CIMAREX ENERGY CO
Form 424B5
April 05, 2017

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee**
3.90% Senior Notes due 2027	$ 750,000,000	$ 86,925.00

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

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-207063

Prospectus supplement
(To prospectus dated September 21, 2015)

$750,000,000

Cimarex Energy Co.

3.90% Senior Notes due 2027

We are offering $750,000,000 aggregate principal amount of our 3.90% Senior Notes due 2027 (the "notes"). The notes will mature on May 15, 2027. Interest will accrue from April 10, 2017, and will be payable semi-annually in arrears on May 15 and November 15 of each year, beginning November 15, 2017. The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000.

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

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

You should read this prospectus supplement and the accompanying base prospectus carefully before you invest in our notes. Investing in our notes involves risks. See "Risk factors" beginning on page S-7 for a discussion of certain risks that you should consider in connection with an investment in the notes.

	Public offering price(1)	Underwriting discounts	Proceeds, before expenses, to us(1)
Per note	99.748%	0.65%	99.098%
Total	$ 748,110,000	$ 4,875,000	$ 743,235,000

(1) Plus accrued interest, if any, from April 10, 2017

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

The Issuer expects that delivery of the notes will be made on or about April 10, 2017, in book-entry form, through The Depository Trust Company, or DTC, for the account of its participants, including Clearstream Banking société anonyme and Euroclear Bank SA/NV.

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

Joint Book-Running Managers

J.P. Morgan Wells Fargo Securities Deutsche Bank Securities MUFG

US Bancorp

Co-Managers

BBVA	**BB&T Capital Markets**	**CIBC Capital Markets**	**ING**
BOK Financial Securities, Inc.	**PNC Capital Markets LLC**	**Santander**	**Scotiabank**

The date of this prospectus supplement is April 3, 2017.

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

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

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

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

It is expected that delivery of the notes will be made against payment therefor on or about April 10, 2017, which is the fifth business day following the date hereof (such settlement cycle being referred to as "T+5"). Pursuant to Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, or the "Exchange Act," trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade notes on the date of pricing or the next succeeding business day should consult their own advisors.

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About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters. The second part, the accompanying base prospectus dated September 21, 2015, provides more general information about the various securities that we may offer from time to time, some of which information may not apply to the notes we are offering hereby. Generally when we refer to this "prospectus," we are referring to both this prospectus supplement and the accompanying base prospectus combined. We urge you to read carefully this prospectus supplement, the accompanying base prospectus, the information incorporated by reference herein and therein, and any free writing prospectus that we authorize to be distributed to you before buying any of the notes being offered under this prospectus supplement. This prospectus supplement may supplement, update or change information contained in the accompanying base prospectus. To the extent that any statement that we make or other information in this prospectus supplement is inconsistent with statements made or other information in the accompanying base prospectus or any documents incorporated by reference therein, the statements made or other information in this prospectus supplement will be deemed to modify or supersede those made or contained in the accompanying base prospectus and such documents incorporated by reference therein.

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

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

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Cautionary statement regarding forward-looking statements

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

- fluctuations in the price we receive for our oil, gas and natural gas liquid ("NGL") production;
- timing and amount of future production of oil, gas and NGLs;
- reductions in the quantity of oil, gas and NGLs sold due to decreased industrywide demand and/or curtailments in production from specific properties or areas due to mechanical, transportation, marketing, weather or other problems;
- estimates of proved reserves, exploitation potential or exploration prospect size;
- cash flow and anticipated liquidity;
- amount, nature and timing of capital expenditures;
- access to capital markets;
- administrative, legislative, and regulatory changes;
- operating costs and other expenses;
- operating and capital expenditures that are either significantly higher or lower than anticipated because the actual cost of identified projects varied from original estimates and/or from the number of exploration and development opportunities being greater or fewer than currently anticipated;
- exploration and development opportunities that we pursue may not result in economic, productive oil and gas properties;
- drilling of wells;
- increased financing costs due to a significant increase in interest rates; and
- de-risking of acreage.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, many of which are beyond our control, incident to the exploration for and development, production and sale of oil, gas and NGLs. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of goods and services, environmental risks, drilling and other operating risks, regulatory

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changes, the uncertainty inherent in estimating proved oil, natural gas and NGL reserves and in projecting future rates of production and timing of development expenditures and other risks described herein.

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

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

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

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Summary

This summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and this offering. Please read the section entitled "Risk factors" commencing on page S-7 of this prospectus supplement and additional information contained in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference in this prospectus supplement, for financial and other important information you should consider before investing in the notes.

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

Our business

We are an independent oil and gas exploration and production company. Our operations are entirely located in the United States, mainly in Oklahoma, Texas and New Mexico. Our corporate headquarters are in Denver, Colorado. Our main operating offices are in Tulsa, Oklahoma and Midland, Texas.

Proved reserves at December 31, 2016 totaled 2.89 Tcfe, consisting of 1.47 Tcf of natural gas, 105.9 million barrels of crude oil and 130.6 million barrels of NGLs. Of total proved reserves, 79% are classified as proved developed and 51% are gas.

Our 2016 production volumes averaged 963 MMcfe per day. Average daily production comprised 459.6 MMcf of gas (48%), 45,158 barrels of crude oil (28%) and 38,797 barrels of NGLs (24%). At December 31, 2016, the wells we operate accounted for approximately 81% of our production and 76% of our total proved reserves.

Our operations are organized into two main core areas. Our Permian Basin assets are principally located in southeast New Mexico and west Texas. Our Mid-Continent assets are principally located in Oklahoma and the Texas Panhandle. The following table provides a summary of reserve and acreage information for each of our regional operations as of December 31, 2016 and production information for the year ended December 31, 2016.

	As of December 31, 2016				Year ended December 31, 2016
Region	**Proved reserves (Bcfe)**	**Proved developed as % of total proved reserves**	**Gross acreage**	**Net acreage**	**Average daily production (MMcfe/d)**
Mid-Continent	1,821.3	42%	967,619	453,034	456.9
Permian Basin	1,064.0	37%	532,245	383,384	503.7
Other	5.2	0%	5,874,318	5,466,831	2.8
	2,890.5	**79%**	**7,374,182**	**6,303,249**	**963.4**

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Concurrent tender offer

Concurrently with this offering, we are conducting a cash tender offer (the "Tender Offer") for any or all of the outstanding $750.0 million aggregate principal amount of our 5.875% Senior Notes due 2022 (the "2022 Notes"), subject to certain conditions. The Tender Offer is scheduled to expire at 5:00 p.m., New York City time, on April 7, 2017, subject to our right to extend the Tender Offer. Pursuant to the Tender Offer, we are offering to purchase any and all of our 2022 Notes for cash equal to 103.167% of their principal amount, together with accrued and unpaid interest to the purchase date, of 2022 Notes tendered before the expiration of the Tender Offer. We intend to use the net proceeds from this offering, together with cash on hand, to fund the purchase price and accrued and unpaid interest payable with respect to all 2022 Notes validly tendered and accepted for payment pursuant to the Tender Offer and for the redemption of any and all 2022 Notes that remain outstanding after completion or termination of the Tender Offer as described below. Assuming all of the currently outstanding 2022 Notes are repurchased by us pursuant to the Tender Offer, the aggregate repurchase price for all of the 2022 Notes would be approximately $773.8 million plus accrued and unpaid interest.

The Tender Offer is subject to a number of conditions that may be waived or changed, including successful completion of this offering. In the event that all of the 2022 Notes are not tendered in the Tender Offer or the Tender Offer is not consummated, we intend to use the net proceeds from this offering, together with cash on hand, to redeem any and all of the 2022 Notes that remain outstanding as described under "Use of proceeds."

This prospectus supplement is not an offer to purchase any of the 2022 Notes. The Tender Offer is being made only by and pursuant to the terms of an Offer to Purchase, dated April 3, 2017, and the related letter of transmittal.

The 2022 Notes will be redeemable at our option beginning on May 1, 2017, and we currently expect that we will exercise our right to optionally redeem any and all 2022 Notes that have not been accepted and paid for in the Tender Offer on a redemption date on or about the date 30 days after the date of closing of this offering at a price equal to 102.938% of the principal amount thereof, plus accrued and unpaid interest to the redemption date. Assuming none of the currently outstanding 2022 Notes are repurchased by us pursuant to the Tender Offer, the aggregate redemption price for all of the 2022 Notes would be approximately $772.0 million plus accrued and unpaid interest.

This offering is not conditioned on the tender of any of the 2022 Notes in the Tender Offer or any redemption of the 2022 Notes or the giving of any notice of any such redemption, and we cannot assure you that any holders of 2022 Notes will tender their 2022 Notes in the Tender Offer or that we will redeem the 2022 Notes on the terms described in this prospectus supplement or at all. The statements of intent in this prospectus supplement with respect to the redemption of the 2022 Notes do not constitute a notice of redemption under the indenture governing the 2022 Notes, and the redemption of the 2022 Notes, if any, will be made only by and pursuant to the terms of a notice of redemption under the terms of such indenture.

J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are acting as dealer managers for the Tender Offer, for which they will receive indemnification against certain liabilities and reimbursement of expenses. Additionally, certain of the underwriters or their affiliates are holders of our 2022 Notes and, accordingly, may receive a portion of the proceeds of this offering in the Tender Offer or any redemption of the 2022 Notes.

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Corporate information

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

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The offering

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

Issuer	Cimarex Energy Co.
Securities Offered	$750,000,000 aggregate principal amount of 3.90% Senior Notes due 2027.
Maturity Date	May 15, 2027.
Interest Rate	3.90% per year.
Interest Payment Dates	May 15 and November 15, commencing November 15, 2017. Interest will accrue from April 10, 2017.
Optional Redemption	We may, at our option, at any time from time to time, redeem the notes, in whole or in part, upon not less than 30 nor more than 60 days prior notice sent to each holder's registered address.
	At any time prior to February 15, 2027, we may redeem all or a part of the notes at a make-whole redemption price calculated as described herein, together with accrued and unpaid interest to, but excluding, the redemption date.
	At any time on or after February 15, 2027, we may redeem all or part of the notes at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the redemption date. See "Description of notes Optional redemption."
Change of Control Offer	Upon the occurrence of a Change of Control Triggering Event (as defined herein), we will be required to offer to repurchase the notes at 101% of their principal amount, plus accrued and unpaid interest to, but not including, the repurchase date. See "Description of notes Change of control triggering event" in this prospectus supplement.
Ranking	The notes will be our senior unsecured obligations and will:
	rank senior in right of payment to all of our existing and future subordinated indebtedness;
	rank equally in right of payment with all of our existing and future senior indebtedness;

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- be effectively junior to any of our existing and future secured debt, to the extent of the value of the collateral securing such debt; and
- be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries.

As of December 31, 2016, on a pro forma basis after giving effect to this offering and the application of the net proceeds to fund the purchase of 2022 Notes pursuant to the Tender Offer (assuming all of the outstanding 2022 Notes are repurchased by us pursuant to the Tender Offer):

- we would have approximately $1.5 billion of total indebtedness, consisting of the notes and our 4.375% Senior Notes due 2024 in the principal amount of $750.0 million (the "2024 Notes" and, together with the 2022 Notes, the "existing notes");
- we would not have any secured indebtedness or subordinated indebtedness; and
- we would have commitments available to be borrowed under our revolving credit facility of $997.5 million, all of which, if borrowed, would rank equally in right of payment to the notes.

Covenants

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

- incur liens securing indebtedness; and
- consolidate, merge or sell all or substantially all of our assets.

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

Absence of Public Market for the Notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for a listing of the notes on any securities exchange or an automated dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and any market making with respect to the notes may be discontinued without notice.

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