasonably expect to result in a material breach of any covenant, representation, warranty or other obligation of Magnum Hunter under the merger agreement and against any other takeover proposal. The voting agreement is attached as *Annex E* to this joint proxy statement/prospectus.

Selected Historical Financial Data of Cimarex

The following table shows selected financial data for the years ended December 31, 2003 and 2002, together with similar information for each of the three preceding fiscal years ended September 30, and the three months ended December 31, 2001. The following table also shows selected financial data of Cimarex as of and for each of the nine-month periods ended September 30, 2004 and September 30, 2003. Operating results for the nine months ended September 30, 2004 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2004.

On September 30, 2002, Cimarex acquired 100 percent of the common stock of Key Production Company in a tax-free exchange of stock accounted for as a business purchase combination. Also on September 30, 2002, Cimarex changed its fiscal year from September 30 to December 31. Results of Key are included in the operating results only for the period subsequent to the acquisition on September 30, 2002. This information should be read in connection with and is qualified in its entirety by Cimarex's consolidated financial statements, the accompanying notes and management's discussion and analysis of financial condition and results of operations contained in Cimarex's reports on file with the SEC and incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 184.

	As of and For the Years Ended							Three Months Ended December 31, 2001
	Nine Months Ended September 30,		December 31,		September 30,			
	2004	2003	2003	2002	2001	2000	1999	
(In thousands, except per share and proved reserve amounts)								
Operating results:								
Revenues	\$ 476,385	\$ 348,591	\$ 454,212	\$ 209,644	\$ 316,778	\$ 237,021	\$ 146,902	\$ 39,596
Net income	105,517	76,329	94,633	39,819	35,253	57,386	23,559	4,479
Net income per share:								
Basic	2.55	1.84	2.28	1.32	1.33	2.16	0.89	0.17
Diluted	2.47	1.81	2.22	1.31	1.33	2.16	0.89	0.17
Cash dividends declared per share								
Balance sheet data:								
Total assets	1,001,941	722,565	805,508	674,286	246,212	286,090	234,929	251,966
Total debt				32,000				
Stockholders' equity	650,916	525,780	534,740	444,880	166,795	192,972	172,664	175,082
Other financial data:								
Oil and gas sales	330,456	247,030	324,119	157,299	222,136	158,502	93,808	26,857
Oil and gas capital expenditures	208,885	104,671	162,627	368,503	104,975	73,821	55,933	14,425
Proved Reserves:								
Gas (MMcf)	346,763	320,005	337,344	318,627	216,337	262,498	239,620	212,326
Oil (MBbls)	13,970	13,482	14,137	15,025	5,932	6,305	4,834	5,304
Total equivalent (MMcfe)	430,580	400,898	422,167	408,779	251,927	300,329	268,623	244,150

Selected Historical Financial Data of Magnum Hunter

Set forth below is selected consolidated financial data of Magnum Hunter as of and for each of the nine-month periods ended September 30, 2004 and September 30, 2003 and as of and for each of the years in the five-year period ended December 31, 2003. The quarterly information is derived from the unaudited financial statements of Magnum Hunter for the nine months ended September 30, 2004 and September 30, 2003 and the annual information is derived from audited financial statements of Magnum Hunter for the years 1999 through 2003. This information should be read together with Magnum Hunter's consolidated financial statements, the accompanying notes and management's discussion and analysis of financial condition and results of operations contained in Magnum Hunter's reports on file with the SEC and incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 184. Operating results for the nine months ended September 30, 2004 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2004.

	Nine Months Ended September 30,		As of and For the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(in thousands, except per share amounts)							
Income Statement Data:							
Operating revenues	\$ 338,874	\$ 241,067	\$ 325,014	\$ 265,869	\$ 152,806	\$ 127,510	\$ 69,626
Operating costs and expenses(a)	(201,048)	(172,556)	(232,316)	(197,000)	(104,755)	(77,181)	(54,514)
Operating profit	137,826	68,511	92,698	68,869	48,051	50,329	15,112
Provision for impairment of investment(b)				(621)	(7,123)		
Costs associated with early retirement of debt(c)	(12,250)	(4,085)	(6,716)	(1,000)	(490)		
Cumulative effect on prior years of a change in accounting principle, net of tax(d)		399	399				
Net Income (loss)	61,456	18,829	26,117	15,522	13,516	22,260	(6,826)
Dividends applicable to preferred shares(e)						(9,708)	(4,509)
Income (loss) applicable to common shares	\$ 61,456	\$ 18,829	\$ 26,117	\$ 15,522	\$ 13,516	\$ 12,552	\$ (11,335)
Income (loss) per common share before cumulative effect of a change in accounting principle							
Basic(e)	\$ 0.83	\$ 0.27	\$ 0.38	\$ 0.25	\$ 0.39	\$ 0.60	\$ (0.57)
Diluted(e)	\$ 0.81	\$ 0.27	\$ 0.38	\$ 0.25	\$ 0.36	\$ 0.51	\$ (0.57)
Income (loss) per common share after cumulative effect of a change in accounting principle							
Basic(e)	\$ 0.83	\$ 0.28	\$ 0.39	\$ 0.25	\$ 0.39	\$ 0.60	\$ (0.57)
Diluted(e)	\$ 0.81	\$ 0.28	\$ 0.39	\$ 0.25	\$ 0.36	\$ 0.51	\$ (0.57)
Other Data:							
Proceeds from sale of assets	\$ 11,677	\$ 14,623	\$ 17,123	\$ 95,988	\$ 1,124	\$ 43,770	\$ 1,499
Capital expenditures(f)	\$ 426,786	\$ 144,243	\$ 175,535	\$ 141,046	\$ 204,370	\$ 60,830	\$ 59,968

- (a) Includes in 2001 a provision for loss of \$3.2 million related to the Enron bankruptcy.
- (b) Includes in 2002 and 2001 a provision for \$621 thousand and \$2.1 million, respectively, for the impairment of available-for-sale equity securities deemed by management to have suffered a other than temporary impairment. The impairment was determined using a quoted market price at December 31, 2001 of \$0.86 per share. We had previously reported losses in accumulated other comprehensive income of \$507 thousand (\$466 thousand net of income tax benefit) through December 31, 2001. Also included in 2001 was an impairment provision of \$5.0 million due to the bankruptcy of a privately held company in which Magnum Hunter owned a minority interest and had invested \$4.5 million in equity securities and \$453 thousand in secured loans.
- (c) Includes in 2003 the cost of retirement of \$129.5 million in principal of Magnum Hunter's 10% senior notes due June 1, 2007. Includes in 2002 the costs associated with the amendment of Magnum Hunter's credit facility in connection with the Prize merger. Includes in 2001 the cost of retirement of \$10.5 million of Magnum Hunter's 10% senior notes.
- (d) Includes in 2003 the cumulative effect on prior years of a change in accounting principle due to the adoption of SFAS No. 143 relating to asset retirement obligations. The cumulative effect was a gain of \$399 thousand, net of income tax expense of \$244 thousand.

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(e) Includes the effect in the year 2000 of the payment of a \$5.5 million fee upon redemption of \$25.0 million (liquidation value) of Magnum Hunter's 1999 Series A 8% convertible preferred stock. The fee was treated as a dividend, reducing income per common share, basic and diluted, by \$0.26 per share and \$0.17 per share, respectively, for the year 2000.

(f) Capital expenditures include cash expended for acquisitions plus normal additions to oil and natural gas properties and other fixed assets. It does not include the cost of property acquired through the issuance of common stock.

As of September 30,		As of December 31,				
2004	2003	2003	2002	2001	2000	1999

(in thousands)

Balance Sheet Data:

Property, plant and equipment, net	\$	1,434,518	\$	1,090,016	\$	1,095,883	\$	1,001,609	\$	419,837	\$	260,532	\$	265,195
Total assets		1,644,522		1,226,297		1,265,892		1,169,656		454,385		315,612		304,022
Total debt(a)		665,998		563,482		597,500		570,837		288,583		191,139		234,806
Total stockholders' equity	\$	612,069	\$	374,445	\$	389,676	\$	350,196	\$	117,974	\$	93,416	\$	51,552

(a) Consists of current notes payable and long-term debt, including current maturities of long-term debt, and excluding production payment liabilities of zero, \$29 thousand, \$12 thousand, \$114 thousand, \$203 thousand, \$359 thousand, and \$460 thousand as of September 30, 2004, 2003 and as of December 31, 2003, 2002, 2001, 2000 and 1999, respectively. As of December 31, 2002, 2000 and 1999, \$7.0 million, \$20.6 million and \$41.8 million, respectively, of the debt was non-recourse to Magnum Hunter.

Nine Months Ended September 30,		As of and For the Years Ended December 31,				
2004	2003	2003	2002	2001	2000	1999

(in thousands)

Cash Flow Data:

Cash flow from operating activities	\$	191,394	\$	143,843	\$	162,638	\$	83,403	\$	104,074	\$	49,466	\$	17,435
Cash flows from investing activities		(416,925)		(123,504)		(159,675)		(89,420)		(203,989)		(20,008)		(58,469)
Cash flows from financing activities	\$	232,844	\$	(21,235)	\$	12,661	\$	6,331	\$	102,661	\$	(31,014)	\$	37,746

Selected Unaudited Pro Forma Combined Financial Data

Cimarex and Magnum Hunter are providing the following selected unaudited pro forma financial information to present a summary of the results of operations and financial position of the combined company giving effect to the merger as though Cimarex's and Magnum Hunter's businesses had been combined at the dates indicated and for the periods shown.

The pro forma adjustments are based upon available information and assumptions that each company's management believes are reasonable. The selected unaudited pro forma financial information is presented for illustrative purposes only and is based on the estimates and assumptions set forth below and in the notes accompanying the unaudited pro forma condensed combined financial statements. The companies may have performed differently had they always been combined. Stockholders should not rely on this information as being indicative of the results that would have been achieved had the companies always been combined or the future results of the combined company after the merger. The selected unaudited pro forma financial information:

(i) has been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under "Unaudited Pro

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Forma Condensed Combined Financial Statements" beginning on page 154; and

(ii)

should be read in conjunction with the consolidated financial statements of Cimarex and Magnum Hunter incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 184.

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The unaudited pro forma condensed combined financial statements were prepared based on the following assumptions:

Cimarex issued an aggregate of approximately 36.33 million shares of Cimarex common stock (at an exchange ratio of 0.415 shares of Cimarex common stock for each share of Magnum Hunter common stock) for all the outstanding shares of common stock of Magnum Hunter (excluding 790,476 shares to be issued to a wholly owned subsidiary of Magnum Hunter), and assumed Magnum Hunter's debt.

The unaudited pro forma balance sheet has been prepared as if the merger occurred on September 30, 2004. The unaudited pro forma statements of operations have been prepared as if the merger occurred on January 1, 2003.

The merger was accounted for as a purchase of Magnum Hunter by Cimarex.

Any potential cost savings have not been reflected as an adjustment to the historical data. These cost savings, if any, would result from the consolidation of certain offices and the elimination of duplicate corporate and field-level staff and expenses.

See "The Merger Agreement Treatment of Indenture Obligations and Notes" on page 144. Any potential buyback or conversion of these notes has not been reflected as an adjustment in the unaudited pro forma condensed combined financial statements. For every 10% increase above Magnum Hunter's share price of \$12.19, approximately 387,000 Cimarex shares could potentially be issued related to Magnum Hunter's \$125 million floating rate convertible senior notes due 2023, if those notes were converted.

	As of September 30, 2004			
	(Millions of Dollars)			
Pro Forma Balance Sheet Data				
Total assets	\$	3,775.6		
Long-term debt		712.8		
Stockholders' equity		2,019.3		
	For the Nine Months Ended September 30, 2004	For the Year Ended December 31, 2003		
	(Millions of dollars, except per share data)			
Pro Forma Statement of Operations Data				
Revenues	\$	817.9	\$	780.3
Net income		141.3		59.8
Net income per share:				
Basic	\$	1.82	\$.77
Diluted	\$	1.79	\$.76

COMPARATIVE PER SHARE INFORMATION

The following tables set forth historical per share information of Cimarex and Magnum Hunter and unaudited pro forma combined per share information after giving effect to the merger.

The unaudited pro forma combined per share information does not purport to represent what the results of operations or financial position of Cimarex, Magnum Hunter or the combined company would actually have been had the merger occurred at the beginning of the periods shown, or to project Cimarex's, Magnum Hunter's or the combined company's results of operations or financial position for any future period or date. This pro forma information is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as presented under "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 154.

The historical per share information is derived from, and should be read in conjunction with, the financial statements for each of Cimarex and Magnum Hunter, which are incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 184.

	Nine Months Ended September 30, 2004	Year Ended December 31, 2003
Cimarex Historical Per Share Data:		
Income from continuing operations		
Basic(a)	\$ 2.55	\$ 2.28
Diluted(b)	\$ 2.47	\$ 2.22
Cash dividends	\$	\$
Book value(c)	\$ 15.25	\$ 12.54
Magnum Hunter Historical Per Share Data:		
Income from continuing operations		
Basic(a)	\$ 0.83	\$ 0.39
Diluted(b)	\$ 0.81	\$ 0.39
Cash dividends	\$	\$
Book value (c)	\$ 8.09	\$ 5.77
Pro Forma Combined Company Per Share Data:		
Income from continuing operations		
Basic(d)	\$ 1.82	\$ 0.77
Diluted(d)	\$ 1.79	\$ 0.76
Cash dividends	\$	\$
Book value(e)	\$ 25.55	\$ 23.78
Pro Forma Combined Magnum Hunter Equivalent Per Share Data:(f)		
Income from continuing operations		
Basic	\$ 0.75	\$ 0.32
Diluted	\$ 0.74	\$ 0.31
Cash dividends	\$	\$
Book value	\$ 10.60	\$ 9.87

(a) Based on the weighted average number of shares of common stock outstanding for Cimarex or Magnum Hunter for such period.

(b) Based on the weighted average number of shares of common stock outstanding plus the potential dilution that would occur if interests in securities (options, restricted stock units, warrants, and

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convertible debentures) were exercised and converted into common stock of Cimarex or Magnum Hunter for such period.

- (c) Computed by dividing stockholders' equity by the number of shares of common stock at the end of such period.
- (d) Based on the pro forma net income from the "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 154 which gives effect to the merger under the purchase method of accounting.
- (e) Computed by dividing pro forma stockholders' equity by the weighted average number of outstanding shares of Cimarex common stock at the end of such period, adjusted to include the estimated number of shares of Cimarex common stock to be issued in the merger.
- (f) Based on the assumed conversion of each share of Magnum Hunter common stock into 0.415 of a share of Cimarex common stock in the merger. The Pro Forma Combined Magnum Hunter Equivalent Per Share Data is computed by multiplying the Pro Forma Combined Company Per Share Data by the fixed exchange ratio of 0.415.

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Cimarex's \$0.01 par value common stock trades on the NYSE under the symbol "XEC." Magnum Hunter's \$0.002 par value common stock trades on the NYSE under the symbol "MHR." The following table sets forth, for the periods indicated, the high and low sale prices per share of Cimarex and Magnum Hunter common stock on the New York Stock Exchange Composite Transactions Tape. For current price information, you should consult publicly available sources.

Cimarex Common Stock

	High	Low
2004		
First Quarter	\$ 29.75	\$ 24.05
Second Quarter	\$ 30.25	\$ 26.24
Third Quarter	\$ 35.25	\$ 29.20
Fourth Quarter	\$ 41.45	\$ 33.60
2003		
First Quarter	\$ 20.42	\$ 17.07
Second Quarter	\$ 24.40	\$ 18.80
Third Quarter	\$ 23.70	\$ 19.24
Fourth Quarter	\$ 28.14	\$ 19.50
2002		
Third Quarter (from September 25, 2002)*	\$ 17.25	\$ 15.80
Fourth Quarter	\$ 18.00	\$ 13.49

*

Cimarex common stock was not publicly traded before September 25, 2002.

Magnum Hunter Common Stock

	<u>High</u>	<u>Low</u>
2004		
First Quarter	\$ 10.26	\$ 8.12
Second Quarter	\$ 11.40	\$ 9.65
Third Quarter	\$ 11.58	\$ 9.80
Fourth Quarter	\$ 13.82	\$ 11.36
2003		
First Quarter	\$ 6.20	\$ 5.25
Second Quarter	\$ 8.39	\$ 5.32
Third Quarter	\$ 8.25	\$ 6.85
Fourth Quarter	\$ 9.90	\$ 7.98
2002		
First Quarter	\$ 8.40	\$ 6.60
Second Quarter	\$ 7.99	\$ 7.05
Third Quarter	\$ 7.89	\$ 4.70
Fourth Quarter	\$ 6.54	\$ 4.19

Neither Cimarex nor Magnum Hunter has ever paid any cash dividends to its common stockholders. Magnum Hunter's credit facilities place substantial limitations on its ability to pay cash dividends on its common stock.

At this time, Cimarex does not intend to pay a common stock dividend to stockholders following the merger instead, it intends to retain earnings for its exploration and development activities.

The following table sets forth the high and low sales prices per share of Cimarex and Magnum Hunter common stock on November 22, 2004, the last full trading day before Cimarex and Magnum Hunter entered into an amended confidentiality agreement; January 25, 2005, the last full trading day before the public announcement of the merger; and _____, 2005, the most recent full trading day practicable before the date of this joint proxy statement/prospectus.

<u>Cimarex Common Stock</u>			<u>Magnum Hunter Common Stock</u>		
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>
November 22, 2004	\$ 38.70	\$ 37.88	November 22, 2004	\$ 13.55	\$ 13.35
January 25, 2005	\$ 40.21	\$ 39.65	January 25, 2005	\$ 13.40	\$ 13.02
_____, 2005	\$	\$	_____, 2005	\$	\$

Holder of Cimarex and Magnum Hunter common stock should obtain current market quotations for Cimarex and Magnum Hunter common stock. The market price of Cimarex common stock and Magnum Hunter common stock could vary at any time before the merger.

RISK FACTORS

Stockholders of Cimarex and Magnum Hunter voting in favor of the issuance of shares in connection with the merger and in favor of the merger agreement, respectively, will be choosing to combine the business of Magnum Hunter with that of Cimarex and, in the case of stockholders of Magnum Hunter, to invest in the combined company's common stock. In addition to the matters addressed in "Cautionary Statement Concerning Forward-Looking Statements" on page 9, the information included in this joint proxy statement/prospectus and the other documents attached to or incorporated by reference in this joint proxy statement/prospectus, you should carefully consider the following risks related to the merger and the combined company's business in determining whether to vote in favor of the proposals described herein.

Risks Relating to the Merger

Because the exchange ratio is fixed, the value of Cimarex common stock issued to the Magnum Hunter stockholders will depend on the market price of Cimarex common stock when the merger is completed.

Magnum Hunter stockholders will receive a fixed number of shares of common stock of Cimarex, rather than a number of shares with a particular fixed value. The market values of Cimarex and Magnum Hunter common stock at the time of the merger may vary significantly from their prices on the date the merger agreement was executed, the date of this joint proxy statement/prospectus or the date on which Cimarex or Magnum Hunter stockholders vote on the merger. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Cimarex or Magnum Hunter common stock, the market value of the Cimarex common stock issued in the merger and the Magnum Hunter common stock surrendered in the merger may be higher or lower than the values of those shares on those earlier dates. Stock price changes may result from a variety of factors that are beyond the control of Cimarex and Magnum Hunter, including changes in our businesses, operations and prospects, regulatory considerations, market assessments of the likelihood that the merger will be completed, the timing of the completion of the merger, and general and oil and gas specific market and economic conditions. Magnum Hunter is not permitted to "walk away" from the merger or resolicit the vote of its stockholders solely because of changes in the market price of either party's common stock. Although Cimarex has entered into a voting agreement with two Magnum Hunter stockholders who together own approximately 5.2% of Magnum Hunter's common stock as of the date of the merger agreement, Magnum Hunter's other stockholders who are not parties to voting agreements with Cimarex could vote against the transaction.

The integration of Cimarex and Magnum Hunter following the merger will present significant challenges.

Upon consummation of the merger, the integration of the operations of Cimarex and Magnum Hunter and the consolidation of those operations in Cimarex will require the dedication of management resources, which will temporarily distract attention from the day-to-day businesses of the combined company. The difficulties of assimilation may be increased by the necessity of coordinating geographically separated organizations, integrating operations and systems and personnel with disparate business backgrounds and combining different corporate cultures. The process of combining the organizations may cause an interruption of, or a loss of momentum in, the activities of any or all of the companies' businesses, which could have an adverse effect on the revenues and operating results of the combined company, at least in the near term. The failure to successfully integrate Cimarex and Magnum Hunter, to retain key personnel and to successfully manage the challenges presented by the integration process may result in Cimarex and Magnum Hunter not achieving the anticipated potential benefits of the merger. If the combined company fails to realize the anticipated benefits of the merger, holders of its common stock may receive lower returns than they expect.

Cimarex and Magnum Hunter will incur merger-related charges.

Cimarex and Magnum Hunter estimate that, as a result of the merger, the combined company will incur severance expenses in an aggregate amount of approximately \$13 million. In addition, Cimarex and Magnum Hunter expect to incur other merger-related expenses of approximately \$18.5 million in total, consisting of investment banking, legal and accounting fees and financial printing and other related charges. These amounts are preliminary estimates and the actual amounts may be higher or lower. Moreover, the combined company is likely to incur additional expenses in future periods in connection with the integration of Cimarex's and Magnum Hunter's businesses.

Directors and executive officers of Cimarex and Magnum Hunter may have interests in the merger that are different from those of Cimarex or Magnum Hunter stockholders generally.

Certain executive officers and directors of Cimarex and Magnum Hunter may have interests in the merger that may be different from, or in addition to, the interests of Cimarex and Magnum Hunter stockholders generally. For example:

the removal of Magnum Hunter's directors as of the effective time of the merger will entitle the outside directors of Magnum Hunter to additional compensation as set forth in Magnum Hunter's Outside Director Policy;

certain executives of Magnum Hunter will have "good reason" to voluntarily terminate their employment in accordance with their employment agreements as a result of the merger, which termination will entitle those executives to lump sum termination payments, benefits continuation and other benefits;

certain directors and executive officers of Magnum Hunter will have the vesting of their stock options and payment of deferred bonuses accelerated in full;

certain directors of Cimarex will be entitled to accelerated vesting of options, an extension of time to exercise options following termination of service and accelerated vesting and payout of stock units, and would be entitled to accelerated vesting and payout under Cimarex's Directors Deferred Compensation Plan if the plan is amended following the merger, although Cimarex is seeking the agreement of each of these directors to waive these benefits other than the accelerated option vesting; and

certain officers of Cimarex will be entitled to accelerated vesting of options, accelerated vesting and payout of stock units and restricted stock and accelerated vesting and payout under Cimarex's Supplemental Savings Plan, although Cimarex is seeking the agreement of each of these officers to waive these benefits.

You should consider these interests in connection with your vote on the merger or the share issuance, as applicable, including whether these interests may have influenced these directors and executive officers to recommend or support the merger.

Failure to retain key employees could adversely affect Cimarex after the merger.

The performance of Magnum Hunter as a subsidiary of Cimarex after the merger could be adversely affected if the combined company cannot retain selected key employees of Magnum Hunter. The loss of the services of one or more of these key employees could adversely affect the combined company's future operating results because of their experience and knowledge of Magnum Hunter's business. Although Cimarex has agreed to offer to employ all employees of Magnum Hunter (other than the 17 management employees who have employment agreements and contractual severance arrangements) for at least six months following the merger, it is not yet known how many, or which, employees will accept this offer. In addition, current and prospective employees of Cimarex and

Magnum Hunter may experience uncertainty about their future roles with the companies until after the merger is completed. This may adversely affect the ability of Cimarex and Magnum Hunter to attract and retain key personnel.

Cimarex stockholders will be diluted by the merger.

The merger will dilute the ownership position of the current stockholders of Cimarex. Based on the number of shares of Magnum Hunter common stock outstanding as of January 24, 2005, Cimarex would issue approximately 36.3 million shares of Cimarex common stock to Magnum Hunter stockholders in the merger (excluding 790,476 shares to be issued to a wholly owned subsidiary of Magnum Hunter). As a result, Cimarex stockholders and Magnum Hunter stockholders would hold 53.6% and 46.4%, respectively, of the combined company's common stock outstanding immediately after the completion of the merger.

If Cimarex or Magnum Hunter fails to obtain all required contractual consents and approvals, third parties may terminate or alter existing contracts.

Cimarex's obligation to complete the merger is conditioned, among other things, upon receipt of all material consents and approvals that Magnum Hunter is required to obtain in connection with the merger, except where the failure to receive the consents and approvals would not be reasonably likely to have a material adverse effect on Magnum Hunter. Some agreements between Magnum Hunter and its suppliers, customers or other business partners may require the consent or approval of these other parties in connection with the merger. Cimarex and Magnum Hunter have agreed to use reasonable best efforts to obtain any necessary consents and approvals. However, Cimarex and Magnum Hunter may not be able to obtain all the necessary consents and approvals. If any consents and approvals are not obtained and Cimarex elects to waive the closing condition relating to receipt of material consents, the absence of the consents or approvals could have a material adverse effect on the combined company's business after the merger.

Cimarex and Magnum Hunter may be unable to obtain the regulatory approvals required to complete the merger or, in order to do so, the combined company may be required to comply with material restrictions or conditions.

The merger is subject to review by the United States Department of Justice and United States Federal Trade Commission under the Hart-Scott-Rodino Improvements Act of 1976, referred to as the HSR Act. Under this statute, Cimarex and Magnum Hunter are required to make pre-merger notification filings and await the expiration or early termination of statutory waiting periods before completing the merger. On February 15, 2005, each of Cimarex and Magnum Hunter made its initial HSR Act filing. Under the HSR Act, the Department of Justice or Federal Trade Commission may make a request for additional information and other documentary material in connection with the merger. Such a request would effectively extend the waiting period for the merger under the HSR Act from 30 days after the initial filings are submitted until 30 days after both parties substantially comply with the request for additional information. Complying with a request for additional information or material under the HSR Act can take a significant amount of time. Cimarex and Magnum Hunter have not yet obtained any of the governmental or regulatory approvals required to complete the merger.

The reviewing authorities may not permit the merger at all or may impose restrictions or conditions on the merger that may seriously harm the combined company if the merger is completed. These conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses. Any delay in the completion of the merger could diminish the anticipated benefits of the merger or result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the transaction. Cimarex and Magnum Hunter also may be required to agree to restrictions or conditions imposed by antitrust authorities in order to obtain

regulatory approval, and these restrictions or conditions could harm the combined company's operations. No additional stockholder approval is expected to be required for any decision by Cimarex and Magnum Hunter, after their respective special meetings, to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods, and even after completion of the merger, governmental authorities could seek to block or challenge the merger as they deem necessary or desirable in the public interest. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Cimarex, Magnum Hunter or the combined company may not prevail, or may incur significant costs, in defending or settling any action under the antitrust laws.

If the merger is completed, the date that you will receive your merger consideration is uncertain.

The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. While we currently expect to complete the merger during the second quarter of 2005, the closing date of the merger might be later than expected due to unforeseen events.

Risks Relating to the Combined Company's Business Following the Merger

Low oil and gas prices could adversely affect the combined company's financial results and future rate of growth in proved reserves and production.

The combined company's revenues and results of operations will be highly dependent on oil and gas prices. The prices we receive for our production are based on prevailing market conditions and are influenced by many factors that are beyond our control. Historically, oil and gas prices have fluctuated widely, and petroleum prices could continue to be volatile in the future. In recent years, oil prices have responded to changes in supply and demand stemming from actions taken by the Organization of Petroleum Exporting Countries, worldwide economic conditions, growing transportation and power generation needs, and other events. Factors affecting gas prices have included declining domestic supplies; the level and price of natural gas imports into the U.S.; weather conditions; and the price and level of alternative sources of energy such as nuclear power, hydroelectric power, coal, and other petroleum products.

The combined company's proved oil and gas reserves and production volumes will decrease in quantity unless it successfully replaces the reserves it produces with new discoveries or acquisitions. For the foreseeable future, we expect to make substantial capital investments for the exploration and development of new oil and gas reserves to replace the reserves we produce and to increase our total proved reserves. Historically, Cimarex has paid for these types of capital expenditures with cash flow provided by production operations. Because low oil and gas prices would negatively affect the amount of cash flow available to fund these capital investments, they could also affect the combined company's future rate of reserve and production growth. Low prices may also reduce the amount of oil and gas that the combined company can economically produce and may cause it to curtail, delay or defer certain exploration and development projects. Moreover, the combined company's ability to borrow under its bank credit facility and to raise additional debt or equity capital to fund acquisitions would also be impacted.

Failure of the combined company's exploration and development program to find commercial quantities of new oil and gas reserves could negatively affect its financial results and future rate of growth.

In order to replace the reserves depleted by production and to maintain or grow the combined company's total proved reserves and overall production levels, we must locate and develop new oil and gas reserves or acquire producing properties from others. While it may from time to time seek to acquire proved reserves, Cimarex's main business strategy is to grow through drilling and Cimarex

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expects to continue this strategy following the merger. Without successful exploration and development, the combined company's reserves, production and revenues could decline rapidly, which would negatively impact its results of operations and reduce its ability to raise capital.

Exploration and development involves numerous risks, including the risk that no commercially productive oil or gas reservoirs will be discovered. Exploration and development can also be unprofitable, not only from dry wells, but from productive wells that do not produce sufficient reserves to return a profit.

We often are uncertain as to the future cost or timing of drilling, completing and producing wells. The combined company's drilling operations may be curtailed, delayed or canceled as a result of several factors, including unforeseen poor drilling conditions, title problems, unexpected pressure or irregularities in formations, equipment failures, accidents, adverse weather conditions, compliance with environmental and other governmental requirements, and the cost of, or shortages or delays in the availability of, drilling rigs and related equipment.

The combined company's proved reserve estimates may be inaccurate and future net cash flows are uncertain.

Estimates of proved oil and gas reserves and their associated future net cash flow necessarily depend on a number of variables and assumptions, including many factors beyond our control. Among others, changes in any of the following factors may cause estimates to vary considerably from actual results:

production rates, reservoir pressure, and other subsurface information;

future oil and gas prices;

assumed effects of governmental regulation;

future operating costs;

future property, severance, excise and other taxes incidental to oil and gas operations;

capital expenditures;

workover and remedial costs; and

federal and state income taxes.

Estimates of proved reserves and future net cash flow prepared by different engineers or by the same engineers at different times may vary substantially. Cimarex's proved oil and gas reserve estimates are prepared by Cimarex engineers in accordance with guidelines established by the SEC. Ryder Scott Company, L.P., independent petroleum engineers, reviewed Cimarex's reserve estimates for properties that comprised 80 percent of the discounted future net cash flows before income taxes, using a 10 percent discount rate, as of December 31, 2003. Magnum Hunter's estimated reserve evaluations and related calculations are prepared by DeGolyer and MacNaughton and Cawley, Gillespie & Associates, Inc., each independent petroleum engineering consultants.

You should not construe the net present values referred to in this joint proxy statement/prospectus as the current market value of Cimarex's, Magnum Hunter's or the combined company's estimated proved reserves. In accordance with SEC guidelines, the estimated discounted net cash flow from proved reserves is based on prices and costs as of the date of the estimate, whereas actual future prices and costs may be materially different. A number of companies in the oil and gas industry have recently written down their reserve estimates following internal reviews or review by the SEC. Write-downs of reserve estimates included in Cimarex's, Magnum Hunter's or the combined company's reserve reports,

or future performance that deviates significantly from those reports, could have a material adverse effect on the combined company's stock price and its financial position and results of operations.

The marketability of the combined company's production will depend in part upon the availability, proximity and capacity of pipelines and processing facilities.

The combined company will deliver some of its gas through pipelines that it does not own. The marketability of the combined company's production will depend in part upon the availability, proximity and capacity of these pipelines as well as gathering systems and processing facilities. These facilities may not always be available to the combined company in the future. The lack of availability of these facilities for an extended period of time could negatively affect revenues.

Competition in our industry is intense and many of the combined company's competitors have greater financial and technological resources.

Cimarex and Magnum Hunter operate, and the combined company will operate, in the competitive area of oil and gas exploration and production. Many of our competitors are large, well-established companies that have larger operating staffs and greater capital resources than the combined company. These companies may be able to pay more for exploratory prospects and productive oil and gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties and prospects than the combined company's financial or human resources permit.

The combined company will be subject to complex laws and regulations that can adversely affect the cost, manner or feasibility of doing business.

Exploration, development, production and sale of oil and gas are subject to extensive federal, state and local laws and regulations, including complex environmental laws. Future laws or regulations, any adverse changes in the interpretation of existing laws and regulation, inability to obtain necessary regulatory approvals, or a failure to comply with existing legal requirements may harm the combined company's business, results of operations and financial condition. The combined company may be required to make large expenditures to comply with environmental and other governmental regulations. Failure to comply with these laws and regulations may result in the suspension or termination of operations and subject the combined company to administrative, civil and criminal penalties. Matters subject to regulation include discharge permits for drilling operations, drilling bonds, spacing of wells, unitization and pooling of properties, environmental protection, and taxation. Cimarex's, Magnum Hunter's and the combined company's operations create the risk of environmental liabilities to the government or third parties for any unlawful discharge of oil, gas or other pollutants into the air, soil or water. In the event of environmental violations, we may be charged with remedial costs. Laws and regulations protecting the environment have become more stringent in recent years, and may, in some circumstances, result in liability for environmental damage regardless of negligence or fault. In addition, pollution and similar environmental risks generally are not fully insurable. These liabilities and costs could have a material adverse effect on the combined company's financial condition and results of operations.

The combined company's limited ability to influence operations and associated costs on properties not operated by it could result in economic losses that are partially beyond our control.

Other companies will operate a portion of the combined company's net production. In 2004, other companies operated approximately 26% of Cimarex's net production and approximately 46% of Magnum Hunter's net production. The combined company's success in properties operated by others will depend upon a number of factors outside of our control, including timing and amount of capital expenditures, the operator's expertise and financial resources, approval of other participants in drilling wells, selection of technology and maintenance of safety and environmental standards. The combined

company's dependence on the operator and other working interest owners for these projects could prevent the realization of the combined company's targeted returns on capital in drilling or acquisition activities.

The combined company will conduct waterflood projects and other secondary recovery operations.

Secondary recovery operations involve certain risks, especially the use of water flooding techniques. Magnum Hunter's inventory of development prospects includes waterflood projects. With respect to Magnum Hunter's properties located in the Permian Basin, Magnum Hunter has identified significant potential expenditures related to further developing existing waterfloods, which will likely be incurred by the combined company following the merger. Waterflooding involves significant capital expenditures and uncertainty as to the total amount of recoverable secondary reserves. In waterflood operations, there is generally a delay between the initiation of water injection into a formation containing hydrocarbons and any increase in production. The operating cost per unit of production of waterflood projects is generally higher during the initial phases of these projects due to the purchase of injection water and related production enhancement costs. Costs are also higher during the later stages of the life of the project as production declines. The degree of success, if any, of any secondary recovery program depends on a large number of factors, including the amount of primary production, the porosity and permeability of the formation, the technique used, the location of injector wells and the spacing of both producing and injector wells.

The combined company will attempt to economically hedge its oil and gas production.

Periodically, Magnum Hunter has entered into derivative transactions to reduce the effects of fluctuations in crude oil and natural gas prices on its future cash flows. At February 14, 2005, Magnum Hunter had approximately 43% of its natural gas production and approximately 17% of its crude oil production hedged through December 31, 2005. In addition, at February 14, 2005, Magnum Hunter had approximately 11% of its natural gas production and approximately 8% of its crude oil production hedged for calendar year 2006. The combined company may succeed to derivative instruments with terms expiring after the closing of the merger. Derivative instruments, while intended to reduce sensitivity to changes in market prices of oil and gas, are subject to a number of risks including instances in which the combined company or the counterparties to its derivative contracts fail to perform. Additionally, the fixed price sales and derivative contracts limit the benefits the combined company will realize if actual prices rise above the contract prices. Most of Magnum Hunter's derivative contracts are in the form of collars, which limit the benefit Magnum Hunter or the combined company would otherwise receive if actual prices exceed the upper end of the collars.

The combined company's business will involve many operating risks that may result in substantial losses for which insurance may be unavailable or inadequate.

The combined company's operations will be subject to hazards and risks inherent in drilling for oil and gas, such as fires, natural disasters, explosions, formations with abnormal pressures, casing collapses, uncontrollable flows of underground gas, blowouts, surface cratering, pipeline ruptures or cement failures, and environmental hazards such as natural gas leaks, oil spills and discharges of toxic gases. Any of these risks can cause substantial losses resulting from injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution and other environmental damages, regulatory investigations and penalties, suspension of operations and repair and remediation costs. In addition, the combined company's liability for environmental hazards may include conditions created by the previous owners of properties that the combined company purchases or leases.

Each of Cimarex and Magnum Hunter currently maintains, and following the merger the combined company will maintain, insurance coverage against some, but not all, potential losses. We do not believe that insurance coverage for all environmental damages that could occur is available at a reasonable

cost. Losses could occur for uninsurable or uninsured risks, or in amounts in excess of existing insurance coverage. The occurrence of an event that is not fully covered by insurance could harm the combined company's financial condition and results of operations.

Exploratory drilling is an uncertain process with many risks.

Exploratory drilling involves numerous risks, including the risk that the combined company will not find any commercially productive natural gas or oil reservoirs. The cost of drilling, completing and operating wells is often uncertain, and a number of factors can delay or prevent drilling operations, including:

unexpected drilling conditions;

pressure or irregularities in formations;

equipment failures or accidents;

adverse weather conditions;

compliance with governmental requirements; and

shortages or delays in the availability of drilling rigs or in the delivery of equipment.

The combined company's future drilling activity may not be successful, and its overall drilling success rate, or its drilling success rate for activity within a particular area, may decline. Unsuccessful drilling activities could have a material effect on the combined company's results of operations and financial condition. Also, the combined company may not be able to obtain any options or lease rights in potential drilling locations that it identifies. Although we have identified numerous potential drilling locations, we cannot be sure that we will ever drill them or that we will produce natural gas or oil from them or any other potential drilling locations.

The combined company's acquisition activities may not be successful, which may hinder its replacement of reserves and adversely affect its results of operations.

Cimarex regularly evaluates opportunities and at times engages in bidding and negotiating for acquisitions, some of which are substantial, and expects to continue this activity following the merger. Under certain circumstances, the combined company may pursue acquisitions of businesses that complement or expand our current business and acquisition and development of new exploration prospects that complement or expand our prospect inventory. The combined company may not be successful in identifying or acquiring any material property interests, which could hinder it in replacing its reserves and adversely affect its financial results and rate of growth. Even if it does identify attractive opportunities, the combined company may not be able to complete the acquisition of the business or prospect on commercially acceptable terms. If it does complete an acquisition, the combined company must anticipate difficulties in integrating the acquired company's operations, systems, technology, management and other personnel. These difficulties may disrupt the combined company's ongoing operations, distract management and employees and increase expenses.

Competition for experienced, technical personnel may negatively impact the combined company's operations.

The combined company's exploratory and development drilling success will depend, in part, on its ability to attract and retain experienced professional personnel. The loss of any key executives or other key personnel could have a material adverse effect on the combined company's operations. The combined company's future profitability will depend, at least in part, on its ability to attract and retain qualified personnel, particularly individuals with a strong background in geology, geophysics, engineering and operations.

Risks Relating to the Combined Company's Indebtedness Following the Merger

The combined company's debt may limit its financial flexibility.

On a pro forma basis, the combined company had total long-term debt of approximately \$666 million as of September 30, 2004. This includes the \$195 million of 9.6% senior notes due 2012 and \$125 million of floating rate convertible senior notes due 2023 issued by Magnum Hunter, as well as borrowings under Magnum Hunter's credit facility and borrowings under Cimarex's credit facility (no amounts were outstanding under Cimarex's credit facility as of September 30, 2004). The combined company may incur additional debt from time to time in connection with the financing of operations, acquisitions, recapitalizations and refinancings. The level of the combined company's debt and the senior, as opposed to subordinated, status of the 9.6% senior notes and the convertible senior notes could have several important effects on future operations, including, among others:

a significant portion of the combined company's cash flow from operations will be applied to the payment of principal and interest on the debt and will not be available for other purposes;

credit-rating agencies have changed with respect to Magnum Hunter, and may change in the future with respect to the combined company, their ratings of that entity's debt and other obligations, which in turn impacts the costs, terms and conditions and availability of financing;

covenants contained in the combined company's existing and future debt arrangements will require the combined company to meet financial tests that may affect its flexibility in planning for and reacting to changes in its business, including possible acquisition opportunities;

the combined company's ability to obtain additional financing for capital expenditures, acquisitions, general corporate and other purposes may be limited or burdened by increased costs or more restrictive covenants;

the combined company may be at a competitive disadvantage to similar companies that have less debt;

the combined company's vulnerability to adverse economic and industry conditions may increase; and

the combined company may face limitations on its flexibility to plan for and react to changes in its business and the industries in which it operates.

The 9.6% senior notes cannot be redeemed until March 2007, and then only at a premium, and the convertible senior notes cannot be redeemed until December 2008. In addition, the convertible senior notes must be redeemed on specified dates at the option of the holders of those notes. These provisions further limit the combined company's financial flexibility because the notes cannot be refinanced before their applicable redemption dates, and any required redemption of the convertible senior notes may occur at a time that is financially disadvantageous to the combined company.

The merger will allow holders of Magnum Hunter's outstanding notes to sell those notes back to Magnum Hunter, which may require Magnum Hunter or the combined company to expend substantial amounts of cash.

A change of control, as defined under the indentures relating to Magnum Hunter's \$195 million 9.6% senior notes due 2012 and \$125 million floating rate convertible senior notes due 2023 entitles the holders to sell those notes to Magnum Hunter under the applicable indenture at a price equal to 101% and 100% of their principal amount, respectively, plus accrued interest. We call this right the put right. The merger qualifies as a change of control for purposes of these provisions. Notice of the merger must be delivered within 30 days following the closing of the merger. The put right may be exercised within 30-45 days following delivery of notice of the merger. If the holders of Magnum

Hunter's notes exercise their rights under these provisions, Magnum Hunter or the combined company will be required to spend a significant amount of cash to satisfy these obligations. If all outstanding notes are sold back to Magnum Hunter, the total repurchase costs, as of December 31, 2004, would have been approximately \$327.6 million. Cash that is required to meet Magnum Hunter's obligations under these provisions will not be available to Magnum Hunter or the combined company for other purposes.

Failure to fund continued capital expenditures could adversely affect results of the combined company.

The combined company will be required to expend capital necessary to replace its reserves and to maintain or increase production levels. Cimarex and Magnum Hunter expect that the combined company will continue to make capital expenditures for the acquisition, exploration and development of oil and gas reserves. Historically, Cimarex has financed these expenditures primarily with cash flow from operations. Cimarex and Magnum Hunter believe that, after considering the amount of the combined company's debt (see "Unaudited Pro Forma Condensed Combined Financial Statements" on page 154), the combined company will have sufficient cash flow from operations, available drawings under its credit facilities and other debt financings to fund capital expenditures. However, if the combined company's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, additional debt or equity financing or other sources of capital may not be available to meet these requirements. Should the industries in which the combined company operates experience price declines or other adverse market conditions, the combined company may not be able to generate sufficient cash flow from operations to meet its obligations and fund planned capital expenditures. If the combined company is not able to fund its capital expenditures, its interests in some of its properties may be reduced or forfeited and its future cash generation may be materially adversely affected as a result of the failure to find and develop reserves.

The indenture for Magnum Hunter's 9.6% senior notes imposes restrictions that will limit the combined company's discretion in operating its business and that could impair the combined company's ability to repay its obligations.

The indenture governing Magnum Hunter's \$195 million 9.6% senior notes due 2012 imposes various restrictive covenants on Magnum Hunter. These restrictions will continue to apply to Magnum Hunter as the surviving corporation following the merger. In particular, these covenants will limit the combined company's ability to, among other things:

incur additional debt;

make restricted payments, including paying dividends on, redeeming or repurchasing capital stock;

make investments or acquisitions;

grant liens on assets;

sell assets;

engage in transactions with affiliates; and

merge, consolidate or transfer substantially all of its assets.

These restrictive covenants may limit the discretion of the combined company's management in operating its business and could impair the combined company's ability to repay its obligations. In addition, if Magnum Hunter fails to comply with these restrictive covenants, the holders of the notes could declare all principal and interest amounts then owing on the notes to be immediately due and payable. Upon any such acceleration of payment obligations on the notes, the combined company may not have or be able to obtain sufficient cash to meet the accelerated obligations. This could have

serious consequences to the combined company's financial condition and could cause it to become bankrupt or insolvent.

Risks Relating to the Combined Company's Common Stock

The market price of the shares of Cimarex common stock and the results of operations of the combined company after the merger may be affected by factors different from those affecting Cimarex or Magnum Hunter currently.

The businesses of Cimarex and Magnum Hunter differ in some respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations and market prices of Cimarex or Magnum Hunter separately. For a discussion of the businesses of Cimarex and Magnum Hunter and factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under "Where You Can Find More Information" on page 184.

The market value of Cimarex's common stock could decline if large amounts of its common stock are sold following the merger.

Following the merger, stockholders of Cimarex and former stockholders of Magnum Hunter will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. Current stockholders of Cimarex and Magnum Hunter may not wish to continue to invest in the additional operations of the combined company, or for other reasons may wish to dispose of some or all of their interests in the combined company. If, following the merger, large amounts of Cimarex's common stock are sold, the price of its common stock could decline.

Cimarex has never paid cash dividends on its common stock.

Cimarex has not previously paid any cash dividends on its common stock and Cimarex does not anticipate paying cash dividends on its common stock following the merger. Cimarex intends to reinvest all available funds for the development and growth of its business. In addition, the indenture governing Magnum Hunter's 9.6% senior notes due 2012 restricts the payment of cash dividends by Magnum Hunter.

The combined company will have the ability to issue additional equity securities, which would lead to dilution of its issued and outstanding common stock.

The issuance of additional equity securities or securities convertible into equity securities would result in dilution of then-existing stockholders' equity interests in the combined company. Cimarex's board of directors has the authority to issue, without stockholder approval, 15 million shares of preferred stock in one or more series, and has the ability to fix the rights, preferences, privileges and restrictions of any such series. Any such series of preferred stock could contain dividend rights, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences or other rights superior to the rights of holders of Cimarex's common stock. Cimarex currently has no shares of preferred stock outstanding, and Cimarex's board of directors has no present intention of issuing any preferred stock, but Cimarex's intentions may change in the future. In addition, Cimarex is authorized to issue, without stockholder approval, up to 100 million shares of common stock, of which Cimarex and Magnum Hunter expect approximately 78.1 million shares will be outstanding immediately following the closing of the merger. At its special meeting, Cimarex will ask its stockholders to approve an increase in the number of authorized shares of common stock to 200 million. Cimarex is also authorized to issue, without stockholder approval, securities convertible into shares of common stock or preferred stock.

The combined company will have outstanding convertible notes which are convertible into Cimarex common stock.

Magnum Hunter has issued \$125 million of convertible senior notes that have a final maturity of 2023. The interest rate on the convertible senior notes is a floating interest rate based on three-month LIBOR, which as of September 30, 2004 was 1.88%. These notes will remain obligations of Magnum Hunter following the merger. The convertible notes will be convertible into a combination of cash and common stock of Cimarex upon the happening of certain events, including the merger. This means that holders of these notes will be able to convert the notes immediately following the merger. In general, upon conversion of a convertible note, the holder would receive cash equal to the principal amount of the convertible note and Cimarex common stock for the convertible note's conversion value in excess of the principal amount plus accrued interest. The number of shares of Cimarex common stock into which the convertible notes are convertible will depend upon the conversion value in excess of the principal amount of the convertible notes and Cimarex's common stock price at the time of the conversion. Any such conversion will be dilutive to Cimarex's then-existing stockholders.

The combined company may have outstanding warrants which are exercisable for shares of its common stock.

As of January 24, 2005, Magnum Hunter had outstanding warrants to purchase 7,228,457 shares of Magnum Hunter common stock at an exercise price of \$15 per share, which expire on March 21, 2005. In connection with the merger, Cimarex will assume any of these warrants that are still outstanding as of the effective time of the merger. If all of the warrants were then outstanding, they would become exercisable for 2,999,809 shares of Cimarex common stock. Any exercise of these warrants will be dilutive to Cimarex's stockholders.

Cimarex's certificate of incorporation, bylaws and stockholder rights plan and Delaware law include provisions that could discourage an unsolicited corporate takeover and could prevent stockholders from realizing a premium on their investment.

The amended and restated certificate of incorporation and bylaws of Cimarex provide for a classified board of directors with staggered terms, restrict the ability of stockholders to take action by written consent and prevent stockholders from calling a meeting of the stockholders. The amended and restated certificate of incorporation and the bylaws may make it difficult for stockholders to replace or remove the combined company's management. These provisions may facilitate management entrenchment and may have the effect of delaying, deferring or preventing a change in control of Cimarex, even if the change in control might be beneficial to Cimarex stockholders.

Cimarex also has adopted a stockholder rights plan which may have anti-takeover effects. The stockholder rights plan is designed to protect Cimarex's stockholders in the event of unsolicited offers to acquire Cimarex and other coercive takeover tactics that, in the opinion of Cimarex's board of directors, could impair the board's ability to represent stockholder interests. The stockholder rights plan might render an unsolicited takeover more difficult or less likely to occur, even though such a takeover might offer Cimarex's stockholders the opportunity to sell their stock at a price above the prevailing market price and may be favored by Cimarex's stockholders.

Some of these provisions are not included in Magnum Hunter's current governing documents. In addition, Section 203 of the General Corporation Law of the State of Delaware may limit the ability of an interested stockholder to engage in business combinations with the combined company. An interested stockholder is defined to include persons owning 15% or more of the outstanding voting stock without the approval of the board of directors of the combined company. Magnum Hunter is currently governed by the Nevada Revised Statutes, which contain limitations on interested stockholder business combinations which differ in some respects from those under Delaware law.

THE COMPANIES

Cimarex

General

Cimarex is an independent oil and gas exploration and production company. Cimarex's principal areas of operations are located in Oklahoma, Texas, Kansas, and Louisiana.

At December 31, 2003, proved reserves totaled 422.2 Bcfe consisting of 337.3 Bcf of gas and 14.1 million barrels of oil. Of total proved reserves, 80 percent are gas and more than 99 percent are classified as proved developed. Cimarex operates the wells that account for 65 percent of its total proved reserves and production.

Approximately 39 percent of Cimarex's proved reserves are located in Oklahoma. Properties situated in Texas and Kansas comprised 25 percent and 20 percent of total proved reserves, respectively. Cimarex has active exploration and development programs underway in each of those states as well as in Louisiana, California, New Mexico and Mississippi.

Cimarex was formed in February 2002 as a wholly owned subsidiary of Helmerich & Payne, Inc., referred to as H&P. In July 2002, H&P contributed its oil and gas exploration and production assets and the common stock of its gas marketing subsidiary to Cimarex. On September 30, 2002, H&P distributed in the form of a dividend to H&P stockholders approximately 26.6 million shares of Cimarex common stock. As a result, Cimarex was spun off and became a stand-alone company. Also on September 30, Cimarex acquired Key Production Company, Inc., referred to as Key, in a stock-for-stock transaction whereby each of Key's 14.1 million outstanding common shares was exchanged for Cimarex common stock on a one-for-one basis. Key continues to conduct exploration and development activities as a wholly owned subsidiary of Cimarex.

Cimarex is comprised primarily of an exploration and production segment, but because it markets third party gas incidental to the sale of its own production, it also reports in its footnotes segment information for natural gas marketing. For a discussion of financial information about the two segments of Cimarex, see Note 13 of Notes to Consolidated Financial Statements contained in Cimarex's most recent Annual Report on Form 10-K, which has been incorporated by reference into this joint proxy statement/prospectus.

Corporate headquarters are located at 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, telephone (303) 295-3995. Principal operations offices are at 15 East 5th Street, Suite 1000, Tulsa, Oklahoma 74103, telephone (918) 585-1100. Cimarex's common stock is listed on the NYSE and trades under the symbol "XEC."

Business Approach

Cimarex's approach to the business is fundamentally driven by seeking to achieve consistent profitable growth in proved reserves and production by conducting a continually expanding drilling program. To supplement its growth, from time to time Cimarex also considers acquisitions and mergers. To implement these strategies, Cimarex seeks to:

Generate its own drilling inventory by maintaining a highly qualified staff of geoscientists;

Maintain a balanced portfolio of prospects that is underpinned by a predominant mixture (70-90 percent of total capital) of low-to-moderate risk drilling prospects combined with a smaller proportion of higher risk/higher potential projects;

Mitigate exploration risk by operating in multiple basins, which provides both geologic and geographic diversification to Cimarex's drilling program;

Maintain operational control of its drilling and production activities;

Closely monitor the production performance of its existing properties and constantly evaluate the potential to increase production rates and enhance ultimate recoveries through workovers, recompletions and operational efficiencies;

Evaluate the economic and strategic attractiveness of acquisition and merger opportunities; and

Maintain financial flexibility and an appropriate capital structure.

Exploration and Development

Exploration and development activities are focused in western Oklahoma and the upper Gulf Coast areas of Texas and south Louisiana. Cimarex also has smaller projects underway in Kansas, the Hardeman Basin of north Texas, the Permian Basin of west Texas and southeast New Mexico, the Mississippi Salt Basin and the northern San Joaquin Valley of California.

For each of its core exploration areas, Cimarex has assembled integrated teams of landmen, geoscientists and petroleum engineers, who base their drilling decisions on detailed analysis of the potential reserves, expected costs, future net cash flow and risks associated with individual wells and programs. Through its centralized exploration management system, Cimarex measures actual results and provides continuous feedback about them to the respective exploration teams in order to help them improve and refine future investment decisions.

Cimarex participated in drilling 178 gross wells during 2003, with an overall success rate of 81 percent. On a net basis, 73 of 97 total wells drilled during 2003 were successful.

Cimarex's 2003 exploration and development expenditures totaled \$161 million and resulted in 78.2 Bcfe of proved reserve additions. Of total expenditures, 60 percent (\$97 million) was invested in projects located in the mid-continent area of the U.S., including Oklahoma, Kansas and north Texas. Approximately 30 percent, or \$48 million, was directed toward prospects located along the Gulf Coast of Texas and Louisiana.

Magnum Hunter

General

Magnum Hunter was organized in 1989 as a Nevada corporation. Magnum Hunter is an independent energy company engaged in the exploration, exploitation and development, acquisition and operation of oil and gas properties with a geographic focus in the Mid-Continent Region, Permian Basin Region, Gulf Coast Region and the Gulf of Mexico. Magnum Hunter's management has implemented a business strategy that emphasizes the acquisition of long-lived proved reserves with significant exploitation and development opportunities where Magnum Hunter generally can control the operations of the properties.

As part of this strategy, from 1996 through 2003, Magnum Hunter acquired significant properties from Burlington Resources Inc., Spirit Energy 76, a business unit of Union Oil Company of California, Vastar Resources, Inc. and Mallon Resources Corporation. On March 15, 2002, Magnum Hunter acquired Prize Energy Corp., referred to as Prize, which was merged into one of Magnum Hunter's wholly owned subsidiaries. Prize was a publicly traded independent oil and gas company engaged primarily in the acquisition, enhancement and exploitation of producing oil and gas properties. Prize owned oil and gas properties principally located in three core operating areas, which were in the Permian Basin of West Texas and Southeastern New Mexico, the onshore Gulf Coast area of Texas and Louisiana and the Mid-Continent area of Oklahoma and the Texas Panhandle. Over 80% of Prize's oil and gas property base was located in Texas. In addition to its focus on selected exploratory drilling prospects in the Gulf of Mexico as described below, Magnum Hunter concentrates its efforts on

additional producing property acquisitions strategically located within its geographic area of operations. Magnum Hunter also develops its substantial inventory of drilling and workover opportunities located onshore.

Additionally, Magnum Hunter owns and operates five gas gathering systems covering over 480 miles and a 50% or greater ownership interest in four natural gas processing plants that are located adjacent to certain company-owned and operated producing properties within the states of Texas, Oklahoma and Arkansas.

At December 31, 2003, Magnum Hunter had an interest in 5,591 wells and had estimated proved reserves of 838.4 Bcfe. Approximately 75% of these reserves were proved developed reserves with a geographic breakdown as follows:

35% attributable to the Mid-Continent Region;

46% attributable to the Permian Basin Region;

8% attributable to the Gulf Coast Region; and

11% attributable to the Gulf of Mexico.

At December 31, 2003, Magnum Hunter's proved reserves had an estimated reserve life of approximately 10 years and were 59% natural gas. Magnum Hunter serves as operator for approximately 79% of its properties, based on the gross number of wells in which it owns an interest.

Business Strategy

Magnum Hunter's overall strategy is to increase its reserves, production, cash flow and earnings, utilizing a properly balanced program of:

selective exploration;

the exploitation and development of acquired properties; and

strategic acquisitions of additional proved reserves.

The following are key elements of Magnum Hunter's strategy:

Exploration. Magnum Hunter participates in drilling Gulf of Mexico exploratory wells in an effort to add higher-output production to its reserve mix, especially during high commodity price periods. The continued use of 3-D seismic information as a tool in Magnum Hunter's exploratory drilling in the Gulf of Mexico will be significant. Over the last three years, Magnum Hunter has built a significant inventory of undrilled offshore lease blocks. Magnum Hunter has aligned itself with other active Gulf of Mexico industry partners who have similar philosophies and goals with respect to a "fast track" program of placing new production online. This typically involves drilling wells near existing infrastructure such as production platforms, facilities and pipelines. Magnum Hunter also maintains an active onshore exploration program primarily concentrated in West Texas and Southeastern New Mexico where it has various other operations in core areas. From time to time, Magnum Hunter participates in higher-risk new exploration projects generated by third parties in areas along the Gulf Coast of Texas and Louisiana.

Exploitation and Development of Existing Properties. Magnum Hunter seeks to maximize the value of its existing properties through development activities including in-fill drilling, waterflooding and other enhanced recovery techniques. Typically, Magnum Hunter's exploitation projects do not have significant time limitations due to the existing mineral acreage being held by current production. By operating substantially all of its properties, Magnum Hunter's management is provided maximum flexibility with respect to the timing of capital expended to develop these opportunities.

Property Acquisitions. Although it currently has an extensive inventory of exploitation and development opportunities, Magnum Hunter has pursued, and may continue to pursue, strategic acquisitions which fit its objectives of increasing proved reserves in similar geographic regions that contain development or exploration potential combined with maintaining operating control. Magnum Hunter has pursued an acquisition strategy of acquiring long-lived assets where operating synergies may be obtained and production enhancements, either on the surface or below ground, may be achieved.

Management of Overhead and Operating Costs. Magnum Hunter emphasizes strict cost controls in all aspects of its business and seeks to operate its properties wherever possible, utilizing a minimum number of personnel. By operating the substantial majority of its properties, Magnum Hunter will generally be able to control direct operating and drilling costs as well as to manage the timing of development and exploration activities. This operating control also provides greater flexibility as to the timing requirements to fund new capital expenditures. By strictly controlling general and administrative expenses, Magnum Hunter's management strives to maximize its net operating margin.

THE CIMAREX SPECIAL MEETING

Cimarex is furnishing this joint proxy statement/prospectus to its common stockholders in connection with the solicitation of proxies by the Cimarex board of directors for use at the special meeting of its stockholders. This joint proxy statement/prospectus and form of proxy will be mailed to Cimarex stockholders on approximately _____, 2005.

The board of directors of Cimarex, by unanimous vote of the directors present at their meeting:

has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Cimarex and its stockholders;

has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and

recommends that the stockholders of Cimarex vote "FOR" approval of the issuance of shares of Cimarex common stock in connection with the merger.

Before the special meeting, Cimarex plans to ask its board of directors to approve and recommend that Cimarex stockholders approve the proposed amendments to the Cimarex charter and the Cimarex incentive plan that are described below.

Date; Place and Time

The Cimarex special meeting is scheduled to be held at _____, on _____, 2005, at _____ p.m. local time.

Purpose of the Special Meeting

The purpose of the Cimarex special meeting is to consider and vote upon:

the issuance of shares of Cimarex common stock in connection with the merger agreement, dated as of January 25, 2005, as amended on February 18, 2005, by and among Cimarex, Magnum Hunter and Merger Sub, a wholly owned subsidiary of Cimarex, under which Merger Sub will be merged with and into Magnum Hunter;

a proposal to amend the Cimarex charter to increase the number of authorized shares of common stock from 100 million shares to 200 million shares;

a proposal to amend the Cimarex charter to increase the maximum size of the board of directors from nine to ten directors;

a proposal to amend the Cimarex incentive plan to increase the number of shares authorized for issuance under the plan from seven million shares to 12.7 million shares and make other changes to the Cimarex incentive plan as discussed under the caption "Other Proposals to Be Presented at the Cimarex Special Meeting Proposal to Amend the Cimarex Incentive Plan" on page 149; and

to the extent permitted under the merger agreement, such other matters as may be appropriate for consideration at the special meeting.

Approval of the proposal to issue Cimarex common stock in the merger is a condition to the closing of the merger. Approval of the proposals to amend the Cimarex charter and the Cimarex incentive plan is not a condition to the closing of the merger. Neither of the proposed amendments to the Cimarex charter will be effected unless the merger takes place. The proposed amendment to the Cimarex incentive plan will

be effected whether or not the merger closes.

Record Date; Stock Entitled to Vote; Quorum

Cimarex stockholders of record as of the close of business on _____, 2005, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. Cimarex's common stock is the only class of voting securities of Cimarex. On the record date, there were _____ shares of Cimarex common stock outstanding and entitled to vote at the special meeting.

Each share of common stock you own as of the _____, 2005 record date entitles you to one vote. The number of shares you own is shown on your proxy card beneath and to the right of your name.

In order to conduct business at the special meeting, Cimarex must have a quorum. This means that greater than 50% of the outstanding shares of common stock as of the close of business on the _____, 2005 record date must be represented in person or by proxy at the special meeting. Abstentions and broker non-votes are counted as present for establishing a quorum. Broker non-votes occur when a broker returns a proxy but does not have authority to vote on a particular proposal. If a quorum is not present at the meeting, a vote for adjournment will be taken among the stockholders present or represented by proxy. If a majority of the stockholders present or represented by proxy vote for adjournment, it is Cimarex's intention to adjourn the special meeting until a later date and to vote proxies at the adjourned meeting.

Vote Required

The affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting is required to approve the issuance of shares of Cimarex common stock in connection with the merger and the proposed amendment to the Cimarex incentive plan. The affirmative vote of a majority of the outstanding shares of Cimarex common stock as of the record date of the Cimarex special meeting is required to approve each of the proposed amendments to the Cimarex charter.

Abstentions may be specified with respect to the proposal by properly marking the "ABSTAIN" box on the proxy for that proposal or by making the same election by telephone or Internet voting. Abstentions, broker non-votes and failures to vote will not affect the outcome of the vote on the proposals to issue shares in the merger or amend the Cimarex incentive plan, since they will not be counted as votes either for or against these proposals. Abstentions, broker non-votes and failures to vote will count as votes against each of the proposals to amend the Cimarex charter.

Continental Stock Transfer & Trust Company, New York, New York, Cimarex's stock transfer agent, will receive proxies and ballots, tabulate the vote, determine whether a quorum exists and serve as inspector of election at the special meeting.

Share Ownership of Cimarex Directors, Executive Officers and Significant Stockholders

At the close of business on the record date and excluding shares underlying options and restricted stock, Cimarex's directors and executive officers and their affiliates may be deemed to be the beneficial owners of, and have the power to vote, _____ shares of Cimarex common stock, representing approximately _____ % of the then outstanding shares of Cimarex common stock entitled to vote at the Cimarex special meeting. Cimarex believes that each of its directors and executive officers intends to vote "FOR" the approval of the issuance of shares of Cimarex common stock in the merger, "FOR" each proposed amendment to the Cimarex charter and "FOR" the proposed amendment to the Cimarex incentive plan.

Voting of Proxies

Cimarex provides several options for Cimarex stockholders to cast their vote. You may attend the meeting and vote in person or you can vote in any one of the following three ways:

by telephone by following the instructions on either the enclosed proxy card or voting instruction form; or

on the Internet by following the instructions on the enclosed proxy card; or

by signing and returning the proxy card in the enclosed postage paid envelope.

Shares of Cimarex common stock represented by properly executed proxies received before the special meeting will be voted at the special meeting in the manner specified on the proxies. Physical proxies that are properly executed and timely submitted but which do not contain specific voting instructions will be voted "FOR" each of the proposals presented at the Cimarex special meeting.

Cimarex stockholders whose shares are held in "street name" (i.e., in the name of a broker, bank or other record holder) must either direct the record holder of their shares as to how to vote their shares or obtain a proxy from the record holder to vote at the special meeting. If you do not provide voting instructions (commonly referred to as "broker non-votes"), your shares will be counted for purposes of determining the presence or absence of a quorum for the transaction of business, but will not be voted in favor of any of the proposals presented at the Cimarex special meeting. Broker non-votes will be considered as abstentions and will not affect the outcome of the vote to approve the issuance of Cimarex common stock in the merger or the proposed amendment to the Cimarex incentive plan, since they will not be counted as votes either for or against the proposal. Broker non-votes will be counted as votes against each proposed amendment to the Cimarex charter.

Cimarex stockholders may receive more than one proxy or voting card depending on how they hold their shares. If you hold shares through someone else, such as a stockbroker, you may receive material from them asking how you want to vote your shares. Please vote each proxy you receive.

If you are a participant in the Cimarex Energy Co. 401(k) Plan, you will receive a proxy card for the Cimarex shares you own through the 401(k) Plan. That proxy card will serve as a voting instruction card for the trustee of the 401(k) Plan, and your 401(k) Plan shares will be voted as you instruct. If you do not sign and return your voting instruction card to indicate your instructions, the 401(k) Plan trustee will vote your 401(k) Plan shares in the same proportion as the shares voted by other plan participants.

Revoking Your Proxy

Cimarex recommends you vote by proxy even if you plan to attend the meeting. You may always change your vote at the meeting. If you hold shares through a bank, broker or other nominee and would like to attend the special meeting and vote in person, you will need to bring an account statement as of the close of business on _____, 2005. Alternatively, you may contact the person in whose name your shares are registered and obtain a proxy and bring it to the special meeting.

Cimarex stockholders may revoke their proxy before it is voted by submitting a new proxy with a later date (either by telephone, on the Internet, or by returning a new proxy card), by voting in person at the meeting, or by notifying Cimarex's Assistant Corporate Secretary in writing at 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518.

Attending the special meeting will not by itself revoke your proxy. To do so, you must vote in person at the meeting. If you have instructed your broker to vote your shares, you must follow your broker's directions in order to change your vote.

Expenses of Solicitation

Cimarex will bear all costs of the solicitation of proxies, including the costs of printing and mailing this joint proxy statement/prospectus to Cimarex stockholders and reimbursements to brokerage firms and others for their expenses in forwarding proxy materials. In addition to solicitation by mail, solicitation of proxies may be made by certain officers and regular employees of Cimarex by mail, telephone or in person. Cimarex also has retained Georgeson Shareholder Communications, Inc. to aid in the solicitation of brokers, banks, intermediaries, and other institutional holders in the United States for a fee not to exceed \$15,000 plus out-of-pocket expenses.

Miscellaneous

If a quorum is not present at the time the Cimarex special meeting is convened, or if for any other reason Cimarex believes that additional time should be allowed for the solicitation of proxies, Cimarex may adjourn the special meeting with or without a vote of the stockholders. If Cimarex proposes to adjourn the special meeting by a vote of the stockholders, the persons named in the enclosed form of proxy will vote all shares of Cimarex common stock for which they have voting authority in favor of an adjournment. Proxies voted against the proposal related to the issuance of Cimarex common stock in the merger will not be voted in favor of any adjournment of the special meeting for the purpose of soliciting additional proxies.

Cimarex does not expect that any matter not referred to in this joint proxy statement/prospectus will be presented for action at the Cimarex special meeting. If any other matters are properly brought before the special meeting, the persons named in the proxies will have discretion to vote on those matters according to their best judgment. The grant of a proxy will also confer discretionary authority on the persons named in the proxy as proxy appointees to vote in accordance with their best judgment on matters incidental to the conduct of the special meeting.

THE MAGNUM HUNTER SPECIAL MEETING

Magnum Hunter is furnishing this joint proxy statement/prospectus to its common stockholders in connection with the solicitation of proxies by the Magnum Hunter board of directors for use at the special meeting of its stockholders. Magnum Hunter is also furnishing this joint proxy statement/prospectus to the holders of its Series A preferred stock to provide them with notice of the meeting as required by Nevada law. This joint proxy statement/prospectus will be mailed to Magnum Hunter common stockholders and Series A preferred stockholders, and the form of proxy will be mailed to Magnum Hunter common stockholders, on approximately _____, 2005.

The board of directors of Magnum Hunter unanimously:

has determined that the merger agreement, the merger, in accordance with the terms of the merger agreement, and the other transactions contemplated thereby are fair to, and in the best interests of, Magnum Hunter and its stockholders;

has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; and

recommends that the stockholders of Magnum Hunter vote "FOR" approval of the merger agreement and the merger.

Date; Place and Time

The Magnum Hunter special meeting is scheduled to be held at _____, on _____, 2005, at _____ a.m. local time.

Purpose of the Special Meeting

The purpose of the special meeting is to consider and vote upon the merger agreement, dated as of January 25, 2005, as amended on February 18, 2005, by and among Cimarex, Magnum Hunter and Merger Sub, a wholly owned subsidiary of Cimarex, under which Merger Sub will be merged with and into Magnum Hunter, and, to the extent permitted under the merger agreement, such other matters as may be appropriate for consideration at the special meeting. Approval of this proposal is a condition to the closing of the merger.

Record Date; Stock Entitled to Vote; Quorum

Holders of Magnum Hunter's common stock at the close of business on _____, 2005, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. Magnum Hunter's common stock will be the only class of securities of Magnum Hunter entitled to vote on the proposal. On the record date, approximately _____ shares of common stock were issued and outstanding and entitled to vote at the special meeting. Holders of Magnum Hunter's Series A preferred stock at the close of business on _____, 2005, the record date for the special meeting, are entitled to receive notice of the special meeting but are not entitled to vote at the special meeting. Although Magnum Hunter's Series A preferred stock does not have voting rights with respect to the proposal, Nevada law requires Magnum Hunter to give the Series A preferred stockholders notice of the special meeting. Because all shares of Magnum Hunter's 1996 Series A convertible preferred stock are currently held by a wholly owned subsidiary of Magnum Hunter, they are not considered "outstanding" and are not entitled to vote on the proposal.

Owners of record of Magnum Hunter common stock on the record date are each entitled to one vote per share with respect to the approval of the merger agreement.

A quorum of Magnum Hunter stockholders is necessary to have a valid meeting of stockholders. The presence at the Magnum Hunter special meeting, in person or by proxy, of the holders of one-third of the outstanding shares of Magnum Hunter common stock will constitute a quorum. Abstentions and broker non-votes count as present for purposes of establishing a quorum. An abstention occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given.

Vote Required

The affirmative vote of the holders of at least a majority of the shares of Magnum Hunter common stock issued and outstanding and entitled to vote at the Magnum Hunter special meeting is required to approve the merger agreement and the merger. Abstentions may be specified with respect to the proposal by properly marking the "ABSTAIN" box on the proxy for that proposal. Abstentions, broker non-votes and failures to vote will have the effect of votes cast against the proposal.

Share Ownership of Magnum Hunter Directors, Executive Officers and Significant Stockholders

At the close of business on the record date and excluding shares underlying options and warrants, Magnum Hunter's directors and executive officers and their affiliates may be deemed to be the beneficial owners of, and have the power to vote, _____ shares of Magnum Hunter common stock, representing approximately _____ % of the then outstanding shares of Magnum Hunter common stock entitled to vote at the Magnum Hunter special meeting. Magnum Hunter believes that each of its directors and executive officers intends to vote "FOR" the approval of the merger agreement and the merger.

On the date the merger agreement was executed, Gary C. Evans, Magnum Hunter's President and Chief Executive Officer, and Jacquelyn Evelyn Enterprises, Inc. a related stockholder, entered into a voting agreement with Cimarex. As of the date of the voting agreement, these stockholders beneficially owned and were entitled to vote, in the aggregate, 4,733,945 shares of Magnum Hunter common stock, which represented approximately 5.2% of the shares of Magnum Hunter common stock outstanding on that date. Under the voting agreement, these stockholders have agreed, among other things, to vote all of their shares of Magnum Hunter common stock in favor of the merger agreement, against any action or agreement that they would reasonably expect to result in a material breach of any covenant, representation, warranty or other obligation of Magnum Hunter under the merger agreement and against any other takeover proposal. The voting agreement is attached as *Annex E* to this joint proxy statement/prospectus.

Voting of Proxies

Magnum Hunter provides several options for Magnum Hunter stockholders to cast their vote. You may attend the meeting and vote in person or you can vote in any one of the following three ways:

by telephone by following the instructions on either the enclosed proxy card or voting instruction form; or

on the Internet by following the instructions on the enclosed proxy card; or

by signing and returning the proxy card in the enclosed postage paid envelope.

Shares of Magnum Hunter common stock represented by properly executed proxies received before the special meeting will be voted at the special meeting in the manner specified on the proxies. Physical proxies that are properly executed and timely submitted but which do not contain specific voting instructions will be voted "FOR" the proposal presented at the Magnum Hunter special meeting.

Magnum Hunter stockholders whose shares are held in "street name" (i.e., in the name of a broker, bank or other record holder) must either direct the record holder of their shares as to how to vote their shares or obtain a proxy from the record holder to vote at the special meeting. If you do not provide voting instructions (commonly referred to as "broker non-votes"), your shares will be counted for purposes of determining the presence or absence of a quorum for the transaction of business, but will not be voted in favor of the proposal presented at the Magnum Hunter special meeting. Broker non-votes will be counted as votes against the approval of the merger agreement and the transactions contemplated thereby.

Magnum Hunter stockholders may receive more than one proxy or voting card depending on how they hold their shares. If you hold shares through someone else, such as a stockbroker, you may receive material from them asking how you want to vote your shares. Please vote each proxy you receive.

If you are a participant in the Magnum Hunter Resources, Inc. 401(k) Employee Stock Ownership Plan, the trustee of the plan's related trust will vote all shares of Magnum Hunter common stock held in trust, though you as a participant may direct the trustee regarding how to vote any shares allocated to your plan account. You will receive voting instructions from the trustee as to how to exercise your voting rights under the plan. If you do not exercise your right to vote the shares allocated to your plan account, the trustee will vote those shares in accordance with the terms of the plan and trust. Unallocated shares held by the trustee also will be voted by the trustee in accordance with the terms of the plan and trust.

If you are a participant in the Magnum Hunter, Inc. 2003 Bonus Deferral Plan, you will receive a proxy card for the Magnum Hunter shares that are credited to your bookkeeping account. That proxy card will serve as a voting instruction card for the Plan committee and those shares will be voted as

you instruct. If you do not sign and return your voting instruction card to the Plan committee, the Plan committee will direct the manner in which your shares are voted.

Revoking Your Proxy

Magnum Hunter recommends you vote by proxy even if you plan to attend the meeting. You may always change your vote at the meeting. If you hold shares through a bank, broker or other nominee and would like to attend the special meeting and vote in person, you will need to bring an account statement as of the close of business on _____, 2005. Alternatively, you may contact the person in whose name your shares are registered and obtain a proxy and bring it to the special meeting.

Magnum Hunter stockholders may revoke their proxy before it is voted by submitting a new proxy card with a later date (either by telephone, on the Internet or by returning a new proxy card), by voting in person at the meeting, or by notifying Magnum Hunter's Secretary at 600 East Las Colinas Blvd., Suite 1100, Irving, Texas 75039.

Attending the special meeting will not by itself revoke your proxy. To do so, you must vote in person at the meeting. If you have instructed your broker to vote your shares, you must follow your broker's directions in order to change your vote.

Expenses of Solicitation

Cimarex will bear the costs of printing this joint proxy statement/prospectus and Magnum Hunter will bear the costs of mailing this joint proxy statement/prospectus to Magnum Hunter stockholders and the costs of soliciting proxies from Magnum Hunter stockholders, including reimbursements to brokerage firms and others for their expenses in forwarding proxy materials. In addition to solicitation by mail, solicitation of proxies may be made by certain officers and regular employees of Magnum Hunter by mail, telephone or in person. Magnum Hunter also has retained Georgeson Shareholder Communications, Inc. to aid in the solicitation of brokers, banks, intermediaries, and other institutional holders in the United States for a fee not to exceed \$11,000 plus out-of-pocket expenses.

Miscellaneous

If a quorum is not present at the time the Magnum Hunter special meeting is convened, or if for any other reason Magnum Hunter believes that additional time should be allowed for the solicitation of proxies, Magnum Hunter may adjourn the special meeting with or without a vote of the stockholders. If Magnum Hunter proposes to adjourn the special meeting by a vote of the stockholders, the persons named in the enclosed form of proxy will vote all shares of Magnum Hunter common stock for which they have voting authority in favor of an adjournment.

Magnum Hunter does not expect that any matter not referred to in this joint proxy statement/prospectus will be presented for action at the Magnum Hunter special meeting. If any other matters are properly brought before the special meeting, the persons named in the proxies will have discretion to vote on those matters according to their best judgment. The grant of a proxy will also confer discretionary authority on the persons named in the proxy as proxy appointees to vote in accordance with their best judgment on matters incidental to the conduct of the special meeting. Proxies voted against the proposal related to the merger will not be voted in favor of any adjournment of the special meeting for the purpose of soliciting additional proxies.

Holders of Magnum Hunter common stock and Magnum Hunter Series A preferred stock should not send their stock certificates at this time. If the merger is completed, a separate letter of transmittal will be mailed to you, which will enable you to receive the appropriate consideration.

THE MERGER

The following discussion summarizes the material terms of the merger. Stockholders should read the merger agreement, as amended, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference, carefully and in its entirety.

General

Cimarex, its wholly owned subsidiary Merger Sub, and Magnum Hunter have entered into a merger agreement under which Cimarex will acquire Magnum Hunter through the merger of Merger Sub with and into Magnum Hunter. Magnum Hunter will be the surviving corporation in the merger and, after the effective time of the merger, will continue as a wholly owned subsidiary of Cimarex.

Each holder of Magnum Hunter common stock will be entitled to receive 0.415 of a share of Cimarex common stock for each share of Magnum Hunter common stock held immediately before the effective time of the merger. This ratio is referred to in this joint proxy statement/prospectus as the exchange ratio. In the merger agreement, this ratio is called the conversion number.

At _____, 2005, there were outstanding _____ shares of Cimarex common stock. At _____, 2005, there were outstanding _____ shares of Magnum Hunter common stock, 80,000 shares of Magnum Hunter Series A preferred stock and 1,000,000 shares of Magnum Hunter 1996 Series A convertible preferred stock. Immediately before the effective time of the merger, Magnum Hunter will cause its wholly owned subsidiary to convert all shares of 1996 Series A convertible preferred stock into 790,476 shares of common stock. Cimarex and Magnum Hunter currently expect that Cimarex will issue up to approximately 36.3 million shares of Cimarex common stock to Magnum Hunter stockholders in the merger, excluding the 790,476 shares to be issued to the wholly owned subsidiary of Magnum Hunter. After the effective time of the merger, current stockholders of Magnum Hunter will own 46.4%, in the aggregate, of all of the issued and outstanding shares of the combined company's common stock, and current stockholders of Cimarex will own 53.6%, in the aggregate, of all issued and outstanding shares of the combined company's common stock. These numbers do not give effect to shares that may be issued upon exercise of outstanding Cimarex or Magnum Hunter stock options or Magnum Hunter warrants or upon conversion of Magnum Hunter convertible senior notes.

WE CANNOT ASSURE YOU THAT THE MARKET PRICE PER SHARE OF CIMAREX'S COMMON STOCK AFTER THE MERGER WILL BE EQUAL TO THE MARKET PRICE PER SHARE OF CIMAREX OR MAGNUM HUNTER COMMON STOCK BEFORE THE MERGER, OR THAT THE MARKETABILITY OF CIMAREX'S COMMON STOCK WILL IMPROVE OR REMAIN CONSISTENT WITH THE MARKETABILITY OF CIMAREX OR MAGNUM HUNTER COMMON STOCK BEFORE THE MERGER.

Background of the Merger

On October 7, 2004, Magnum Hunter publicly announced that it had decided to investigate its strategic alternatives. The principal factor considered in reaching that decision was the potential for enhancement of stockholder value. Magnum Hunter's board and senior management shared the view that the company's stock market valuation was not entirely reflective of its underlying net asset value or future growth potential.

In order to accomplish a full and independent review of possible strategic alternatives available, Magnum Hunter's board of directors appointed a special committee comprised entirely of independent directors. Mr. Jerry Box, an independent director, was elected chairman of both the board and the committee.

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On October 11, 2004, the committee received proposals and formal presentations from five nationally recognized investment banking firms detailing their respective credentials and capabilities in providing the special committee financial advisory services with respect to the strategic alternatives review. On October 18, 2004, Magnum Hunter announced that Deutsche Bank and Merrill Lynch had been formally engaged as exclusive financial advisors to assist and advise the committee.

On October 14, 2004, the committee retained Thompson & Knight L.L.P. as its legal counsel.

In a meeting of Magnum Hunter's full board on November 10, 2004, the company's senior management made presentations regarding the company's current operations, assets and properties. Deutsche Bank and Merrill Lynch also discussed a range of strategic alternatives that Magnum Hunter could possibly consider.

Following the presentations and discussion among Magnum Hunter's full board, the senior management team, Thompson & Knight and the financial advisors, the board of directors voted unanimously to direct the financial advisors to contact entities that had expressed or might have strategic interest in either acquiring or combining with Magnum Hunter. The board also requested that the management team prepare a data room in which interested parties would have access to Magnum Hunter's financial, operating and legal records and information. The full board also voted unanimously to enlarge the special committee to include Magnum Hunter's board as a whole.

Following the November 10, 2004 board meeting, a total of 24 entities either contacted or were contacted by the financial advisors regarding expressions of interest in varying degrees in Magnum Hunter. Of the companies contacted, five, including Cimarex as noted below, executed confidentiality agreements.

On November 15, 2004, representatives of Magnum Hunter's financial advisors contacted Mr. Paul Korus, Vice-President and Chief Financial Officer of Cimarex. The telephonic conversation included a general discussion regarding the potential merits of a transaction between Magnum Hunter and Cimarex, an update of recent business developments at Magnum Hunter and the overall process and timing of indications of interest and offers. There was no discussion of specific deal terms or valuation parameters. Shortly after that discussion, Mr. Korus advised Mr. F.H. Merelli, the chairman and CEO of Cimarex, about the process (including data room review) and potential deal structures.

On the morning of November 16, 2004, Merrill Lynch contacted Mr. Merelli to further discuss the potential merits of a business combination, clarify the process and attempt to ascertain Cimarex's willingness to execute a confidentiality agreement that would permit Cimarex to obtain information about Magnum Hunter.

Cimarex's management and board had previously discussed from time to time the potential strategic benefits of expanding Cimarex's operations in the Permian Basin through transactions with companies already operating in that area that have sizeable acreage with exploration potential. Cimarex management and its board had also previously discussed strategies for initiating operations in the Gulf of Mexico that would entail gaining access to existing production operations, un-drilled acreage blocks and a team of geoscientists experienced with offshore operations.

In light of those considerations, and in a response to a contact by Merrill Lynch on behalf of Magnum Hunter, Cimarex had executed a time-limited confidentiality agreement with Magnum Hunter dated November 3, 2003. Magnum Hunter, through Merrill Lynch, had contacted Cimarex, together with approximately 40 other companies, to determine their respective level of interest in a potential transaction with Magnum Hunter. Four companies other than Cimarex entered into a confidentiality agreement but none of these discussions resulted in a transaction.

From November 2003 through February 2004, Mr. Merelli and certain members of Magnum Hunter's management team, including Mr. Evans, remained in occasional contact and Cimarex

conducted limited due diligence regarding Magnum Hunter. The nature of these discussions was generally related to Cimarex's management practices. Cimarex's interest at that time was limited to determining whether a combination should be pursued. Cimarex did not perform any valuation analysis, bring the possibility of a combination to its board's attention, engage financial or legal advisors, discuss any economic terms of a combination with Magnum Hunter or its advisors or submit a proposal to Magnum Hunter.

On November 23, 2004, Cimarex and Magnum Hunter executed an amendment to their November 2003 confidentiality agreement that extended the term for one year.

On November 23, 2004, Mr. Korus initiated a discussion with a representative of Petrie Parkman & Co. regarding Cimarex's interest in participating in the Magnum Hunter process and inquired about Petrie Parkman's availability to assist Cimarex as financial advisor.

In a letter dated November 29, 2004, Mr. Merelli formally advised Cimarex's board of management's interest in pursuing a potential opportunity with Magnum Hunter and its recommendation that Cimarex retain Petrie Parkman as its principal financial advisor. Also on November 29, Mr. Korus contacted Holme Roberts & Owen LLP, Cimarex's regular legal counsel, regarding their availability to act as legal advisor.

On December 1, 2004, Cimarex engaged Petrie Parkman as its principal financial advisor, subject to board approval.

On December 7, 2004, Cimarex's board held a regularly scheduled meeting, at which Mr. Merelli described Cimarex's interest in Magnum Hunter. He specifically highlighted the large Permian Basin position that Magnum Hunter owned, its well-established operations in the Gulf of Mexico and operations in western Oklahoma that overlapped those of Cimarex. Mr. Korus covered the proposed project timetable and process.

Also at that meeting, Petrie Parkman provided background information about the current market environment for mergers and acquisitions, a general description and history of Magnum Hunter's financial performance and comparative financial and operational statistics of Magnum Hunter and Cimarex. The board approved the engagement of Holme Roberts & Owen as legal advisor and Petrie Parkman as financial advisor for the potential transaction.

On December 2, 2004, Magnum Hunter's management and financial advisors began hosting companies in Magnum Hunter's data room located in Irving, Texas. Each of the five entities that executed confidentiality agreements visited the data room for two days, with the final visit occurring on December 17, 2004. Cimarex conducted its initial review of data room material on December 8 and 9, 2004.

On December 10, 2004, Magnum Hunter's board held a regularly scheduled meeting, at which the financial advisors updated the board on data room activities.

On December 22, 2004, Cimarex and two other entities that had visited the data room gave Magnum Hunter separate indicative non-binding expressions of interest in the potential acquisition of the company.

On December 23, 2004, Magnum Hunter's board met telephonically to review and discuss the three expressions of interest. Senior management, Thompson & Knight and the financial advisors attended. The financial advisors made a presentation detailing and comparing the expressions of interest. After review and discussion by all parties of the expressions of interest under various measures of value, Magnum Hunter's board voted unanimously to allow all three entities additional time to separately visit the data room for further review and to have the opportunity to submit board-approved, firm offers no later than January 6, 2005.

One of Cimarex's board members recused himself from participation on the Cimarex board throughout the negotiation process and the pendency of the closing of the merger, due to his service on the board of another oil and gas exploration and production company that could be viewed as a competitive bidder for Magnum Hunter.

On January 6, 2005, Cimarex offered an all-stock merger with an exchange ratio of 0.40 of a share of Cimarex common stock for each share of Magnum Hunter common stock, which, based on Cimarex's then recent trading price, equated to about \$15 per Magnum Hunter share, or a roughly 20 percent premium to Magnum Hunter's then current stock price.

Cimarex's initial proposal also included a mark-up of a preliminary merger agreement that had been provided by Magnum Hunter to all the entities expressing interest. Principal terms highlighted for further consideration by Magnum Hunter and its advisors included a \$50 million break-up fee, an accompanying allowance for up to \$5 million of associated costs and expenses related to a potential break up of a transaction under certain termination conditions, customary non-solicitation provisions, an agreement in principal that Magnum Hunter's outstanding stock options would largely be settled with cash payments rather than be converted into Cimarex stock options, and covenants pertaining to the pre-closing business of Magnum Hunter and Cimarex.

Each of the three entities that submitted indications of interest spent two additional days in the data room beginning December 28, 2004 and ending January 4, 2005, with Cimarex's visit occurring January 3 and 4, 2005. Further, Magnum Hunter senior management and the financial advisors visited the primary offices of each of the submitting entities between December 29, 2004 and January 5, 2005 to perform preliminary reciprocal due diligence due to the anticipation that any acquisition was likely to be effected through a stock-for-stock merger. On January 4, 2005, Magnum Hunter visited Cimarex's corporate headquarters office in Denver.

On January 5, 2005, Cimarex's board met at Cimarex's Denver office to consider the Magnum Hunter transaction. At that meeting Mr. Merelli and other members of Cimarex's senior management group provided the board with an extensive review of Magnum Hunter's proved reserves, exploration projects, production operations and financial condition. The management team also addressed the reasons for the proposed exchange ratio of 0.40, along with the range of acceptable exchange ratios that could potentially result in a positive financial outcome for Cimarex shareholders. Petrie Parkman made a presentation detailing its reference value analysis of Magnum Hunter shares and reviewed for the board its analysis of potentially competing entities. Holme Roberts & Owen reviewed the principal legal and business terms contained in the mark-up of the merger agreement that Cimarex had included with its earlier submission to Magnum Hunter of a preliminary indication of interest.

Following the presentations by management, Petrie Parkman and Holme Roberts & Owen, Cimarex's board discussed the relationship between the proposed exchange ratio and Petrie Parkman's assessment of an appropriate valuation range for Magnum Hunter common shares. They also discussed the principal terms of the merger agreement pertaining to non-solicitation provisions, termination conditions and the break-up fee.

Following those discussions, Cimarex's board unanimously, among all directors present, approved a resolution authorizing management to make a proposal to Magnum Hunter reflecting the exchange ratio and legal terms of the merger agreement discussed at the meeting. The Cimarex board also resolved that the offer was conditioned upon the delivery by Magnum Hunter to Cimarex of the disclosure schedule required under the proposed merger agreement and the absence of any information that the management of Cimarex might consider a material change.

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On January 6, 2005 all three entities, including Cimarex, submitted updated offers to Magnum Hunter. One of the offers, which appeared superior to the other two, had not received approval by that company's board. Additionally, a fourth entity that did not participate in the data room process or execute a confidentiality agreement submitted an unsolicited offer that did not involve the acquisition of the entire company.

On January 7, 2005, Magnum Hunter's board met telephonically to review and discuss the three updated offers and the unsolicited offer. Also attending that meeting were Magnum Hunter's senior management, Thompson & Knight and the financial advisors.

On January 8 and 9, 2005, there were extensive phone conversations between Magnum Hunter's financial advisors and management of the entity that had made the proposal that appeared superior. There were also phone conversations between Thompson & Knight and counsel to that entity. On January 9 and early on January 10, there were phone conversations between the respective senior managements of that entity and Magnum Hunter. In the conversations on January 10, the chief executive officer of that entity effectively withdrew its offer by indicating that approval of its board would probably necessitate a reduction in the consideration offered.

On January 10, 2005, Magnum Hunter's full board met at the company's Irving, Texas offices. The financial advisors outlined and compared each of the four submitted offers. Thompson & Knight reviewed the major contingencies contained in each offer. Magnum Hunter's senior management also reviewed the offers and communicated to Magnum Hunter's board the weekend and early Monday conversations with the entity that had made the offer that appeared superior. Following these presentations and discussion, Magnum Hunter's board directed senior management to pursue further discussions with the remaining two entities prior to reconvening the board meeting early on January 11, 2005.

Early in the morning of January 11, 2005, Messrs. Box and Evans contacted Mr. Merelli. They discussed the general attractiveness of Cimarex's offer and indicated that because its all-stock structure was not exactly comparable to the other competing proposals it was not clear that Cimarex's offer was unequivocally superior. During that conversation, Messrs. Box and Evans also introduced to Mr. Merelli the concept of the potential distribution of Magnum Hunter's ownership interest in TEL Offshore Trust to the common stockholders of Magnum Hunter. Pursuant to that conversation, Mr. Merelli indicated to Messrs. Box and Evans that he would discuss with the Cimarex board the potential of raising the Cimarex exchange ratio offer to 0.42 shares per Magnum Hunter share and to allow for the distribution of the TEL Offshore Trust units to Magnum Hunter's stockholders.

Following the conversation of Messrs. Box and Evans with Mr. Merelli, the Magnum Hunter board met. Senior management reported on its conversations with Cimarex and the other entity. Following discussions, the board resolved to pursue a business combination with Cimarex under the terms discussed among Messrs. Box, Evans and Merelli, subject to further negotiation.

The Cimarex board also met telephonically during the afternoon of January 11, 2005 to review the revised proposal. Also attending that meeting either in person or telephonically were the senior management team, and representatives of Holme Roberts & Owen and Petrie Parkman.

Mr. Merelli informed the Cimarex board that Magnum Hunter had selected Cimarex as the winning bidder subject to Cimarex's ability to increase its proposed exchange ratio offer from 0.40 to 0.42 of a share of Cimarex common stock per Magnum Hunter common share and the ability of Magnum Hunter to distribute prior to closing its units in TEL Offshore Trust on a pro rata basis to its stockholders. Mr. Merelli stated that, based on management's original and updated relative valuation analysis, this adjustment would be acceptable and the resulting transaction would be beneficial to Cimarex's stockholders. Mr. Merelli also stated that Cimarex did not wish to acquire the TEL Offshore Trust units held by Magnum Hunter. Petrie Parkman reported that the revised offer was reasonable

based on its reference value range analysis for Magnum Hunter shares and its analysis of recent comparable transactions.

General discussion ensued pertaining to, among other issues, the remaining open items in the merger agreement, including the break-up fee, and the necessary receipt from Magnum Hunter of its disclosure schedules. Cimarex's board then approved and adopted resolutions authorizing management to negotiate a final merger agreement consistent with the revised financial terms and the legal terms presented to the directors but conditioned upon receipt of Magnum Hunter's disclosure schedules, the absence of material changes in representations and warranties, receipt of a fairness opinion, and final approval of a definitive merger agreement.

Mr. Korus recommended to Cimarex's board that, taking into account Petrie Parkman's role as financial advisor in the transaction and Cimarex's general corporate governance belief regarding the appropriateness of obtaining a fairness opinion from an investment banking firm other than its financial advisor, Lehman Brothers be engaged to provide a fairness opinion because they were highly qualified and to his knowledge they did not have any conflicts of interest arising from competing proposals. Mr. Korus had contacted Lehman Brothers about this matter, their qualifications and their availability on January 7, 2005.

Following the January 11, 2005 board meetings, Magnum Hunter's and Cimarex's respective management teams, legal counsel and financial advisors began negotiating the open items in the merger agreement and completing preparation of the disclosure schedules.

On January 12, 2005, Cimarex formally engaged Lehman Brothers to provide a fairness opinion and provided Lehman Brothers with the then current draft of the merger agreement and the proposed financial terms of contemplated transaction.

On January 14, 2005, Cimarex provided to Magnum Hunter an initial draft of its disclosure schedules. On January 18, 2005, Magnum Hunter provided to Cimarex an initial draft of its disclosure schedules.

During the week of January 17, 2005, Magnum Hunter's management, Thompson & Knight and the financial advisors traveled to the Denver, Colorado and Tulsa, Oklahoma offices of Cimarex to perform financial, operational and legal due diligence on Cimarex based upon the proposed stock-for-stock merger. Mr. Box and Mr. Merelli both attended the operational due diligence meetings in Tulsa on January 18 and 19. Thompson & Knight and Holme Roberts & Owen negotiated the final terms of the merger agreement at the latter's offices in Denver.

Also during the week of January 17 certain members of Cimarex's management team and Holme Roberts and Owen conducted further legal due diligence related to matters contained on the Magnum Hunter disclosure schedule and held several discussions with Magnum Hunter and Thompson & Knight regarding those items.

On January 20, 2005, Magnum Hunter's board met in person to consider and approve Magnum Hunter's 2005 capital expenditure budget. Later in the meeting Thompson & Knight, which had been meeting with Holme Roberts & Owen in Denver, joined the meeting telephonically to review major legal issues in the negotiation of the merger agreement.

On the morning of January 24, 2005, Cimarex's management team and legal counsel updated Mr. Merelli on the outcome of its ongoing legal due diligence. As a result of Cimarex's due diligence, Mr. Merelli contacted Mr. Box that afternoon to express a desire to revise the proposed exchange ratio. Following further discussions that day between Messrs. Merelli and Box, they agreed, subject to approval by their respective boards, to revise the proposed exchange ratio to 0.415 and to continue to permit the distribution of Magnum Hunter's ownership interest in TEL Offshore Trust to the common stockholders of Magnum Hunter. The break-up fee was reduced to \$45 million and the \$5 million expense reimbursement upon termination of the merger agreement was eliminated.

On January 25, 2005, Magnum Hunter's full board met in Magnum Hunter's Irving, Texas office to review and discuss Cimarex's revised offer. Senior management updated the board on the terms of the proposed transaction and the results of due diligence. Thompson & Knight reviewed the terms of the proposed merger agreement and the resolution of legal issues. Deutsche Bank and Merrill Lynch rendered their oral opinions to Magnum Hunter's board, subsequently confirmed by delivery of written opinions each dated January 25, 2005, to the effect that, as of such date, and based upon and subject to the assumptions made, matters considered and limits on the review undertaken, as set forth in their respective opinions, the exchange ratio was fair, from a financial point of view to the holders of Magnum Hunter common stock (see "Opinion of Magnum Hunter's Financial Advisors Deutsche Bank Securities Inc." and "Opinion of Magnum Hunter's Financial Advisors Merrill Lynch, Pierce, Fenner & Smith Incorporated"). Both Deutsche Bank and Merrill Lynch informed Magnum Hunter's board of the potential temporary downward fluctuation in the market price of Cimarex's common stock immediately following announcement of the proposed merger.

Following discussions, Magnum Hunter's board unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and unanimously resolved to recommend that Magnum Hunter's stockholders vote to adopt the merger agreement and approve the merger and the other transactions contemplated by the merger agreement.

Also on January 25, 2005, Cimarex's board met with its legal and financial advisors in Denver to review and discuss Cimarex's revised offer and the results of its legal due diligence. Mr. Steve Bell, Cimarex's senior vice president business development and land, and Holme Roberts & Owen updated the board on the overall results of their legal due diligence. Mr. Joe Albi, Cimarex's senior vice president corporate reservoir engineering, updated the board on the potential financial impact of the proposed exchange ratio of 0.415.

Holme Roberts and Owen also reviewed the outcome of negotiation of the final terms of the merger agreement, including a break-up fee of \$45 million, certain non-solicitation and termination provisions, and the status of obtaining a voting agreement from Mr. Gary Evans. Lehman Brothers rendered its oral opinion, subsequently confirmed by delivery of a written opinion dated January 25, 2005 that as of such date, and based upon and subject to the factors and assumptions set forth therein, the 0.415 exchange ratio was fair, from a financial point of view, to the holders of Cimarex common stock (see "Opinion of Lehman Brothers Inc. to the Cimarex Board of Directors"). Both Lehman Brothers and Petrie Parkman informed Cimarex's board of the potential temporary downward fluctuation in the market price of Cimarex's common stock immediately following announcement of the proposed merger.

Following further discussions of the matters presented at the meeting and management's current view on integration and longer-term staffing issues, Cimarex's board unanimously approved the merger agreement on the basis of a 0.415 exchange ratio, the merger and the other transactions contemplated by the merger agreement and unanimously resolved to recommend that Cimarex stockholders vote to authorize the issuance of Cimarex common shares contemplated by the merger agreement.

The definitive merger agreement was executed on behalf of Magnum Hunter, Cimarex and Merger Sub, effective as of January 25, 2005. Before the opening of the NYSE trading market on January 26, 2005, the parties issued a joint press release announcing the execution of the merger agreement.

On February 18, 2005, Magnum Hunter, Cimarex and Merger Sub entered into an amendment to the merger agreement to clarify, among other things, the time that Magnum Hunter employees would be covered under existing Magnum Hunter severance plans and to modify the tax opinion required to be delivered to Magnum Hunter at closing, to take into account a recent ownership report filed by one of Magnum Hunter's non-U.S. holders.

Cimarex's Reasons for the Merger and Share Issuance

On January 25, 2005, Cimarex's board of directors, by unanimous vote of the directors present at the meeting, approved and adopted the merger agreement and the merger, and resolved to recommend that Cimarex stockholders vote "FOR" approval of the issuance of shares of Cimarex common stock in connection with the merger. One of Cimarex's board members recused himself from participation on the Cimarex board throughout the negotiation process and the pendency of the closing of the merger, due to his service on the board of another oil and gas exploration and production company that could be viewed as a competitive bidder for Magnum Hunter.

In reaching its decision that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of Cimarex and its stockholders, Cimarex's board consulted with Cimarex management and Holme Roberts & Owen LLP, Cimarex's legal advisors, and Petrie Parkman & Co., Cimarex's financial advisor. Cimarex's board also considered a variety of factors with respect to the merger, including the following:

Magnum Hunter's stable production with extensive low-risk drilling inventory;

Magnum Hunter's large leasehold interest in the Permian Basin of west Texas and southeast New Mexico;

Magnum Hunter's Mid-Continent and Gulf Coast projects;

Magnum Hunter's substantial acreage position and exploration prospects in the Gulf of Mexico;

the combined company's diversified asset base and strong financial position;

the combined company's significant drilling inventory and opportunity to accelerate drilling;

the fact that the combined company will be significantly larger than Cimarex is now and, as a result, should have greater exploration and production strengths, greater liquidity in the market for its securities and better ability to consider future strategic opportunities that might not otherwise be possible;

the opportunity to achieve exploration and production drilling efficiencies;

the oral opinion delivered by Lehman Brothers, Cimarex's independent fairness opinion provider, on January 25, 2005, as subsequently confirmed in writing in an opinion dated as of January 25, 2005, that, as of that date and based on and subject to the assumptions made, procedures followed, matters considered and limitations of review set forth in the written opinion, the exchange ratio was fair from a financial point of view to Cimarex;

the terms of the merger agreement and the structure of the transaction, including the conditions to each company's obligation to complete the merger; and

the fact that the merger agreement requires Magnum Hunter to pay a termination fee of \$45 million if the merger agreement is terminated in accordance with certain provisions of the merger agreement.

The Cimarex board of directors also identified and considered a number of potentially negative factors and risks in its deliberations concerning the merger, including but not limited to:

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the fact that there are significant risks inherent in combining and integrating two companies, including that the companies may not be successfully integrated, and that successful integration of the companies will require the dedication of significant management resources, which will temporarily detract attention from the day-to-day businesses of the combined company;

the fact that a meaningful portion of the total merger consideration is expected to be allocated to Magnum Hunter unproved resources, and there is always uncertainty in successfully converting those resources into proved reserves;

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the risk of changes in oil and gas prices from those used to evaluate the merger;

the increased level of indebtedness of the combined company compared to Cimarex's historic debt levels, as a result of Magnum Hunter's existing indebtedness and the costs associated with the merger;

the fact that the capital requirements necessary to achieve the expected growth of the combined company's businesses will be significant, and there can be no assurance that the combined company will be able to fund all of its capital requirements from operating cash flows;

the fact that the merger might not be completed as a result of a failure to satisfy the conditions contained in the merger agreement; and

the other matters described under the caption "Risk Factors" beginning on page 29.

After deliberation, the Cimarex board of directors concluded that, on balance, the potential benefits of the merger to Cimarex stockholders outweighed these risks and potential disadvantages.

The foregoing discussion of the information and factors considered by the Cimarex board of directors in making its decision is not intended to be exhaustive, but includes the material factors considered by the Cimarex board of directors. In view of the variety of material factors considered in connection with its evaluation of the merger, the Cimarex board of directors did not find it practicable to, and did not, quantify or otherwise assign relative or specific weight to any of these factors, and individual directors may have given different weight to different factors. Instead, the Cimarex board of directors made its determination based on the totality of the information presented to it.

The above description of the Cimarex board of directors' considerations relating to the merger is forward-looking in nature. This information should be read in light of the factors discussed above under "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 9.

Recommendation of the Cimarex Board of Directors

At its meeting on January 25, 2005, after due consideration, the Cimarex board of directors, by unanimous vote of the directors present, adopted resolutions:

determining that the merger agreement, the merger, in accordance with the terms of the merger agreement, and the other transactions contemplated thereby are advisable and in the best interests of Cimarex and its stockholders;

approving and adopting the merger agreement and approving the merger and the other transactions contemplated by the merger agreement; and

recommending that the Cimarex stockholders vote "FOR" the approval of the issuance of shares of Cimarex common stock in connection with the merger.

In considering the recommendation of Cimarex's board of directors with respect to the share issuance, you should be aware that some officers and directors of Cimarex have interests in the merger that may be different from, or in addition to, the interests of Cimarex stockholders generally. Cimarex's board of directors was aware of these interests and considered them in approving the merger agreement and the merger. For more information on these interests, see "Interests of Certain Persons in the Merger" beginning on page 109.

Magnum Hunter's Reasons for the Merger

On January 25, 2005, Magnum Hunter's board unanimously determined that the merger is fair to, and in the best interests of, Magnum Hunter and its stockholders, approved and adopted the merger agreement and the merger, and resolved to recommend that Magnum Hunter

stockholders vote "FOR" approval of the merger agreement and the merger.

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In reaching its decision, Magnum Hunter's board consulted with Magnum Hunter's management, Magnum Hunter's outside legal advisors, and Deutsche Bank and Merrill Lynch, Magnum Hunter's financial advisors. Magnum Hunter's board of directors believes the merger is desirable for the following principal reasons:

the recent performance of Cimarex's common stock and the fact that the merger consideration represented a premium of approximately 26% above the closing price of Magnum Hunter's common stock on the day of the board's approval;

a review of other strategic alternatives potentially available to Magnum Hunter (including other potential transactions) and their relative potential advantages and disadvantages compared to those associated with the merger;

the combined company will be significantly larger than Magnum Hunter and should have greater financial, operational and technical strengths that should enable it to consider and more effectively pursue additional types of opportunities;

the oral opinions of Deutsche Bank and Merrill Lynch delivered to the board of directors of Magnum Hunter on January 25, 2005 and subsequently confirmed in writing to the effect that, as of such date, and based on and subject to the matters respectively set forth therein, the exchange ratio is fair, from a financial point of view, to the holders of Magnum Hunter common stock;

the combined company's larger market capitalization and a more liquid trading market for its common stock, which Magnum Hunter's board believed could result in increased equity research coverage and potentially a better trading multiple due to improved liquidity;

the combined company's improved capital structure and the expected benefits to be derived from the cash reflected on Cimarex's balance sheet as compared to the leverage previously employed by Magnum Hunter;

the strong asset overlap of the two companies in the Permian Basin, Mid-Continent and Gulf Coast regions;

the rate of return focus of Cimarex's internal drilling efforts and the recent and historical production growth of Cimarex;

the combined company's increased inventory of producing properties and the Magnum Hunter board's belief that the merger would maximize the value and development potential of its asset base;

Magnum Hunter's board consideration of Magnum Hunter's financial and operational position, taking into account current commodity prices and other current industry, economic and market conditions;

the opinion of Magnum Hunter's outside legal counsel that the merger could generally be accomplished on a tax-free basis;

presentations by, and discussions with, senior executives of Magnum Hunter and representatives of its outside legal counsel regarding the terms and conditions of the merger agreement;

the results of the business, legal and financial due diligence investigations of Cimarex conducted by Magnum Hunter's management and legal and financial advisors;

the decision of Magnum Hunter's CEO to retire in 2005;

the results of the engineering due diligence investigations of Cimarex conducted by Magnum Hunter's management;

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the Magnum Hunter board's confidence in the ability of Cimarex's chief executive officer to lead the combined company and continue to enhance stockholder value;

the terms of the merger agreement and the structure of the transaction, including the conditions to each company's obligations to complete the merger;

the fact that under the terms of the merger agreement one member of Magnum Hunter's board would join the Cimarex board of directors following the merger; and

the fact that holders of Magnum Hunter common stock would own approximately 46% of the combined company.

Magnum Hunter's board also identified and considered a number of potentially negative factors and risks in its deliberations concerning the merger, including but not limited to:

the risk that the merger might not be completed as a result of a failure to satisfy one or more conditions to the merger;

the risk that the operations of the two companies may not be successfully integrated;

the size of the premium represented by the merger consideration relative to the pre-announcement value of Magnum Hunter's common stock might be reduced or eliminated by a decline in Cimarex's common stock price through the time the merger is consummated;

the risk that Cimarex's reserve estimates were not prepared or audited by independent engineering consultants in a manner consistent with Magnum Hunter's past practices;

the limitations on Magnum Hunter's ability to solicit other offers as well as the possibility that it could be required to pay a \$45 million termination fee in certain circumstances;

lack of identified long-term drilling prospects after 2005; and

other matters described under the caption "Risk Factors" beginning on page 29.

After deliberation, the Magnum Hunter board of directors concluded that, on balance, the potential benefits of the merger to Magnum Hunter stockholders outweighed these risks and potential disadvantages.

The foregoing discussion of the information and factors considered by the Magnum Hunter board of directors in making its decision is not intended to be exhaustive, but includes the material factors considered by the Magnum Hunter board of directors. In view of the variety of material factors considered in connection with its evaluation of the merger, the Magnum Hunter board of directors did not find it practicable to, and did not, quantify or otherwise assign relative or specific weight to any of these factors, and individual directors may have given different weight to different factors. Instead, the Magnum Hunter board of directors made its determination based on the totality of the information presented to it.

The above description of the Magnum Hunter board of directors' considerations relating to the merger is forward-looking in nature. This information should be read in light of the factors discussed above under "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 9.

Recommendation of the Magnum Hunter Board of Directors

At its meeting on January 25, 2005, after due consideration, the Magnum Hunter board of directors unanimously adopted resolutions:

determining that the merger agreement, the merger, in accordance with the terms of the merger agreement, and the other transactions contemplated thereby are advisable and in the best interests of Magnum Hunter and its stockholders;

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approving and adopting the merger agreement and approving the merger and the other transactions contemplated by the merger agreement; and

recommending that the Magnum Hunter stockholders vote "FOR" the approval of the merger agreement.

In considering the recommendation of Magnum Hunter's board of directors with respect to the merger, you should be aware that some officers and directors of Magnum Hunter have interests in the merger that may be different from, or in addition to, the interests of Magnum Hunter stockholders generally. Magnum Hunter's board of directors was aware of these interests and considered them in approving the merger agreement and the merger. For more information on these interests, see "Interests of Certain Persons in the Merger" beginning on page 109.

Petrie Parkman & Co.

Under a letter agreement dated as of December 1, 2004, Cimarex retained Petrie Parkman to act as a financial advisor in connection with Cimarex's potential merger with or acquisition of Magnum Hunter. Petrie Parkman was not requested to, and did not, render an opinion to the Cimarex board of directors in connection with the merger. Cimarex agreed to pay Petrie Parkman \$4.575 million, the majority of which is contingent upon the consummation of the merger, for its financial advisory services in connection with the merger. In addition, Cimarex agreed to reimburse Petrie Parkman for certain expenses incurred by it in connection with its engagement, including fees and expenses of counsel. Cimarex also entered into customary indemnification agreements with Petrie Parkman.

Petrie Parkman, as part of its investment banking business, is continually engaged in the evaluation of energy-related businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and evaluations for corporate or other purposes. Petrie Parkman is an internationally recognized investment banking firm that has substantial experience in transactions similar to the proposed merger. Petrie Parkman has in the recent past provided investment banking services to Cimarex and has received customary fees for such services.

Opinion of Lehman Brothers Inc. to the Cimarex Board of Directors

Lehman Brothers was retained by Cimarex on January 12, 2005, solely to render its opinion in connection with the merger. On January 25, 2005, Lehman Brothers rendered its written opinion to the board of directors of Cimarex that as of that date, and based upon and subject to the matters and qualifications stated in the opinion letter, from a financial point of view, the exchange ratio to be paid by Cimarex in the merger is fair to Cimarex.

THE FULL TEXT OF LEHMAN BROTHERS' OPINION DATED JANUARY 25, 2005, IS INCLUDED AS *ANNEX B* TO THIS JOINT PROXY STATEMENT/PROSPECTUS. HOLDERS OF CIMAREX'S COMMON STOCK ARE ENCOURAGED TO READ LEHMAN BROTHERS' OPINION CAREFULLY IN ITS ENTIRETY FOR A DISCUSSION OF THE PROCEDURES FOLLOWED, FACTORS CONSIDERED, ASSUMPTIONS MADE AND QUALIFICATIONS AND LIMITATIONS OF THE REVIEW UNDERTAKEN BY LEHMAN BROTHERS IN RENDERING ITS OPINION. THIS SUMMARY OF THE LEHMAN BROTHERS OPINION IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE OPINION.

LEHMAN BROTHERS' OPINION WAS PROVIDED FOR THE INFORMATION AND ASSISTANCE OF THE BOARD OF DIRECTORS OF CIMAREX IN CONNECTION WITH ITS CONSIDERATION OF THE MERGER. LEHMAN BROTHERS' OPINION IS NOT INTENDED TO BE AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER OF CIMAREX OR MAGNUM HUNTER AS TO HOW SUCH STOCKHOLDER SHOULD VOTE WITH RESPECT TO THE MERGER. LEHMAN BROTHERS WAS NOT REQUESTED TO OPINE AS TO, AND ITS OPINION DOES NOT ADDRESS, CIMAREX'S UNDERLYING BUSINESS DECISION TO PROCEED WITH OR EFFECT THE MERGER.

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Lehman Brothers, in arriving at its opinion, reviewed and analyzed:

- (1) the merger agreement and its schedules, and the specific terms of the merger;
- (2) publicly available information concerning Cimarex and Magnum Hunter that Lehman Brothers believed to be relevant to the analysis, including, without limitation, the Annual Reports on Form 10-K for the year ended December 31, 2003 for each of Cimarex and Magnum Hunter, and the Quarterly Reports on Form 10-Q for the nine months ended September 30, 2004 for each of Cimarex and Magnum Hunter;
- (3) financial and operating information with respect to the respective businesses, operations and prospects of Cimarex and Magnum Hunter as furnished to Lehman Brothers by Cimarex and Magnum Hunter, respectively;
- (4) estimates of proved and non-proved reserves generated internally at each of Cimarex and Magnum Hunter, third-party reserve reports for each of Cimarex and Magnum Hunter as of December 31, 2003, and projected future production, revenue, operating costs and capital investments for each of Cimarex and Magnum Hunter provided to Lehman Brothers by the managements of Cimarex and Magnum Hunter, respectively;
- (5) the trading histories of Cimarex common stock and Magnum Hunter common stock from January 22, 2004 to January 21, 2005 and a comparison of those trading histories with each other and with those of other companies that Lehman Brothers deemed relevant;
- (6) a comparison of the historical financial results and present financial condition of Cimarex and Magnum Hunter with each other and with those of other companies that Lehman Brothers deemed relevant;
- (7) a comparison of the financial terms of the merger with the financial terms of certain other transactions that Lehman Brothers deemed relevant;
- (8) the pro forma impact of the merger on the future financial performance of Cimarex;
- (9) the relative contributions of Cimarex and Magnum Hunter to the current and future financial performance of the combined company on a pro forma basis; and
- (10) published estimates of independent equity research analysts (including Lehman Brothers') with respect to the future financial performance of Cimarex and Magnum Hunter.

In addition, Lehman Brothers:

- (1) had discussions with the managements of Cimarex and Magnum Hunter concerning
 - (a) the respective businesses, operations, assets, financial conditions, reserves, production profiles, hedging levels, exploration programs and prospects of Cimarex and Magnum Hunter and
 - (b) the strategic benefits to Cimarex of the merger, and
- (2) undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

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Lehman Brothers, in arriving at its opinion, assumed and relied upon the accuracy and completeness of the financial and other information used by it without assuming any responsibility for independent verification of such information and further relied upon the assurances of the managements of Cimarex and Magnum Hunter that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. Lehman Brothers was not provided with, and did not have access to, financial projections of Cimarex or Magnum Hunter prepared by the managements of Cimarex and Magnum Hunter, respectively. Accordingly, upon advice of Cimarex,

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Lehman Brothers assumed that the published estimates of independent equity research analysts were a reasonable basis upon which to evaluate the future financial performance of Cimarex and Magnum Hunter, respectively, and that each of Cimarex and Magnum Hunter would perform substantially in accordance with such estimates. Upon advice of Cimarex and Magnum Hunter, respectively, Lehman Brothers assumed that:

- (i) the third-party reserve reports for each of Cimarex and Magnum Hunter as of December 31, 2003, were a reasonable basis upon which to evaluate the reserve balances at each of Cimarex and Magnum Hunter as of December 31, 2003; and
- (ii) the estimates of proved and non-proved reserves generated internally at each of Cimarex and Magnum Hunter and the projected future production, revenue, operating costs and capital investments for each of Cimarex and Magnum Hunter provided to Lehman Brothers by the managements of Cimarex and Magnum Hunter, respectively, were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Cimarex and Magnum Hunter, respectively, and that the estimates of proved and non-proved reserves and the other projected metrics would be realized substantially in accordance therewith.

In addition, upon the direction of Cimarex, Lehman Brothers did not analyze the merits or the amounts of any actual or potential contingent liabilities of Magnum Hunter or factor them into its analysis in arriving at its opinion. Lehman Brothers, in arriving at its opinion, did not conduct a physical inspection of the properties and facilities of Cimarex and Magnum Hunter and did not make or obtain from third parties any evaluations or appraisals of the assets or liabilities of Cimarex or Magnum Hunter other than the third party reserve reports. Upon advice of Cimarex and its legal and accounting advisors, Lehman Brothers assumed that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and therefore as a tax-free transaction to the stockholders of Cimarex. Lehman Brothers' opinion necessarily was based upon market, economic and other conditions as they existed on, and could be evaluated as of, January 25, 2005. In addition, Lehman Brothers did not express an opinion as to the price at which shares of common stock of Cimarex or Magnum Hunter actually would trade following the announcement of the merger.

In connection with rendering its opinion, Lehman Brothers performed certain financial, comparative and other analyses as described below. In arriving at its opinion, Lehman Brothers did not ascribe a specific range of value to Cimarex or Magnum Hunter, but rather made its determination of the fairness, from a financial point of view, to Cimarex of the exchange ratio to be paid by Cimarex in the merger on the basis of the financial, comparative and other analyses described below. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial and comparative analysis and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to summary description. Furthermore, in arriving at its fairness opinion, Lehman Brothers did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Lehman Brothers believes that its analyses must be considered as a whole and that considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying the opinion. In its analyses, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Cimarex or Magnum Hunter. Any estimates contained in the analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth in the analyses. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses could actually be sold.

Valuation Analyses Used to Derive Implied Exchange Ratios

Lehman Brothers prepared separate valuations of Cimarex and Magnum Hunter using the following methodologies: net asset valuation analysis, comparable company analysis and comparable transactions analysis. Lehman Brothers understands that, prior to the merger, Magnum Hunter intends to distribute the units of beneficial interests it holds of the publicly-traded TEL Offshore Trust to its stockholders in the form of a dividend. Accordingly, Lehman Brothers has excluded these units of beneficial interest in TEL Offshore Trust from its valuation of Magnum Hunter. Each of the methodologies listed above was used to generate a reference enterprise value range for each of Cimarex and Magnum Hunter. The enterprise value range for each company was adjusted for appropriate on-balance sheet and off-balance sheet assets and liabilities to arrive at a common equity value range (in aggregate dollars) for each company. The equity value range was divided by fully diluted shares outstanding, which was comprised of primary shares and the dilutive effect of outstanding options and warrants, if applicable, as of January 21, 2005 to derive an equity value range per share. The equity value ranges per share were used to derive the implied exchange ratios which were then compared to the exchange ratio.

The various valuation methodologies noted above and the implied exchange ratios derived therefrom are included in the following table.

This table should be read together with the more detailed descriptions set forth below. In particular, in applying the various valuation methodologies to the particular businesses, operations and prospects of Cimarex and Magnum Hunter, and the particular circumstances of the merger, Lehman Brothers made qualitative judgments as to the significance and relevance of each analysis. In addition, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Cimarex or Magnum Hunter. Accordingly, the methodologies and the implied exchange ratios derived therefrom set forth in the table must be considered as a whole and in the context of the narrative description of the financial analyses, including the assumptions underlying these analyses. Considering the implied exchange ratios set forth in the table without considering the full narrative description of the financial analyses, including the assumptions underlying these analyses, could create a misleading or incomplete view of the process underlying, and conclusions represented by, Lehman Brothers' opinion.

Valuation Methodology	Summary Description of Valuation Methodology	Implied Exchange Ratio Range
Net Asset Valuation Analysis	Net present valuation of after-tax cash flows generated by producing to exhaustion existing proved, probable, possible and exploratory reserves using selected hydrocarbon pricing scenarios and discount rates plus the evaluation of certain other assets and liabilities	
	Case I Commodity Prices	0.276 - 0.399
	Case II Commodity Prices	0.407 - 0.554
	Case III Commodity Prices	0.433 - 0.569
Comparable Company Analysis	Market valuation benchmark based on trading multiples of selected comparable companies for selected financial and asset-based measures	0.292 - 0.439
Comparable Transactions Analysis	Market valuation benchmark based on consideration paid in selected comparable transactions	0.328 - 0.516
Exchange Ratio to be Paid by Cimarex in the Merger		0.415

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Net Asset Valuation Analysis. Lehman Brothers estimated the present value of the future after-tax cash flows expected to be generated from each company's proved reserves as of December 31, 2003, based on estimated reserves and production cost estimates, as adjusted to take into account such reserve and production cost estimates provided by Cimarex's and Magnum Hunter's managements, respectively, and discussed with each of Cimarex's and Magnum Hunter's managements, respectively. The present values of the future after-tax cash flows were determined using a range of discount rates based on geography and reserve category risk and assuming a tax rate of 37%. Lehman Brothers added to such estimated proved reserves the values of certain other assets and liabilities, including each company's probable and possible reserves, each company's exploration portfolio, Magnum Hunter's current commodity hedging portfolio, Magnum Hunter's gas gathering and oilfield services businesses and Cimarex's gas marketing business. In addition, Cimarex's net asset value was adjusted to account for the value of proved undeveloped reserves which it does not recognize for accounting purposes and excludes from its third-party and company reserve reports. The net asset valuation analysis was performed under three commodity price scenarios (Case I, Case II and Case III), which are described below.

The natural gas and oil price forecasts employed by Lehman Brothers were based on New York Mercantile Exchange, or NYMEX, price forecasts (Henry Hub, Louisiana delivery for natural gas and West Texas Intermediate, Cushing, Oklahoma delivery for oil) from which adjustments were made to reflect location and quality differentials. NYMEX gas price quotations are stated in heating value equivalents per million British Thermal Units, or MMBtu, which are adjusted to reflect the value per thousand cubic feet, or MCF, of gas. NYMEX oil price quotations are stated in dollars per barrel, or BBL, of crude oil. The table below presents a summary of NYMEX natural gas and oil price forecasts employed by Lehman Brothers for each commodity price scenario.

	2004E	2005E	2006E	2007E	2008E	2009E	2010E	2011	Escalation Thereafter
Henry Hub (\$MMBtu)									
Case I	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	0.0%
Case II	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	0.0%
Case III	\$ 7.11	\$ 6.50	\$ 6.39	\$ 5.97	\$ 5.64	\$ 5.35	\$ 5.15	\$ 5.15	0.0%
West Texas Intermediate (\$/BBL)									
Case I	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 24.00	0.0%
Case II	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	0.0%
Case III	\$ 46.46	\$ 47.58	\$ 44.19	\$ 42.18	\$ 40.05	\$ 39.90	\$ 39.15	\$ 38.95	0.0%

The net asset valuation analyses yielded valuations for Cimarex and Magnum Hunter that implied a 0.276 to 0.399 exchange ratio for Case I, a 0.407 to 0.554 exchange ratio for Case II and a 0.433 to 0.569 exchange ratio for Case III. The exchange ratio of 0.415 to be paid by Cimarex in the merger falls within the range implied by Case II, slightly below the low end of the range implied by Case III and slightly above the high end of the range implied by Case I.

Comparable Company Analysis. Lehman Brothers reviewed the public stock market trading multiples for selected exploration and production companies:

Chesapeake Energy Corporation

Comstock Resources, Inc.

Forest Oil Corporation

The Houston Exploration Company

Newfield Exploration Company

Pogo Producing Company

Stone Energy Corporation

Whiting Petroleum Corporation

The companies listed above, referred to as the selected companies, were chosen because they are publicly traded companies with operations that, for purposes of this analysis, may be considered similar to Cimarex and Magnum Hunter. Using publicly available information including certain estimates from independent equity research analysts, Lehman Brothers calculated and analyzed equity and adjusted capitalization multiples of certain historical and projected financial and operating criteria such as earnings before interest, taxes, depreciation, depletion, amortization and exploration expense, or EBITDE; earnings; discretionary cash flow, or DCF; proved reserves; and daily production. The adjusted capitalization of each company was obtained by adding its total debt to the sum of the market value of its common equity, the book value of its preferred stock and the book value of any minority interest minus its cash balance. The ratios of each company of adjusted capitalization to proved reserves and to daily production were calculated by excluding the estimated value of non-proved reserves and other businesses that are unrelated to exploration and production of oil and gas from each selected company's adjusted capitalization calculation. With respect to the selected companies, Lehman Brothers considered the following statistics and multiples:

Selected Companies' Statistics and Multiples

	<u>Median</u>	<u>Mean</u>	<u>High</u>	<u>Low</u>
Equity Value as a Multiple of:				
Earnings				
2004E	9.4x	10.0x	14.7x	7.1x
2005E	9.3x	9.4x	11.5x	7.4x
Discretionary Cash Flow Per Share				
2004E	3.6x	3.6x	4.1x	2.9x
2005E	3.5x	3.4x	4.3x	2.8x
Adjusted Capitalization as a Multiple of:				
EBITDE				
2004E	4.7x	4.8x	6.8x	3.5x
2005E	4.0x	4.2x	5.6x	3.3x
Proved Reserves (\$/Mcfe)	\$ 1.86	\$ 1.91	\$ 2.58	\$ 1.52
Daily Production (\$/Mcfe per day)	\$ 6,424	\$ 6,467	\$ 9,316	\$ 3,728

This methodology yielded valuations for Cimarex and Magnum Hunter that implied a 0.292 to 0.439 exchange ratio. The exchange ratio of 0.415 to be paid by Cimarex in the merger falls within this range.

Because of the inherent differences between the corporate structures, businesses, operations, commodity mix and prospects of Cimarex and Magnum Hunter and the corporate structures, businesses, operations, commodity mix and prospects of the companies included in the comparable company groups, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the analysis and, accordingly, also made qualitative judgments concerning differences between the financial and operating characteristics of Cimarex and Magnum Hunter and companies in the comparable company groups that would affect the public trading values of Cimarex and Magnum Hunter and such comparable companies.

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Comparable Transactions Analysis. Lehman Brothers reviewed certain publicly available information on selected corporate level and asset level exploration and production transactions which were announced from January 2001 to January 2005 including, but not limited to:

Corporate Transactions

Noble Energy Inc. / Patina Oil & Gas Corporation

Pioneer Natural Resources Company / Evergreen Resources, Inc.

EnCana Corporation / Tom Brown, Inc.

Kerr-McGee Corporation / Westport Resources Corporation

Plains Exploration & Production Company / Nuevo Energy Company

Westport Resources Corporation / Belco Oil & Gas

Kerr-McGee Corporation / HS Resources, Inc.

Asset Transactions

XTO Energy Inc. / Antero Resources Corporation

Chesapeake Energy Corporation / BRG Petroleum Corporation

Magnum Hunter Resources Inc. / Tom Brown Inc.

Hilcorp Energy Inc. / ConocoPhillips

Citation Oil & Gas Corporation / Anadarko Petroleum Corporation

Forest Oil Corporation / Unocal Corporation

For the corporate transactions analysis for each company, relevant transaction multiples were analyzed including the total purchase price (equity purchase price plus assumed obligations) divided by latest twelve month EBITDE and total purchase price, adjusted by the value allocated to non-proved reserves and to other businesses that are unrelated to exploration and production of oil and gas, divided by proved reserves and daily production. Other businesses that are unrelated to exploration and production of oil and gas, or Non-E&P Operations, included, in the case of Cimarex, Cimarex's gas marketing business and, in the case of Magnum Hunter, Magnum Hunter's gas gathering and oilfield services businesses. In addition, for each company, relevant transaction multiples were analyzed on a geographic basis to take into account the companies' differing geographic reserve mix. On a geographic basis, Cimarex's proved reserves were segmented into the following categories: Mid-Continent, Permian Basin, Gulf Coast and Western. Similarly, Magnum Hunter's proved reserves were segmented into the following geographic categories: Gulf Coast, Gulf of Mexico, Mid-Continent and Permian Basin. For the proved reserves and daily production multiples, the values of each company's respective non-proved

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reserves and their respective Non-E&P Operations were separately assessed and added to the analysis. This analysis indicated the following statistics and multiples:

COMPARABLE TRANSACTIONS' STATISTICS AND MULTIPLES

Transaction Value as a Multiple of:	Median	Mean	High	Low
Proved Reserves (\$/Mcf)	\$ 1.25	\$ 1.28	\$ 2.06	\$ 0.67
Daily Production (\$/Mcf per day)	\$ 4,724	\$ 5,429	\$ 12,187	\$ 1,947
Latest Twelve Month EBITDE	6.7x	7.1x	14.2x	3.2x
Proved Reserves by Geography (as applicable):				
Gulf Coast	\$ 1.32	\$ 1.41	\$ 2.73	\$ 0.44
Gulf of Mexico	\$ 1.61	\$ 1.64	\$ 2.53	\$ 1.11
Mid-Continent	\$ 1.18	\$ 1.34	\$ 4.42	\$ 0.54
Permian Basin	\$ 1.01	\$ 1.02	\$ 2.00	\$ 0.25
Western	\$ 0.93	\$ 1.20	\$ 3.00	\$ 0.53

This methodology yielded valuations for Cimarex and Magnum Hunter that implied an exchange ratio range of 0.328 to 0.516. The exchange ratio of 0.415 to be paid by Cimarex in the merger falls within this range.

Because the market conditions, rationale and circumstances surrounding each of the transactions analyzed were specific to each transaction and because of the inherent differences between the businesses, operations and prospects of Cimarex and Magnum Hunter and the acquired businesses analyzed, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the analysis and, accordingly, also made qualitative judgments concerning differences between the characteristics of these transactions and the merger that would affect the acquisition values of Cimarex and Magnum Hunter and such acquired companies.

Historical Common Stock Trading Analysis

Lehman Brothers reviewed the daily historical closing prices of Cimarex common stock and Magnum Hunter common stock for the period from January 22, 2004 to January 21, 2005. Lehman Brothers analyzed the ratio of the daily closing share price for Cimarex to the corresponding closing share price of Magnum Hunter over the one year period. Over the one year period, the ratio ranged from 0.311 to 0.398. In addition, Lehman Brothers reviewed the ratio of the closing share prices for Cimarex and Magnum Hunter based on 5-day, 10-day, 20-day, 30-day, 60-day, 90-day, 120-day, 180-day and one-year averages, respectively, as of January 21, 2005. This analysis implied exchange ratios ranging from 0.332 to 0.345. The foregoing historical stock trading analysis was presented to the board of directors of Cimarex to provide it with background information and perspective with respect to the relative historical share prices of Cimarex and Magnum Hunter common stock.

Contribution Analysis

Lehman Brothers analyzed the relative contribution of Cimarex and Magnum Hunter to the combined company based on equity market capitalization and certain 2004 and 2005 financial data as projected by equity research consensus estimates. Magnum Hunter estimates excluded the contribution from its units of beneficial interest in TEL Offshore Trust. This analysis indicated that Cimarex will contribute approximately 52% to 57% of the combined company's net income and 49% to 53% of the combined company's DCF for the periods analyzed. Lehman Brothers also analyzed the relative contribution of Cimarex and Magnum Hunter to the combined company based on the current equity market capitalization of each company. This analysis indicated that Cimarex will contribute 58% of the combined company's equity value. The contribution percentages above implied exchange ratios ranging

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from 0.335 to 0.490. The exchange ratio of 0.415 to be paid by Cimarex in the merger falls within this range.

Lehman Brothers noted that the primary shortcoming of contribution analysis is that it treats all cash flow and earnings the same regardless of capitalization, expected growth rates, upside potential or risk profile.

Pro Forma Merger Consequences Analysis

Lehman Brothers analyzed the pro forma impact of the merger on Cimarex's projected earnings per share and DCF per share. Lehman Brothers prepared a pro forma merger model which incorporated the financial projections of Cimarex and Magnum Hunter as projected by equity research consensus estimates. Lehman Brothers then compared the earnings per share and DCF per share of Cimarex on a standalone basis to the earnings per share and DCF per share of Cimarex pro forma for the merger. Lehman Brothers noted that the merger would have been dilutive to Cimarex's pro forma earnings per share and slightly accretive to DCF per share in 2004. Lehman Brothers also noted that the merger is expected to be dilutive to earnings per share and accretive to DCF per share in 2005.

Premium Analysis

Lehman Brothers reviewed certain publicly available information related to selected corporate transactions to calculate the amount of the premiums paid by the acquirers to the acquired company's stockholders. Lehman Brothers analyzed the following selected transactions that were announced from December 2000 to December 2004:

Noble Energy Inc. / Patina Oil & Gas Corporation

Petro-Canada / Prima Energy Corporation

Forest Oil Corporation / Wisser Oil Company

EnCana Corporation / Tom Brown Inc.

Kerr-McGee Corporation / Westport Resources Corporation

Plains Exploration & Production Company / Nuevo Energy Company

Dominion Resources, Inc. / Louis Dreyfus Natural Gas Corp.

Devon Energy Corporation / Mitchell Energy & Development Corp.

Amerada Hess Corporation / Triton Energy Ltd.

Westport Resources Corporation / Belco Oil & Gas Corporation

Kerr-McGee Corporation / HS Resources, Inc.

The Williams Companies, Inc. / Barrett Resources Corporation

Marathon Oil Corporation / Pennaco Energy, Inc.

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Lehman Brothers calculated the premiums paid by the acquirer by comparing the per share purchase price in each transaction to the historical stock price of the acquired company as of 1-day, 1-week, and 4-weeks prior to the announcement date as well as based upon the 52-week high prior to the announcement date. Lehman Brothers compared the premiums paid in the precedent transactions

to the premium levels implied by the exchange ratio to be paid by Cimarex in the merger. The table below sets forth the summary results of the analysis:

Selected Transactions	Percentage Premium/(Discount) to the Price Prior to Transaction Announcement			
	1-Day	5-Days	20-Days	52-Week High
Mean	22.6%	24.7%	29.5%	7.1%
Median	22.0%	21.5%	32.4%	9.0%
High	60.0%	65.0%	53.6%	53.6%
Low	(4.3%)	1.2%	5.4%	(17.0%)
Implied Premium based on the Exchange Ratio Paid by Cimarex in the Merger (as of January 21, 2005 close)	23.8%	31.9%	29.6%	18.1%

Based upon this analysis, Lehman Brothers selected an implied premium range of 20% to 30% from the selected transactions. This range implied exchange ratios ranging from 0.402 to 0.436. The exchange ratio of 0.415 to be paid by Cimarex in the merger falls within this range.

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The Cimarex board of directors selected Lehman Brothers because of its expertise, reputation and familiarity with Cimarex and the energy industry generally and because its investment banking professionals have substantial experience in transactions comparable to the merger.

Pursuant to the terms of an engagement letter agreement, dated January 12, 2005, between Lehman Brothers and Cimarex, Cimarex paid Lehman Brothers a fee upon delivery of Lehman Brothers' fairness opinion, dated January 25, 2005. Cimarex has also agreed to pay Lehman Brothers an additional fee at the time of closing. In addition, Cimarex has agreed to reimburse Lehman Brothers for its reasonable expenses incurred in connection with its engagement, and to indemnify Lehman Brothers and certain related persons against certain liabilities in connection with its engagement, including certain liabilities which may arise under federal securities laws. Lehman Brothers also has performed various investment banking services for Magnum Hunter in the past and has received customary fees for such services.

In the ordinary course of its business, Lehman Brothers may actively trade in the debt and/or equity securities of Cimarex and Magnum Hunter for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Opinions of Magnum Hunter's Financial Advisors Deutsche Bank Securities Inc.

At the January 25, 2005 meeting of Magnum Hunter's board of directors, Deutsche Bank rendered its oral opinion to Magnum Hunter's board of directors, subsequently confirmed in writing, that as of January 25, 2005, and subject to and based on the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the 0.415 exchange ratio was fair, from a financial point of view, to Magnum Hunter common stockholders.

The full text of Deutsche Bank's opinion, dated January 25, 2005, which sets forth, among other things, the assumptions made, matters considered and limits of the review by Deutsche Bank, is attached as *Annex C* to this joint proxy statement/prospectus and is incorporated herein by reference. We urge Magnum Hunter stockholders to read this opinion carefully and in its entirety. This summary is qualified in its entirety by reference to the full text of the Deutsche Bank opinion.

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In connection with rendering its opinion, Deutsche Bank, among other things:

reviewed certain publicly available financial statements and other business and financial information of Magnum Hunter and Cimarex, respectively;

reviewed certain internal financial statements and other financial and operating data concerning Magnum Hunter and Cimarex prepared by the respective managements of Magnum Hunter and Cimarex;

reviewed certain financial forecasts prepared by the respective managements of Magnum Hunter and Cimarex;

discussed with senior executives of Magnum Hunter and Cimarex certain strategic, financial and operational benefits they expect to derive from the merger;

discussed the past and current operations and financial condition and the prospects of Magnum Hunter and Cimarex with senior executives of Magnum Hunter and Cimarex;

reviewed the pro forma impact of the merger on, among other things, Magnum Hunter's and Cimarex's earnings per share, cash flow, consolidated capitalization and financial ratios;

reviewed information prepared by the members of the respective senior managements of Magnum Hunter and Cimarex relating to the relative contributions of Magnum Hunter and Cimarex to the combined company;

reviewed the reported prices and trading activity for Magnum Hunter common stock and Cimarex common stock;

compared the prices and trading activity of Magnum Hunter common stock and Cimarex common stock with similar information for the securities of certain other publicly traded companies;

reviewed the financial terms, to the extent publicly available, of certain business combination transactions that it deemed comparable in whole or in part;

participated in certain discussions and negotiations among representatives of Magnum Hunter and Cimarex and their financial and legal advisors;

reviewed the merger agreement and certain related documents; and

performed such other analyses and considered such other factors as it deemed appropriate.

In preparing its opinion, Deutsche Bank relied upon, without independent verification, the accuracy and completeness of the information supplied or otherwise made available to it and assumed such accuracy and completeness for purposes of rendering its opinion. With respect to the financial forecasts that Deutsche Bank received from the respective managements of Magnum Hunter and Cimarex, as well as information relating to certain cost savings, operating efficiencies, revenue effects and financial synergies expected by Magnum Hunter and Cimarex to be achieved as a result of the merger, Deutsche Bank assumed that the information provided was reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Magnum Hunter or Cimarex, as the case may be. Deutsche Bank did not make any independent valuation or appraisal of the assets or liabilities of Magnum Hunter or Cimarex, nor was Deutsche Bank furnished with any such appraisals.

For purposes of rendering its opinion, Deutsche Bank assumed that:

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the representations and warranties contained in the merger agreement are true and correct,

the parties to the merger agreement will perform all of their covenants and agreements under the merger agreement, and that all conditions to the parties' obligations to complete the merger will be satisfied without any waiver;

all material approvals and consents required in connection with the merger will be obtained and that, in connection with obtaining any such approvals and consents, or any amendments,

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modifications or waivers to any agreements, instruments or orders to which Magnum Hunter or Cimarex is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Magnum Hunter or Cimarex or materially reduce the contemplated benefits of the merger; and

the merger will be tax-free to each of Magnum Hunter and Cimarex and their respective common stockholders.

The opinion of Deutsche Bank is necessarily based on financial, economic, market and other conditions as in effect on, the information made available to Deutsche Bank as of, and the financial condition of Magnum Hunter and Cimarex on, January 25, 2005.

Deutsche Bank's Financial Analysis

The following is a summary of the material financial analyses performed by Deutsche Bank in connection with rendering its opinion. These summaries of financial analyses include information presented in tabular format. In order to understand fully the financial analyses used by Deutsche Bank, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

Historical Exchange Ratio Analysis. Deutsche Bank compared the daily closing share price of Magnum Hunter common stock to the daily closing price of Cimarex common stock during the period beginning January 17, 2003 and ending January 19, 2005, and reviewed and analyzed the historical exchange ratios implied by these comparisons.

Deutsche Bank also reviewed and analyzed the average of these historical daily exchange ratios over various periods beginning January 17, 2003 and ending January 19, 2005. The following table presents the implied exchange ratios during the periods covered and as of January 19, 2005.

Cimarex Shares per Magnum Hunter Share

Period	Average Exchange Ratio(1)
At January 19, 2005	0.336x
Last one day	0.329
Last five-day average	0.334
Last month average	0.337
Last 3 months average	0.342
Last 6 months average	0.338
Last 12 months average	0.346
Last 2 years average	0.344

(1) Averages of exchange ratios based on daily closing prices.

During all of the periods covered in the table above, the implied exchange ratio was below the 0.415 exchange ratio.

Last Twelve Months Trading Analysis. Deutsche Bank reviewed the daily closing share prices of Magnum Hunter common stock and Cimarex common stock over the twelve months ended January 19, 2005. The table below shows the twelve-month high and low closing prices during that period, compared with a closing price on January 19, 2005 of \$13.06 per share for Magnum Hunter common stock and \$38.91 per share for Cimarex common stock:

January 20, 2004 through January 19, 2005

	High	Low
Magnum Hunter	\$ 13.72	\$ 8.33
Cimarex	41.03	24.53

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The range of exchange ratios implied by this range of values for Magnum Hunter common stock and Cimarex common stock is between 0.203x and 0.559x. The foregoing analysis was unaffected by the price movements in Magnum Hunter common stock and Cimarex common stock from January 19 through January 25, 2005.

Research Analysts' Future Price Targets Analysis. Deutsche Bank reviewed the 12-month price targets for Magnum Hunter common stock and Cimarex common stock as projected in recent reports by analysts from seven financial institutions for each of Magnum Hunter and Cimarex. Such reports represent substantially all the research analysts' reports on Magnum Hunter and Cimarex that were reasonably available and current at the time the analyses were performed. These targets reflected each analyst's estimate of the future public market trading price of Magnum Hunter common stock and Cimarex common stock at the end of the particular period considered for each estimate. Deutsche Bank then arrived at the present value for these targets using an estimated equity discount rate of 10.0%.

This analysis showed the following range of values for Magnum Hunter common stock and Cimarex common stock:

12 month analysts' price target

	Nominal	Present value
Magnum Hunter	\$13.00 - \$16.50	\$11.82 - \$15.00
Cimarex	27.00 - 46.00	24.55 - 41.82

The range of exchange ratios implied by this range of values for Magnum Hunter common stock and Cimarex common stock is between 0.283x and 0.611x. The foregoing analysis was unaffected by the price movements in Magnum Hunter common stock from January 19 through January 25, 2005.

Comparable Companies Analysis. Deutsche Bank compared total enterprise value (calculated as equity value adjusted for capital structure) to estimated earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA, for Magnum Hunter and Cimarex for the fiscal years 2004 and 2005 and based on First Call estimates. (Thomson Corporation compiles summaries of financial forecasts published by various investment banking firms. We refer to the information published by Thomson Corporation as First Call estimates.) Deutsche Bank then compared the EBITDA multiples obtained for Magnum Hunter and Cimarex with multiples obtained for groups of selected oil and gas companies. The selected oil and gas companies forming the group to which Magnum Hunter was compared were Newfield Exploration Company, Forest Oil Corporation, The Houston Exploration Company, Swift Energy Company and Comstock Resources, Inc. Deutsche Bank refers to those companies as the Magnum Hunter selected companies. The selected oil and gas companies forming the group to which Cimarex was compared were: Chesapeake Energy Corporation, The Houston Exploration Company, Magnum Hunter Resources, Inc., Cabot Oil & Gas Corporation, Encore Acquisition Company, St. Mary Land & Exploration Company, and Comstock Resources, Inc. Deutsche Bank refers to those companies as the Cimarex selected companies. Deutsche Bank selected these companies because they are publicly traded companies with oil and gas operations that for purposes of this analysis may be considered similar to those of Magnum Hunter and Cimarex. The principal characteristics considered when selecting the comparable companies were oil / gas reserve mix, size and regional overlap of reserves.

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The analysis showed the following multiples:

Total enterprise value / estimated EBITDA

	2004	2005
Magnum Hunter	5.7x	4.8x
Cimarex	4.5	4.5
Magnum Hunter selected companies median	4.4	4.1
Cimarex selected companies median	4.6	4.1

Deutsche Bank then applied comparable company multiples (ranging between 4.5x and 5.5x for 2004 Total Enterprise Value/EBITDA and between 4.0x and 5.0x for 2005 Total Enterprise Value/EBITDA) to the corresponding Magnum Hunter statistics based on publicly available estimates. Deutsche Bank then applied comparable company multiples (ranging between 4.3x and 4.8x for 2004 Total Enterprise Value/EBITDA and between 3.8x and 4.3x for 2005 Total Enterprise Value/EBITDA) to the corresponding Cimarex statistics based on publicly available estimates. The following table presents the range of exchange ratios implied by the resulting valuation range based on implied Magnum Hunter and Cimarex share prices derived from the 2004 and 2005 Total Enterprise Value as computed by Deutsche Bank.

Exchange ratio range

Total enterprise value / EBITDA	0.232x - 0.370x
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Deutsche Bank compared total enterprise value to EBITDA for Magnum Hunter and Cimarex for the fiscal years 2004 and 2005 based on estimates provided by management of Magnum Hunter and Cimarex. Deutsche Bank then applied the same comparable company multiples as used in the previous analysis (ranging between 4.5x and 5.5x for 2004 Total Enterprise Value/EBITDA and between 4.0x and 5.0x for 2005 Total Enterprise Value/EBITDA) to the corresponding Magnum Hunter statistics based on management estimates. Deutsche Bank applied the same comparable company multiples as used in the previous analysis (ranging between 4.3x and 4.8x for 2004 Total Enterprise Value/EBITDA and between 3.8x and 4.3x for 2005 Total Enterprise Value/EBITDA) to the corresponding Cimarex statistics based on management estimates. The following table presents the range of exchange ratios implied by the resulting mean valuation range based on implied Magnum Hunter and Cimarex share prices derived from the 2004 and 2005 Total Enterprise Value as computed by Deutsche Bank.

Exchange ratio range

Total enterprise value / EBITDA	0.274x - 0.424x
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Deutsche Bank calculated Price to Cash Flow per Share and Price to Earnings per Share multiples for Magnum Hunter and Cimarex for the fiscal years ended 2004 and 2005 based on First Call estimates. Deutsche Bank then compared these multiples with multiples obtained for the Magnum Hunter selected companies and the Cimarex selected companies.

The analysis showed the following multiples:

Price / Estimated CFPS

	2004	2005
Magnum Hunter	4.4x	3.4x
Cimarex	5.1	5.2
Magnum Hunter selected companies median	3.8	3.6
Cimarex selected companies median	4.4	3.7

Price / Estimated EPS

	<u>2004</u>	<u>2005</u>
Magnum Hunter	11.9x	9.2x
Cimarex	11.5	12.6
Magnum Hunter selected companies median	11.2	10.2
Cimarex selected companies median	11.9	10.2

Deutsche Bank then applied comparable company multiples (ranging between 3.5x and 4.0x for 2004 Price/Cash Flow per share; between 3.2x and 3.7x for 2005 Price/Cash Flow per share; between 10.5x and 11.5x for 2004 Price/Earnings per share; and between 9.0x and 10.0x for 2005 Price/Earnings per share) to the corresponding Magnum Hunter statistics based on First Call estimates. Deutsche Bank then applied comparable company multiples (ranging between 4.9x and 5.4x for 2004 Price/Cash Flow per share; between 4.2x and 4.7x for 2005 Price/Cash Flow per share; between 11.5x and 12.5x for 2004 Price/Earnings per share; and between 10.0x and 12.0x for 2005 Price/Earnings per share) to the corresponding Cimarex statistics based on First Call estimates. The following table presents the range of exchange ratios implied by the resulting mean valuation range based on implied Magnum Hunter and Cimarex share prices derived from the 2004 and 2005 Price/Earnings per Share and Price/Cash Flow per Share analysis as computed by Deutsche Bank.

	<u>Exchange ratio range</u>
Price / cash flow per share	0.296x - 0.377x
Price / earnings per share	0.307 - 0.386

Deutsche Bank calculated Price to Cash Flow per Share and Price to Earnings per Share multiples for Magnum Hunter and Cimarex for the fiscal years ended 2004 and 2005 based on Magnum Hunter's and Cimarex's respective management estimates. Deutsche Bank then applied the same comparable company multiples as used in the previous analysis (ranging between 3.5x and 4.0x for 2004 Price/Cash Flow per share; between 3.2x and 3.7x for 2005 Price/Cash Flow per share; between 10.5x and 11.5x for 2004 Price/Earnings per share; and between 9.0x and 10.0x for 2005 Price/Earnings per share) to the corresponding Magnum Hunter statistics based on management estimates. Deutsche Bank then applied the same comparable company multiples as used in the previous analysis (ranging between 4.9x and 5.4x for 2004 Price/Cash Flow per share; between 4.2x and 4.7x for 2005 Price/Cash Flow per share; between 11.5x and 12.5x for 2004 Price/Earnings per share; and between 10.0x and 12.0x for 2005 Price/Earnings per share) to the corresponding Cimarex statistics based on management estimates. The following table presents the range of exchange ratios implied by the resulting mean valuation range based on implied Magnum Hunter and Cimarex share prices derived from the 2004 and 2005 Price/Earnings per Share and Price/Cash Flow per Share analysis as computed by Deutsche Bank.

	<u>Exchange ratio range</u>
Price / cash flow per share	0.311x - 0.397x
Price / earnings per share	0.300 - 0.377

Deutsche Bank also calculated Total Enterprise Value to thousand cubic foot of gas equivalent proved reserves values for Magnum Hunter and Cimarex based on the most recently publicly disclosed amount of proved reserves available, adjusted for acquisitions and divestitures. Deutsche Bank then compared the Total Enterprise Value to proved reserves values obtained for Magnum Hunter and Cimarex with results obtained for the Magnum Hunter selected companies and the Cimarex selected companies.

The analysis showed the following results:

	Total enterprise value / proved reserves (Mcf)
Magnum Hunter	\$ 1.85
Cimarex	3.78
Magnum Hunter selected companies median	1.95
Cimarex selected companies median	1.85

Deutsche Bank then applied comparable company values (ranging between \$1.65 and \$1.95 for Total Enterprise Value/proved reserves) to the corresponding Magnum Hunter statistics based on publicly disclosed estimates. Deutsche Bank then applied comparable company values (ranging between \$2.10 and \$2.35 for Total Enterprise Value/proved reserves) to the corresponding Cimarex statistics based on publicly available estimates. Cimarex's reserve estimate was increased by 20% to attempt to adjust Cimarex's reserves due to its policy of typically not including proved undeveloped reserves in its reserves estimates. The 20% increase represents research analyst estimates of Cimarex's proved reserves if Cimarex were to include proved undeveloped reserves in its reserve estimates in a manner consistent with the comparable companies. The following table presents the range of exchange ratios implied by the resulting valuation range based on implied Magnum Hunter and Cimarex share prices derived from the Total Enterprise Value as computed by Deutsche Bank.

	Exchange ratio range
Total enterprise value / Proved reserves (Mcf)	0.365x - 0.530x

Deutsche Bank calculated Total Enterprise Value to 2005 estimated thousand cubic foot of gas equivalent production per day values for Magnum Hunter and Cimarex as provided in recent reports by analysts from four financial institutions for Magnum Hunter and three financial institutions for Cimarex. Such reports represent substantially all the research analysts' reports which contained production estimates on Magnum Hunter and Cimarex that were reasonably available and current at the time the analyses were performed. Deutsche Bank then compared the Total Enterprise Value to 2005 daily production values obtained for Magnum Hunter and Cimarex with results obtained for the Magnum Hunter selected companies and the Cimarex selected companies.

The analysis showed the following results:

	Total enterprise value / production (Mcf/day)
Magnum Hunter	\$ 7,087
Cimarex	7,237
Magnum Hunter selected companies median	6,320
Cimarex selected companies median	7,087

Deutsche Bank then applied comparable company values (ranging between \$6,000 and \$6,700 for Total Enterprise Value/2005 daily production) to the corresponding Magnum Hunter statistics based on analyst estimates. Deutsche Bank then applied comparable company values (ranging between \$6,500 and \$7,800 for Total Enterprise Value/2005 production) to the corresponding Cimarex statistics based on analyst estimates. The following table presents the range of exchange ratios implied by the resulting valuation range based on implied Magnum Hunter and Cimarex share prices derived from the Total Enterprise Value as computed by Deutsche Bank.

	Exchange ratio range
Total enterprise value / 2005 Daily Production (Mcf/day)	0.237x - 0.339x

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Deutsche Bank calculated Total Enterprise Value to 2005 estimated thousand cubic foot of gas equivalent production per day values for Magnum Hunter and Cimarex projected by the managements of Magnum Hunter and Cimarex. Deutsche Bank then applied comparable company values (ranging between \$6,000 and \$6,700 for Total Enterprise Value/2005 daily production) to the corresponding Magnum Hunter statistics based on Magnum Hunter management estimates. Deutsche Bank then applied comparable company values (ranging between \$6,500 and \$7,800 for Total Enterprise Value/2005 production) to the corresponding Cimarex statistics based on Cimarex management estimates. The following table presents the range of exchange ratios implied by the resulting valuation range based on implied Magnum Hunter and Cimarex share prices derived from the Total Enterprise Value as computed by Deutsche Bank.

Exchange ratio range

<u>Total enterprise value / 2005 Daily Production (Mcf/day)</u>	0.235x - 0.335x
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Pro Forma Contribution Analysis. Deutsche Bank compared the pro forma contributions of each of Magnum Hunter and Cimarex to the combined company, based on First Call estimates and based on management estimates from both Magnum Hunter and Cimarex. Deutsche Bank reviewed pro forma estimates of earnings, cash flow and EBITDA for the years 2004 and 2005. Deutsche Bank also compared the contribution to pro forma total net asset value and pro forma proved developed net asset value that each of the companies provide. Magnum Hunter's total net asset value was calculated as the sum of the projected, discounted cash flows from Magnum Hunter's risked proved, probable and possible reserve base, a projected exploration program and midstream and oilfield service assets less total net debt. Risking assumptions were based on Deutsche Bank precedent experience confirmed as reasonable by Magnum Hunter's management. The exploration program was based upon production, operating and capital cost estimates provided by Magnum Hunter's management. Cimarex's total net asset value was calculated as the sum of the projected, discounted cash flows from Cimarex's total proved reserve base, and projected risked drilling program plus total net cash. The drilling program for 2005, including risking associated with that program, was provided by Cimarex management. This program was used by Deutsche Bank as the basis for the exploration program in 2006 and 2007. The assumptions underlying the exploration program were deemed reasonable by Cimarex management. Magnum Hunter's proved developed net asset value was calculated as the sum of the projected, discounted cash flows from Magnum Hunter's proved developed reserve base and midstream and oilfield service assets less net debt. Net debt was adjusted by the ratio of proved developed reserves to total proved reserves. Cimarex's proved developed net asset value was calculated as the sum of the projected, discounted cash flows from Cimarex's proved developed reserve base plus net cash. Net cash was adjusted by the ratio of proved developed reserves to total proved reserves.

As more fully described in the table below, Magnum Hunter and Cimarex will contribute to the combined company in a manner consistent with the participation that Magnum Hunter stockholders and Cimarex stockholders will have in the ownership of Cimarex following the merger, as such participation is implied by the agreed 0.415 exchange ratio:

	<u>Cash Flow</u>		<u>Net Income</u>		<u>Total Net Asset Value</u>	<u>Proved Developed Net Asset Value</u>	<u>Pre-Transaction Equity Value</u>	<u>Relative Ownership Based On Exchange Ratio</u>
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>				
Magnum Hunter First Call Projections	45%	51%	40%	49%	42%	39%	41%	47%
Cimarex First Call Projections	55	49	60	51	58	61	59	53
Magnum Hunter Management Projections	47	52	40	49	42	39	41	47
Cimarex Management Projections	53	48	60	51	58	61	59	53

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Pro Forma Earnings, Cash Flow and Credit Impact Analysis. Deutsche Bank analyzed the pro forma effects of the merger and computed the resulting accretion/dilution to the combined company's projected per-share earnings and cash flow during 2005, based on the agreed exchange ratio.

Deutsche Bank also computed the resulting credit statistics for the combined company based on the agreed exchange ratio, including total debt to book capitalization, total debt to last twelve months' (LTM) EBITDA, LTM EBITDA to interest expense, total debt to thousand cubic foot of gas equivalent proved reserves and total debt to thousand cubic foot of gas equivalent proved developed reserves. In one analysis, these computations used earnings and cash flow projections for Magnum Hunter and Cimarex based on First Call estimates, and in the second analysis, these computations used earnings and cash flow projections for Magnum Hunter and Cimarex based on estimates provided by Magnum Hunter and Cimarex management. In both analyses, the computations used preliminary synergy estimates and certain purchase accounting adjustments provided by Cimarex's management.

The analysis indicated that, based on First Call estimates and management estimates, the merger would be dilutive to estimated earnings per share in 2005 of Cimarex as compared to the same estimates for Cimarex on a stand-alone basis. Based on First Call estimates and management estimates, the merger would be accretive to cash flow per share for Cimarex in 2005, as compared to the same estimates for Cimarex on a stand-alone basis. In addition, the analysis indicated that, based on First Call estimates, the merger should have a positive impact on the credit statistics of the combined company as compared to Magnum Hunter on a stand-alone basis.

Precedent Transactions Analysis. Deutsche Bank examined 34 selected precedent business combination transactions which, for the purposes of its analysis, it deemed to be comparable to the merger in whole or in part. These 34 transactions included 16 transactions with consideration consisting of all stock and 18 transactions with consideration consisting of all or some portion of cash proceeds. The all-stock transactions included all significant transactions between publicly traded exploration and production companies since 1997. The cash or cash and stock transactions included all significant transactions between publicly traded exploration and production companies since 2001. Deutsche Bank calculated the premium received to the share price one day, one week and one month prior to announcement in these selected precedent transactions and then calculated the median value premium of the transactions. The calculated median premium for these two groupings of transactions over the three examined time periods are shown in the table below.

Premium to unaffected stock price

	1 day prior stock price	1 week prior stock price	1 month prior stock price
Median all stock transactions	11%	10%	10%
Median cash or cash & stock transactions	23%	24%	31%

Based on closing stock prices on January 19, 2005, the value implied to Magnum Hunter based on the 0.415 exchange ratio was a 23.6% premium.

Deutsche Bank then applied comparable transaction premium values (ranging between 5% and 25%) to the Magnum Hunter closing stock price on January 19, 2005. Deutsche Bank then applied comparable transaction premium values (ranging between 5% and 25%) to the corresponding Cimarex closing stock price on January 19, 2005. The following table presents the range of exchange ratios implied by the resulting valuation range based on implied Magnum Hunter and Cimarex share prices as computed by Deutsche Bank.

	Exchange ratio range
Comparable transaction analysis	0.282x - 0.400x

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The precedent stock for stock transactions examined were:

Kerr-McGee Corporation / Westport Resources Corporation

Plains Exploration & Production Company / Nuevo Energy Company

Devon Energy Corporation / Ocean Energy, Inc.

Newfield Exploration Company / EEX Corporation

PanCanadian Energy Corporation / Alberta Energy Company Ltd.

Westport Resources Corporation / Belco Oil & Gas Corp.

Stone Energy Corporation / Basin Exploration, Inc.

Forest Oil Corporation / Forcenergy Inc.

Devon Energy Corporation / Santa Fe Snyder Corporation

Anadarko Petroleum Corporation / Union Pacific Resources Group Inc.

Devon Energy Corporation / PennzEnergy Company

Santa Fe Energy Resources, Inc. / Snyder Oil Corporation

Ocean Energy, Inc. / Seagull Energy Corporation

Kerr-McGee Corporation / Oryx Energy Company

Ocean Energy, Inc. / United Meridian Corporation

Burlington Resources Inc. / The Louisiana Land and Exploration Company

The precedent cash or cash and stock transactions examined were:

Noble Energy, Inc. / Patina Oil & Gas Corporation

Petro-Canada / Prima Energy Corporation

Forest Oil Corporation / The Wiser Oil Company

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Pioneer Natural Resources Company / Evergreen Resources, Inc.

EnCana Corporation / Tom Brown, Inc.

Canadian Natural Resources Limited / Rio Alto Exploration Ltd.

Royal Dutch-Shell Group / Enterprise Oil plc

Magnum Hunter Resources, Inc. / Prize Energy Corporation

Burlington Resources Inc. / Canadian Hunter Exploration Ltd.

Dominion Resources, Inc. / Louis Dreyfus Natural Gas Corp.

Devon Energy Corporation / Anderson Exploration Ltd.

Devon Energy Corporation / Mitchell Energy & Development Corp.

Amerada Hess Corporation / Triton Energy Limited

Hunt Oil Company / Chieftain International, Inc.

Conoco Inc. / Gulf Canada Resources, Ltd.

Kerr-McGee Corporation / HS Resources, Inc.

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The Williams Companies, Inc. / Barrett Resources Corporation

Vintage Petroleum, Inc. / Genesis Exploration Ltd.

Deutsche Bank analyzed transaction multiples for eight of the precedent transactions and compared these multiples to those implied by the transaction value at January 19, 2005. The multiples calculated included total enterprise value to EBITDA, equity value to earnings and equity value to cash flow and total enterprise value to thousand cubic foot of gas equivalent proved reserves values (based on the most recently publicly disclosed amount of proved reserves available, adjusted for acquisitions and divestitures). These multiples were calculated based on actual LTM results and First Call estimates for the fiscal year of the transaction (FY+1) and the year following the year of the transaction (FY+2).

	Total enterprise value / EBITDA			Equity value / net income			Equity value / cash flow			Total Enterprise value / Reserves
	LTM	FY + 1	FY + 2	LTM	FY + 1	FY + 2	LTM	FY + 1	FY + 2	
	Precedent Transaction Median Multiples	7.7x	5.7x	6.1x	21.4x	18.7x	17.2x	5.8x	5.4x	
Magnum Hunter / Cimarex Transaction	8.0	6.8	5.7	18.7	15.2	11.7	6.1	5.6	4.4	2.18

The transactions used for this analysis consist of the significant exploration and production transactions between publicly traded companies announced since 2003. This time period was selected as these transactions occurred during a commodity price environment which is comparable to the existing commodity price environment. They include the following:

Noble Energy, Inc. / Patina Oil and Gas Corporation

Petro-Canada / Prima Energy Corporation

Forest Oil Corporation / The Wiser Oil Company

Pioneer Natural Resources Company / Evergreen Resources, Inc.

EnCana Corporation / Tom Brown, Inc.

Kerr-McGee Corporation / Westport Resources Corporation

Plains Exploration & Production Company / Nuevo Energy Company

Devon Energy Corporation / Ocean Energy, Inc.

Discounted Cash Flow Analysis. Deutsche Bank performed a discounted cash flow analysis for Magnum Hunter and Cimarex.

Deutsche Bank calculated the discounted cash flow values for Magnum Hunter as the sum of the net present value of:

the estimated future cash flow that Magnum Hunter will generate starting in the fourth quarter of 2004 through 2018, plus

the value of Magnum Hunter at the end of that period.

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Deutsche Bank estimated the present value of the future cash flows expected to be generated by Magnum Hunter's risked proved, probable and possible reserve base, in addition to the cash flows expected to be generated by reserves added through near-term exploration and development, and cash flows generated from Magnum Hunter's midstream and oilfield service operations. Risking assumptions are based on Deutsche Bank precedent experience confirmed as reasonable by Magnum Hunter management. Production and cost estimates were provided by Magnum Hunter management. Cash flow projections were generated starting in the fourth quarter of 2004 and ending in 2018. The terminal value of Magnum Hunter was based on projected residual values of Magnum Hunter's oil and gas

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reserves plus projected, annual oilfield service and midstream cash flow. Deutsche Bank used discount rates ranging from 8% to 10% and NYMEX commodity futures prices and First Call commodity price decks as of January 19, 2005.

Deutsche Bank calculated the discounted cash flow values for Cimarex as the sum of the net present value of

the estimated future cash flow that Cimarex will generate from the fourth quarter of 2004 through 2018, plus

the value of Cimarex at the end of that period.

Deutsche Bank estimated the present value of the future cash flows expected to be generated by Cimarex's existing proved reserve base, in addition to the cash flows expected to be generated by reserves added through near-term exploration and development. Production and cost estimates were based upon Cimarex management's 2005 financial projections and risked drilling program. Assumptions associated with projections beyond 2005 were reviewed for reasonableness by Cimarex management. Cash flow projections were generated starting in the fourth quarter of 2004 and ending in 2018. The terminal values of Cimarex were based on projected residual values of Cimarex's oil and gas reserves. Deutsche Bank used discount rates ranging from 8% to 10% and NYMEX commodity futures prices and First Call commodity price decks as of January 19, 2005.

The following table presents the range of exchange ratios implied by the resulting valuation range based on implied Magnum Hunter and Cimarex discounted cash flow valuations as computed by Deutsche Bank.

	<u>Exchange ratio range</u>
Discounted cash flow analysis	0.276x - 0.419x

General

In connection with the review of the merger by Magnum Hunter's board of directors, Deutsche Bank performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Deutsche Bank considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Furthermore, Deutsche Bank believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of its analyses, without considering all of them, would create an incomplete view of the process underlying its analyses and opinion. In addition, Deutsche Bank may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions, so that the ranges of valuations resulting from any particular analysis described above should not be taken to be Deutsche Bank's view of the actual value of Magnum Hunter or Cimarex.

In performing its analyses, Deutsche Bank made numerous assumptions with respect to industry risks associated with reserves, industry performance, general business and economic conditions and other matters, many of which are beyond the control of Magnum Hunter or Cimarex. Any estimates contained in Deutsche Bank's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were prepared solely as part of Deutsche Bank's analysis of the fairness from a financial point of view to Magnum Hunter common stockholders of the 0.415 exchange ratio and were prepared in connection with the delivery by Deutsche Bank of its opinion, dated January 25, 2005, to Magnum Hunter's board of directors. The analyses do not purport to be appraisals or to reflect the prices at

which Magnum Hunter common stock or Cimarex common stock might trade following announcement of the merger or the prices at which Cimarex common stock might trade following consummation of the merger.

The terms of the merger were determined through arm's length negotiations between Magnum Hunter and Cimarex and were unanimously approved by Magnum Hunter's and Cimarex's boards of directors. Deutsche Bank did not recommend any specific exchange ratio or form of consideration to Magnum Hunter or that any specific exchange ratio or form of consideration constituted the only appropriate consideration for the merger. Deutsche Bank's opinion was provided to Magnum Hunter's board of directors to assist it in its consideration of the exchange ratio in the merger. Deutsche Bank's opinion does not address any other aspect of the proposed merger and does constitute a recommendation to any stockholder as to how to vote or to take any other action with respect to the merger. Deutsche Bank's opinion was one of the many factors taken into consideration by Magnum Hunter's board of directors in making its unanimous determination to approve the merger agreement. Deutsche Bank's analyses summarized above should not be viewed as determinative of the opinion of Magnum Hunter's board of directors with respect to the value of Magnum Hunter or Cimarex or of whether Magnum Hunter's board of directors would have been willing to agree to a different exchange ratio or form of consideration.

Magnum Hunter selected Deutsche Bank as financial advisor in connection with the merger based on Deutsche Bank's qualifications, expertise, reputation and experience in mergers and acquisitions. Pursuant to the engagement letter between Magnum Hunter and Deutsche Bank, Magnum Hunter agreed to pay Deutsche Bank a fee calculated as a percentage of the aggregate transaction value of the merger as of the closing date. Based on the closing prices of Magnum Hunter's and Cimarex's common stock on February 3, 2005, Deutsche Bank's fee would be approximately \$6.1 million for services rendered by Deutsche Bank in connection with the merger, including Deutsche Bank's delivery of its opinion, all of which is contingent upon consummation of the merger. Magnum Hunter has also agreed to reimburse Deutsche Bank for its expenses incurred in performing its services. In addition, Magnum Hunter has agreed to indemnify Deutsche Bank and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Deutsche Bank or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Deutsche Bank's engagement and any related transactions.

Opinions of Magnum Hunter's Financial Advisors Merrill Lynch, Pierce, Fenner & Smith Incorporated

On January 25, 2005, Merrill Lynch, Pierce, Fenner & Smith Incorporated delivered its oral opinion, which was subsequently confirmed in a written opinion dated January 25, 2005, to the board of directors of Magnum Hunter to the effect that, as of that date and based upon the assumptions made, matters considered and limits of review set forth in its written opinion, the exchange ratio of 0.415 pursuant to the proposed merger was fair from a financial point of view to the holders of Magnum Hunter common stock. A copy of Merrill Lynch's written opinion is attached to this joint proxy statement/prospectus as *Annex D*.

Merrill Lynch's written opinion sets forth the assumptions made, matters considered and limits on the scope of review undertaken by Merrill Lynch. Each holder of Magnum Hunter common stock is encouraged to read Merrill Lynch's opinion in its entirety. Merrill Lynch's opinion was intended for the use and benefit of the board of directors of Magnum Hunter, does not address the merits of the underlying decision by Magnum Hunter to engage in the merger and does not constitute a recommendation to any stockholder as to how that stockholder should vote on the merger or any related matter. This summary of Merrill Lynch's opinion is qualified by reference to the full text of the opinion attached as *Annex D*.

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In arriving at its opinion, Merrill Lynch, among other things:

Reviewed certain publicly available business and financial information relating to Magnum Hunter and Cimarex that it deemed to be relevant;

Reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of Magnum Hunter and Cimarex furnished to it by Magnum Hunter and Cimarex, respectively;

Reviewed certain proved reserve data of Magnum Hunter and Cimarex as well as information relating to potential future drilling sites and the probable and possible reserves;

Conducted discussions with members of senior management and representatives of Magnum Hunter and Cimarex concerning the matters described in the three bullet points above, as well as their respective businesses and prospects before and after giving effect to the merger;

Reviewed the market prices and valuation multiples for Magnum Hunter common stock and Cimarex common stock and compared them with those of certain publicly traded companies that it deemed to be relevant;

Reviewed the results of operations of Magnum Hunter and Cimarex and compared them with those of certain publicly traded companies that it deemed to be relevant;

Compared the proposed financial terms of the merger with the financial terms of certain other transactions that it deemed to be relevant;

Participated in certain discussions and negotiations among representatives of Magnum Hunter and Cimarex and their financial and legal advisors;

Reviewed the potential pro forma impact of the merger;

Reviewed the merger agreement; and

Reviewed such other financial studies and analyses and took into account such other matters as it deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing its opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to Merrill Lynch, discussed with or reviewed by or for Merrill Lynch, or publicly available, and did not assume any responsibility for independently verifying such information or undertaking an independent evaluation or appraisal of any of the assets or liabilities of Magnum Hunter or Cimarex and was not furnished with any such evaluation or appraisal (other than the reserve data referred to above), nor did Merrill Lynch evaluate the solvency or fair value of Magnum Hunter or Cimarex under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, Merrill Lynch has not assumed any obligation to conduct any physical inspection of the properties or facilities of Magnum Hunter or Cimarex. With respect to the financial forecast information furnished to or discussed with Merrill Lynch by Magnum Hunter or Cimarex, Merrill Lynch assumed that such information was reasonably prepared and reflected the best currently available estimates and judgment of Magnum Hunter's or Cimarex's management as to the expected future financial performance of Magnum Hunter or Cimarex, as the case may be. Merrill Lynch further assumed that the merger would qualify as a tax-free reorganization for U.S. federal income tax purposes.

The opinion of Merrill Lynch was necessarily based upon market, economic and other conditions as they existed and could be evaluated on, and on the information made available to Merrill Lynch as of, the date of its opinion. Merrill Lynch assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions,

including any divestiture requirements or amendments or modifications, would be imposed that would have a material adverse effect on the contemplated benefits of the merger.

The Merrill Lynch opinion does not address the merits of the underlying decision by Magnum Hunter to engage in the merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote on the proposed merger or any matter related thereto. In addition, Merrill Lynch was not asked to address nor does its opinion address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Magnum Hunter, other than the holders of Magnum Hunter common stock.

The following is a summary of the material financial and comparative analyses performed by Merrill Lynch that were presented to Magnum Hunter's board of directors in connection with its opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Merrill Lynch's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Merrill Lynch's financial analyses.

Analysis of Magnum Hunter

Comparable Public Companies Analysis. Using publicly available information, Merrill Lynch compared certain financial and operating information and ratios for Magnum Hunter with corresponding financial and operating information and ratios for the following fourteen independent oil and gas exploration and production companies:

Cabot Oil & Gas Corporation;

Cimarex Energy Co.;

Denbury Resources Inc.;

Encore Acquisition Company;

Forest Oil Corporation;

The Houston Exploration Company;

Newfield Exploration Company;

Noble Energy, Inc.;

Plains Exploration & Production Company;

Pogo Producing Company;

Spinnaker Exploration Company;

St. Mary Land & Exploration Company;

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Stone Energy Corporation; and

Vintage Petroleum, Inc.

Merrill Lynch reviewed:

the ratio of the equity value to projected 2005 discretionary cash flow per share, which is referred to below as "Equity value/2005E CFPS";

the ratio of the enterprise value, which is defined as equity value plus total long term debt minus cash plus liquidation preference of preferred stock plus minority interest, to projected

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2005 earnings before interest, taxes, depreciation and amortization, which is referred to below as "Enterprise value/2005E EBITDA";

the ratio of the enterprise value to the pro forma year end 2003 quantity of estimated proven reserves (adjusted for acquisitions) on a dollars per thousand cubic feet equivalent (assuming a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil), which is referred to below as "Enterprise value/proven reserves (\$/Mcf)"; and

the ratio of the enterprise value to the most recently disclosed projected 2005 net daily production on a dollars per thousand cubic feet equivalent per day (assuming a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil), which is referred to below as "Enterprise value/2005E daily production (\$/Mcf/d)".

This analysis indicated the following:

Magnum Hunter Comparable Public Companies Analysis

Benchmark	High	Low	Mean	Median	Reference Range
Equity value/2005E CFPS	6.8x	2.8x	4.5x	4.0x	3.5x - 4.0x
Enterprise value/2005E EBITDA	6.7x	2.7x	4.6x	4.4x	4.5x - 5.0x
Enterprise value/proven reserves (\$/Mcf)	\$ 3.71	\$ 0.81	\$ 2.11	\$ 1.89	\$1.90 - \$2.10
Enterprise value/2005E daily production (\$/Mcf/d)	\$ 8,771	\$ 4,044	\$ 6,273	\$ 6,004	\$6,500 - \$7,000

Using the reference ranges described above, this analysis indicated a range of implied enterprise values of Magnum Hunter of approximately \$1.80 billion to \$2.00 billion and implied prices per share of Magnum Hunter common stock of approximately \$12.37 to \$14.58 (based upon 90.6 million diluted shares outstanding and \$680.0 million of net debt), compared to the implied value of the consideration to be received in the merger of \$16.55, based upon the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87 and the exchange ratio pursuant to the merger of 0.415.

Comparable Transaction Analysis. Using publicly available information, Merrill Lynch examined the following eleven selected transactions in the oil and gas exploration and production industry. The transactions considered and the date each transaction was announced were as follows:

Buyer/Seller	Date Announced
Noble Energy, Inc./Patina Oil & Gas Corporation	12/16/04
Newfield Exploration Company/Inland Resources Inc.	8/6/04
Affiliate of Carlyle/Riverstone Global Energy and Power Fund II, L.P./Belden & Blake Corporation	6/17/04
Petro-Canada/Prima Energy Corporation	6/9/04
Forest Oil Corporation/The Wisser Oil Company	5/23/04
Pioneer Natural Resources Company/Evergreen Resources, Inc.	5/4/04
EnCana Corporation/Tom Brown, Inc.	4/15/04
Kerr-McGee/Westport Resources Corporation	4/7/04
Plains Exploration & Production Company/Nuevo Energy Company	2/12/04
Devon Energy Corporation/Ocean Energy, Inc.	2/24/03
Plains Exploration & Production Company/3TEC Energy Corporation	2/3/03

Merrill Lynch reviewed:

the ratio of the transaction value to latest-twelve-month earnings before interest, taxes, depreciation and amortization, which is referred to below as "Transaction Value/LTM EBITDA";

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the ratio of the transaction value to the quantity of estimated proven reserves on a dollars per thousand cubic feet equivalent (assuming a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil), which is referred to below as "Transaction Value/Reserves (\$/Mcf)";

the ratio of the transaction value to net daily production on a dollars per thousand cubic feet equivalent per day (assuming a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil), which is referred to below as "Transaction Value/Production (\$/Mcf/d)";

The analysis indicated the following:

Magnum Hunter Comparable Transaction Analysis

Benchmark	High	Low	Average	2004 Average	2003 Average	Reference Range
Transaction Value/LTM EBITDA	13.6x	5.0x	7.3x	7.2x	7.8x	6.0x - 6.5x
Transaction Value/Reserves (\$/Mcf)	\$ 3.64	\$ 0.76	\$ 1.76	\$ 1.84	\$ 1.47	\$1.85 - \$2.15
Transaction Value/Production (\$/Mcf/d)	\$ 12,838	\$ 3,119	\$ 7,127	\$ 7,571	\$ 5,350	\$7,500 - \$8,500

This analysis indicated a range of implied enterprise values of Magnum Hunter of approximately \$1.85 billion to \$2.05 billion, and implied prices per share of Magnum Hunter common stock of approximately \$12.92 to \$15.13 (based upon 90.6 million diluted shares outstanding and \$680.0 million of net debt), compared to the implied value of the consideration to be received in the merger of \$16.55, based upon the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87 and the exchange ratio pursuant to the merger of 0.415.

Merger Premium Analysis. Merrill Lynch reviewed the premiums paid in the following eleven stock-for-stock business combinations in the oil and gas exploration and production industry. The transactions considered, including the date each transaction was announced, were as follows:

Buyer/Seller	Date Announced
Kerr-McGee/Westport Resources Corporation	4/7/04
Plains Exploration & Production Company/Nuevo Energy Company	2/12/04
Devon Energy Corporation/Ocean Energy, Inc.	2/24/03
Unocal Corporation/Pure Resources, Inc.	8/21/02
Newfield Exploration Company/EEX Corporation	5/29/02
PanCanadian Energy Corporation/Alberta Energy Company Ltd.	1/27/02
Westport Resources Corporation/Belco Oil & Gas Corp.	6/9/01
Stone Energy Corporation/Basin Exploration, Inc.	10/30/00
Forest Oil Corporation/Forcenergy Inc.	7/10/00
Devon Energy Corporation/Santa Fe Snyder Corporation	5/26/00
Anadarko Petroleum Corporation/Union Pacific Resources Group Inc.	4/3/00

For each transaction listed above, Merrill Lynch calculated the premium represented by the offer price over the target company's share price for the one day period prior to the transaction's announcement and the target company's average share price for the ten day and thirty day periods prior to the transaction's announcement. This analysis indicated the following:

Magnum Hunter Merger Premium Analysis

Time Period (prior to transaction announcement)	High Premium	Low Premium	Mean Premium	Median Premium
One day	27.0%	(4.3%)	11.4%	10.7%
10 days	37.0%	1.1%	14.7%	11.5%
30 days	56.1%	4.8%	18.4%	11.9%

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Merrill Lynch used the mean historical premia and the closing price per share of Magnum Hunter common stock for the corresponding periods prior to the announcement of the merger, and adjusted the low end of the implied value per share downward to reflect no premium to the closing price per share of Magnum Hunter common stock one day prior to the announcement of the merger to take into account the fact that Magnum Hunter had publicly disclosed in October 2004 that it was exploring strategic alternatives. This analysis indicated a range of implied prices per share of Magnum Hunter common stock of approximately \$13.15 to \$14.90, compared to the implied value of the consideration to be received in the merger of \$16.55, based upon the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87 and the exchange ratio pursuant to the merger of 0.415.

Discounted Cash Flow Analysis. Merrill Lynch performed a discounted cash flow analysis for Magnum Hunter to estimate the net asset value of Magnum Hunter common stock. Using financial forecasts provided by Magnum Hunter management, Merrill Lynch discounted the projected after-tax cash flows from Magnum Hunter at rates ranging from 7% to 9%, and applied a risk weighting to the proved reserves, probable and possible and exploratory reserves that it deemed appropriate based upon its judgment. This analysis indicated a range of implied enterprise net asset values of Magnum Hunter of approximately \$0.96 billion to \$1.14 billion and implied values per share of Magnum Hunter common stock of approximately \$10.60 to \$12.57 (based upon 90.6 million diluted shares outstanding and \$680.0 million of net debt), compared to the implied value of the consideration to be received in the merger of \$16.55, based upon the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87 and the exchange ratio pursuant to the merger of 0.415.

Historical Stock Performance. Merrill Lynch reviewed historical trading prices for Magnum Hunter common stock. This review indicated that during the one year period ending January 24, 2005, the Magnum Hunter common stock traded as low as \$8.12 per share and as high as \$13.82 per share, compared to the implied value of the consideration to be received in the merger of \$16.55, based upon the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87 and the exchange ratio pursuant to the merger of 0.415.

Analysis of Cimarex

Comparable Public Companies Analysis. Using publicly available information, Merrill Lynch compared certain financial and operating information and ratios for Cimarex with corresponding financial and operating information and ratios for the independent oil and gas exploration and production companies listed above under "Analysis of Magnum Hunter Comparable Public Companies Analysis," except that the group of companies used in this analysis included Magnum Hunter in the place of Cimarex.

Merrill Lynch reviewed:

the ratio of the equity value to projected 2005 discretionary cash flow per share, which is referred to below as "Equity value/2005E CFPS";

the ratio of the enterprise value to projected 2005 earnings before interest, taxes, depreciation and amortization, which is referred to below as "Enterprise value/2005E EBITDA";

the ratio of the enterprise value to the pro forma year end 2003 quantity of estimated proven reserves (adjusted for acquisitions) on a dollars per thousand cubic feet equivalent (assuming a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil), which is referred to below as "Enterprise value/proven reserves (\$/Mcf)"; and

the ratio of the enterprise value to the most recently disclosed projected 2005 net daily production on a dollars per thousand cubic feet equivalent per day (assuming a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil), which is referred to below as "Enterprise value/2005E daily production (\$/Mcf/d)".

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This analysis indicated the following:

Cimarex Comparable Public Companies Analysis

Benchmark	High	Low	Mean	Median	Reference Range
Equity value/2005E CFPS	6.8x	2.8x	4.3x	3.8x	4.0x - 4.5x
Enterprise value/2005E EBITDA	6.7x	2.7x	4.6x	4.4x	4.5x - 5.0x
Enterprise value/proven reserves (\$/Mcfe)	\$ 3.55	\$ 0.81	\$ 1.99	\$ 1.89	\$1.90 - \$2.10
Enterprise value/2005E daily production (\$/Mcfe/d)	\$ 8,771	\$ 4,044	\$ 6,327	\$ 6,004	\$6,500 - \$7,000

Using the reference ranges described above, this analysis indicated a range of implied enterprise values of Cimarex of approximately \$1.30 billion to \$1.50 billion, and implied prices per share of Cimarex common stock of approximately \$31.86 to \$36.44 (based upon 43.7 million diluted shares outstanding and (\$92.2) million of net debt), compared to the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87.

Discounted Cash Flow Analysis. Merrill Lynch performed a discounted cash flow analysis for Cimarex to estimate the net asset value of Cimarex common stock. Using financial forecasts provided by Cimarex management, Merrill Lynch discounted the projected after-tax cash flows from Cimarex at rates ranging from 7% to 9%, and applied a risk weighting for proved developing producing, proved developing non-producing, proved undeveloped reserves and unproven reserves that it deemed appropriate based upon its judgment. This analysis indicated a range of implied enterprise net asset values of Cimarex of \$1.16 billion to \$1.28 billion, and implied values per share of Cimarex common stock of approximately \$26.53 to \$29.23 (based upon 43.7 million diluted shares outstanding and (\$92.2) million of net debt), compared to the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87.

Historical Stock Performance. Merrill Lynch reviewed historical trading prices for Cimarex common stock. This review indicated that during the one year period ending January 24, 2005, the Cimarex common stock traded as low as \$24.05 per share and as high as \$41.45 per share, compared to the closing price per share of Cimarex common stock on January 24, 2005 of \$39.87.

Exchange Ratio Analysis

Historical Implied Exchange Ratio Trading Analysis. Merrill Lynch reviewed the per share daily closing market prices of Magnum Hunter common stock and Cimarex common stock for the two year period ending January 24, 2005, and calculated the historical implied exchange ratios by dividing the daily closing prices of Magnum Hunter common stock by those of Cimarex common stock on January 24, 2005 and the average of those closing prices per share for the previous month, previous three months, previous six months, previous year, and previous two years. This analysis shows the following implied exchange ratios, in each compared to the exchange ratio pursuant to the merger of 0.415:

Period Ending January 24, 2005	Implied Exchange Ratio
January 24, 2005	0.330
Average previous 1 month	0.336
Average previous 2 months	0.341
Average previous 3 months	0.338
Average previous year	0.346
Average previous 2 years	0.344

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Contribution Analysis. In order to estimate the implied exchange ratio range based upon a contribution analysis, Merrill Lynch estimated the contribution of Magnum Hunter and Cimarex to the pro forma combined company on a percentage basis with respect to the following:

Equity value;

Enterprise value;

Proved reserves, which is referred to below as "Proved Reserves";

Net asset value, which was estimated for Magnum Hunter and Cimarex using the discounted cash flow methodologies for each company described above and discount rates ranging for 7% to 9%;

2004 estimated EBITDA, which is referred to below as "2004E EBITDA";

2004 estimated net income, which is referred to below as "2004E net income";

2004 estimated discretionary cash flow, which is referred to below as "2004E cash flow";

2004 estimated net production, which is referred to below as "2004E production";

2005 estimated EBITDA, which is referred to below as "2005E EBITDA";

2005 estimated net income, which is referred to below as "2005E net income";

2005 estimated discretionary cash flow, which is referred to below as "2005E cash flow"; and

2005 estimated net production, which is referred to below as "2005E production."

Magnum Hunter's contributions to the pro forma combined company with respect to proved reserves, estimated net production and estimated EBITDA, which were all unleveraged measures, were adjusted to incorporate its net indebtedness of \$680.0 million, which is referred to below as the "Magnum Hunter Leverage Adjusted Percentage Contribution." In addition, Cimarex reserves were adjusted upward by 20% to reflect proved undeveloped reserves in line with industry averages.

This analysis showed the following implied exchange ratios, in each case compared to the exchange ratio pursuant to the merger of 0.415:

Relative Contribution Analysis

Benchmark	Magnum Hunter Percentage Contribution	Magnum Hunter Leverage Adjusted Percentage Contribution	Implied Exchange Ratio
Equity value	40.6	40.6	0.330
Enterprise value	53.1	40.6	0.330
Proved reserves	65.6	55.6	0.603
Net asset value (7% discount rate)	47.1	47.1	0.430
Net asset value (8% discount rate)	46.2	46.2	0.415
Net asset value (9% discount rate)	45.3	45.3	0.400
2004E EBITDA	47.3	33.6	0.244

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Benchmark	Magnum Hunter Percentage Contribution	Magnum Hunter Leverage Adjusted Percentage Contribution	Implied Exchange Ratio
2004E net income	39.7	39.7	0.318
2004E cash flow	46.2	46.2	0.414
2004E production	52.5	39.8	0.319
2005E EBITDA	53.9	41.5	0.342
2005E net income	49.4	49.4	0.470
2005E cash flow	52.9	52.9	0.542
2005E production	53.2	40.7	0.331

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Pro Forma Analysis. Merrill Lynch analyzed the pro forma effect of the merger and estimated the resulting accretion/dilution to the combined company's projected per-share earnings and discretionary cash flow during 2005, based on the exchange ratio pursuant to the merger of 0.415.

This analysis indicated that, based on Magnum Hunter and Cimarex management estimates (including \$5 million in pre-tax synergies in 2005 to be realized as a result of the merger), the merger would be dilutive to projected earnings per share in 2005 for the combined company as compared to the same estimates for Cimarex on a stand-alone basis, and accretive to projected discretionary cash flow per share for the combined company in 2005, as compared to the same estimates for Cimarex on a stand-alone basis.

The summary set forth above summarizes the material analyses performed by Merrill Lynch but does not purport to be a complete description of the analyses performed by Merrill Lynch in arriving at its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial or summary description. Accordingly, Merrill Lynch believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by Merrill Lynch, without considering all analyses and factors, could create an incomplete view of the processes underlying the Merrill Lynch opinion. Merrill Lynch did not assign relative weights to any of its analyses in preparing its opinion. The matters considered by Merrill Lynch in its analyses were based on numerous macroeconomic, operating and financial assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond Magnum Hunter's and Merrill Lynch's control and involve the application of complex methodologies and educated judgments. In addition, no company utilized as a comparison in the analyses described above is identical to Magnum Hunter or Cimarex, and none of the transactions utilized as a comparison is identical to the merger.

Magnum Hunter's board of directors selected Merrill Lynch to deliver its opinion because of Merrill Lynch's reputation as an internationally recognized investment banking firm with substantial experience in transactions similar to the merger and because Merrill Lynch is familiar with Magnum Hunter and its business. As part of Merrill Lynch's investment banking business, Merrill Lynch is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

Merrill Lynch acted as financial advisor to the Magnum Hunter in connection with the merger and has received or will receive total fees from Magnum Hunter in the amount of \$3.65 million for its services, of which \$1.55 million has already been paid or billed and the remainder of which is contingent upon the consummation of the merger. In addition, Magnum Hunter agreed to indemnify Merrill Lynch for certain liabilities arising out of its engagement and to reimburse Merrill Lynch for certain expenses incurred in connection with this engagement, including the reasonable fees and disbursements of counsel. Merrill Lynch has, in the past, provided financial advisory services to Magnum Hunter and Cimarex and may continue to do so and has received, and may receive, fees for the rendering of such services. In addition, in the ordinary course of business, Merrill Lynch may actively trade the Magnum Hunter common stock and other securities of Magnum Hunter, as well as the common stock of Cimarex and other securities of Cimarex, for its own account and for the accounts of its customers and, accordingly, Merrill Lynch may at any time hold a long or short position in such securities.

Merger Consideration

Magnum Hunter Common Stockholders

In the merger, holders of shares of Magnum Hunter common stock will receive 0.415 of a share of Cimarex common stock for each share of Magnum Hunter common stock that they own immediately

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before the effective time of the merger. This ratio is referred to as the exchange ratio. The exchange ratio will not be adjusted in the case of changes in the outstanding shares of Cimarex between the date of the merger agreement and the effective time of the merger. Magnum Hunter common stockholders will receive cash for any fractional shares which they would otherwise receive in the merger.

Magnum Hunter Series A Preferred Stockholders

In the merger, all of the issued and outstanding shares of Magnum Hunter's Series A preferred stock will be canceled and converted into the right to receive, in the aggregate, 20 shares of Cimarex common stock. Based upon the 80,000 shares of Series A preferred stock currently outstanding, holders of Magnum Hunter's Series A preferred stock would receive 0.00025 of a share of Cimarex common stock for each share of Series A preferred stock that they own immediately before the effective time of the merger. This ratio will not be adjusted in the case of changes in the outstanding shares of Cimarex between the date of the merger agreement and the effective time of the merger.

Magnum Hunter Series A preferred stockholders will receive fractional shares of Cimarex common stock in the merger to the extent necessary. In the alternative, Cimarex may elect in its sole discretion to offer Series A preferred stockholders who would otherwise receive fractional shares one or both of the following options:

the right to purchase an additional fraction of a share of Cimarex common stock sufficient to provide the holder with a whole share, at the closing sales price of Cimarex common stock on the NYSE on the day immediately before the holder's acceptance of this right; and/or

the establishment of an agency arrangement which combines fractional shares held by participating Series A preferred stockholders into whole shares, sells those shares for the account of the participating holders to a party other than Cimarex or its subsidiaries or affiliates, and then distributes the resulting sales proceeds to the participating holders in proportion to their contributed fractional share interests, with related transaction costs to be borne by Cimarex.

Cimarex may offer either or both of these alternatives to Series A preferred stockholders at any time until the third anniversary of the closing date of the merger. These provisions do not prevent Cimarex from offering other alternatives to Series A preferred stockholders who receive fractional shares of Cimarex common stock. Cimarex is not permitted to force Series A preferred stockholders who receive fractional shares of Cimarex common stock to receive cash in respect of their fractional shares.

Treatment of Magnum Hunter Stock Options

Magnum Hunter has agreed to use commercially reasonable efforts to obtain consent to cancel options to purchase Magnum Hunter common stock from all holders of options that require consent for cancellation of the options. Magnum Hunter also will cause all stock options that do not require consent for cancellation to be canceled as of the effective time of the merger. As of _____, 2005, the record date for the Magnum Hunter special meeting, Magnum Hunter had options to purchase _____ shares of Magnum Hunter common stock outstanding, with an average exercise price of approximately \$ _____ per share. Magnum Hunter estimates that options covering _____ shares require consent for cancellation.

At the effective time of the merger, the holder of each canceled stock option will be entitled to receive a cash payment equal to the product of the total number of shares of Magnum Hunter common stock subject to the option (whether vested or unvested), times the excess, if any, of the closing price of Magnum Hunter common stock on the day before the closing date over the exercise price of the option, less the amount of any required withholding taxes. Any cash payments to option holders will be made by Magnum Hunter or, at Cimarex's option, by Cimarex. Options with exercise prices higher than _____

the closing price of Magnum Hunter common stock on the day before the closing date will not be entitled to any cash payment. The closing price of Magnum Hunter common stock on _____, 2005, the most recent practicable date before the printing of this joint proxy statement/prospectus, was \$ _____. If the closing price of Magnum Hunter common stock is the same on the day before the closing date of the merger, Magnum Hunter estimates that options to purchase _____ shares of Magnum Hunter common stock will have an exercise price that is less than the closing price, and Magnum Hunter or Cimarex will be required to make an aggregate cash payment of approximately \$ _____.

If Magnum Hunter does not receive consent before the effective time to cancel any options that require consent for cancellation, those options will be assumed by Cimarex. Assumed options will be converted into an option to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the option at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed option will be equal to the exercise price per share of the existing option divided by the exchange ratio. Each assumed option will remain subject to the same conditions that applied before the merger, except that each option will be fully vested.

Promptly following the effective time of the merger, Cimarex has agreed to cause the shares of Cimarex common stock issuable upon exercise of the assumed options to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of that registration statement for so long as any assumed options remain outstanding.

Treatment of Magnum Hunter Warrants

Magnum Hunter has approximately 7.2 million common stock warrants outstanding, each of which is exercisable for one share of Magnum Hunter common stock at an exercise price of \$15 per share. These outstanding warrants expire on March 21, 2005, which we expect will be before the closing of the merger. If any warrants to purchase shares of Magnum Hunter common stock are outstanding at the closing of the merger, each of those warrants will be assumed by Cimarex at the effective time of the merger and converted into a warrant to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the warrant at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed warrant will be equal to the exercise price per share of the existing warrant divided by the exchange ratio. Each assumed warrant will remain subject to the same conditions that applied before the merger.

Promptly following the effective time of the merger, Cimarex has agreed to cause the shares of Cimarex common stock issuable upon exercise of any assumed warrants to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of that registration statement for so long as any assumed warrants remain outstanding. Cimarex also has agreed to cause the assumed warrants to be listed for trading on the NYSE.

Distribution of TEL Offshore Trust Units

Magnum Hunter currently owns approximately 1.4 million trust units, which represents 29.1% of the outstanding trust units, of TEL Offshore Trust, some of which units are held indirectly through a subsidiary. Before the merger, Magnum Hunter's board of directors intends to cause its subsidiary to distribute the trust units to Magnum Hunter. Magnum Hunter's board of directors then intends to declare a distribution of the trust units to holders of Magnum Hunter common stock (other than Magnum Hunter and its subsidiaries) as of the distribution record date selected by the Magnum Hunter board. In the distribution, each holder of Magnum Hunter common stock will receive a percentage of TEL Offshore Trust units equal to the percentage of Magnum Hunter common stock it holds, and cash instead of any fractional units it would otherwise be entitled to receive.

Under the merger agreement, the distribution must:

be declared at least ten days before the Magnum Hunter special meeting;

take place on terms and conditions reasonably acceptable to Cimarex; and

be completed before the effective time of the merger.

Magnum Hunter may choose to distribute cash instead of the trust units to its common stockholders in any state if it determines the unit distribution in that state is unlikely to be completed before the effective time of the merger due to that state's securities laws or other regulatory requirements. The distribution of the TEL Offshore Trust units, or possibly cash instead of such units, prior to the merger is not a closing condition of the merger and, as a result, it is possible that holders of Magnum Hunter common stock may not receive a distribution of any kind. Magnum Hunter will withhold, as necessary, in order to satisfy its withholding tax obligations with respect to a distribution of TEL Offshore Trust units, or possibly cash instead of such units (see relevant portions of the discussion under "Material United States Federal Income Tax Consequences of the Merger" on page 98).

TEL Offshore Trust's trust units are traded on the Nasdaq SmallCap Market under the symbol "TELOZ." On January 25, 2005, the last full trading day on the Nasdaq SmallCap Market before the public announcement of the proposed merger, the closing price of TEL Offshore Trust's trust units was \$10.97 per unit. On _____, 2005, the most recent trading day practicable before the printing of this joint proxy statement/prospectus, the closing price of TEL Offshore Trust's trust units was \$ _____ per unit.

Accounting Treatment

Cimarex intends to account for the merger under the purchase method for business combinations, with Cimarex being deemed to have acquired Magnum Hunter. This means that the assets and liabilities of Magnum Hunter will be recorded, as of the closing of the merger, at their fair values and added to those of Cimarex.

Dissenters' Rights of Appraisal

Common Stockholders

Holders of Cimarex common stock and Magnum Hunter common stock are not entitled to dissenters' rights of appraisal under either Delaware law or Nevada law in connection with the merger.

Preferred Stockholders

Holders of Magnum Hunter Series A preferred stock are entitled to dissenters' rights of appraisal under Nevada Revised Statutes 92A.300 to 92A.500, inclusive, in connection with the merger. The relevant statutory text is attached as *Annex F* to this joint proxy statement/prospectus.

In order to exercise dissenters' rights under Nevada law, a holder of Magnum Hunter Series A preferred stock must deliver to Magnum Hunter, before the Magnum Hunter special meeting, written notice of its intent to demand payment for its shares if the merger is completed. The holder also must not vote in favor of the merger or consent to the merger in writing.

If the merger is completed, Magnum Hunter must send to each holder of Magnum Hunter Series A preferred stock who has provided the required notice of intent to dissent, and who has not voted for or consented to the merger, a notice containing the following information:

the location where the demand for payment must be sent and where and when certificates for shares must be deposited;

a copy of the applicable Nevada statute;

a form for demanding payment; and

the date by which the surviving corporation must receive the demand for payment, which may not be less than 30 nor more than 60 days after the date the notice is delivered.

A dissenting holder who demands payment for its shares and deposits its stock certificates within the time specified, and who otherwise complies with the applicable statutory procedures under the Nevada Revised Statutes, will be entitled to receive a judicial determination of the fair value of its shares (exclusive of any element of value arising from the accomplishment or expectation of the merger) and to receive payment of that fair value in cash, together with a fair rate of interest, if any. Any such judicial determination of the fair value of the shares could be based upon considerations other than or in addition to the value of the shares as determined under the merger agreement. **Holders of Magnum Hunter's Series A preferred stock should recognize that the value determined in an appraisal proceeding could be higher or lower than the merger consideration they would have received had they not exercised their dissenters' rights.**

If any holder of Series A preferred stock who exercises dissenters' rights under Nevada Revised Statutes 92A.300 to 92A.500 fails to perfect, or effectively withdraws or loses its dissenters' rights as provided in the Nevada Revised Statutes, the shares held by such stockholder will be converted into the right to receive Cimarex common stock in accordance with the merger agreement.

Failure to follow the steps for perfecting dissenters' rights required by Nevada Revised Statutes 92A.300 to 92A.500 may result in the loss of those rights. Holders of Magnum Hunter Series A preferred stock who fail to notify Magnum Hunter before the Magnum Hunter special meeting of their intent to dissent, or who vote in favor of the merger agreement and the merger, will not be entitled to exercise dissenters' rights. Instead, they will receive Cimarex common stock in accordance with the merger agreement.

Federal Securities Laws Consequences; Stock Transfer Restrictions on Affiliates

Shares of Cimarex common stock issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act, except for shares issued to any Magnum Hunter stockholder who may be deemed to be an "affiliate" of Magnum Hunter for purposes of Rule 145 under the Securities Act. Persons who may be deemed to be affiliates of Magnum Hunter for these purposes generally include individuals or entities that control, are controlled by or are under common control with, Magnum Hunter, and include directors, certain executive officers and principal stockholders of Magnum Hunter. These affiliates may resell the shares of combined company common stock they receive in the merger only:

under an effective registration statement under the Securities Act covering the resale of those shares;

in transactions permitted by Rule 145(d) under the Securities Act; or

as otherwise permitted under the Securities Act.

We expect that each Magnum Hunter affiliate will agree not to transfer any Cimarex common stock received in the merger except in compliance with the resale provisions of Rule 144 or 145 under the Securities Act or as otherwise permitted under the Securities Act. The merger agreement requires Magnum Hunter to use its best efforts to cause its affiliates to enter into these agreements. Cimarex's registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, does not cover resales of Cimarex common stock received by any person upon completion of the merger, and no person is authorized to make any use of this joint proxy statement/prospectus in connection with any such resale.

Regulatory Filings and Approvals Required to Complete the Merger

The merger is subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to as the HSR Act, which prevents transactions subject to its requirements from being consummated until the required notification forms and attachments are furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission and certain waiting periods expire or are terminated. On February 15, 2005, each of Cimarex and Magnum Hunter made its initial HSR Act filing. Under the HSR Act, the Department of Justice or Federal Trade Commission may make a request for additional information and other documentary material in connection with the merger. If no such request is made, the waiting period will expire on March 16, 2005, 30 days from the date of the initial filings. If such a request is made, it would effectively extend the waiting period for the merger under the HSR Act until 30 days after both parties substantially comply with the request for additional information. Complying with a request for additional information or material under the HSR Act can take a significant amount of time. Cimarex and Magnum Hunter have not yet obtained any of the governmental or regulatory approvals required to complete the merger.

The Department of Justice or the Federal Trade Commission, however, are not legally precluded from challenging the merger on antitrust grounds either before or after expiration of the HSR Act waiting period. Accordingly, at any time before or after the completion of the merger, either the Department of Justice or the Federal Trade Commission could bring an action under the antitrust laws, including an injunction action, if deemed necessary to protect competition in any relevant market. Moreover, at any time before or after the completion of the merger, notwithstanding that the applicable waiting period may have expired or been terminated, any state or private party could challenge the merger under the antitrust laws, although a private plaintiff would need to establish that it had the requisite antitrust standing. There can be no assurance that a governmental or private challenge to the merger will not be made or that, if a challenge is made, the parties would prevail.

We are not aware of any other material governmental or regulatory approval required for completion of the merger, other than compliance with the applicable corporate law of the State of Delaware and the State of Nevada.

Magnum Hunter Rights Agreement

Magnum Hunter entered into a Shareholder Rights Agreement dated as of January 6, 1998 with Securities Transfer Corporation, as rights agent. Under this agreement, Magnum Hunter effected a dividend distribution of stockholder rights that carry certain conversion rights in the event of a significant change in beneficial ownership of Magnum Hunter. One right is attached to each share of Magnum Hunter's outstanding common stock and is not detachable until such time as a person or group of affiliated or associated persons acquires beneficial ownership of 15% or more of Magnum Hunter's outstanding common stock. Such an acquisition is referred to in the rights agreement as a distribution date. Each right entitles each registered holder (excluding the acquiring person or group) to purchase from Magnum Hunter one one-hundredth of a share of Series A junior participating preferred stock, par value \$0.001 per share, at a purchase price of \$35.00 per one one-hundredth of a share. In the event of any merger, consolidation or other transaction in which Magnum Hunter common stock is exchanged, holders of the rights will be entitled to receive shares of the acquiring company's common stock valued at twice the exercise price of the right upon exercise. Upon a distribution date, Magnum Hunter may redeem the rights at a price of \$0.01 per right. The rights will expire on June 1, 2010.

In connection with the proposed merger, Magnum Hunter and the rights agent amended the terms of the rights agreement so that the execution and delivery of the merger agreement and the closing of the merger will not constitute a distribution date. This means that holders of Magnum Hunter's common stock will not obtain the detachable rights in connection with the proposed merger.

Cimarex also has adopted a stockholder rights plan. See "Description of Cimarex's Capital Stock Stockholder Rights Plan" on page 171.

New York Stock Exchange Listing of Cimarex Common Stock to be Issued in the Merger

Cimarex common stock currently is listed on the NYSE under the symbol "XEC." Cimarex has agreed in the merger agreement that it will cause the Cimarex common stock issuable in the merger to be approved for listing on the NYSE before the effective time of the merger. Listing of the shares of Cimarex common stock, subject to official notice of issuance, is a condition to the closing of the merger. If any Magnum Hunter warrants are outstanding as of the effective time of the merger and assumed by Cimarex, they also will be listed for trading on the NYSE.

Delisting and Deregistration of Magnum Hunter Common Stock and Warrants

Upon closing of the merger, all shares of Magnum Hunter common stock and all warrants to purchase shares of Magnum Hunter common stock will be delisted from the NYSE and the American Stock Exchange, respectively, and deregistered under the Exchange Act.

Credit Facilities

As of September 30, 2004, Magnum Hunter's outstanding indebtedness under its existing credit facility was approximately \$340 million, having a borrowing base of \$480 million. Cimarex intends to repay all indebtedness under Magnum Hunter's credit facility at the closing of the merger, using funds available to Cimarex at closing from Cimarex's credit facility. Cimarex is currently pursuing negotiations with its bank group, led by JPMorgan Chase, to amend or expand its existing facility to accommodate the payoff of Magnum Hunter's debt. At September 30, 2004, Cimarex's borrowing base under its existing facility was \$300 million, all of which was undrawn. Cimarex anticipates that the covenants and other general terms of the new or amended facility will be substantially similar to the covenants and terms of its existing bank credit facility and that the new borrowing base will be approximately \$800-850 million.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

General

The following is a summary of the U.S. federal income tax consequences that are expected to be material to U.S. holders and to non-U.S. holders (as defined below) of Magnum Hunter common stock and Magnum Hunter Series A preferred stock that exchange such stock for Cimarex common stock in the merger. This summary is included for general information purposes only and does not purport to be a complete technical analysis or listing of all potential tax consequences that may be relevant to Magnum Hunter stockholders. It is not intended to be, nor should it be construed as, legal or tax advice. For this reason, you are urged to consult your own tax advisor concerning the tax consequences of the merger to you. Further, this summary does not address any tax consequences arising under the income or other tax laws of any state, local or foreign jurisdiction or any tax treaties.

This summary is based upon the Internal Revenue Code of 1986, as amended (referred to as the Code), the applicable regulations of the U.S. Treasury Department, and publicly available judicial and administrative rulings and decisions, all as in effect on the date of this joint proxy statement/prospectus, and any of which may change, possibly retroactively. Any such changes could affect the continuing validity of this summary.

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For purposes of this summary, the term U.S. holder means a beneficial owner of Magnum Hunter common stock or Magnum Hunter Series A preferred stock, as applicable, who is:

an individual who is a citizen of the United States or who is a resident of the United States for U.S. federal income tax purposes;

a corporation or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;

a trust, if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

For purposes of this summary, the term non-U.S. holder means a beneficial owner of shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock, as applicable, that is not treated as a partnership (or as a partner in a partnership) for U.S. federal income tax purposes, and that is not a U.S. holder. The U.S. federal income tax treatment of a partnership and its partners depends upon a variety of factors, including the activities of the partnership and the partners. If you are treated as a partnership for U.S. federal income tax purposes, or as a partner in a partnership, you should consult your own tax advisor concerning the U.S. federal income tax consequences of the merger to you.

This summary assumes that you hold your shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock as capital assets within the meaning of Section 1221 of the Code. Further, this summary does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

a financial institution or thrift;

a tax-exempt organization;

an S corporation or other pass-through entity or an owner of an interest therein;

an entity taxable as a partnership for U.S. federal income tax purposes or an owner of an interest therein;

an insurance company;

a mutual fund;

a dealer in stocks and securities or foreign currencies;

a trader or an investor in Magnum Hunter common stock or Magnum Hunter Series A preferred stock who elects the mark-to-market method of accounting for that stock;

a stockholder who received Magnum Hunter common stock from the exercise of employee stock options, from an employee stock purchase plan or otherwise as compensation;

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a stockholder who received Magnum Hunter common stock from a tax-qualified retirement plan, individual retirement account or other qualified savings account;

a U.S. holder that has a functional currency other than the U.S. dollar;

certain expatriates and former long-term residents of the United States;

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a stockholder who holds Magnum Hunter common stock or Magnum Hunter Series A preferred stock as part of a hedge against currency risk, straddle or a constructive sale or conversion transaction, or other risk reduction or integrated investment transaction;

a stockholder that is a non-U.S. holder and that holds its Magnum Hunter common stock in connection with a trade or business conducted in the United States or in connection with an office or fixed place of business located in the United States;

a stockholder that is a nonresident alien individual and that is present in the United States in the taxable year; or

a stockholder that is affected by the provisions of an income tax treaty to which the United States is a party.

Further, this summary does not address the U.S. federal income tax consequences to any holder that actually or constructively owns both Cimarex common stock and Magnum Hunter common stock, or to holders of options or warrants to purchase Magnum Hunter common stock, or to holders of Magnum Hunter Series A preferred stock that exercise appraisal rights.

This summary does not address tax consequences that may vary with, or are contingent upon, individual circumstances, including without limitation alternative minimum tax consequences. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to you will depend upon the facts of your particular situation. Accordingly, you are strongly urged to consult with a tax advisor to determine the particular federal, state, local or foreign income or other tax consequences of the merger to you.

Tax Opinions

It is a waivable condition of the merger that Magnum Hunter receive two tax opinions from Thompson & Knight L.L.P., counsel to Magnum Hunter, one dated as of the effective date of this joint proxy statement/prospectus and one dated as of the closing date of the merger, each to the effect that for U.S. federal income tax purposes:

the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

each of Cimarex, Merger Sub, and Magnum Hunter will be a party to that reorganization within the meaning of Section 368(b) of the Code;

no gain or loss will be recognized by Cimarex, Merger Sub, or Magnum Hunter as a result of the merger;

no gain or loss will be recognized by U.S. holders with respect to shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock that are exchanged solely for Cimarex common stock in the merger, except with respect to the amount of cash received instead of fractional shares of Cimarex common stock by U.S. holders of Magnum Hunter common stock and except with respect to any cash received by any U.S. holders of Magnum Hunter Series A preferred stock that exercise appraisal rights; and

no gain or loss will be recognized by non-U.S. holders with respect to shares of Magnum Hunter common stock that are exchanged solely for Cimarex common stock in the merger, provided such non-U.S. holders have not held (either directly or indirectly, after the application of the constructive ownership rules of Section 318 of the Code as modified by Section 897(c)(6)(C) of the Code) more than 5% of the outstanding shares of Magnum Hunter's outstanding common stock at any time during the shorter of (1) the five-year period ending at the effective time of

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the merger or (2) the period during which such non-U.S. holders held such shares of Magnum Hunter common stock.

It is a waivable condition of the merger that Cimarex receive two tax opinions from Holme Roberts & Owen LLP, counsel to Cimarex, one dated as of the effective date of this joint proxy statement/prospectus and one dated as of the closing date of the merger, each to the effect that for U.S. federal income tax purposes:

the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

each of Cimarex, Merger Sub, and Magnum Hunter will be a party to that reorganization within the meaning of Section 368(b) of the Code; and

no gain or loss will be recognized by Cimarex, Merger Sub, or Magnum Hunter as a result of the merger.

In addition, the tax opinions described above that will be delivered by each of Thompson & Knight L.L.P. and Holme Roberts & Owen LLP as of the effective date of this joint proxy statement/prospectus will be attached as exhibits to this joint proxy statement/prospectus, and will state that the discussion under this heading "Material United States Federal Income Tax Consequences of the Merger" is an accurate summary of the U.S. federal income tax consequences that are expected to be material to U.S. holders and to non-U.S. holders of Magnum Hunter common stock and Magnum Hunter Series A preferred stock that exchange such stock for Cimarex common stock in the merger.

The tax opinions described above will not address all of the U.S. federal income tax consequences relating to the merger. Moreover, these tax opinions will be based upon factual representations and covenants including those contained in letters provided by Cimarex, Merger Sub, and Magnum Hunter, and upon specified assumptions. Specifically, for example, these opinions will assume that the merger will be completed according to the terms of the merger agreement and that there will be no material changes in existing facts or in law. For purposes of evaluating whether gain or loss will be recognized by U.S. holders and non-U.S. holders that exchange Magnum Hunter Series A preferred stock solely for Cimarex common stock in the merger, these opinions also will assume that Magnum Hunter Series A preferred stock is an equity interest in Magnum Hunter for U.S. federal income tax purposes. Any inaccuracy or change in the representations, covenants or assumptions upon which the opinions are based could alter the conclusions reached therein.

Although the merger agreement allows Cimarex or Magnum Hunter, or both, to waive the condition that they receive their respective tax opinions described above, neither Cimarex nor Magnum Hunter currently anticipates such a waiver. If either party waives the condition that they receive their respective tax opinions, and if the tax consequences of the merger are materially different from those described in this joint proxy statement/prospectus, we will inform you of such waiver and ask you to vote on the merger taking such waiver and such different tax consequences into consideration.

The tax opinions to be delivered by Thompson & Knight L.L.P. and by Holme Roberts & Owen LLP will not bind the Internal Revenue Service, referred to as the IRS, or preclude it from challenging the conclusions set forth therein, or preclude a court from adopting a contrary position. Neither Cimarex nor Magnum Hunter intends to obtain a ruling from the IRS regarding the tax consequences of the merger.

The following summary of the U.S. federal income tax consequences of the merger assumes that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

United States Federal Income Tax Consequences to U.S. Holders That Participate in the Merger

For U.S. federal income tax purposes, a U.S. holder will not recognize any gain or loss upon its exchange of shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock for shares of Cimarex common stock in the merger.

If a U.S. holder receives cash instead of a fractional share of Cimarex common stock, the U.S. holder will be required to recognize gain or loss, measured by the difference between the amount of cash received instead of that fractional share and the portion of the tax basis of that U.S. holder's shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock allocable to that fractional share. This gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the share of Magnum Hunter common stock or Magnum Hunter Series A preferred stock exchanged for that fractional share of Cimarex common stock was held for more than one year as of the effective time of the merger.

A U.S. holder generally will have an aggregate tax basis in the Cimarex common stock received in the merger equal to (1) the aggregate tax basis of the Magnum Hunter common stock or Magnum Hunter Series A preferred stock surrendered by that U.S. holder in the merger, less (2) any tax basis of the Magnum Hunter common stock or Magnum Hunter Series A preferred stock surrendered that is allocable to any fractional share of Cimarex common stock for which cash is received.

A U.S. holder's holding period for shares of Cimarex common stock received in exchange for shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock in the merger generally will include the holding period for the shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock surrendered by that U.S. holder in the merger.

If you are a U.S. holder and you have differing bases or holding periods in your shares of Magnum Hunter common stock or Magnum Hunter Series A preferred stock to be exchanged in the merger, you should consult your own tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Cimarex common stock that you will receive in the merger.

United States Federal Income Tax Consequences to Non-U.S. Holders That Participate in the Merger

General

As previously stated, this discussion does not address the U.S. federal income tax consequences to stockholders that are subject to special rules such as: (1) a stockholder that is a non-U.S. holder and that holds its Magnum Hunter common stock in connection with a trade or business conducted in the United States or in connection with an office or fixed place of business located in the United States; (2) a stockholder that is a nonresident alien individual and that either is present in the United States in the taxable year or is subject to provisions of the Code applicable to expatriates; or (3) a stockholder that is affected by the provisions of an income tax treaty to which the United States is a party.

If you are a non-U.S. holder and you may be subject to special tax rules because you conduct business in the United States, you have been present in the United States in the taxable year, you are an expatriate of the United States, or you are affected by the provisions of an income tax treaty to which the United States is a party, you are urged to consult your own tax advisor to determine the tax consequences of the merger to you.

Non-U.S. Holders That Have Never Held More Than 5% of Magnum Hunter's Common Stock

Section 897 of the Code (enacted pursuant to United States tax legislation referred to as the Foreign Investment in Real Property Tax Act, or FIRPTA) generally subjects any gain or loss realized by a foreign person in connection with the sale or exchange of a "United States real property interest", or USRPI, to U.S. federal income tax as either ordinary income or capital gain that is effectively connected with the foreign person's conduct of a trade or business in the United States, referred to as the FIRPTA Tax.

For purposes of the FIRPTA Tax, stock held in a "United States real property holding corporation", or USRPHC, generally is classified as a USRPI. A corporation generally is classified as a USRPHC if the fair market value of its interests in United States real property equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus any other assets used or held for use in its trade or business. However, a foreign stockholder's interest in a USRPHC will not be treated as a USRPI if (1) the relevant class of stock of the USRPHC is "regularly traded on an established securities market" for purposes of Section 897(c)(3) of the Code and (2) that foreign stockholder has not held (either directly or indirectly, after the application of the constructive ownership rules of Section 318 of the Code as modified by Section 897(c)(6)(C) of the Code) more than 5% of the outstanding shares of such relevant class of stock of the USRPHC at any time during the shorter of (1) the five-year period ending on the date of the disposition of such interest or (2) the period during which such stockholder held such interest, the shorter of such periods referred to as the Testing Period.

For purposes of determining whether a foreign stockholder owns or has owned more than 5% of the relevant class of the outstanding shares of a USRPHC, the constructive ownership rules of Section 318 of the Code (as modified by Section 897(c)(6)(C) of the Code) treat a foreign stockholder as owning shares that are (1) owned by (or that are subject to an option held by) certain family members, corporations, partnerships, estates or trusts or (2) subject to an option held by that foreign stockholder.

Magnum Hunter believes that it has continuously been a USRPHC during each of the last five years and that it will be a USRPHC as of the effective time of the merger. Magnum Hunter also expects that Magnum Hunter common stock will continue to be regularly traded on the NYSE at all times leading up to and as of the effective time of the merger, such that Magnum Hunter common stock should be considered to be "regularly traded on an established securities market" for purposes of Section 897(c)(3) of the Code. If these expectations prove to be correct, the FIRPTA Tax will not apply to a non-U.S. holder that exchanges Magnum Hunter common stock for Cimarex common stock in the merger if that stockholder has not held (either directly or indirectly, after the application of the constructive ownership rules of Section 318 of the Code as modified by Section 897(c)(6)(C) of the Code) more than 5% of the outstanding shares of Magnum Hunter's common stock at any time during the Testing Period. Assuming the FIRPTA Tax does not apply:

a non-U.S. holder will not recognize any gain or loss upon its exchange of shares of Magnum Hunter common stock for shares of Cimarex common stock in the merger;

if a non-U.S. holder receives cash instead of a fractional share of Cimarex common stock, any gain realized by that non-U.S. holder will not be subject to U.S. federal income tax;

a non-U.S. holder will have an aggregate tax basis in the Cimarex common stock received in the merger equal to (1) the aggregate tax basis of the Magnum Hunter common stock surrendered by that non-U.S. holder in the merger, less (2) any tax basis of the Magnum Hunter common stock surrendered that is allocable to any fractional share of Cimarex common stock for which cash is received; and

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a non-U.S. holder's holding period for shares of Cimarex common stock received in exchange for shares of Magnum Hunter common stock in the merger will include the holding period for the shares of Magnum Hunter common stock surrendered by that non-U.S. holder in the merger.

If you are a non-U.S. holder and you have differing bases or holding periods in your shares of Magnum Hunter common stock to be exchanged in the merger, you should consult your own tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Cimarex common stock that you will receive in the merger.

Non-U.S. Holders That Currently Hold or Have Held More Than 5% of Magnum Hunter's Common Stock

If a non-U.S. holder owns or has owned (either directly or indirectly, after the application of the constructive ownership rules of Section 318 of the Code as modified by Section 897(c)(6)(C) of the Code) more than 5% of the outstanding shares of Magnum Hunter common stock at any time during the Testing Period, then the FIRPTA Tax will apply to that non-U.S. holder, referred to here as a Significant Non-U.S. Holder, unless the requirements of Treasury Regulation Section 1.897-6T are satisfied. If a non-U.S. holder has owned (either directly or indirectly, after the application of the constructive ownership rules of Section 318 of the Code as modified by Section 897(c)(6)(C) of the Code) more than 5% of the outstanding shares of Magnum Hunter common stock, but such ownership was not held at any time during the Testing Period, then that non-U.S. holder generally will not be subject to the FIRPTA Tax.

In general, Treasury Regulation Section 1.897-6T enables a Significant Non-U.S. Holder to avoid the application of the FIRPTA Tax if: (1) that Significant Non-U.S. Holder exchanges its USRPI for another USRPI in connection with an exchange that is subject to the nonrecognition provisions of the Code (such as a reorganization under Section 368(a) of the Code); (2) the USRPI received in the exchange would be subject to U.S. federal income tax if it was sold immediately after the exchange; and (3) that Significant Non-U.S. Holder complies with certain filing requirements (including the filing of a U.S. federal income tax return). However, even if the Cimarex common stock continues to be regularly traded on the NYSE immediately after the merger, the requirements in clauses (1) and (2) of the preceding sentence will not be satisfied unless a Significant Non-U.S. Holder owns (either directly or indirectly, after the application of the constructive ownership rules of Section 318 of the Code as modified by Section 897(c)(6)(C) of the Code) more than 5% of the outstanding shares of Cimarex common stock immediately after the merger. As a result, unless a Significant Non-U.S. Holder owns more than 5% of Cimarex common stock immediately after the merger, such Significant Non-U.S. Holder will be subject to the FIRPTA Tax.

The U.S. federal income tax consequences to a Significant Non-U.S. Holder that is not subject to the FIRPTA Tax should be the same as those previously described with respect to a non-U.S. holder that has never held more than 5% of the outstanding shares of Magnum Hunter common stock (except with respect to any cash received instead of fractional shares of Cimarex common stock, which will be subject to U.S. federal income tax in the manner described in Treasury Regulation Section 1.897-6T(a)(8)).

If the FIRPTA Tax does apply:

a Significant Non-U.S. Holder subject to such tax will recognize gain or loss measured by the difference between (1) the sum of the amount of any cash received instead of a fractional share of Cimarex common stock and the fair market value of the Cimarex common stock received in the merger over (2) that Significant Non-U.S. Holder's tax basis in its Magnum Hunter common stock surrendered in the merger;

that gain or loss will be characterized as either ordinary or capital, depending on whether that Significant Non-U.S. Holder held its Magnum Hunter common stock as a capital asset;

the aggregate tax basis of the Cimarex common stock received in the merger will equal the fair market value of that Cimarex common stock as of the effective time of the merger; and

the Significant Non-U.S. Holder's holding period for the Cimarex common stock received in the merger will begin the day after the effective time of the merger.

A Significant Non-U.S. Holder subject to the FIRPTA Tax also may be required to:

file a U.S. federal income tax return reporting the gain subject to the FIRPTA Tax as income effectively connected with the conduct of a trade or business within the United States and taxable as either ordinary income or capital gain; and

pay any FIRPTA Tax due upon the filing of the return or, depending upon the circumstances, earlier through estimated payments.

If you are a Significant Non-U.S. Holder and you have differing bases or holding periods in your shares of Magnum Hunter common stock to be exchanged in the merger, you should consult your own tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Cimarex common stock that you will receive in the merger.

Non-U.S. Holders That Hold Magnum Hunter Series A Preferred Stock

Because Magnum Hunter Series A preferred stock is not regularly traded on an established securities market, the U.S. federal income tax consequences to a non-U.S. holder that exchanges Magnum Hunter Series A preferred stock for Cimarex common stock in the merger should be the same as those previously described with respect to a Significant Non-U.S. Holder that is subject to the FIRPTA Tax.

If you are a non-U.S. holder, you are urged to consult your own tax advisor to determine the possible application of the FIRPTA Tax to you as a result of the exchange of Magnum Hunter common stock or Magnum Hunter Series A preferred stock for Cimarex common stock in the merger.

United States Federal Income Tax Consequences to U.S. Holders and Non-U.S. Holders That Receive a Pre-Merger Distribution of TEL Offshore Trust Units

General

As previously described under "The Merger Distribution of TEL Offshore Trust Units" on page 94, before the merger Magnum Hunter's board of directors intends to declare a distribution of TEL Offshore Trust units, or possibly cash instead of such units, to each holder of Magnum Hunter common stock as of the distribution record date selected by the Magnum Hunter board. The U.S. federal income tax treatment of Magnum Hunter's distribution of the TEL Offshore Trust units, or possibly cash instead of such units, before the merger is not entirely free from doubt, and may be treated either as a pre-merger distribution that is separate from the merger or as consideration delivered in the merger. The 0.415 exchange ratio negotiated by Cimarex and Magnum Hunter reflects the fact that Cimarex did not wish to acquire the TEL Offshore Trust units in connection with the merger (see "The Merger Background of the Merger" on page 52). In addition, the opinions of Magnum Hunter's financial advisors do not take the TEL Offshore Trust units into account for purposes of concluding that the 0.415 exchange ratio is fair, from a financial point of view, to Magnum Hunter common stockholders (see "The Merger Opinions of Magnum Hunter's Financial Advisors Deutsche Bank Securities Inc." on page 72 and "The Merger Opinions of Magnum Hunter's Financial Advisors Merrill Lynch, Pierce, Fenner & Smith Incorporated" on page 84).

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As a result, Magnum Hunter's distribution of the TEL Offshore Trust units, or possibly cash instead of such units, before the merger should be treated as a pre-merger distribution that is separate from the merger for U.S. federal income tax purposes, and Magnum Hunter will report the distribution in this manner. Assuming the distribution is treated as a pre-merger distribution that is separate from the merger, a summary of the U.S. federal income tax consequences that are expected to be material to U.S. holders and non-U.S. holders of Magnum Hunter common stock that receive TEL Offshore Trust units or cash instead of such units is set forth below under "Consequences to U.S. Holders and Non-U.S. Holders Assuming TEL Distribution is Treated as a Pre-Merger Distribution Separate From the Merger."

Alternatively, assuming the IRS were to challenge the treatment of the distribution as a pre-merger distribution that is separate from the merger, and instead assert that the distribution should be treated as part of the merger consideration, and assuming such challenge was successful, the U.S. federal income tax consequences that are expected to be material to U.S. holders and non-U.S. holders of Magnum Hunter common stock that receive TEL Offshore Trust units or cash instead of such units are described below under "Consequences to U.S. Holders and Non-U.S. Holders Assuming TEL Distribution is Treated as Merger Consideration."

Assuming a distribution of TEL Offshore Trust units is made by Magnum Hunter prior to the effective time of the merger, Magnum Hunter expects that each TEL Offshore Trust unit that is received by a U.S. holder or non-U.S. holder of Magnum Hunter common stock will be treated as an ownership interest in a partnership for U.S. federal income tax purposes. The U.S. federal income tax treatment of a partnership and its partners is complex and, among other potentially adverse tax consequences, a partner in a partnership is generally required to include its share of income attributable to the partnership in taxable income even if no distributions of cash or other property are actually made by the partnership during the taxable year.

If you are a U.S. holder or non-U.S. holder that may receive a distribution of TEL Offshore Trust units prior to the effective time of the merger, you are urged to consult your own tax advisor to determine the tax consequences associated with receiving, holding a continuing interest in, and ultimately selling or otherwise disposing of the TEL Offshore Trust units.

Consequences to U.S. Holders and Non-U.S. Holders Assuming TEL Distribution is Treated as a Pre-Merger Distribution Separate From the Merger

U.S. Holders. Assuming the distribution is treated as a pre-merger distribution that is separate from the merger, a distribution of TEL Offshore Trust units, or cash instead of such units, that is made to a U.S. holder and that is paid out of Magnum Hunter's current and accumulated earnings and profits, as calculated for U.S. federal income tax purposes, generally will constitute a dividend to the extent of the fair market value of such units, or cash instead of units, distributed to such U.S. holder. Magnum Hunter currently believes that it has sufficient earnings and profits such that the entire fair market value of all units, or cash instead of units, that may be distributed to holders of Magnum Hunter common stock before the merger will constitute a dividend.

In the case of a U.S. holder that is an individual, dividend income (provided certain holding period and other requirements are met) will generally be subject to U.S. federal income tax at a maximum rate of 15%. Dividends paid to a U.S. holder that is a corporation (provided certain holding period and other requirements are met) will generally be eligible for the dividends received deduction provided by Section 243(a)(1) of the Code. However, the benefit of the dividends received deduction may be reduced or eliminated by operation of the "extraordinary dividend" provisions of Section 1059 of the Code, which require a corporate U.S. holder, under certain circumstances, to reduce its adjusted tax basis in its shares of Magnum Hunter common stock by the amount excluded from income as a result

of the dividends received deduction. The excess of any excluded amount over basis may be treated as gain.

Non-U.S. Holders. Assuming the distribution is treated as a pre-merger distribution that is separate from the merger, a distribution of TEL Offshore Trust units, or cash instead of such units, that is made to a non-U.S. holder of Magnum Hunter common stock and that is treated as a dividend (because it is paid out of Magnum Hunter's earnings and profits) generally will be subject to withholding of U.S. federal income tax at a rate of 30%. A reduced rate of withholding may apply under the terms of an applicable income tax treaty or if the dividend is effectively connected with a U.S. trade or business, provided that the requirements for securing such reduced rate of withholding are satisfied (which generally requires the provision of a properly completed IRS Form W-8ECI or Form W-8BEN to Magnum Hunter or its paying agent prior to the time any distribution is made). To the extent necessary, Magnum Hunter may monetize its investment in any TEL Offshore Trust units that would otherwise be distributed to a non-U.S. holder of Magnum Hunter common stock and withhold a portion of the cash proceeds received in order to satisfy its withholding obligations for U.S. federal income tax purposes.

Consequences to U.S. Holders and Non-U.S. Holders Assuming TEL Distribution is Treated as Merger Consideration

U.S. Holders. Assuming the distribution is treated as merger consideration, a U.S. holder that receives TEL Offshore Trust units, or cash instead of such units, will generally be required to recognize gain for U.S. federal income tax purposes, but not loss. Any such gain recognized will equal the lesser of: (1) the sum of the fair market value of any units and any cash received (excluding cash instead of fractional shares of Cimarex common stock) and (2) the excess, if any, of (a) the sum of the fair market value of any units and any cash received (excluding cash instead of fractional shares of Cimarex common stock) and the fair market value of the Cimarex common stock received in the merger over (b) a U.S. holder's adjusted tax basis in the Magnum Hunter common stock exchanged by such holder in the merger. For this purpose, a Magnum Hunter common stockholder must calculate gain or loss separately for each identifiable block of Magnum Hunter common stock exchanged by the stockholder in the merger. Any such gain generally will be capital gain, but such a determination depends in part on each U.S. holder's individual circumstances.

The aggregate tax basis of the shares of Cimarex common stock received by a U.S. holder of Magnum Hunter common stock in the merger (before reduction for the basis held in any fractional share of Cimarex common stock for which cash is received) will be the same as the aggregate tax basis of the U.S. holder's Magnum Hunter common stock, decreased by the sum of the fair market value of any units and any cash received (excluding cash received instead of fractional shares of Cimarex common stock) and increased by the amount of gain recognized by the U.S. holder in the merger (excluding any gain recognized as a result of cash received instead of a fractional share of Cimarex common stock).

The holding period of the shares of Cimarex common stock received by a U.S. holder of Magnum Hunter common stock in the merger generally will include the holding period of the U.S. holder's Magnum Hunter common stock exchanged for Cimarex common stock.

If you are a U.S. holder and you have differing bases or holding periods in your shares of Magnum Hunter common stock to be exchanged in the merger, you should consult your own tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Cimarex common stock that you will receive in the merger.

Non-U.S. Holders. Assuming the distribution is treated as merger consideration, the U.S. federal income tax consequences to a non-U.S. holder that receives TEL Offshore Trust units, or cash instead of such units, generally will be the same as those previously described above under " Non-U.S.

Holders That Have Never Held More Than 5% of Magnum Hunter's Common Stock" or " Non-U.S. Holders That Currently Hold or Have Held More Than 5% of Magnum Hunter's Common Stock," as appropriate, depending upon such non-U.S. holder's individual facts and circumstances. As a result, if a non-U.S. holder is a Significant Non-U.S. Holder, then such holder will generally be subject to the FIRPTA Tax with respect to the receipt of a pre-merger distribution of TEL Offshore Trust units or cash instead of such units.

Backup Withholding and Information Reporting

U.S. holders and non-U.S. holders that receive: (1) Cimarex common stock or cash instead of a fractional share of Cimarex common stock, or both, from the exchange agent in connection with the exchange of Magnum Hunter common stock or Magnum Hunter Series A preferred stock for Cimarex common stock in the merger or (2) a distribution of TEL Offshore Trust units, or cash instead of such units, may, in each case, be subject to backup withholding at applicable rates with respect to those payments, unless the U.S. holder or non-U.S. holder:

is a corporation or other exempt recipient and, when required, establishes this exemption; or

provides a correct taxpayer identification number, certifies that it is not currently subject to backup withholding and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules generally will be creditable against the U.S. federal income tax liability of a U.S. holder or non-U.S. holder if appropriate information is provided to the IRS. If, after the merger, a U.S. holder or non-U.S. holder does not provide the appropriate party with a correct taxpayer identification number or any other document or certification required by the IRS (including a Form W-9 in the case of a U.S. holder or Form W-8BEN or similar form in the case of a non-U.S. holder, or an acceptable substitute for these forms), those holders may be subject to penalties imposed by the IRS. The exchange agent or Magnum Hunter or Cimarex or other appropriate party will report the amount of any reportable payments made to U.S. holders or non-U.S. holders (as well as any amounts withheld) to those holders and to the IRS.

FIRPTA Withholding

Under Section 1445 of the Code, a person acquiring a USRPI from a foreign person generally is required to deduct and withhold a tax equal to 10% of the amount realized by that foreign person on the sale or exchange of that USRPI, referred to here as FIRPTA Withholding. However, Section 1445(b)(6) of the Code exempts from FIRPTA Withholding the sale or exchange of a share of stock that is treated as a USRPI if that share of stock is regularly traded on an established securities market.

Magnum Hunter expects that Magnum Hunter common stock will continue to be regularly traded on the New York Stock Exchange at all times leading up to and as of the effective time of the merger, such that Magnum Hunter common stock should be considered to be "regularly traded on an established securities market" for purposes of Section 897(c)(3) of the Code. Assuming that this expectation proves to be correct, neither Cimarex nor the exchange agent will be required to deduct and withhold amounts on account of FIRPTA Withholding with respect to a non-U.S. holder's exchange of Magnum Hunter common stock for Cimarex common stock in the merger. However, Cimarex or its authorized agent generally will be required to deduct and withhold amounts on account of FIRPTA Withholding with respect to a non-U.S. holder that exchanges Magnum Hunter Series A preferred stock for Cimarex common stock in the merger.

INTERESTS OF CERTAIN PERSONS IN THE MERGER

Certain of Cimarex's and Magnum Hunter's directors and executive officers have interests in the merger as individuals in addition to, and that may be different from, their interests as stockholders. The Cimarex and Magnum Hunter boards of directors were aware of these respective interests and considered them in their decision to approve the merger agreement.

Directorship of Cimarex

In the merger agreement, Cimarex has agreed to cause one member of Magnum Hunter's board of directors to be elected to the board of directors of Cimarex following the merger. Cimarex will select the Magnum Hunter director before the effective time of the merger.

Cimarex Incentive Plan

The merger will constitute a "change of control event" under the Cimarex incentive plan because of the number of shares of Cimarex common stock that will be issued to Magnum Hunter stockholders in the merger. As a result, all participants in the plan, including executive officers and directors, will be entitled to the acceleration of vesting of options and vesting and payment of restricted stock and restricted stock units and, in the case of directors, extension of the time to exercise options following termination of service as a director. Cimarex is seeking agreements from certain executive officers and directors to waive acceleration of vesting and payment. As consideration for the waivers sought from F.H. Merelli, Thomas E. Jorden, Steven R. Shaw, Paul Korus, Joseph R. Albi, Stephen P. Bell and Richard S. Dinkins, Cimarex will agree to amend the unit and option agreements to provide that (1) if the restricted stock units are not redeemable when they vest, Cimarex will pay a participant holding a unit a cash bonus equal to the amount of Social Security taxes payable grossed up for taxes payable on the bonus, (2) if a participant holding a unit terminates employment on account of death or disability, vesting will be accelerated, and (3) if a participant holding an option terminates employment on account of death or disability, vesting will be accelerated. In consideration for the waivers sought from all other holders of restricted stock, restricted stock units and stock options, Cimarex will agree to amend the unit and option agreements as described in the preceding sentence and, in addition, will agree to grant, upon the closing of the merger, to participants holding units an additional grant of restricted stock units equal to 25% of the original grant, which will vest and become payable on the third anniversary of the closing of the merger. Cimarex may not be able to obtain the waivers from all of the executive officers or other employees. Cimarex has elected not to seek waivers from the directors holding options because the unexercisable options will fully vest by their terms on October 1, 2005 and only two directors (Messrs. Helmerich and Rooney) will receive an extension of the exercise period as a result of the change of control event.

With respect to the acceleration of vesting of options, holders who are not requested to or do not execute a waiver will have the right to exercise their options at and after closing until the option terminates in accordance with its terms. All restricted stock and restricted stock units held by those individuals will become payable at closing.

Cimarex is adopting the provisions of Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment*, as of January 1, 2005. For those holders who do not execute waivers, related unearned compensation reflected in Cimarex's stockholders' equity would become fully amortized at closing. At September 30, 2004, total unearned compensation was approximately \$9.1 million. For those holders who execute waivers, the waiver agreements will be accounted for as a modification of the original awards and Cimarex will record additional deferred compensation equal to the difference between the fair value of the original award and the fair value of the modified award. The incremental deferred compensation will be amortized over the remaining term of the awards. Cash bonuses resulting from Social Security taxes payable when the awards vest will be accrued as of the end

of each reporting period after the closing of the merger, using the related period-end stock price. The additional 25% grant of units will be recorded at fair market value on the date of grant, as unearned compensation to be amortized over the vesting period of the award.

The following table sets forth options and restricted stock units held by executive officers at February 1, 2005 and their corresponding values. On February 21, 2005, Cimarex's board of directors accepted the resignation of Steve R. Shaw, as executive vice president operations, effective February 28, 2005. The board appointed Joseph R. Albi as executive vice president operations, effective March 1, 2005.

OPTIONS EXECUTIVE OFFICERS

	Number of Options		Value of Options	
	Exercisable	Unexercisable	Exercisable	Unexercisable
F. H. Merelli	543,960	253,440	\$ 11,796,478	\$ 4,687,373
Joseph R. Albi	38,700	54,600	\$ 788,863	\$ 1,009,827
Stephen P. Bell	36,400	54,600	\$ 673,218	\$ 1,009,827
Richard S. Dinkins	18,200	54,600	\$ 336,609	\$ 1,009,827
Thomas E. Jordan	18,200	54,600	\$ 336,609	\$ 1,009,827
Paul Korus	54,400	54,600	\$ 1,131,453	\$ 1,009,827
Steven R. Shaw	405,105	81,175	\$ 9,057,356	\$ 1,571,543
James H. Shonsey	4,800	19,200	\$ 70,968	\$ 283,872

RESTRICTED STOCK UNITS EXECUTIVE OFFICERS

	Number of Units		Value of Units	
	Exercisable	Unexercisable	Exercisable	Unexercisable
F. H. Merelli	84,480	126,720	\$ 2,969,050	\$ 4,453,574
Joseph R. Albi	0	45,500	\$ 0	\$ 1,599,098
Stephen P. Bell	0	45,500	\$ 0	\$ 1,599,098
Richard S. Dinkins	0	45,500	\$ 0	\$ 1,599,098
Thomas E. Jordan	0	45,500	\$ 0	\$ 1,599,098
Paul Korus	0	45,500	\$ 0	\$ 1,599,098
Steven R. Shaw	0	45,500	\$ 0	\$ 1,599,098
James H. Shonsey	0	12,000	\$ 0	\$ 421,740

The following table sets forth options, restricted stock and, with respect to Messrs. Helmerich, Sullivan and Teague, deferred compensation units, held by the directors at February 1, 2005 and their corresponding values.

OPTIONS DIRECTORS

	Number of Options		Value of Options	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Glenn Cox	6,667	3,333	\$ 119,506	\$ 59,744
Cortlandt Dietler	49,167	3,333	\$ 1,117,231	\$ 59,744
Hans Helmerich	6,667	3,333	\$ 119,506	\$ 59,744
David Hentschel	6,667	3,333	\$ 119,506	\$ 59,744
Paul Holleman	31,667	3,333	\$ 529,006	\$ 59,744
L. F. Rooney	6,667	3,333	\$ 119,506	\$ 59,744
Michael Sullivan	6,667	3,333	\$ 119,506	\$ 59,744
L. Paul Teague	13,344	3,333	\$ 249,179	\$ 59,744

RESTRICTED STOCK/DEFERRED COMPENSATION UNITS DIRECTORS

	Number of Shares/Units		Value of Shares/Units	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Glenn Cox	0	1,829	\$ 0	\$ 64,280
Cortlandt Dietler	0	1,829	\$ 0	\$ 64,280
David Hentschel	0	1,829	\$ 0	\$ 64,280
Paul Holleman	0	1,829	\$ 0	\$ 64,280
L. F. Rooney	0	1,829	\$ 0	\$ 64,280

Cimarex Deferred Compensation Plan for Nonemployee Directors

The merger will constitute a "change of control" under Cimarex's deferred compensation plan for directors because of the number of shares of Cimarex common stock that will be issued to Magnum Hunter stockholders in the merger. As a result, the directors who are participating in the plan will be entitled to full vesting of their accounts and accelerated payment of their accounts if Cimarex amends the plan after a change of control. Cimarex is seeking the agreement of each of the participating directors to waive the accelerated vesting and distribution, but Cimarex may not be able to obtain waivers from all of these individuals.

The following table sets forth the deferred compensation units held by the participating directors as of February 1, 2005 and their corresponding values.

RESTRICTED STOCK/DEFERRED COMPENSATION UNITS DIRECTORS

	Number of Shares/Units		Value of Shares/Units	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Hans Helmerich	0	1,829	\$ 0	\$ 64,280
Michael Sullivan	0	1,829	\$ 0	\$ 64,280
L. Paul Teague	0	1,829	\$ 0	\$ 64,280

Cimarex Supplemental Savings Plan

The merger will constitute a "change of control" under Cimarex's supplemental savings plan because of the number of shares of Cimarex common stock that will be issued to Magnum Hunter stockholders in the merger. As a result, executive officers of Cimarex will be entitled to accelerated vesting and distribution of their account under the plan. Cimarex is seeking the agreement of each of the participants in the plan, including executive officers, to waive the accelerated vesting and

distribution with respect to the merger, but Cimarex may not be able to obtain waivers from all of these individuals.

The following table sets forth as of February 1, 2005 the vested and unvested balances in each executive officer's account under the supplemental savings plan:

	Vested	Unvested
F. H. Merelli	\$ 149,753	\$ 0
Joseph R. Albi	\$ 32,397	\$ 0
Stephen P. Bell	\$ 75,321	\$ 0
Richard S. Dinkins	\$ 2,912	\$ 0
Thomas E. Jordan	\$ 116,086	\$ 0
Paul Korus	\$ 190,272	\$ 0
Steven R. Shaw	\$ 125,699	\$ 0
James H. Shonsey	\$ 6,711	\$ 184

Magnum Hunter Outside Director Policy Change of Control Provisions

The merger will constitute a "change of control" as defined in Magnum Hunter's outside director policy, and the removal of Magnum Hunter's directors as of the effective time of the merger will entitle the outside directors of Magnum Hunter to additional compensation as set forth in that policy. The outside directors of Magnum Hunter are Jerry Box, Gerald W. Bolfiging, Donald A. Erickson, Matthew C. Lutz, Jody Powers, John H. Trescot, Jr., and F. Walker Tucie, Jr. At the effective time of the merger, each outside director will be entitled to receive additional compensation equal to two times the director's annual retainer, which will total (in the aggregate) \$1,080,000. Under the merger agreement, if the payments made under the outside director policy or otherwise to an outside director who is an officer of Magnum Hunter are subject to excise tax under Section 4999 of the Code, the director will be entitled to an additional payment equal to the amount of the excise tax.

Magnum Hunter Employment Agreement Change in Control Provisions

The merger will constitute a "change in control" as defined in the employment agreements entered into among Magnum Hunter, Gruy Petroleum Management Co. and certain executives of Magnum Hunter. The executives covered by employment agreements are Richard R. Frazier, Gary C. Evans, R. Douglas Cronk, M. Bradley Davis, Dan Emmer, Charles R. Erwin, Frances P. Evans, Richard S. Farrell, Bill Irwin, Gregory L. Jessup, Morgan F. Johnston, David M. Keglovits, Earl Krieg, David S. Krueger, H. C. Lee, Donald H. Sabathier, and Howard M. Tate. After the effective time of the merger, these executives will have "good reason" to voluntarily terminate their employment in accordance with those agreements, which termination will entitle the executives to lump sum termination payments equal to their annual base salary, or a multiple of their annual base salary, for 2005, annualized bonus for 2004, and/or car allowance, as well as benefits continuation and other payments. The approximate amount of cash payments to be made to the executives upon termination of employment is \$9,437,740. The value of benefits continuation for the executives will be approximately \$193,150. In addition, under the employment agreements and the merger agreement, if payments made to an executive under the employment agreements or otherwise are subject to excise tax under Section 4999 of the Code, the executive will be entitled to an additional payment equal to the amount of the excise tax.

Magnum Hunter 2003 Bonus Deferral Plan

The merger will constitute a "change of control" as defined in Magnum Hunter's 2003 Bonus Deferral Plan. Under the plan, participants have elected to defer receipt of 18,816 shares of Magnum Hunter common stock. Such shares currently are held by Southwest Securities in the name of the Magnum Hunter 2003 Bonus Deferral Plan. As a result of the merger, all shares of common stock held

on behalf of participants in the plan will become distributable in a single distribution as soon as practical after the effective time of the merger.

Acceleration and Assumption of Magnum Hunter Stock Options

In connection with the merger, options granted to executive officers of Magnum Hunter (whether vested or unvested) will be canceled in exchange for a cash payment. For a more complete description of the treatment of Magnum Hunter stock options in the merger, see "The Merger Agreement Cancellation or Assumption of Stock Options."

The following table sets forth, as of February 10, 2005, the number of shares of Magnum Hunter common stock subject to vested and unvested stock options held by Magnum Hunter's directors and executive officers and the estimated value of those stock options based on the closing price of Magnum Hunter of \$14.86 per share on February 10, 2005:

Name	Number of Magnum Hunter Shares of Common Stock Underlying Unexercised Options at February 10, 2005(#)		Value of Unexercised Options at February 10, 2005(\$)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Gary C. Evans	768,000	410,000	\$ 11,412,480	\$ 6,092,600
Richard R. Frazier	358,000	166,000	\$ 5,319,880	\$ 2,466,760
Charles R. Erwin	323,000	132,500	\$ 4,799,780	\$ 1,968,950
R. Douglas Cronk	70,000	96,000	\$ 1,040,200	\$ 1,426,560
Morgan F. Johnston	137,000	78,000	\$ 2,035,820	\$ 1,159,080
Gerald W. Bolfiging	38,100	14,500	\$ 566,166	\$ 215,470
Jerry Box	38,100	14,500	\$ 566,166	\$ 215,470
Donald A. Erickson	0	7,500	\$	\$ 111,450
Matthew C. Lutz	223,100	14,500	\$ 3,315,266	\$ 215,470
Jody Powers	4,000	13,500	\$ 59,440	\$ 200,610
John H. Trescot, Jr.	38,100	14,500	\$ 566,166	\$ 215,470

Voting Agreement

On the date the merger agreement was executed, Gary C. Evans, Magnum Hunter's President and Chief Executive Officer, and Jacquelyn Evelyn Enterprises, Inc. a related stockholder, entered into a voting agreement with Cimarex. As of the date of the voting agreement, these stockholders beneficially owned and were entitled to vote, in the aggregate, 4,733,945 shares of Magnum Hunter common stock, which represented approximately 5.2% of the outstanding shares of Magnum Hunter common stock on that date. Under the voting agreement, these stockholders agreed, among other things, to vote all of their shares of Magnum Hunter common stock in favor of the merger agreement, against any action or agreement that he would reasonably expect to result in a material breach of any covenant, representation, warranty or other obligation of Magnum Hunter under the merger agreement and against any other takeover proposal. The voting agreement is attached as *Annex E* to this joint proxy statement/prospectus.

Indemnification of Magnum Hunter Directors and Officers

In the merger agreement, Cimarex agreed that all rights to indemnification by Magnum Hunter existing in favor of each person who is, was or becomes at any time before the effective time of the merger an "indemnified party" as defined below, as provided in Magnum Hunter's articles of incorporation or bylaws or under any other agreements in force on the date the merger agreement was signed, will remain in full force and effect for six years after the effective time of the merger. An

indemnified party means an officer, director, employee, controlling stockholder or agent of Magnum Hunter or any subsidiary of Magnum Hunter or who acts as a fiduciary under any of Magnum Hunter's employee benefit plans.

For six years after the effective time of the merger, to the full extent permitted under applicable law, Cimarex will indemnify, defend and hold harmless each indemnified party against all losses, expenses, claims, damages, liabilities and amounts arising in whole or in part out of actions or omissions in their capacity as such occurring at or before the effective time of the merger. In addition, during such period of time Cimarex will reimburse each indemnified party for any legal or other expenses reasonably incurred by the indemnified party in connection with investigating or defending any such losses, expenses, claims, damages, liabilities and amounts as such expenses are incurred. Cimarex will not be liable for any settlement of any pending or threatened action effected without its advance written consent, which may not be unreasonably withheld.

Cimarex will cause the surviving corporation to maintain Magnum Hunter's officers' and directors' liability insurance policies, in effect on the date of the merger agreement, for a period of not less than six years after the effective time of the merger, but only to the extent related to actions or omissions before the effective time of the merger; provided, that:

Cimarex may substitute policies of at least the same coverage and amounts containing terms no less advantageous to those former directors or officers;

the substitution will not result in gaps or lapses of coverage with respect to matters occurring before the effective time of the merger; and

Cimarex will not be required to expend more than an amount per year equal to 200% of current annual premiums paid by Magnum Hunter for its insurance, referred to as the maximum amount.

If the amount of the annual premiums necessary to maintain or procure insurance coverage exceeds the maximum amount, Cimarex and the surviving corporation will procure and maintain for the six-year period as much comparable coverage as possible for the maximum amount. These obligations are binding upon any successor to Cimarex.

**OTHER INFORMATION REGARDING DIRECTORS, EXECUTIVE OFFICERS
AND FIVE PERCENT STOCKHOLDERS**

Magnum Hunter

Under the terms of the merger agreement, Cimarex is entitled to designate one member of Magnum Hunter's board of directors to serve as a member of the Cimarex board of directors. Cimarex has agreed to cause this director to be appointed to Cimarex's board at or promptly after the effective time of the merger, to serve until the earlier of his resignation or removal or until his successor is duly elected and qualified in accordance with the amended and restated certificate of incorporation and bylaws of Cimarex. Cimarex will designate the Magnum Hunter director and assign the director to a class of Cimarex directors before the closing of the merger.

The following table sets forth certain information as of February 10, 2005, regarding the share ownership of Magnum Hunter by:

each person known to Magnum Hunter to be the beneficial owner of more than 5% of the outstanding shares of Magnum Hunter common stock;

each director of Magnum Hunter;

Magnum Hunter's chief executive officer and the four other most highly compensated executive officers of Magnum Hunter; and

all directors and executive officers of Magnum Hunter, as a group.

None of the directors or executive officers named below, as of February 10, 2005, owned any shares of Magnum Hunter's Series A preferred stock or its 1996 Series A convertible preferred stock. The business address of each officer and director listed below is: c/o Magnum Hunter Resources, Inc., 600 East Las Colinas Blvd., Suite 1100, Irving, Texas 75039.

Name	Common Stock Beneficially Owned	
	Number of Shares	Percent of Class (m)
<i>Directors and Executive Officers</i>		
Gary C. Evans	4,733,945(a)	5.2%
Richard R. Frazier	539,454(b)	*
Charles R. Erwin	348,336(c)	*
R. Douglas Cronk	102,432(d)	*
Morgan F. Johnston	165,134(e)	*
Gerald W. Bolfig	439,856(f)	*
Donald A. Erickson	37,000	*
Matthew C. Lutz	288,821(g)	*
Jody Powers	4,000(h)	*
John H. Trescot, Jr.	137,759(i)	*
F. Walker Tucei, Jr.	2,000	*
Jerry Box	64,200(j)	*
All directors and executive officers as a group (13 persons)	6,763,633	7.4%

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Common Stock Beneficially Owned

Name	Number of Shares	Percent of Class (m)
<i>Beneficial owners of 5% or more (excluding persons named above)</i>		
Dimensional Fund Advisors, Inc. 1299 Ocean Avenue, 11th Floor Santa Monica, CA 90401	5,434,000(k)	6.2%
Cimarex Energy Co. 1700 Lincoln Street, Suite 1800 Denver, CO 80203-4518	4,733,945	5.2%
Barclays Global Investors 45 Fremont Street San Francisco, CA 94105	5,374,858(l)	6.2%

*

Less than one percent.

- (a) Includes 768,000 shares of common stock issuable upon the exercise of certain currently exercisable options. Also includes 790,151 common stock purchase warrants, which are currently exercisable. Also includes 36,185 equivalent shares held by the trustee for the benefit of employee participants in the Magnum Hunter Resources, Inc. 401(k) Employee Stock Ownership Plan. Participants in this plan instruct the trustee as to how the participants' equivalent shares should be voted. Also includes 17,024 shares held in the name of Jacquelyn Evelyn Enterprises, Inc., a corporation whose sole stockholder is Mr. Evans' wife. Mr. Evans disclaims any ownership in such securities other than those in which he has an economic interest.
- (b) Includes 358,000 shares of common stock issuable upon the exercise of certain currently exercisable options. Also includes 29,217 equivalent shares held by the trustee for the benefit of employee participants in the Magnum Hunter Resources, Inc. 401(k) Employee Stock Ownership Plan. Participants in this plan instruct the trustee as to how the participants' equivalent shares should be voted.
- (c) Includes 323,000 shares of common stock issuable upon the exercise of certain currently exercisable options. Also includes 25,336 equivalent shares held by the trustee for the benefit of employee participants in the Magnum Hunter Resources, Inc. 401(k) Employee Stock Ownership Plan. Participants in this plan instruct the trustee as to how the participants' equivalent shares should be voted.
- (d) Includes 70,000 shares of common stock issuable upon the exercise of certain currently exercisable options. Also includes 29,072 equivalent shares held by the trustee for the benefit of employee participants in the Magnum Hunter Resources, Inc. 401(k) Employee Stock Ownership Plan. Participants in this plan instruct the trustee as to how the participants' equivalent shares should be voted.
- (e) Includes 137,000 shares of common stock issuable upon the exercise of certain currently exercisable options. Also includes 23,654 equivalent shares held by the trustee for the benefit of employee participants in the Magnum Hunter Resources, Inc. 401(k) Employee Stock Ownership Plan. Participants in this plan instruct the trustee as to how the participants' equivalent shares should be voted.
- (f) Includes 38,100 shares of common stock issuable upon the exercise of certain currently exercisable options.
- (g) Includes 223,100 shares of common stock issuable upon the exercise of certain currently exercisable options.

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- (h) Includes 4,000 shares of common stock issuable upon the exercise of certain currently exercisable options.
- (i) Includes 38,100 shares of common stock issuable upon the exercise of certain currently exercisable options.
- (j) Includes 38,100 shares of common stock issuable upon the exercise of certain currently exercisable options.
- (k) Based on Schedule 13G filed by Dimensional Fund Advisors, Inc. on February 9, 2005.
- (l) Based on Schedule 13G filed by Barclays Global Investors on February 14, 2005.
- (m) Percentage is calculated on the number of shares outstanding plus those deemed outstanding under Rule 13d-3(d)(1) under the Exchange Act.

Cimarex

Biographical information about Cimarex's executive officers is contained in Cimarex's Annual Report on Form 10-K for the year ended December 31, 2003 and is incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 184.

Set forth below is certain information concerning directors of Cimarex, ownership of Cimarex common stock by management and principal stockholders, and executive compensation.

Information About Cimarex's Directors

Set forth below is information concerning the directors of Cimarex, which is current as of February 5, 2005.

Glenn A. Cox, age 75 Director Since 2002

President and Chief Operating Officer of Phillips Petroleum Company from June 1985 until his retirement in 1991. Chief Financial Officer of Phillips Petroleum Company from June 1980 to May 1985. Director and member of audit committee of Helmerich & Payne, and previous director and member of audit committees of The Williams Companies and Union Texas Petroleum.

Cortlandt S. Dietler, age 83 Director Since 2002

Chairman of the Board of TransMontaigne, Inc. since April 1995. Chief Executive Officer of TransMontaigne from April 1995 through September 1999. Director of Hallador Petroleum Company and Forest Oil Corporation. Member of audit committee and nominating and corporate governance committee of Forest Oil.

Hans Helmerich, age 46 Director Since 2002

Director of Helmerich & Payne since 1987. President and Chief Executive Officer of Helmerich & Payne since 1989. Director of Atwood Oceanics, Inc.

David A. Hentschel, age 70 Director Since 2002

Chairman and Chief Executive Officer of Occidental Oil and Gas Corporation from 1997 until 1999, when he retired. Since 1999, consultant to Occidental. President and Chief Executive Officer of Canadian Occidental Petroleum, Ltd, now known as Nexen, from 1995 until 1997. Director of Nexen Inc.

Paul D. Holleman, age 73 Director Since 2002

Senior partner of Holme Roberts & Owen LLP, a Denver law firm, until 2000, when he retired. Other positions in his 40 years with Holme Roberts included Chairman of the Natural Resources Department and member of the executive committee.

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F. H. Merelli, age 68

Director Since 2002

Chairman of the Board, Chief Executive Officer and President of Cimarex since September 30, 2002. Chairman and Chief Executive Officer of Key Production Company, Inc. from September 1992 to September 30, 2002 and President from March 2002 until September 30, 2002 and from September 1992 to September 1999. Director and member of audit committee of Apache Corporation.

L. F. Rooney, III, age 51

Director Since 2002

Chairman of the Board and Chief Executive Officer of Rooney Brothers Co. since 1984. Chairman of the Board of Manhattan Construction Company since 1994 and Chief Executive Officer from 1982 to 1994. Director of Helmerich & Payne, BOK Financial Corp. and Bank of Oklahoma N.A. Member of compensation committee of Bank of Oklahoma.

Michael J. Sullivan, age 65

Director Since 2002

Member of the Denver law firm, Rothgerber Johnson & Lyons LLP, since 2001, most recently as partner of the Casper office. United States Ambassador to Ireland from 1998 until 2001. Practiced law with Brown, Drew, Apostolos, Massey & Sullivan from 1964 to 1986 and from 1995 until 1998. Governor of Wyoming from 1987 through 1995. Director of Kerry Group plc, director and member of audit committee of Allied Irish Bank Group and director and member of compensation, governance and executive committee of First Interstate BancSystem.

L. Paul Teague, age 70

Director Since 2002

With Texaco Exploration & Producing Inc. for 35 years until retirement in 1994. Held the positions of Vice President, Western Region; Division Manager of the New Orleans Division, Eastern Producing Department; Vice President, New Orleans Producing Division of Texaco USA; and Vice President, Producing Department, Texaco USA in Houston.

In the merger agreement, Cimarex has agreed to cause one member of Magnum Hunter's board of directors to be elected to the board of directors of Cimarex following the merger. Cimarex will select the Magnum Hunter director before the effective time of the merger.

Cimarex Beneficial Ownership by Directors and Executive Officers

Common Stock. The following table shows, as of February 5, 2005, the number of shares of common stock beneficially owned by each director, each of the executive officers named in the

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Summary Compensation Table set forth under the caption "Executive Compensation," and all directors and executive officers as a group.

Name of Beneficial Owner	Shares Owned (1)	Option Shares (2)	Beneficial Ownership Total	Percent of Class
F.H. Merelli	234,247	543,960	778,207	1.8%
Glenn A. Cox	5,015	6,667	11,682	*
Cortlandt S. Dietler	103,329	49,167	154,496	*
Hans Helmerich	97,976(3)	6,667	104,643(3)	*
David A. Hentschel	3,829	6,667	10,496	*
Paul D. Holleman	3,829	31,667	35,496	*
L.F. Rooney, III	19,366	6,667	26,033	*
Michael J. Sullivan	2,500	6,667	9,167	*
L. Paul Teague	44,170	13,334	57,504	*
Thomas E. Jordan	10,497	18,200	28,697	*
Paul Korus	7,866	54,500	62,266	*
Joseph R. Albi	7,197	38,700	45,897	*
Stephen P. Bell		36,400	36,400	*
All directors and executive officers as a group (15 persons)	546,047	842,163	1,388,210	3.3%

*

Less than one percent of the outstanding shares of Cimarex stock.

(1)

Includes equivalent shares of common stock held by the trustee for the benefit of employee participants in the Cimarex Energy Co. 401(k) Plan. Participants in this plan instruct the trustee as to how the participant's equivalent shares should be voted.

(2)

Shares of common stock that could be purchased by the exercise of stock options within the 60-day period following February 5, 2005 under the Cimarex incentive plan.

(3)

Includes 11,450 shares held by Mr. Helmerich's spouse and 7,865 shares held for various trusts for immediate family members of which Mr. Helmerich is trustee. Mr. Helmerich disclaims beneficial ownership of these shares.

Stock Units. Cimarex's executive officers own restricted stock units that are not payable in shares of common stock until the eighth anniversary of the date of grant. The following table shows as of February 5, 2005, the number of stock units owned by each of the executive officers named in the Summary Compensation Table set forth under the caption "Executive Compensation," and all executive officers as a group. The stock units do not have voting rights, but the holders of the units are entitled to receive cash payments equal to any cash dividends and other distributions paid in cash on Cimarex common stock.

Name of Unit Holder	Number of Units Owned
F. H. Merelli	211,200
Thomas E. Jordan	45,500
Paul Korus	45,500
Joseph R. Albi	45,500
Stephen P. Bell	45,500
All executive officers as a group (7 persons)	450,700

Messrs. Helmerich, Sullivan and Teague, each of whom is a director of Cimarex, each hold 1,829 deferred compensation units that represent the right to receive one share of Cimarex common stock at the time provided in the director's deferred compensation election. The deferred compensation units

do not have voting rights, but the holders of the units are entitled to receive cash payments equal to any cash dividends paid on Cimarex common stock.

Beneficial Owners of More than Five Percent

The following table lists those stockholders who beneficially own more than five percent of the outstanding shares of Cimarex's common stock. This information is based on filings by the reporting persons with the Securities and Exchange Commission.

Name and Address	Voting Authority		Dispositive Authority		Total Amount of Beneficial Ownership	Percent of Class
	Sole	Shared	Sole	Shared		
Neuberger Berman Inc. 605 Third Ave. NY, NY 10158-3698	440,493	1,526,547	0	2,688,974	2,688,974	6.5%
State Farm Mutual Automobile Insurance One State Farm Plaza Bloomington, IL 61710	2,194,205	9,346	2,194,205	9,346	2,203,551	5.3%
Royce & Associates, LLC 1414 Avenue of the Americas New York, NY 10019	2,708,010	0	2,708,010	0	2,708,010	6.5%
Barclays Global Investors and affiliates 45 Fremont Street San Francisco, CA 94105	2,330,750	0	2,586,883	0	2,586,883	6.2%

Executive Compensation

Information regarding the compensation of the persons who serve as the chief executive officer and the five most highly compensated executive officers of Cimarex who will serve as executive officers of Cimarex following the merger is set forth below. With respect to Messrs. Merelli, Jordan, Korus, Albi and Bell, compensation for the period January 1, 2002 through September 30, 2002, and the fiscal year 2001 was paid by Key. All compensation from October 1, 2002 to December 31, 2002 and for fiscal year 2003 was paid by Cimarex.

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Summary Compensation Table. The summary compensation table set forth below contains information regarding compensation paid to each of the named executive officers for services rendered to Cimarex and Key, as applicable, in all capacities during the last three fiscal years.

Name and Principal Position	Year	Annual Compensation			Long Term Compensation		
		Salary	Bonus	Other Annual Compensation(1)	Restricted Stock Awards(2)	Securities Underlying Options	All Other Compensation
F.H. Merelli	2003	\$ 350,000	\$ 375,000	\$ 22,701(3)			\$ 31,430(4)
Chairman, Chief Executive Officer, President	2002	\$ 321,000	\$ 300,000		\$ 3,516,480	422,400	\$ 8,844
	2001	\$ 306,328	\$ 238,537				\$ 8,420
Thomas E. Jordan	2003	\$ 192,000	\$ 192,000				\$ 18,614(5)
Executive Vice President Exploration	2002	\$ 178,000	\$ 130,000		\$ 757,575	91,000	\$ 10,282
	2001	\$ 168,995	\$ 60,000				\$ 12,440
Paul Korus	2003	\$ 200,000	\$ 160,000				\$ 15,158(6)
Vice President, Chief Financial Officer, Treasurer and Corporate Secretary	2002	\$ 187,251	\$ 113,000		\$ 757,575	91,000	\$ 9,695
	2001	\$ 178,776	\$ 100,000				\$ 6,800
Joseph R. Albi	2003	\$ 178,000	\$ 151,300				\$ 29,319(8)
Senior Vice President Corporate Engineering(7)	2002	\$ 166,000	\$ 110,000		\$ 757,575	91,000	\$ 9,972
	2001	\$ 157,728	\$ 60,000				\$ 6,800
Stephen P. Bell	2003	\$ 177,000	\$ 141,600				\$ 38,246(9)
Senior Vice President Business Development and Land	2002	\$ 165,000	\$ 99,000		\$ 757,575	91,000	\$ 11,096
	2001	\$ 157,436	\$ 60,000				\$ 11,535

- (1) The aggregate amount of perquisites and other personal benefits was less than either \$50,000 or ten percent of the total annual salary and bonus reported for each of the named executive officers.
- (2) The value of the restricted stock awards represents the fair market value of common stock on December 6, 2002, the date of grant (\$16.65), times the number of shares awarded to each of the named executive officers. Effective December 1, 2003, each of the named individuals exchanged his shares of restricted stock for stock units which represent the right to receive, on a specified payment date, a like number of shares.
- (3) Represents the payment of estimated tax liability associated with the vesting of stock units.
- (4) Includes matching contributions by Cimarex to its 401(k) plan and supplemental savings plan of \$10,000 and \$21,430, respectively.
- (5) Includes matching contributions by Cimarex to its 401(k) plan and supplemental savings plan of \$10,000 and \$5,758, respectively and a payment of \$2,856 for unused vacation.
- (6) Includes matching contributions by Cimarex to its 401(k) plan and supplemental savings plan of \$10,000 and \$5,158, respectively.
- (7) Mr. Albi has been appointed as Executive Vice President Operations, effective March 1, 2005.
- (8) Includes matching contributions by Cimarex to its 401(k) plan and supplemental savings plan of \$10,000 and \$4,690, respectively and a payment of \$14,629 for unused vacation.
- (9)

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Includes matching contributions by Cimarex to its 401(k) plan and supplemental savings plan of \$10,000 and \$4,253, respectively and a payment of \$23,993 for unused vacation.

Option Grants in 2003. No options were granted by Cimarex to any of the named executive officers during fiscal year 2003.

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Aggregated Option Exercises in 2003 and Fiscal Year 2003 Year-End Option Values.

Name	Number of Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options at 2003 Year End		Value of Unexercised In-the-Money Options at 2003 Year End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
F.H. Merelli			459,480	337,920	\$ 6,583,452	\$ 3,565,056
Thomas E. Jorden	15,000	\$ 235,416	62,200	72,800	\$ 962,560	\$ 768,040
Paul Korus	26,000	\$ 271,580	77,200	72,800	\$ 1,225,248	\$ 768,040
Joseph R. Albi	19,500	\$ 252,224	60,200	72,800	\$ 927,535	\$ 768,040
Stephen P. Bell	30,000	\$ 504,375	50,700	72,800	\$ 761,166	\$ 768,040

Equity Compensation Plan Information (as of December 31, 2003).

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans not approved by security holders	0	0	0
Total	3,321,299	\$ 14.39	2,436,521

(1) The number of securities to be issued upon exercise does not include restricted stock awards representing 29,087 shares, as these securities are issued and outstanding, or awards of stock units representing the right to acquire 688,600 shares.

Stock Units.

In December 2003, certain employees elected to exchange an aggregate of 688,600 shares of restricted stock for restricted stock units, in accordance with the provisions of the Cimarex incentive plan. The shares of restricted stock were then canceled. The restrictions related to these stock units include continuous employment for one to five years from the date of the original grant of the related restricted stock, at which time the units will vest, provided that the units will not be payable until the eighth anniversary of the date of grant. The holders of stock units are entitled to cash payments equal to any cash dividends paid on Cimarex stock. Cimarex does not currently intend to pay dividends on its common stock.

Employment Agreements and Change in Control Arrangements with Named Executive Officers.

F. H. Merelli. Mr. Merelli serves under an employment agreement that provides for annual reviews by Cimarex's governance committee. Mr. Merelli's salary may be increased as a result of the review but may not be decreased. Mr. Merelli is also entitled to receive an annual incentive bonus under any plan or program implemented for executives. The agreement has an indefinite term.

Cimarex may terminate Mr. Merelli's employment at any time for cause or after 30 days' notice if not for cause. Mr. Merelli may terminate his employment at any time for any reason. If Mr. Merelli's employment is terminated without cause or because of death or disability, or he resigns for good reason, he will receive his base salary for two years and the maximum incentive compensation payable under any Cimarex plan or program. Mr. Merelli also participates in the Income Continuance Plan

described below, which provides for continuation of his salary and benefits upon certain terminations of employment following the Key reorganization. Any payment made to Mr. Merelli under his employment agreement will be deducted from the benefits under the Income Continuance Plan.

While he is with Cimarex and for three years after he leaves Cimarex, Mr. Merelli must keep confidential any information about Cimarex or its business that is not generally available to the public. Cimarex has indemnified Mr. Merelli to the maximum extent permissible under applicable law.

Messrs. Jorden, Korus, Albi and Bell. Each of Messrs. Jorden, Korus, Albi and Bell serve under employment agreements that have expired. However, each agreement provided that, if the executive continues as an employee after the term of the agreement (as each executive has done) and is terminated without cause following a change in control, the executive will be entitled to a lump-sum payment equal to two times the executive's base salary at the time of the change in control. Cimarex assumed this obligation following the Key reorganization. Accordingly, if Cimarex terminates the executive's employment without cause after September 30, 2002, Cimarex is obligated to make a lump-sum payment to the executive equal to two times his base salary at September 30, 2002. Any payments made to these executives under these agreements will be deducted from the benefits to which the executive is otherwise entitled under the Income Continuance Plan described below.

Income Continuance Plan.

As a result of the September 30, 2002, acquisition and reorganization of Key, Cimarex is a party to an Income Continuance Plan. Cimarex's board of directors has approved the termination of this plan effective March 31, 2005. The Plan covers former officers and employees of Key who are currently employed by Cimarex and who fall within one of the following categories:

Officers (including Messrs. Merelli, Jorden, Korus, Albi, Bell);

Employees who are at least 40 years old;

Employees who were continuously employed by Key for at least 10 years; and

Certain other employees with special skills or experience, as determined by the Key board of directors before the reorganization.

The Key acquisition constituted a change of control as defined in the Income Continuance Plan. Accordingly, if a participating employee is terminated without cause (as such term is described in the Plan) or resigns due to changed circumstances (including, without limitation, a significant adverse change in title, duties, authority or compensation or a greater than 50-mile change in the employee's regular work place), the employee is entitled to the following benefits:

Key's former officers and employees who had at least 48 months' continuous service with Key and officers of Key are entitled to receive continuation of their base compensation (as defined in the Plan, including all salary, incentive compensation and bonuses) for 24 months following their termination of employment.

Employees (other than officers) who have less than 48 months continuous service are entitled to receive continuation of their base compensation (as defined in the plan) for a period equal to 50% of their aggregate months of service.

All participating employees will receive health and life insurance continuation for so long as they receive salary continuation as well as reimbursement of any expenses, including legal fees incurred in enforcing the employee's right to receive benefits under the Plan.

In general, the benefits paid under the Plan are in addition to, and not instead of, any benefits that the participants are otherwise entitled to under a plan, program or contract. However, if an employee is entitled to receive a payment based on annual salary under the terms of an employment agreement, the benefits paid under the Plan shall be offset by the benefits paid under the employment agreement.

THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement. This summary does not purport to describe all the terms of the merger agreement and is qualified by reference to the complete text of the merger agreement, as amended, a copy of which is attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference. All stockholders of Cimarex and Magnum Hunter are urged to read the merger agreement carefully and in its entirety.

General

Under the merger agreement, Merger Sub, a wholly owned subsidiary of Cimarex, will merge with and into Magnum Hunter, with Magnum Hunter continuing as the surviving corporation. As a result of the merger, Magnum Hunter will become a wholly owned subsidiary of Cimarex.

Merger Consideration

In the merger, holders of shares of Magnum Hunter common stock will receive 0.415 of a share of Cimarex common stock for each share of Magnum Hunter common stock that they own immediately before the effective time of the merger. This ratio is referred to in this joint proxy statement/prospectus as the exchange ratio. In the merger agreement, this ratio is called the conversion number. The exchange ratio will not be adjusted in the case of changes in the outstanding shares of Cimarex between the date of the merger agreement and the effective time of the merger. Magnum Hunter common stockholders will receive cash for any fractional shares which they would otherwise receive in the merger.

In the merger, all of the issued and outstanding shares of Magnum Hunter's Series A preferred stock will be canceled and converted into the right to receive, in the aggregate, 20 shares of Cimarex common stock. Based upon the 80,000 shares of Series A preferred stock currently outstanding, holders of Magnum Hunter's Series A preferred stock would receive 0.00025 of a share of Cimarex common stock for each share of Series A preferred stock that they own immediately before the effective time of the merger. This ratio will not be adjusted in the case of changes in the outstanding shares of Cimarex between the date of the merger agreement and the effective time of the merger. Magnum Hunter Series A preferred stockholders will receive fractional shares of Cimarex common stock to the extent necessary. However, Cimarex may offer Series A preferred stockholders the opportunity either to purchase an additional fraction of a share or to aggregate its fractional share with those of other Series A preferred stockholders to be sold. Cimarex may not force Series A preferred stockholders to receive cash in respect of their fractional shares.

Conversion of 1996 Series A Convertible Preferred Stock

There are currently 1,000,000 issued shares of 1996 Series A convertible preferred stock, all of which are held by a wholly owned subsidiary of Magnum Hunter. Under the merger agreement, Magnum Hunter is required to cause its subsidiary to convert, before the effective time of the merger, all of the shares of Magnum Hunter 1996 Series A convertible preferred stock into shares of Magnum Hunter common stock under the terms set forth in the certificate of designations for that stock. Magnum Hunter expects to issue 1,904,761 shares of its common stock upon conversion of the preferred shares. These shares of common stock then will be converted into 790,476 shares of Cimarex common stock in the merger in accordance with the exchange ratio.

Effective Time of the Merger

The merger will become effective when we file the articles of merger or other appropriate documents with the Secretary of State of the State of Nevada. However, Cimarex and Magnum Hunter may agree to a later time for consummation of the merger and specify that time in the articles of

merger. We will file the articles of merger as soon as practicable after the satisfaction or, where permissible, waiver of the closing conditions in the merger agreement, which are described below. We currently believe we can complete the merger during the second quarter of 2005.

Conditions to the Completion of the Merger

Conditions to Each Party's Obligation

Each party's obligation to effect the merger is subject to the satisfaction or waiver of various conditions which include, in addition to other customary closing conditions, the following:

the merger agreement has been approved by the affirmative vote of holders of a majority of the issued and outstanding shares of Magnum Hunter entitled to vote at the Magnum Hunter special meeting;

the issuance of shares of Cimarex common stock in the merger has been approved by the affirmative vote of holders of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting;

the waiting period applicable to the merger under the HSR Act has expired or been terminated and all governmental approvals have been obtained, except where the failure to obtain any such approvals (other than those from the SEC or with respect to the HSR Act) would not be reasonably likely to result in a material adverse effect on the combined company or to materially adversely affect the completion of the merger;

the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part has been declared effective by the SEC under the Securities Act, and no stop orders suspending the effectiveness of the registration statement have been issued by the SEC and no proceedings for that purpose have been initiated or threatened by the SEC;

no temporary restraining order, preliminary injunction or other order issued by a court of competent jurisdiction or other legal restraint or prohibition preventing the completion of the merger is in effect;

the shares of Cimarex common stock issuable to the Magnum Hunter stockholders in the merger and upon exercise of the Magnum Hunter options and warrants assumed by Cimarex in the merger have been approved for listing on the NYSE, subject to official notice of issuance, and the warrants assumed by Cimarex have been approved for listing on the NYSE;

the representations and warranties of Cimarex and Magnum Hunter, respectively, set forth in the merger agreement are true and correct as of the date of the merger agreement and as of the closing date, with the same effect as if made at and as of that time (except to the extent expressly made as of an earlier date, in which case as of that date), except where the failure of those representations and warranties to be so true and correct (without giving effect to any threshold or any limitation as to "materially" or "material adverse effect," or words of similar import, or any knowledge qualifier) does not have, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Cimarex or Magnum Hunter, as applicable, or its ability to complete the merger;

Cimarex and Magnum Hunter, respectively, have performed in all material respects all obligations required to be performed by each of them, respectively, under the merger agreement on or before the closing date of the merger agreement; and

No material adverse effect has occurred between the date of the merger agreement and the closing date with respect to Cimarex or Magnum Hunter, respectively.

Additional Conditions to Cimarex's and Merger Sub's Obligation

Cimarex's and Merger Sub's obligation to effect the merger is also subject to the satisfaction or waiver of the following additional conditions:

Cimarex has received from Holme Roberts & Owen LLP, counsel to Cimarex, on the date on which the registration statement relating to the issuance of the shares of Cimarex common stock in the merger is declared effective by the SEC and on the closing date of the merger, an opinion, dated as of that date and stating, among other things, that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

the merger and the merger agreement have not caused any rights under Magnum Hunter's stockholder rights plan to become exercisable or to be distributed; and

Magnum Hunter has obtained all consents and approvals, other than governmental approvals, required in connection with the execution and delivery of the merger agreement and completion of the merger, except for consents that would not be reasonably likely to have a material adverse effect on Magnum Hunter or the merger.

Additional Conditions to Magnum Hunter's Obligation

Magnum Hunter's obligation to effect the merger is also subject to the satisfaction or waiver of the following additional conditions:

Magnum Hunter has received from Thompson & Knight L.L.P., counsel to Magnum Hunter, on the date on which the registration statement relating to the issuance of the shares of Cimarex common stock in the merger is declared effective by the SEC and on the closing date of the merger, an opinion, dated as of that date and stating, among other things, that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

the merger and the merger agreement have not caused any rights under Cimarex's stockholder rights plan to become exercisable or to be distributed;

Cimarex has delivered to its transfer agent instructions authorizing the issuance of Cimarex common stock to Magnum Hunter stockholders upon surrender of certificates representing shares of Magnum Hunter common stock; and

Cimarex has obtained all consents and approvals, other than governmental approvals, required in connection with the execution and delivery of the merger agreement and completion of the merger, except for consents that would not be reasonably likely to have a material adverse effect on Cimarex or the merger.

Additional Information on Conditions

Material Adverse Effect. The merger agreement provides that a material adverse effect, as it relates to Cimarex or Magnum Hunter, means an event or inaccuracy that would reasonably be expected to:

have a material adverse effect on the financial condition, capitalization, results of operations or business of Cimarex or Magnum Hunter, as applicable, and their respective wholly owned subsidiaries taken as a whole, or the aggregate value of their assets and liabilities, except for events affecting the energy industry or capital markets generally or effects resulting from the announcement of the merger;

impair materially the ability of Cimarex or Magnum Hunter, as applicable, and their respective wholly owned subsidiaries taken as a whole, to own, hold, develop and operate their assets;

impair materially the ability of Cimarex or Magnum Hunter, as applicable, to complete the merger or perform any of its obligations under the merger agreement; or

impair materially Cimarex's ability to vote, receive dividends, or otherwise exercise ownership rights with respect to the stock of the surviving corporation and, indirectly, control over the assets of the surviving corporation.

No Assurance. Cimarex and Magnum Hunter cannot assure you that all of the conditions to the merger will be satisfied or, where permitted, waived by the party permitted to do so. Further, Cimarex and Magnum Hunter cannot at this point determine whether either of them would resolicit proxies if they decided and were permitted to waive any of the conditions listed above. This decision would depend upon the facts and circumstances leading to each of Cimarex's and Magnum Hunter's decision to complete the merger and whether each of Cimarex and Magnum Hunter, as applicable, believes there has been a material change in the terms of the merger and its effect on their respective stockholders. In making each of their determinations, Cimarex and Magnum Hunter, respectively, would consider, among other factors, the reasons for the waiver, the effect of the waiver on the terms of the merger, whether the requirement being waived was necessary in order to make the deal fair to their respective stockholders from a financial point of view, the availability of alternative transactions and the prospects of Cimarex or Magnum Hunter, as applicable, as an independent entity. In the event of a waiver of a condition to the merger, if either Cimarex or Magnum Hunter, as applicable, determines that the waiver of that condition would materially change the terms of the merger, including the expected qualification of the merger as a reorganization within the meaning of Section 368(a) of the Code, it will resolicit proxies.

No Solicitation of Takeover Proposals

The merger agreement provides that, from the date of the merger agreement until the effective time of the merger or, if earlier, the termination of the merger agreement in accordance with its terms, Magnum Hunter will not, nor will it permit any of its subsidiaries to, nor will it authorize or permit any officer, director or employee of Magnum Hunter or any of Magnum Hunter's subsidiaries to, nor will it authorize any investment banker, attorney or other advisor or representative of Magnum Hunter or any of Magnum Hunter's subsidiaries to:

- (i) solicit, initiate, or knowingly encourage the submission of, any takeover proposal (as defined below);
- (ii) approve or recommend any takeover proposal, enter into any agreement, agreement-in-principle or letter of intent with respect to or accept any takeover proposal (or resolve to or publicly propose to do any of the foregoing); or
- (iii) participate or engage in any discussions or negotiations regarding, or furnish to any person any information with respect to, or knowingly take any action to facilitate any inquiries or the making of any proposal that constitutes, or would reasonably be expected to lead to, any takeover proposal.

Permitted Actions by Magnum Hunter

Notwithstanding Magnum Hunter's obligations described above,

- (x) if (under circumstances in which Magnum Hunter has complied with all of its obligations under this no solicitation limitation), before the merger agreement is approved by the Magnum Hunter stockholders, Magnum Hunter receives an unsolicited written takeover

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proposal from a third party that the board of directors of Magnum Hunter determines in good faith (after consulting with its financial advisors) is, or is reasonably likely to result in, a superior proposal, Magnum Hunter and its representatives may conduct such additional discussions and provide such information as the board of directors of Magnum Hunter will determine, but only if, before providing such information or conducting such additional discussions,

(A) the third party enters into a confidentiality agreement in customary form that is no less favorable to Magnum Hunter than the confidentiality agreement entered into between Cimarex and Magnum Hunter, and

(B) the board of directors of Magnum Hunter determines in its good faith judgment, after receiving the advice of outside legal counsel, that it is required to do so in order to comply with its fiduciary duties under applicable law; and

(y) at any time before the merger agreement is approved by the Magnum Hunter stockholders, and subject to Magnum Hunter's compliance with its obligations under the no solicitation limitations described above, Magnum Hunter's board of directors may

(A) withdraw (or amend or modify in a manner adverse to Cimarex or Merger Sub), or publicly propose to withdraw (or amend or modify in a manner adverse to Cimarex or Merger Sub), the recommendation or declaration of advisability by Magnum Hunter's board of directors of the merger agreement, the merger or the other transactions contemplated by the merger agreement and recommend, or publicly propose to recommend any takeover proposal,

(B) recommend, adopt or approve any takeover proposal, or publicly propose to do so, or

(C) to the extent permitted by the provisions of the merger agreement setting forth Magnum Hunter's rights and obligations in the event it determines to accept a superior proposal and terminate the merger agreement, allow Magnum Hunter to enter into a binding written agreement concerning a transaction that constitutes a superior proposal,

in the case of either sub-clauses (A), (B) or (C) of this clause (y) only after

(1) the board of directors of Magnum Hunter determines in good faith, after consulting with its financial advisors and providing Cimarex with three business days to propose an alternative transaction as defined below, that the takeover proposal is a superior proposal and

(2) the board of directors of Magnum Hunter determines in its good faith judgment, after receiving the advice of outside legal counsel, that it is required to do so in order to comply with its fiduciary duties under applicable law; and

(z) nothing contained in the no solicitation provisions addressed above or in the provisions regarding approval, recommendation or entrance into another takeover proposal will prohibit Magnum Hunter or its board of directors from disclosing to Magnum Hunter's stockholders a position with respect to a tender or exchange offer by a third party under Rules 14d-9 and 14e-2 under the Exchange Act, to the extent required by applicable law, provided that the board of directors of Magnum Hunter will not recommend that the stockholders of Magnum Hunter tender their Magnum Hunter common stock in connection with any tender or exchange offer unless the board of directors of Magnum Hunter determines in good faith, after receiving the advice of its financial advisors and providing Cimarex with three business days to propose an alternative transaction as defined below, that the takeover proposal is a superior proposal as defined below.

Terms Used in No Solicitation Provisions

Takeover Proposal. For purposes of the merger agreement, a takeover proposal refers to any inquiry, proposal or offer from any person (other than Cimarex, Merger Sub or any of their affiliates) relating to any acquisition, merger, consolidation, reorganization, share exchange, recapitalization, liquidation, direct or indirect business combination, asset acquisition or other similar transaction involving Magnum Hunter or any of its subsidiaries of:

- (A) assets or businesses that constitute or represent 10% or more of the total revenue, operating income, EBITDA or assets of Magnum Hunter and its subsidiaries, taken as a whole; or
- (B) 10% or more of the outstanding shares of Magnum Hunter common stock or any other Magnum Hunter capital stock or capital stock of, or other equity or voting interests in, any of Magnum Hunter's subsidiaries directly or indirectly holding, individually or taken together, the assets or business referred to in clause (A) above,

in each case other than the transactions contemplated by the merger agreement.

Superior Proposal. The term superior proposal refers to any bona fide written takeover proposal to effect a merger, consolidation, reorganization, share exchange, recapitalization, liquidation, direct or indirect business combination, or other similar transaction made by a third party to acquire, directly or indirectly:

- (A) 50% or more of the assets of Magnum Hunter and its subsidiaries, taken as a whole; or
- (B) 50% or more of the outstanding voting securities of Magnum Hunter,

in any such case on terms that the board of directors of Magnum Hunter determines in its good faith judgment (after consulting with its financial advisors and outside counsel), taking into account all relevant factors, including any conditions to the takeover proposal, the timing of the closing thereof, the risk of nonconsummation, the ability of the person making the takeover proposal to finance the transaction contemplated thereby, any required governmental or other consents, filings and approvals and any alternative transaction proposed by Cimarex,

- (x) would, if consummated, result in a transaction that is more favorable to Magnum Hunter's stockholders from a financial point of view than the transactions contemplated by the merger agreement, including the terms of any alternative transaction as defined below; and
- (y) is reasonably likely to be financed and otherwise completed without undue delay.

Alternative Transaction. The term alternative transaction refers to any proposal by Cimarex to modify the terms of the merger agreement or the merger in response to a takeover proposal received by Magnum Hunter.

Termination

Reasons for Termination

The merger agreement may be terminated and the merger may be abandoned at any time before the effective time of the merger, whether before or after the merger agreement has been adopted by the Cimarex common stockholders or the Magnum Hunter common stockholders:

- (1) by mutual written consent of Cimarex and Magnum Hunter;
- (2) by either Cimarex or Magnum Hunter, if:

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the merger has not been consummated by July 25, 2005 (or October 1, 2005 if the SEC has not declared the registration statement of which this joint proxy statement/prospectus is a part effective by June 1, 2005), except that the right to terminate under this paragraph will

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not be available to any party whose breach of any representation or failure to fulfill any obligation under the merger agreement has been the cause of, or resulted in, the failure of the merger to occur on or before that date;

any order, decree, ruling or other action permanently restraining, enjoining or prohibiting the merger is in effect and has become final and nonappealable, except that the right to terminate under this paragraph will not be available to any party until that party has used all reasonable efforts to remove the injunction, order or decree; or

the required vote of the Magnum Hunter stockholders is not obtained at the Magnum Hunter special meeting or the required vote of the Cimarex stockholders is not obtained at the Cimarex special meeting;

(3)

by Cimarex, if

the board of directors of Magnum Hunter has withdrawn or modified or amended in any respect adverse to Cimarex its adoption of or recommendation in favor of the merger agreement or has failed to make a favorable recommendation;

the board of directors of Magnum Hunter or any board committee has recommended to the stockholders of Magnum Hunter any takeover proposal or will have resolved to, or publicly announced an intention to, do so;

Magnum Hunter has committed a willful, material breach of the no solicitation limitations; or

Magnum Hunter has breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure to perform:

would give rise to the failure of the conditions to Cimarex's obligation to consummate the merger relating to Magnum Hunter's representations and warranties and performance of its obligations, and

has not been cured by Magnum Hunter within 10 days after written notice has been given by Cimarex to Magnum Hunter of its breach or failure to perform, but no later than July 25, 2005 (or October 1, 2005 if the SEC has not declared the registration statement of which this joint proxy statement/prospectus is a part effective by June 1, 2005); or

(4)

by Magnum Hunter, if

before the Magnum Hunter special meeting,

Magnum Hunter has not breached the no solicitation limitations in any material respect,

the board of directors of Magnum Hunter authorizes Magnum Hunter, subject to complying with the provisions outlined under " No Solicitation of Takeover Proposals" above and this paragraph (4), to enter into a binding written agreement concerning a transaction that constitutes a superior proposal and Magnum Hunter notifies Cimarex in writing that it intends to enter into such an agreement,

Cimarex does not make, within three business days of receipt of Magnum Hunter's written notification of its intention to enter into the agreement, an offer that the board of directors of Magnum Hunter determines, in its good faith judgment (after consulting with its financial advisors) is at least as favorable to Magnum Hunter's stockholders from a financial point of view as the superior proposal, and

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Magnum Hunter before the termination pays to Cimarex in immediately available funds any fees required to be paid following termination of the merger agreement described under " Termination Fee" below; or

Cimarex has breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure to perform:

would give rise to the failure of the conditions to Magnum Hunter's obligation to consummate the merger relating to Cimarex's representations and warranties and performance of its obligations, and

has not been cured by Cimarex within 10 days after written notice has been given by Magnum Hunter to Cimarex of its breach or failure to perform, but no later than July 25, 2005 (or October 1, 2005 if the SEC has not declared the registration statement of which this joint proxy statement/prospectus is a part effective by June 1, 2005).

Effect of Termination

If it is terminated, the merger agreement will become void and of no further force and effect, except with respect to certain designated sections of the merger agreement, and there will be no liability on behalf of Cimarex or Magnum Hunter, except for liabilities arising from a willful breach of the merger agreement.

Termination Fee

Under the merger agreement, if:

the merger agreement is terminated for any of the reasons described in the first three bullet points of paragraph (3) or the first bullet point of paragraph (4) under " Termination" above; or

- (A) a takeover proposal in respect of Magnum Hunter is publicly announced or is proposed or offered or made to Magnum Hunter or Magnum Hunter's stockholders before the merger agreement is approved by Magnum Hunter's stockholders,
- (B) the merger agreement is terminated by either party for failure to obtain the required Magnum Hunter stockholder vote without any breach by Magnum Hunter of its no solicitation obligations, and
- (C) within 12 months following the termination Magnum Hunter enters into, directly or indirectly, an agreement with the proponent of the takeover proposal or an affiliate of the proponent,

Magnum Hunter must pay Cimarex a termination fee in immediately available funds of \$45,000,000 no later than one business day following termination of the merger agreement or, in the case of termination in connection with a takeover proposal, on the date of consummation of or entry into the agreement for that transaction. For purposes of this paragraph, the references in the definition of takeover proposal to 10% will be changed to 50%.

Expenses

In the merger agreement, the parties agreed that all costs and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring those expenses, whether or not the merger is consummated. Cimarex has agreed to pay the

fee for filing the registration statement of which this joint proxy statement/prospectus is a part with the SEC, along with the expenses of printing this joint proxy statement/prospectus and complying with any other applicable securities laws in connection with the registration statement and this joint proxy statement/prospectus. Each of Cimarex and Magnum Hunter will pay all expenses of mailing this joint proxy statement/prospectus to and soliciting proxies from its respective stockholders.

Conduct of Business Pending the Merger

Conduct of Business by Magnum Hunter

In the merger agreement, Magnum Hunter has agreed that, before the effective time of the merger, unless Cimarex otherwise consents or except as expressly permitted or required under the merger agreement:

each of Magnum Hunter and its subsidiaries will conduct its business only in the ordinary and usual course of business and consistent with past practices, and will:

operate, maintain and otherwise deal with Magnum Hunter's oil and gas interests in accordance with good and prudent oil and gas field practices and in accordance with all applicable oil and gas leases and other contracts and agreements and all applicable laws, rules and regulations;

keep and maintain accurate books, records and accounts;

maintain its insurance policies in full force and effect;

pay all taxes, assessments and other governmental charges imposed upon any of their assets or with respect to their franchises, business, income or assets before any penalty or interest accrues;

pay all material claims that have become due and payable and which by law have or may become a lien upon any of their assets before the time when any penalty or fine is incurred or any lien is imposed;

comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, obtain or take all governmental actions necessary in the operation of their businesses, and comply with and enforce the provisions of all material agreements, including paying when due all rentals, royalties, expenses and other liabilities relating to their businesses or assets; and

at all times preserve and keep in full force and effect their corporate existence and rights and franchises material to their performance under the merger agreement; and

Magnum Hunter will not directly or indirectly, and will not permit any of its subsidiaries to, do any of the following:

amend or propose to amend its articles of incorporation or bylaws or, in the case of its subsidiaries, their respective constituent documents;

split, combine or reclassify any outstanding shares of its capital stock;

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declare, set aside or pay any dividend or other distribution payable in cash, capital stock, property or otherwise with respect to any shares of its capital stock, other than the distribution of TEL Offshore Trust interests described under "The Merger Distribution of TEL Offshore Trust Units";

issue, sell or agree to issue or sell or amend any shares of, or any options, warrants or rights of any kind to acquire any shares of, or any securities convertible into or

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exchangeable for any shares of, its capital stock or other securities, except for shares of Magnum Hunter common stock issuable upon:

- (A) exercise of warrants outstanding on the date of the merger agreement,
- (B) exercise of options outstanding on the date of the merger agreement, or granted as permitted by the merger agreement, and
- (C) conversion of Magnum Hunter's 1996 Series A convertible preferred stock as described under " Conversion of 1996 Series A Convertible Preferred Stock" above;

reduce the exercise or conversion price or extend the time for exercise or conversion of any rights, options or warrants to acquire its securities, except as contractually required;

purchase, cancel, redeem or otherwise acquire any shares of its capital stock, other securities or other equity interests, except as permitted by the terms of Magnum Hunter's employee benefit plans or in connection with the cancellation of Magnum Hunter stock options in the merger;

merge or consolidate with or transfer substantially all its assets to, any person except as contemplated by the merger agreement;

liquidate, wind up or dissolve;

acquire any interest in a business entity for a purchase price of \$2,000,000 or more, other than interests in joint ventures, joint operation or ownership arrangements or tax partnerships acquired in the ordinary course of business;

sell, lease or sublease, transfer or otherwise dispose of or mortgage, pledge or otherwise encumber any oil and gas interests or other assets of Magnum Hunter that have a value of \$1,000,000 or more individually, except for the sale of hydrocarbons in the ordinary course of business or encumbrances under Magnum Hunter's credit facility;

farm-out any oil and gas interest of Magnum Hunter having a value of \$2,000,000 or more;

sell, transfer or otherwise dispose of or mortgage, pledge or otherwise encumber any securities of any other person, including any capital stock or other securities or equity interest in any of Magnum Hunter's subsidiaries;

make any loans, advances or capital contributions to, or investments in, any person in an aggregate amount of \$500,000 or more, other than in the ordinary course of business;

enter into any material agreement or any other agreement not terminable upon notice of 30 days or less and without penalty or other obligation;

permit the outstanding indebtedness under Magnum Hunter's credit facility to exceed \$400,000,000, not counting any indebtedness incurred to fund costs relating to the merger agreement;

incur any indebtedness for borrowed money, other than under trade credit vendor lines not exceeding \$1,000,000 in the aggregate, under Magnum Hunter's credit facility or related to cash payments for cancellation of Magnum

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Hunter stock options in the merger;

incur any other obligation or liability, other than in the ordinary course of business;

assume, endorse (other than endorsements of negotiable instruments in the ordinary course of business), guarantee or otherwise become liable or responsible for the liabilities or obligations of any other person in an amount of \$500,000 or more, whether directly, contingently or otherwise;

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enter into, amend or modify any derivative transactions;

incur any obligation or liability that exceeds \$500,000 under the guaranty by Magnum Hunter to Compass Bank, dated December 20, 2004, with respect to indebtedness of Metrix Networks, Inc.;

voluntarily resign, transfer or otherwise relinquish any right as operator of any oil and gas interest of Magnum Hunter, except as required by law, regulation or contract or to the extent the action would not be reasonably likely to have a material adverse effect on Magnum Hunter;

voluntarily resign, transfer or otherwise relinquish any right with respect to any standstill agreement;

enter into, or otherwise become liable or obligated under, or amend or extend:

- (A) any employee benefit, pension or other plan, whether or not subject to ERISA,
- (B) any other stock option, stock purchase, incentive or deferred compensation plan or arrangement or other fringe benefit plan, or
- (C) any consulting, employment, severance, retention, termination or similar agreement with any person;

except for payments made under any Magnum Hunter employee benefit plan or any other plan, agreement or arrangement described in Magnum Hunter's disclosure schedule, grant, or otherwise become liable for or obligated to pay, any severance, retention or termination payment, bonus or increase in compensation or benefits (other than payments, bonuses or increases that are mandated by the terms of agreements existing as of the date of the merger agreement or that are paid in the ordinary course of business, consistent with past practices, and not individually or in the aggregate material in amount) to, or forgive any indebtedness of, any employee or consultant of any of Magnum Hunter or its subsidiaries;

enter into any contract or commitment to do any of the things listed above;

create, incur, assume or permit to exist any lien on any of its assets, except as permitted by the merger agreement;

take any action that would reasonably be expected to result in the breach of any of Magnum Hunter's representations and warranties, except as specifically permitted by the merger agreement;

approve or implement budgets for general and administrative expenses (including salary, bonuses, general operating and overhead expenses) or budgets for capital expenditures, or incur expenses or disburse funds for any of those purposes except under the budgets which have been approved by Cimarex or revisions to the budgets which are approved by Cimarex, such approval not to be unreasonably withheld;

except to the extent already included in a budget approved by Cimarex, enter into any agreements or other arrangements with respect to, or make any payments, incur any expenses or disburse any funds for:

- (A) any capital project, the completion or full capitalization of which can reasonably be expected to require Magnum Hunter to expend, in the aggregate, \$2,000,000 or more for an onshore project or \$1,000,000 or more for an offshore project, or

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(B)

any capital project for the exploration of oil and gas interests with undeveloped reserves (including the acquisition of leasehold interests and seismic data, the drilling of wells and all related costs and expenses) which can reasonably be expected to require Magnum Hunter to expend, in the aggregate, \$2,000,000 or more for an onshore project or \$1,000,000 or more for an offshore project;

make any capital expenditure or general and administrative expense payment which, for any project, exceeds by more than 10 percent the amount set forth in the appropriate line item for that expenditure in a budget approved by Cimarex; or

knowingly take, or agree to commit to take, any action that would reasonably be expected to result in the failure of a condition to Cimarex's and Merger Sub's obligation to complete the merger, or that would materially impair or delay the ability of Magnum Hunter, Cimarex, Merger Sub or the holders of shares of Magnum Hunter common stock to complete the merger.

Conduct of Business by Cimarex

In the merger agreement, Cimarex has agreed that, before the effective time of the merger, unless Magnum Hunter otherwise consents or except as expressly permitted or required under the merger agreement:

each of Cimarex and its subsidiaries will conduct its business only in the ordinary and usual course of business and consistent with past practices, and will:

operate, maintain and otherwise deal with Cimarex's oil and gas interests in accordance with good and prudent oil and gas field practices and in accordance with all applicable oil and gas leases and other contracts and agreements and all applicable laws, rules and regulations;

keep and maintain accurate books, records and accounts;

maintain its insurance policies in full force and effect;

pay all taxes, assessments and other governmental charges imposed upon any of their assets or with respect to their franchises, business, income or assets before any penalty or interest accrues;

pay all material claims that have become due and payable and which by law have or may become a lien upon any of their assets before the time when any penalty or fine is incurred or any lien is imposed;

comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, obtain or take all governmental actions necessary in the operation of their businesses, and comply with and enforce the provisions of all material agreements, including paying when due all rentals, royalties, expenses and other liabilities relating to their businesses or assets; and

at all times preserve and keep in full force and effect their corporate existence and rights and franchises material to their performance under the merger agreement; and

Cimarex will not directly or indirectly, and will not permit any of its subsidiaries to, do any of the following:

amend or propose to amend its certificate of incorporation or bylaws or, in the case of its subsidiaries, their respective constituent documents;

split, combine or reclassify any outstanding shares of its capital stock;

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declare, set aside or pay any dividend or other distribution payable in cash, capital stock, property or otherwise with respect to any shares of its capital stock;

issue, sell or agree to issue or sell or amend any shares of, or any options, warrants or rights of any kind to acquire any shares of, or any securities convertible into or exchangeable for any shares of, its capital stock or other securities, except for shares of Cimarex common stock issuable upon exercise of options outstanding on the date of the merger agreement;

reduce the exercise or conversion price or extend the time for exercise or conversion of any rights, options or warrants to acquire its securities, except as contractually required;

purchase, cancel, redeem or otherwise acquire any shares of its capital stock, other securities or other equity interests, except as permitted by the terms of Cimarex's employee benefit plans;

merge or consolidate with or transfer substantially all its assets to, any person except as contemplated by the merger agreement;

liquidate, wind up or dissolve;

acquire any interest in a business entity for a purchase price of \$10,000,000 or more, other than interests in joint ventures, joint operation or ownership arrangements or tax partnerships acquired in the ordinary course of business;

sell, lease or sublease, transfer or otherwise dispose of or mortgage, pledge or otherwise encumber any oil and gas interests or other assets of Cimarex that have a value of \$5,000,000 or more individually, except for the sale of hydrocarbons in the ordinary course of business or encumbrances under Cimarex's credit facility;

farm-out any oil and gas interest of Cimarex having a value of \$2,000,000 or more;

sell, transfer or otherwise dispose of or mortgage, pledge or otherwise encumber any securities of any other person, including any capital stock or other securities or equity interest in any of Cimarex's subsidiaries;

make any loans, advances or capital contributions to, or investments in, any person in an aggregate amount of \$500,000 or more, other than in the ordinary course of business;

enter into any material agreement or any other agreement not terminable upon notice of 30 days or less and without penalty or other obligation;

permit the outstanding indebtedness under Cimarex's credit facility to exceed \$50,000,000;

incur any indebtedness for borrowed money, other than under trade credit vendor lines not exceeding \$1,000,000 in the aggregate or under Cimarex's credit facility;

incur any other obligation or liability, other than in the ordinary course of business;

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assume, endorse (other than endorsements of negotiable instruments in the ordinary course of business), guarantee or otherwise become liable or responsible for the liabilities or obligations of any other person in an amount of \$500,000 or more, whether directly, contingently or otherwise, other than Cimarex guarantees of Cimarex Energy Services, Inc. regarding obligations under transportation agreements;

enter into, amend or modify any derivative transactions;

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voluntarily resign, transfer or otherwise relinquish any right as operator of any oil and gas interest of Cimarex, except as required by law, regulation or contract or to the extent the action would not be reasonably likely to have a material adverse effect on Cimarex;

voluntarily resign, transfer or otherwise relinquish any right with respect to any standstill agreement;

enter into, or otherwise become liable or obligated under, or amend or extend:

- (A) any employee benefit, pension or other plan (whether or not subject to ERISA),
- (B) any other stock option, stock purchase, incentive or deferred compensation plan or arrangement or other fringe benefit plan, or
- (C) any consulting, employment, severance, retention, termination or similar agreement with any person;

except for payments made under any Cimarex employee benefit plan or any other plan, agreement or arrangement described in Cimarex's disclosure schedule, grant, or otherwise become liable for or obligated to pay, any severance, retention or termination payment, bonus or increase in compensation or benefits (other than payments, bonuses or increases that are mandated by the terms of agreements existing as of the date of the merger agreement or that are paid in the ordinary course of business, consistent with past practices, and not individually or in the aggregate material in amount) to, or forgive any indebtedness of, any employee or consultant of any of Cimarex or its subsidiaries;

enter into any contract or commitment to do any of the things listed above;

create, incur, assume or permit to exist any lien on any of its assets, except as permitted by the merger agreement;

take any action that would reasonably be expected to result in the breach of any of Cimarex's representations and warranties, except as specifically permitted by the merger agreement;

approve or implement budgets for general and administrative expenses (including salary, bonuses, general operating and overhead expenses) or budgets for capital expenditures, or incur expenses or disburse funds for any of those purposes except under the budgets which have been approved by Magnum Hunter or revisions to the budgets which are approved by Magnum Hunter, such approval not to be unreasonably withheld;

except to the extent already included in a budget approved by Magnum Hunter, enter into any agreements or other arrangements with respect to, or make any payments, incur any expenses or disburse any funds for:

- (A) any capital project, the completion or full capitalization of which can reasonably be expected to require Cimarex to expend, in the aggregate, \$5,000,000 or more, or
- (B) any capital project for the exploration of oil and gas interests with undeveloped reserves (including the acquisition of leasehold interests and seismic data, the drilling of wells and all related costs and expenses) which can reasonably be expected to require Cimarex to expend, in the aggregate, \$5,000,000 or more;

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make any capital expenditure or general and administrative expense payment which, for any project, exceeds by more than 10 percent the amount set forth in the appropriate line item for that expenditure in a budget approved by Magnum Hunter; or

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knowingly take, or agree to commit to take, any action that would reasonably be expected to result in the failure of a condition to Magnum Hunter's obligation to complete the merger, or that would materially impair or delay the ability of Magnum Hunter, Cimarex, Merger Sub or the holders of shares of Magnum Hunter common stock to complete the merger.

Representations and Warranties

The merger agreement contains customary representations and warranties, which are substantially reciprocal and expire upon completion of the merger. These representations and warranties relate to, among other things:

corporate organization and similar corporate matters of each of Cimarex and Magnum Hunter;

subsidiaries of Cimarex and Magnum Hunter;

authorization, execution, delivery, performance and enforceability of, and required consents, approvals, orders and authorizations of governmental authorities relating to, the merger agreement and related matters of each of Cimarex and Magnum Hunter;

documents filed by each of Cimarex and Magnum Hunter with the SEC, and the accuracy of information contained in those documents;

financial statements of each of Cimarex and Magnum Hunter and the absence of undisclosed liabilities of each of Cimarex and Magnum Hunter;

the capital structure of each of Cimarex and Magnum Hunter;

absence of material adverse changes or events concerning each of Cimarex and Magnum Hunter;

compliance with applicable laws and material contracts by Cimarex and Magnum Hunter;

governmental regulatory matters concerning each of Cimarex and Magnum Hunter;

outstanding and pending material litigation of each of Cimarex and Magnum Hunter;

existence of financial restrictions upon each of Cimarex and Magnum Hunter;

filing of tax returns and payment of taxes by Cimarex and Magnum Hunter;

matters relating to the Employee Retirement Income Security Act for Cimarex and Magnum Hunter and other employment and benefit plan matters;

insurance policies held by Cimarex and Magnum Hunter;

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title to assets and intellectual property of Cimarex and Magnum Hunter;

estimates of and reports relating to the oil and gas reserves of each of Cimarex and Magnum Hunter;

the outstanding hydrocarbon and financial hedging positions of each of Cimarex and Magnum Hunter;

compliance with the Natural Gas Act by Cimarex and Magnum Hunter;

compliance by Cimarex and Magnum Hunter with environmental laws;

accuracy of each of Cimarex's and Magnum Hunter's books and records;

engagement and payment of fees of brokers, investment bankers, finders and financial advisors by Cimarex and Magnum Hunter;

the stockholder vote of each of Cimarex and Magnum Hunter required to approve and adopt the merger agreement;

actions taken by each of Cimarex and Magnum Hunter to exempt the merger from applicable state anti-takeover laws and the parties' stockholder rights plans;

transactions with affiliates by each of Cimarex and Magnum Hunter; and

disclosure controls and procedures of each of Cimarex and Magnum Hunter.

Employee Benefit Plans and Existing Agreements

The merger agreement provides that for six months after the closing date of the merger, Cimarex will, and will cause its subsidiaries to, continue to provide to each person who is employed by Magnum Hunter or any of its subsidiaries immediately before the effective time of the merger, employment (including base salary and incentive and bonus opportunities, but excluding equity-based compensation) and benefits (including vacation, paid time-off, medical, dental, vision, life, accidental death and dismemberment and disability benefits) that are substantially comparable in the aggregate to those provided to those employees by Magnum Hunter and its subsidiaries immediately before the effective time of the merger. Continuing employees do not include persons who have an employment agreement with Magnum Hunter. On and after October 1, 2005, each such continuing employee may, at Cimarex's option, be enrolled in one or more of Cimarex's employee benefit plans with benefits of similarly situated employees of Cimarex and its subsidiaries, rather than in any remaining Magnum Hunter plans. In addition, Cimarex has agreed that continuing Magnum Hunter employees will be eligible to participate in the Cimarex Energy Co. 401(k) Plan immediately after the effective time of the merger in accordance with the provisions of the Cimarex 401(k) plan, treating their service with Magnum Hunter as service with Cimarex.

The service of each Magnum Hunter employee with Magnum Hunter or its subsidiaries or any predecessor employer before the effective time of the merger will be treated as service with Cimarex and its subsidiaries for purposes of each employee benefit plan of Cimarex (including retirement, vacation, paid time-off and severance plans) in which the Magnum Hunter employee is eligible to participate after the effective time of the merger, including for purposes of eligibility, vesting and benefit levels and accruals (other than defined benefit pension plan accruals).

Following the effective time of the merger, for purposes of each employee benefit plan of Cimarex in which any Magnum Hunter employee or his or her eligible dependents is eligible to participate, Cimarex has agreed to, and has agreed to cause its subsidiaries to:

waive any pre-existing condition, exclusion, actively-at-work requirement or waiting period to the extent the condition, exclusion, requirement or waiting period was satisfied or waived under the comparable employee benefit plan of Magnum Hunter as of the effective time of the merger or, if later, the date on which the employee transitions to the Cimarex benefit plan; and

provide full credit for any co-payments, deductibles or similar payments made or incurred before the effective time of the merger for the plan year in which the effective time of the merger or the applicable plan transition date occurs.

Cimarex has agreed to, and has agreed to cause its subsidiaries to, honor, in accordance with its terms, each Magnum Hunter severance policy or plan, including any rights or benefits arising as a result of the transactions contemplated by the merger agreement, either alone or in combination with any other event. In addition, the period of time during which severance may be triggered under the Magnum Hunter Resources, Inc. Employee Severance Policy and the Magnum Hunter Resources, Inc. Extraordinary Transaction Compensation Policy will be extended to the first anniversary of the closing of the merger. Cimarex also has agreed that the merger constitutes a change of control, change in

control or extraordinary transaction, as the case may be, for all purposes under those two Magnum Hunter employee benefit plans.

The parties have agreed that, before the effective time of the merger, Magnum Hunter will be entitled to amend, modify or terminate any nonqualified deferred compensation plan in order to comply with Section 409A of the Internal Revenue Code and any rules, regulations or other guidance promulgated thereunder by any governmental entity, and to adopt new plans that comply with Section 409A and contain substantially similar terms to the existing plans.

Following the effective time of the merger, Cimarex has agreed not to, and has agreed not to permit any of its subsidiaries or any of its or their respective officers or employees to, take any action (including the waiver of any term or condition of either of Magnum Hunter's deferred compensation plans discussed in the preceding paragraph) that results, or would be reasonably likely to result, in the imposition of any tax or interest penalty under Section 409A of the Internal Revenue Code on any current or former participant in either of Magnum Hunter's deferred compensation plans, including any "material modification" (within the meaning of Section 885(d)(2)(B) of the American Jobs Creation Act of 2004) of any nonqualified deferred compensation plan of Magnum Hunter with respect to amounts deferred in taxable years beginning before January 1, 2005. Cimarex has agreed to indemnify and hold harmless each current and former participant in any Magnum Hunter nonqualified deferred compensation plans, on an after-tax basis, from any tax or interest penalty imposed under Section 409A of the Internal Revenue Code (or any successor or replacement provision thereto) to the extent imposed as a result of any failure of Cimarex, any of its subsidiaries or any of its or their respective officers or employees to comply with the provisions described in this paragraph.

Some Magnum Hunter executives have employment agreements including change in control provisions, which will require Cimarex to make payments to them upon voluntary termination of employment. In addition, outside directors of Magnum Hunter will become entitled to additional compensation at the effective time of the merger. See "Interests of Certain Persons in the Merger Employment Agreement Change in Control Provisions."

Magnum Hunter will terminate its 401(k) Employee Stock Ownership Plan before the closing date. The current trustee of the trust related to the plan is Gary Evans. The merger agreement requires that Gary Evans be removed and replaced by a qualified institutional trustee selected by Magnum Hunter and acceptable to Cimarex. On or before the plan's termination date, the new trustee will cause the plan to repay any existing loan(s) of the plan (in accordance with the terms of the loan, the plan, and applicable law, and in a manner mutually acceptable to Magnum Hunter and Cimarex). The plan administrator of the plan will allocate any unallocated assets remaining after the loan is repaid in accordance with the terms of the plan and applicable law. Upon termination of the plan, the accounts of all participants affected by the termination will become fully vested. The plan administrator will direct the trustee of the plan's related trust to distribute the assets remaining in the trust (after payment of any expenses properly allocable to the plan) to participants and beneficiaries after receipt of a favorable determination letter from the Internal Revenue Service related to the plan's termination. However, distributions will not be delayed until after receipt of a favorable determination letter for those participants who are otherwise entitled to a distribution under the plan by reason of death, disability, retirement, termination of employment or any other reason provided for under the terms of the plan (other than plan termination). Any distributions made after termination of the plan may be made (in whole or in part) in cash or in kind. Participants have the right, as provided in the plan document, to receive payment from their vested accounts under the plan in the form of Magnum Hunter common stock or, if the distribution occurs after the closing, Cimarex common stock (except to the extent of the value of any fractional shares, which will be distributed in cash). Cimarex has agreed to permit rollovers of participant distributions from the plan to a defined contribution plan maintained by Cimarex or one of its subsidiaries to the extent permitted under the terms of such plan.

Before the effective time of the merger, Cimarex and Magnum Hunter, and their respective boards of directors, have agreed to use their reasonable best efforts to take all actions to cause any dispositions of Magnum Hunter common stock (including derivative securities with respect to Magnum Hunter common stock) or acquisitions of Cimarex common stock (including derivative securities with respect to Cimarex common stock) resulting from the merger by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act to be exempt from Section 16(b) of the Exchange Act under Rule 16b-3 promulgated under the Exchange Act.

Amendment; Waiver

The merger agreement may be amended by Cimarex and Magnum Hunter at any time either before or after approval of the merger agreement and the transactions contemplated thereby by the respective boards of directors or stockholders of Cimarex and Magnum Hunter. However, after stockholder approval is obtained, no amendment requiring stockholder approval may be made without obtaining further stockholder approval. The merger agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

Any failure of any of the parties to the merger agreement to comply with any obligation, representation, warranty, covenant, agreement or condition in the merger agreement may be waived at any time before the effective time of the merger only by a written instrument signed by each party entitled to the benefit of the provision. Any waiver or failure to insist upon strict compliance with any obligation, representation, warranty, covenant, agreement or condition will not operate as a waiver with respect to any earlier or later breach of that provision or any other provision of the merger agreement.

Conversion of Merger Sub and Magnum Hunter Common Stock

At the effective time of the merger, each issued and outstanding share of Merger Sub common stock will be converted into one share of common stock of the surviving corporation.

Also at the effective time of the merger:

- (1) Each issued and outstanding share of Magnum Hunter common stock, other than shares to be canceled under paragraph (2) below, will be canceled and converted automatically into the right to receive 0.415 of a fully paid and nonassessable share of Cimarex common stock. This ratio is referred to as the exchange ratio. As of the effective time of the merger, all shares of Magnum Hunter common stock will no longer be outstanding and will automatically be canceled and cease to exist, and each holder of a certificate representing any shares of Magnum Hunter common stock will cease to have any rights with respect to those shares, except the right to receive the exchange ratio and any cash instead of fractional shares of Cimarex common stock to be issued or paid upon surrender of the certificate in accordance with the terms of the merger agreement, without interest.
- (2) Each share of Magnum Hunter common stock held in Magnum Hunter's treasury will be canceled without conversion and no payment or distribution will be made with respect to those shares.
- (3) All of the issued and outstanding shares of Magnum Hunter Series A preferred stock will be canceled and converted automatically into the right to receive, in the aggregate, 20 shares of Cimarex common stock, referred to as the Series A merger consideration. Based upon the 80,000 shares of Series A preferred stock currently outstanding, holders of Magnum Hunter's Series A preferred stock would receive 0.00025 of a share of Cimarex common stock for each share of Series A preferred stock that they own immediately before the effective time of the merger. As of the effective time of the merger, all shares of Magnum Hunter Series A preferred stock will no longer be outstanding and will automatically be canceled and cease to

exist, and each holder of a certificate representing any shares of Magnum Hunter Series A preferred stock will cease to have any rights with respect to those shares, except the right to receive the Series A merger consideration upon surrender of the certificate in accordance with the terms of the merger agreement, without interest. Magnum Hunter Series A preferred stockholders may receive fractional shares of Cimarex common stock. See " Exchange of Shares; Fractional Shares Series A Preferred Stockholders" below.

Exchange of Shares; Fractional Shares

General Exchange Procedure

Before the merger, Cimarex will appoint Continental Stock Transfer & Trust Company as exchange agent to effect the exchange of certificates representing shares of Magnum Hunter common stock and Magnum Hunter Series A preferred stock for certificates representing shares of Cimarex common stock. Following the merger, Cimarex will deposit with the exchange agent certificates representing Cimarex common stock and cash for fractional shares that would otherwise be issued to holders of Magnum Hunter common stock.

As soon as reasonably practicable after the effective time of the merger, Cimarex will mail to record holders of Magnum Hunter common stock and, to the extent their addresses are known, Magnum Hunter Series A preferred stock letters of transmittal and instructions explaining how to surrender their stock certificates to the exchange agent. Upon surrender to the exchange agent of their stock certificates, together with a properly completed and signed letter of transmittal and any other documents required by the instructions to the letter of transmittal, the holders of record of the common stock or Series A preferred stock represented by those certificates will be entitled to receive the exchange ratio or the Series A merger consideration, as applicable, and each certificate surrendered will be canceled.

Holders of unexchanged Magnum Hunter stock certificates will not receive any dividends or other distributions made by Cimarex with a record date after the effective time of the merger until their stock certificates are surrendered. Upon surrender, however, subject to applicable laws, those holders will receive all dividends and distributions made on the related shares of Cimarex common stock after the merger, without interest, together with, if applicable, cash instead of fractional shares.

Magnum Hunter stockholders should not return their stock certificates with the enclosed proxy card and should not forward their stock certificates to the exchange agent except with a signed letter of transmittal and any other documents that may be required by the exchange agent, as provided in the instructions that will accompany the letter of transmittal. The letter of transmittal will be provided to Magnum Hunter stockholders following the closing of the merger.

Cimarex stockholders will not exchange their stock certificates in the merger.

Common Stockholders

No fractional shares of Cimarex common stock will be issued to holders of Magnum Hunter common stock in the merger. Instead of fractional shares, each holder of shares of Magnum Hunter common stock will receive cash in an amount equal to the product of:

such fractional part of a share multiplied by

the average of the closing prices of Cimarex common stock on the NYSE over the 20 trading day period ending on the fourth trading day before the closing date of the merger.

No interest will be paid in connection with the exchange of fractional shares.

Series A Preferred Stockholders

Magnum Hunter Series A preferred stockholders will receive fractional shares of Cimarex common stock in the merger to the extent necessary. In the alternative, Cimarex may elect in its sole discretion to offer Series A preferred stockholders who would otherwise receive fractional shares one or both of the following options:

the right to purchase an additional fraction of a share of Cimarex common stock sufficient to provide the holder with a whole share, at the closing sales price of Cimarex common stock on the NYSE on the day immediately before the holder's acceptance of this right; and/or

the establishment of an agency arrangement which combines fractional shares held by participating Series A preferred stockholders into whole shares, sells those shares for the account of the participating holders to a party other than Cimarex or its subsidiaries or affiliates, and then distributes the resulting sales proceeds to the participating holders in proportion to their contributed fractional share interests, with related transaction costs to be borne by Cimarex.

Cimarex may offer either or both of these alternatives to Series A preferred stockholders at any time until the third anniversary of the closing date of the merger. These provisions do not prevent Cimarex from offering other alternatives to Series A preferred stockholders who receive fractional shares of Cimarex common stock. Cimarex is not permitted to force Series A preferred stockholders who receive fractional shares of Cimarex common stock to receive cash in respect of their fractional shares.

Cancellation or Assumption of Stock Options

Magnum Hunter has agreed to use commercially reasonable efforts to obtain consent to cancel options to purchase Magnum Hunter common stock from all holders of options that require consent for cancellation of the options. Magnum Hunter also will cause all stock options that do not require consent for cancellation to be canceled as of the effective time of the merger. As of _____, 2005, the record date for the Magnum Hunter special meeting, Magnum Hunter had options to purchase _____ shares of Magnum Hunter common stock outstanding, with an average exercise price of approximately \$ _____ per share. Magnum Hunter estimates that _____ of these options require consent for cancellation.

At the effective time of the merger, the holder of each canceled stock option will be entitled to receive a cash payment equal to the product of the total number of shares of Magnum Hunter common stock subject to the option (whether vested or unvested), times the excess, if any, of the closing price of Magnum Hunter common stock on the day before the closing date over the exercise price of the option, less the amount of any required withholding taxes. Any cash payments to option holders will be made by Magnum Hunter or, at Cimarex's option, by Cimarex. Options with exercise prices higher than the closing price of Magnum Hunter common stock on the day before the closing date will not be entitled to any cash payment. The closing price of Magnum Hunter common stock on _____, 2005, the most recent practicable date before the printing of this joint proxy statement/prospectus, was \$ _____. If the closing price of Magnum Hunter common stock is the same on the day before the closing date of the merger, Magnum Hunter estimates that options to purchase _____ shares of Magnum Hunter common stock will have an exercise price that is less than the closing price, and Magnum Hunter or Cimarex will be required to make an aggregate cash payment of approximately \$ _____.

If Magnum Hunter does not receive consent before the effective time to cancel any options that require consent for cancellation, those options will be assumed by Cimarex. Assumed options will be converted into an option to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the option at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed

option will be equal to the exercise price per share of the existing option divided by the exchange ratio. Each assumed option will remain subject to the same conditions that applied before the merger, except that each option will be fully vested. Before the effective time of the merger, Magnum Hunter's board will take action to fully vest all outstanding options to purchase shares of Magnum Hunter common stock.

Promptly following the effective time of the merger, Cimarex has agreed to cause the shares of Cimarex common stock issuable upon exercise of the assumed stock options to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of that registration statement for so long as any assumed options remain outstanding.

Assumption of Warrants

Magnum Hunter has approximately 7.2 million common stock warrants outstanding, each of which is exercisable for one share of Magnum Hunter common stock at an exercise price of \$15 per share. These warrants expire on March 21, 2005, which we expect will be before the closing of the merger. To the extent any warrants to purchase shares of Magnum Hunter common stock are outstanding at the closing of the merger, each of those warrants will be assumed by Cimarex at the effective time of the merger and converted into a warrant to purchase that number of shares of Cimarex common stock determined by multiplying the number of shares of Magnum Hunter common stock subject to the warrant at the effective time of the merger by the exchange ratio. The exercise price per share of each assumed warrant will be equal to the exercise price per share of the existing warrant divided by the exchange ratio. Each assumed warrant will remain subject to the same conditions that applied before the merger.

Promptly following the effective time of the merger, Cimarex has agreed to cause the shares of Cimarex common stock issuable upon exercise of any assumed warrants to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of that registration statement for so long as any assumed warrants remain outstanding. Cimarex also has agreed to cause the assumed warrants to be listed for trading on the NYSE.

Treatment of Indenture Obligations and Notes

The indentures under which Magnum Hunter's \$195 million 9.6% senior notes due 2012 and \$125 million floating rate convertible senior notes due 2023 were issued permit the holders of the notes to sell their notes back to Magnum Hunter within 30-45 days following delivery of notice of a change of control of Magnum Hunter, for a price equal to 101% and 100% of their principal amount, respectively, plus accrued interest. The interest rate on the convertible senior notes is a floating interest rate based on three-month LIBOR, which as of September 30, 2004 was 1.88%. Notice of a change of control must be delivered within 30 days following the change of control. The merger qualifies as a change of control for these purposes. Magnum Hunter as the surviving corporation will be obligated to buy back any notes that are offered back to Magnum Hunter in accordance with these provisions. If all of the outstanding notes are offered, the total repurchase costs, as of December 31, 2004, would have been approximately \$327.6 million.

At or before the effective time of the merger, Cimarex will enter into a supplemental indenture with the trustee of the convertible senior notes regarding the conversion provisions. Holders of the convertible senior notes will be entitled for 30 calendar days following the effective date of the merger to convert their notes into cash and a number of shares of Cimarex common stock that they would have received had they converted their notes into cash and shares of Magnum Hunter common stock immediately before the merger.

The convertible notes will be convertible into a combination of cash and common stock of Cimarex upon the happening of certain events, including the merger. This means that holders of these notes will

be able to convert the notes for 30 calendar days following the merger. In general, upon conversion of a convertible note, the holder would receive cash equal to the principal amount of the convertible note and Cimarex common stock for the convertible note's conversion value in excess of the principal amount. The number of shares of Cimarex common stock into which the convertible notes are convertible will depend upon the conversion value in excess of the principal amount of the convertible notes and Cimarex's future common stock price. Based upon an assumed Cimarex stock price of \$37.66 per share (the average stock price of Cimarex used in the unaudited pro forma condensed combined financial statements included in this joint proxy statement/prospectus), the convertible senior notes would be convertible into an aggregate of 936,602 shares of Cimarex common stock following the merger. Beyond the 30 calendar days following the effective date of the merger, the convertible senior notes will be similarly convertible into cash equal to the principal amount of the convertible senior notes and common stock of Cimarex for the conversion value in excess of the principal amount upon the occurrence of certain events set forth in the indenture. However, the convertible senior notes will remain obligations of Magnum Hunter as the surviving corporation in the merger. The convertible senior notes are convertible as follows:

Upon the occurrence of certain events set forth in the indenture, all of the notes may be converted into Cimarex common stock and cash, the conversion value of which is equal to the product of:

- (i) (A) the aggregate principal amount of the notes to be converted divided by 1,000, multiplied by (B) the conversion rate (the initial conversion rate is 82.0345 (which will be adjusted to 34.4971 following the merger, assuming the TEL Offshore Trust distribution has been made)); and
- (ii) the 10-day average closing price beginning on the second trading day following the day the notes are tendered for conversion.

Assuming the 10-day average closing price is higher than \$12.19 (which will be adjusted to \$28.99 following the merger, assuming the TEL Offshore Trust distribution has been made), the combined company must pay the conversion value as follows:

- (i) cash equal to the aggregate principal amount of the notes converted;
- (ii) shares of Cimarex common stock equal to the conversion value less the cash paid for the principal amount of the notes converted; and
- (iii) cash instead of any fractional shares of Cimarex common stock.

This \$12.19 conversion price will be adjusted to \$12.03 upon the distribution of TEL Offshore Trust units to Magnum Hunter's common stockholders and further adjusted to \$28.99 following the merger.

Cimarex is not required to enter into any supplemental indenture with respect to Magnum Hunter's 9.6% senior notes, which will remain obligations of Magnum Hunter as the surviving corporation in the merger.

Promptly following the effective time of the merger, Cimarex will cause the shares of Cimarex common stock issuable upon conversion of the convertible senior notes to be registered with the SEC, and will use all reasonable efforts to maintain the effectiveness of such registration statement for so long as any convertible senior notes remain outstanding.

Voting Agreement

The following description summarizes the material provisions of the voting agreement. Stockholders should read the full text of the voting agreement, which is attached as *Annex D* to this joint proxy statement/prospectus and incorporated herein by reference.

General

On the date the merger agreement was executed, Gary C. Evans, Magnum Hunter's President and Chief Executive Officer, and Jacquelyn Evelyn Enterprises, Inc., a related entity whose sole stockholder is Mr. Evans' wife, collectively beneficially owned and were entitled to vote 4,733,945 shares of Magnum Hunter common stock, including shares subject to currently exercisable options and warrants. These shares represented approximately 5.2% of the outstanding shares of Magnum Hunter common stock on that date. Simultaneously with the execution of the merger agreement, these stockholders entered into a voting agreement with Cimarex, as described more fully below.

Voting

Under the voting agreement, each of the stockholders has agreed, among other things, to vote his or its shares of Magnum Hunter common stock:

in favor of the approval of the merger agreement;

against any action or agreement that the stockholders would reasonably expect to result in a material breach of any covenant, representation, warranty or other obligation of Magnum Hunter under the merger agreement; and

against any other takeover proposal, including a superior proposal.

No Transfer of Shares

Each of the stockholders has agreed not to transfer, offer or agree to transfer, grant any proxy over or enter into any voting arrangement with respect to any of its shares of Magnum Hunter common stock without Cimarex's advance written consent. Under the voting agreement, transfers include gifts, pledges and other dispositions as well as sales. Cimarex may not unreasonably withhold, condition or delay its consent in the case of a gift or estate planning transaction. Each of the stockholders has also agreed that the voting agreement and their obligations under the voting agreement will be binding upon any person to which legal or beneficial ownership of their shares shall pass, whether by operation of law or otherwise.

Termination

The voting agreement will terminate upon the earliest of:

the effective time of the merger;

the termination of the merger agreement; and

July 25, 2005, or October 1, 2005 if the SEC has not declared the registration statement of which this joint proxy statement/prospectus is a part effective by June 1, 2005.

Organizational Documents, Directors and Officers of the Surviving Corporation

The merger agreement states that the articles of incorporation of Merger Sub, as in effect immediately before the effective time of the merger, will be the articles of incorporation of the surviving corporation until thereafter amended. The bylaws of Merger Sub, as in effect immediately before the effective time of the merger, will be the bylaws of the surviving corporation until thereafter amended. The directors and officers of Merger Sub immediately before the effective time of the merger will be the directors and officers of the surviving corporation until their respective successors have been duly elected or appointed.

OTHER PROPOSALS TO BE PRESENTED AT THE CIMAREX SPECIAL MEETING

Proposal to Amend the Cimarex Charter to Increase the Authorized Common Stock

Cimarex presently is authorized to issue 115 million shares of capital stock, divided into 100 million shares of common stock and 15 million shares of preferred stock. As of _____, 2005, _____ shares of Cimarex common stock were issued and outstanding. As of _____, 2005, a total of _____ shares of Cimarex common stock were available for delivery in the future in respect of awards that have been or are authorized to be made under Cimarex's stock-based compensation plans, which amount did not include an estimated 8,000 shares that would become issuable upon conversion of existing Magnum Hunter stock options that Cimarex may assume in the merger. Based upon the number of shares of Magnum Hunter common stock outstanding on _____, 2005, approximately 36.3 million shares of Cimarex common stock are estimated to be issued in the merger upon the conversion of Magnum Hunter common stock (excluding 790,476 shares to be issued to a wholly owned subsidiary of Magnum Hunter) and Magnum Hunter Series A preferred stock. As of _____, 2005, no shares of preferred stock of Cimarex were issued and no other class of capital stock of Cimarex was authorized.

Before the special meeting, Cimarex will ask its board of directors to approve an amendment to the Cimarex charter to increase the number of authorized shares of Cimarex common stock from 100 million to 200 million. Cimarex has a sufficient number of authorized shares under the Cimarex charter to complete the merger. Therefore, approval of the amendment to increase the number of authorized shares of common stock is not a condition to the merger. However, the amendment will not be effected unless the merger takes place.

Cimarex believes that an increase is advisable and in the best interests of Cimarex and its stockholders. Following the merger, in the event that the amendment to the Cimarex charter is not approved, Cimarex will have approximately 21.1 million authorized and unissued shares of Cimarex common stock, a significant number of which will be reserved for issuance upon exercise of options to purchase Cimarex common stock (including the Magnum Hunter options assumed in the merger), upon conversion of Magnum Hunter's convertible senior notes and potentially upon conversion of Magnum Hunter's outstanding warrants if any warrants are assumed by Cimarex in the merger. Cimarex believes that an increase in authorized shares of Cimarex common stock to 200 million will give Cimarex greater flexibility in the future by allowing Cimarex the latitude to declare stock dividends or stock splits, to use its common stock to acquire other assets (for example, transactions similar to the merger) or to issue its common stock for other corporate purposes, including raising additional capital or issuances under employee and director stock plans. There are no current plans, understandings or arrangements for issuing a material number of additional shares of Cimarex common stock from the additional shares proposed to be authorized under the amendment.

The issuance of shares of Cimarex common stock, including the additional shares that would be authorized if the proposed amendment is adopted, may dilute the present equity ownership position of current holders of Cimarex common stock and may be made without stockholder approval, unless otherwise required by applicable laws or stock exchange regulations. The amendment might also have the effect of discouraging an attempt by another person or entity through the acquisition of a substantial number of shares of Cimarex common stock, to acquire control of Cimarex with a view to consummating a merger, sale of all or any part of Cimarex's assets, or a similar transaction, because the issuance of new shares could be used to dilute the stock ownership of the person or entity.

All shares of Cimarex common stock, including those now authorized and those that would be authorized by the proposed amendment to the Cimarex charter, are equal in rank and have the same voting, dividend and liquidation rights. Holders of Cimarex common stock do not have preemptive rights.

Under Cimarex's stockholder rights plan, one Series A junior participating preferred stock purchase right will be issued with each share of Cimarex common stock. See "Description of Cimarex's Capital Stock Stockholder Rights Plan."

Before the special meeting, Cimarex plans to ask its board of directors to recommend that Cimarex stockholders vote "FOR" approval of the amendment to the Cimarex charter to increase the number of authorized shares of Cimarex common stock.

To effect the increase in authorized shares of Cimarex common stock, it is proposed that the first sentence of Article Fourth of Cimarex's amended and restated certificate of incorporation be amended to read in its entirety as follows:

"The total number of shares of stock which the Corporation shall have authority to issue is 215,000,000 shares of capital stock, consisting of (i) Two Hundred Million (200,000,000) shares of common stock, par value \$.01 per share (the "Common Stock"), and (ii) Fifteen Million (15,000,000) shares of preferred stock, par value \$.01 per share (the "Preferred Stock")."

The affirmative vote of the holders of a majority of the outstanding shares of Cimarex common stock is required to approve this amendment to the Cimarex charter. Unless a contrary choice is specified, proxies solicited by the Cimarex board of directors will be voted for the amendment.

Proposal to Amend the Cimarex Charter to Increase the Maximum Number of Directors

The Cimarex charter and bylaws presently provide for a board of directors consisting of at least six and not more than nine members. Currently, Cimarex's board consists of nine directors, the maximum number permitted. In connection with the merger agreement, Cimarex has agreed to add to its board one current director of Magnum Hunter, to be selected by Cimarex. Accordingly, in order to add the Magnum Hunter director to its board, Cimarex must either increase the maximum size of its board or ask one of its current directors to leave the board.

Before the special meeting, Cimarex plans to ask its board of directors to approve an amendment to the Cimarex charter and the Cimarex bylaws to increase the maximum number of directors from nine to ten. Approval of this amendment is not a condition to the merger, but the amendment will not be effected unless the merger takes place. Cimarex believes that an increase in the permitted board size is advisable and in the best interests of Cimarex and its stockholders. By increasing the maximum number of directors, Cimarex will be able to add the new director, as it has agreed in the merger agreement, without losing the valuable experience and perspective of any of its current board members.

This amendment may increase the chances of board deadlock, since Cimarex will have ten directors in office following the merger and the possibility of a tie vote will exist. This amendment also will cause Cimarex's director classes to be of unequal size, since one class will have four directors and each of the other two classes will have three directors.

Before the special meeting, Cimarex plans to ask its board of directors to recommend that Cimarex stockholders vote "FOR" approval of the amendment to the Cimarex charter to increase the maximum number of directors permitted to serve on the Cimarex board.

To effect the increase in the maximum size of the Cimarex board of directors, it is proposed that the first sentence of Section 3(a) of Article Fifth of Cimarex's amended and restated certificate of incorporation be amended to read in its entirety as follows:

"The number of directors of the Corporation shall be at least six and not more than ten, with the exact number to be from time to time fixed by resolution adopted by a majority of the entire Board of Directors."

The affirmative vote of the holders of a majority of the outstanding shares of Cimarex common stock is required to approve this amendment to the Cimarex charter. Unless a contrary choice is specified, proxies solicited by the Cimarex board of directors will be voted for the amendment.

Proposal to Amend the Cimarex Incentive Plan

Summary of the Proposal

Effective October 1, 2002, the Cimarex board of directors and H&P, the sole stockholder of Cimarex at the time, adopted the Cimarex Energy Co. 2002 Stock Incentive Plan. On March 3, 2003, the board of directors of Cimarex adopted the amended and restated incentive plan, providing for the ability of Cimarex to issue stock units. Cimarex's stockholders approved the Cimarex incentive plan on May 28, 2003.

The amended Cimarex incentive plan provides for the grant of non-qualified stock options, incentive stock options, restricted stock and stock units to all eligible employees and directors of Cimarex and its affiliates. As of September 30, 2004, Cimarex had approximately 353 eligible employees and eight non-employee directors, and stock options and restricted stock had been granted to 62 employees and eight non-employee directors.

The Cimarex incentive plan was established to create incentives that are designed to motivate participants to put forth maximum effort toward the success and growth of Cimarex and to enable Cimarex to attract and retain experienced individuals who by their position, ability and diligence are able to make important contributions to the success of Cimarex.

Before the special meeting, Cimarex plans to ask its board of directors to approve an amendment to the Cimarex incentive plan to:

- (1) increase the number of shares of Cimarex common stock reserved for issuance under the Cimarex incentive plan by 5.7 million shares; and
- (2) provide that a grant of one share of restricted stock or one restricted stock unit will reduce the 5.7 million share reserve by 2 shares and that a grant of one share pursuant to an option grant under the incentive plan will reduce the 5.7 million share reserve by one share.

Approval of the amendment to increase the number of shares reserved for issuance under the plan is not a condition to the merger. If approved, the amendment will be implemented whether or not the merger takes place.

In addition, Cimarex plans to ask its board of directors to approve amendments to the Cimarex incentive plan to:

provide that the closing of the merger will not be a change in control for purposes of the incentive plan; and

change the definition of disability to conform to the definition of disability in Section 409A of the Internal Revenue Code, which became effective January 1, 2005.

These latter two amendments do not require stockholder approval and will apply only to those individuals who have waived the acceleration of vesting and payment of their grants under the incentive plan upon the closing of the merger.

The issuance of options to purchase Cimarex common stock or other stock grants under the Cimarex incentive plan, including the additional shares that would be authorized if the proposed amendment is adopted, may dilute the present equity ownership position of current holders of Cimarex common stock and may be made without further stockholder approval, unless otherwise required by applicable laws or regulations.

Before the special meeting, Cimarex plans to ask its board of directors to recommend that Cimarex stockholders vote "FOR" approval of the amendment to the Cimarex incentive plan.

The full text of the proposed amendment to the Cimarex Energy Co. Amended and Restated 2002 Stock Incentive Plan is included as *Annex G* to this joint proxy statement/prospectus and incorporated herein by reference.

The affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Cimarex special meeting is required to approve the proposed amendment to the Cimarex incentive plan.

Summary of the Cimarex Incentive Plan

Administration of the Plan. The governance committee of Cimarex, referred to as the committee, administers the Cimarex incentive plan. The committee is comprised solely of non-employee directors.

The committee has the exclusive power to select the participants to be granted awards, determines the time or times when awards will be made, and determines the form of an award, the number of shares of common stock of Cimarex subject to the award, and all the terms, conditions (including performance requirements), restrictions and/or limitations, if any, of awards, including the time and conditions of exercise or vesting, with the following exceptions:

the maximum number of shares subject to one or more options that may be granted during any calendar year to any participant is 1,000,000 shares of common stock;

the maximum number of shares that may be awarded to participants as restricted stock awards with respect to the initial 7,000,000 share reserve is 1,000,000 shares of common stock, and, if the proposal is approved by Cimarex stockholders, the maximum number of shares that may be awarded to participants as restricted stock awards with respect to the additional 5,700,000 share reserve is 2,850,000 shares of common stock; and

the maximum number of shares that may be issued under the Cimarex incentive plan is 7,000,000 shares of common stock, or 12,700,000 shares of common stock if the proposal is approved by Cimarex stockholders.

The Cimarex incentive plan provides that the committee may delegate authority to specified officers of Cimarex to grant awards under the plan, provided no grants of awards may be granted to any eligible employee who is covered by Section 16(b) of the Exchange Act. Under that authority, on December 6, 2002, the committee delegated authority to F.H. Merelli to grant restricted stock awards to employees (other than employees covered by Section 16(b)) who he deems, in his sole discretion, to have made significant contributions to Cimarex. The restricted stock awards that Mr. Merelli may grant vest on the fifth anniversary of the date of grant, and the shares may not be sold before the eighth anniversary of the date of grant. Mr. Merelli may determine, in his sole discretion, the number of shares that may be granted to each employee. The aggregate maximum number of shares subject to Mr. Merelli's discretion is 100,000. He may make only one grant to an employee. His discretionary authority terminates on December 6, 2007.

Shares Subject to the Plan. There are currently 7,000,000 shares of common stock reserved for the grant of awards under the Cimarex incentive plan, of which no more than 1,000,000 may be awarded as restricted stock awards. If the proposal is approved, 5,700,000 additional shares of common stock will be reserved for grant under the plan. After considering exercises and forfeitures under the plan, as of December 31, 2004, there were 2,441,521 shares of common stock available for grant under the plan, of which 128,256 shares were available for restricted stock awards. If the proposal is approved, Cimarex will have an additional 5,700,000 shares available for grants under the incentive plan immediately following the merger, provided that a grant of one share of restricted stock or one restricted stock unit

will reduce the 5,700,000 million share reserve by two shares and a grant of one share pursuant to an option grant will reduce the 5,700,000 million share reserve by one share.

Adjustment of Shares. The number of shares available under and subject to the Cimarex incentive plan, and each share reserved for issuance under the plan, are subject to adjustment on account of stock splits, stock dividends, recapitalizations and other dilutive changes in Cimarex's common stock, except that an adjustment will only be made if the event would require an increase or decrease of at least 1% in the number of shares available under the plan or to which any award relates. Any adjustment representing a change of less than 1% will be carried forward and made as soon as the adjustment together with other adjustments would result in a change of more than 1%. Any shares of Cimarex common stock related to awards that terminate by expiration, forfeiture, cancellation or otherwise or are exchanged for awards not involving common stock and any shares withheld for the payment of taxes will be available again for grant under the plan.

No Repricing of Options. The committee may at any time unilaterally amend the terms of any award agreement, provided that any such amendment which is adverse to the participant will require the participant's consent. The committee will not, without the approval of Cimarex's stockholders, cancel any outstanding option and replace it with a new option with a lower option price where the economic effect would be the same as reducing the option price of the cancelled option, or take any other action with respect to an option that would be treated as a "repricing" under applicable accounting rules or under the rules of the SEC.

Exercise of Options. The committee determines the exercise price for each option, but no option will be granted at an exercise price that is less than the fair market value of Cimarex common stock on the date of grant. An option holder may exercise an option by written notice and payment of the exercise price in cash or by check, bank, draft or money order payable to the order of Cimarex, by delivering mature shares of common stock having a fair market value on the date of payment equal to the amount of the exercise price (but only to the extent the delivery of shares would not result in an accounting compensation charge), or a combination of the foregoing. In addition, any option may be exercised by a broker-dealer acting on behalf of the participant if the broker-dealer has received from the participant a notice of exercise and adequate provision has been made with respect to the payment of any withholding taxes due upon exercise. Option holders may elect to satisfy the minimum required income tax withholding obligation through the withholding of a portion of the common stock to be received upon exercise of the option.

Option Term. The committee determines the period and the conditions of exercisability, the minimum periods during which participants must be employed by Cimarex or must hold options before they may be exercised, the minimum periods during which shares acquired upon exercise must be held before sale, conditions under which the options or shares may be subject to forfeiture, the frequency of exercise or the minimum or maximum number of shares that may be acquired at any one time, the achievement by Cimarex of specified performance criteria and non-compete and protection of business matters. Incentive stock options must expire no later than 10 years from the date of grant. If a participant's employment terminates on or after his or her 62nd birthday, death or disability, the participant will be entitled to purchase all or any part of the shares subject to any vested incentive stock option for a period of up to three months from the date of termination (one year in the case of death or disability) and vested nonqualified stock option during the remaining term of the option.

Restoration Grant. At the time an option is granted, the committee may provide that if the option holder pays the option exercise price by surrendering mature shares of common stock or if the option holder pays the required minimum tax withholding with shares of common stock, the option holder will be granted an option, referred to as a restoration option, as of the date the original option was exercised. This restoration option will be for the same number of shares that are surrendered (or withheld) to pay the exercise price and/or required withholding, and will have an exercise price equal to

the fair market value of Cimarex common stock on the date the original option was exercised and will have the same terms and conditions as the original option. A restoration option will be granted only if there is at least six months remaining in the term of the original option. Restoration options will be non-qualified options, will expire at the same time as the original option or earlier if the option holder terminates employment and will vest six months from the date the restoration option was granted. Restoration options will only be exercisable if the option holder is employed on the date of exercise, and has been employed continuously by Cimarex or an affiliate since the date the restoration option was granted. The committee also has the discretion to set additional policies and procedures related to the exercise of a restoration option.

Restricted Stock. The committee may grant a participant a number of shares of restricted stock as determined by the committee in its sole discretion. In addition to any vesting conditions determined by the committee, vesting of each award will require the holder to remain employed by Cimarex for such period of time as determined by the committee, but in no event less than three years. The committee may also, in its sole discretion, accelerate the vesting under such circumstances as it deems appropriate. The restricted stock agreements provide that, during the vesting period, if Cimarex pays a dividend on its common stock, the grantees will be entitled to receive the dividend. Cimarex does not currently intend to pay dividends on its common stock.

Stock Units. The committee may grant stock units to participants. Each stock unit is a measurement unit that is equal to the fair market value of one share of common stock on the date the stock unit is granted. The committee determines the number of stock units to be granted, the vesting conditions and other restrictions, if any, the time and manner of payment, and any other terms and conditions of the stock units. The committee may also, in its sole discretion, accelerate vesting and waive other restrictions and conditions under such circumstances as it deems appropriate.

Nontransferability. Except as may otherwise be provided by the committee at the time of a grant, an option will not be transferable except by will or pursuant to the laws of descent and distribution or incident to a divorce pursuant to a property settlement agreement between spouses or a final order of a court. The holder of a restricted stock award may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the shares of common stock represented by the restricted stock award during the applicable restriction period.

Amendment and Termination. The Cimarex board of directors may alter, suspend or terminate the Cimarex incentive plan at any time and may, from time to time, amend the plan in any manner, but may not without stockholder approval adopt any amendment that would increase the aggregate number of shares of common stock available under the plan or modify any provision of the plan that would materially increase the benefit or rights of any participant in the plan. In addition, the rules of the NYSE, on which Cimarex's common stock is listed, require stockholder approval of material amendments to the plan.

Change of Control. Awards (options, restricted stock or stock units) granted under the Cimarex incentive plan to any participant will be immediately and automatically vested, fully earned and exercisable upon the occurrence of a change of control, as defined in the plan. The committee may provide that any awards that are outstanding at the time of the change of control will expire at the time of the closing so long as the participants are provided with at least 45 days' advance notice of the expiration.

Federal Income Tax Consequences of the Grant and Exercise of Options. Certain of the federal income tax consequences applicable to the grant and exercise of non-qualified stock options and incentive stock options are as follows:

Non-Qualified Stock Options. There are no income tax consequences to the participant or to Cimarex when the non-qualified stock option is granted. When a non-qualified stock option is exercised, in general, the participant recognizes compensation, subject to wage withholding, equal to the excess of the fair market value of common stock on the date of exercise over the exercise price. Cimarex is generally entitled to a deduction equal to the compensation recognized by the participant, assuming that the compensation satisfies the ordinary and necessary and reasonable compensation requirements for deductibility and that the deduction is not limited by Section 162(m) of the Code.

Incentive Stock Options. When an incentive stock option is granted, there are no income tax consequences for the participant or Cimarex. When an incentive stock option is exercised, the participant does not recognize income and Cimarex does not receive a deduction. The participant, however, must treat the excess of the fair market value of Cimarex common stock on the date of exercise over the exercise price as an item of adjustment for purposes of the alternative minimum tax. If the participant makes a "disqualifying disposition" of the common stock (described below) in the same taxable year the incentive stock option was exercised, there are no alternative minimum tax consequences.

If the participant disposes of common stock after the participant has held the Cimarex common stock for at least two years after the incentive stock option was granted and at least one year after the incentive stock option was exercised, the amount the participant receives upon the disposition over the exercise price is treated as capital gain. Cimarex is not entitled to a deduction. If the participant makes a "disqualifying disposition" of common stock by disposing of common stock before it has been held for at least two years after the date the incentive stock option was granted and at least one year after the date the incentive stock option was exercised, the participant recognizes compensation income equal to the excess of:

the fair market value of common stock on the date the incentive stock option was exercised or, if less, the amount received on the disposition, over

the exercise price.

At present, Cimarex is not required to withhold income or other taxes in connection with a "disqualifying disposition." Cimarex is generally entitled to a deduction equal to the compensation recognized by the participant, assuming that the compensation satisfies the ordinary and necessary and reasonable compensation requirements for deductibility and that the deduction is not limited by Section 162(m) of the Code.

Stock Plan Benefits Table

For information about the stock options, restricted stock awards, stock units and other equity compensation under Cimarex's equity plans as of December 31, 2003, see "Other Information Regarding Directors, Executive Officers and Five Percent Stockholders Cimarex Executive Compensation Equity Compensation Plan Information (as of December 31, 2003)."

New Plan Benefits

Because awards under the Cimarex incentive plan are discretionary, future awards are generally not determinable at this time.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Cimarex and Magnum Hunter are providing the following unaudited pro forma condensed combined financial statements to present the results of operations and financial position of the combined company giving effect to the merger as though Cimarex's and Magnum Hunter's businesses had been combined at the dates indicated and for the periods shown.

The pro forma adjustments are based upon available information and assumptions that each company's management believes are reasonable. The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and are based on the estimates and assumptions set forth in the notes accompanying those statements. The companies may have performed differently had they always been combined. Stockholders should not rely on this information as being indicative of the results that would have been achieved had the companies always been combined or the future results of the combined company after the merger. The unaudited pro forma condensed combined financial statements should be read in conjunction with the consolidated financial statements of Cimarex and Magnum Hunter incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 184.

The unaudited pro forma condensed combined financial statements were prepared based on the following assumptions:

Cimarex issued an aggregate of approximately 36.33 million shares of Cimarex common stock (at an exchange ratio of 0.415 shares of Cimarex common stock for each share of Magnum Hunter common stock) for all the outstanding shares of common stock of Magnum Hunter (excluding 790,476 shares to be issued to a wholly owned subsidiary of Magnum Hunter), and assumed Magnum Hunter's debt.

The unaudited pro forma balance sheet has been prepared as if the merger occurred on September 30, 2004. The unaudited pro forma statements of operations have been prepared as if the merger occurred on January 1, 2003.

The merger was accounted for as a purchase of Magnum Hunter by Cimarex.

Any potential cost savings have not been reflected as an adjustment to the historical data. These cost savings, if any, would result from the consolidation of certain offices and the elimination of duplicate corporate and field-level staff and expenses.

See "The Merger Agreement Treatment of Indenture Obligations and Notes" on page 144. Any potential buyback or conversion of these notes has not been reflected as an adjustment in the unaudited pro forma condensed combined financial statements. For every 10% increase above Magnum Hunter's share price of \$12.19, approximately 387,000 Cimarex shares could potentially be issued related to Magnum Hunter's \$125 million floating rate convertible senior notes due 2023, if those notes were converted.

Unaudited Pro Forma Condensed Combined Balance Sheet
September 30, 2004

	Cimarex	Magnum Hunter	Pro Forma Adjustments (Note 3)	Pro Forma Combined
(Millions of Dollars)				
Assets				
Current assets	\$ 190.3	\$ 141.4	\$ (20.0)(a)	\$ 311.7
Property, plant and equipment net	764.1	1,434.5	541.5 (a)	2,740.1
Other assets	2.6	12.2		14.8
Goodwill	45.0	56.5	607.5 (a)	709.0
Total Assets	\$ 1,002.0	\$ 1,644.6	\$ 1,129.0	\$ 3,775.6
Liabilities				
Current liabilities	\$ 120.8	\$ 149.1	\$ 55.1 (a)	\$ 325.0
Long-term debt		663.1	49.7 (a)	712.8
Deferred income taxes	194.8	169.9	267.9 (a)	632.6
Other liabilities	35.5	50.4		85.9
Total Liabilities	351.1	1,032.5	372.7	1,756.3
Stockholders' Equity				
Preferred stock				
Common stock	.4	.2	.4 (a) .3 (b) (.2)(c)	1.1
Additional paid-in-capital	247.7	609.9	1,368.0 (a) 29.5 (b) (609.9)(c)	1,645.2
Retained earnings	411.9	66.5	(66.5)(c)	411.9
Accumulated other comprehensive loss		(31.4)	31.4 (c)	
Shares of common stock to be held by subsidiary			(29.8)(b)	(29.8)
Other	(9.1)	(33.1)	33.1 (c)	(9.1)
Total Stockholders' Equity	650.9	612.1	756.3	2,019.3
Total Liabilities and Stockholders' Equity	\$ 1,002.0	\$ 1,644.6	\$ 1,129.0	\$ 3,775.6

See notes to unaudited pro forma condensed combined financial statements.

**Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2003**

	<u>Cimarex</u>	<u>Magnum Hunter (Note 6)</u>	<u>Pro Forma Adjustments (Note 3)</u>	<u>Pro Forma Combined</u>
	(Millions, except per share amounts)			
Revenues				
Oil and gas sales	\$ 324.1	\$ 284.9	\$	\$ 609.0
Gas gathering, marketing and processing	130.2	35.3		165.5
Oil field services		4.8		4.8
Other	(.1)	1.1		1.0
	<u>454.2</u>	<u>326.1</u>		<u>780.3</u>
Costs and Expenses				
Depreciation, depletion, amortization and accretion	89.8	99.6	99.9(d)	289.3
Production	31.8	68.6		100.4
Taxes other than income	27.5	20.5		48.0
Gas gathering, marketing and processing	137.0	25.4		162.4
Oil field services		3.1		3.1
General and administrative	19.3	15.3		34.6
Equity in (loss) earnings of affiliate		.2		.2
Non-cash hedging adjustments		(1.5)		(1.5)
Costs associated with early retirement of debt		6.7		6.7
Financing costs	.6	47.3	(2.8)(e)	45.1
	<u>306.0</u>	<u>285.2</u>	<u>97.1</u>	<u>688.3</u>
Income before income tax expense and cumulative effect of a change in accounting principle	148.2	40.9	(97.1)	92.0
Income tax expense	(55.1)	(15.2)	36.1(f)	(34.2)
	<u>93.1</u>	<u>25.7</u>	<u>(61.0)</u>	<u>57.8</u>
Income before cumulative effect of a change in accounting principle	93.1	25.7	(61.0)	57.8
Cumulative effect of a change in accounting principle, net of tax	1.6	.4		2.0
	<u>94.7</u>	<u>26.1</u>	<u>(61.0)</u>	<u>59.8</u>
Net income	\$ 94.7	\$ 26.1	\$ (61.0)	\$ 59.8
Net income per share:				
<i>Basic</i>	\$ 2.28	\$.39		\$.77
<i>Diluted</i>	\$ 2.22	\$.39		\$.76
Weighted average shares outstanding:				
<i>Basic</i>	41.5	66.2		77.8
<i>Diluted</i>	42.6	67.5		78.9

See notes to unaudited pro forma condensed combined financial statements.

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Unaudited Pro Forma Condensed Combined Statement of Operations
For the Nine Months Ended September 30, 2004

	Cimarex	Magnum Hunter (Note 6)	Pro Forma Adjustments (Note 3)	Pro Forma Combined
(Millions of dollars, except per share amounts)				
Revenues				
Oil and gas sales	\$ 330.5	\$ 302.4	\$	\$ 632.9
Gas gathering, marketing and processing	139.9	30.2		170.1
Oil field services		6.3		6.3
Other	6.0	2.6		8.6
	<u>476.4</u>	<u>341.5</u>		<u>817.9</u>
Costs and Expenses				
Depreciation, depletion, amortization and accretion	90.1	88.3	43.9(d)	222.3
Production	27.5	56.0		83.5
Taxes other than income	27.6	17.7		45.3
Gas gathering, marketing and processing	145.6	21.0		166.6
Oil field services		3.8		3.8
General and administrative	16.5	14.5		31.0
Non-cash hedging adjustments		(.8)		(.8)
Costs associated with early retirement of debt		12.3		12.3
Financing costs	.5	28.6	(3.0)(e)	26.1
	<u>307.8</u>	<u>241.4</u>	<u>40.9</u>	<u>590.1</u>
Income before income tax expense	168.6	100.1	(40.9)	227.8
Income tax expense	(63.1)	(38.6)	15.2(f)	(86.5)
Net income				