

CIMAREX ENERGY CO
Form DEF 14A
April 01, 2014
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(3)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Cimarex Energy Co.

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Date Filed:

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

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE	9:00 a.m. Central Daylight Time on Thursday, May 15, 2014
PLACE	Hyatt Regency Tulsa 100 East Second Street Tulsa, Oklahoma, USA, 74103
ITEMS OF BUSINESS	Item 1. Election of Directors Item 2. Advisory vote to approve executive compensation Item 3. Approve 2014 Equity Incentive Plan Item 4. Ratification of independent auditors Transact any other business that properly comes before the Meeting and any adjournment or postponement of the Meeting
RECORD DATE	March 19, 2014
MAILING DATE TO SHAREHOLDERS	April 4, 2014
MATERIALS TO REVIEW	This booklet contains our Notice of 2014 Annual Meeting and Proxy Statement. Our 2013 Annual Report is available on our website at www.cimarex.com .

PROXY VOTING

It is important that your shares be represented and voted at the Meeting. You can vote your shares by following the Internet or telephone instructions on page 8 of this proxy statement. If you received a paper copy of the proxy card, you may also vote by completing and mailing the proxy card in the postage-paid envelope provided for your convenience. You may also attend and vote at the Annual Meeting. You may revoke your proxy at any time before the vote is taken by following the instructions on page 10 of this proxy statement.

April 4, 2014

Mary Kay Rohrer
Corporate Secretary

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VOTING INFORMATION

WE WANT TO HEAR FROM YOU VOTE TODAY

It is important that you vote. Please carefully review the proxy materials for the 2014 Annual Meeting of Shareholders and follow the instructions below to cast your vote on all of the voting matters.

Voting Matters and Board Recommendations

	Our Board's Recommendation
Election of Directors (page 12)	FOR each Director Nominee
Advisory Vote to Approve Executive Compensation (page 49)	FOR
Approve 2014 Equity Incentive Plan (page 49)	FOR
Ratification of Independent Auditors (page 57)	FOR

Advance Voting Methods

Even if you plan to attend the 2014 Annual Meeting of Shareholders in person, please vote right away using one of the following advance voting methods (see page 8 for additional details). **Make sure to have your proxy card or voting instruction form in hand and follow the instructions.**

You can vote in advance in one of three ways:

Visit the website listed on your proxy card/voting instruction form to vote **VIA THE INTERNET**

Call the telephone number on your proxy card/voting instruction form to vote **BY TELEPHONE**

Sign, date and return your proxy card/voting instruction form in the enclosed envelope to vote **BY MAIL**

Voting at our 2014 Annual Meeting of Shareholders

All shareholders of record may vote in person at the 2014 Annual Meeting of Shareholders, which will be held on Thursday, May 15, 2014 at 9:00 a.m., local time, at the Hyatt Regency Tulsa, 100 East Second Street, Tulsa, Oklahoma. Beneficial owners may vote in person at the meeting if they have a legal proxy, as described in the response to question 14 on page 11 of Questions and Answers about the Meeting and Voting.

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Proxy Statement Summary

Director Nominees (page 12)

You are being asked to vote on the following four Director Nominees. Directors are elected by a majority of votes cast. Detailed information about each Director's background, skill sets and areas of expertise can be found beginning on page 12.

NAME	AGE	DIRECTOR SINCE	POSITION	INDEPENDENT	AC	C/G	NOM	OTHER PUBLIC BOARDS
David A. Hentschel	80	2002	Retired, former Chairman and CEO, Occidental Oil and Gas Corporation	Yes		X	X	0
Thomas E. Jordan	56	2011	Chairman and CEO, President, Cimarex Energy Co.	No				0
Floyd R. Price	65	2012	Retired, former executive officer, Apache Corp.	Yes	X		X	1
L. Paul Teague	79	2002	Retired, former Vice President Texaco USA	Yes		X	X	0

Continuing Directors (page 15)

The following are Cimarex's continuing Directors. Detailed information about each Director's background, skill sets and areas of expertise can be found beginning on page 15.

NAME	AGE	DIRECTOR SINCE	TERM EXPIRES	POSITION	INDEPENDENT	AC	C/G	NOM	OTHER PUBLIC BOARDS
Joseph R. Albi	55	2011	2015	Chief Operating Officer	No				0
Jerry Box	75	2005	2015	Chairman, Newpark Resources	Yes		X	X	1
Hans Helmerich	55	2002	2016	Chairman and former CEO of Helmerich & Payne	Yes		X	X	3
Harold R. Logan	69	2009	2016	Chairman, Suburban Propane Partners L.P.	Yes	X		X	2
Monroe W. Robertson	64	2005	2016	Private investor	Yes	X		X	1
Michael J. Sullivan	74	2002	2015	Senior Attorney, Lucas Roca	Yes	X		X	1

Rothgerber

AC Audit Committee
C/G Compensation and Governance Committee
NOM Nominating Committee

Governance Highlights (page 18)

Cimarex is committed to good corporate governance, which promotes the long-term interests of shareholders, strengthens the Board of Directors, fosters management accountability, and helps build public trust in Cimarex. Highlights include:

- 8 of 10 independent directors
- Independent Lead Director
- Majority Voting
- Active Shareholder Engagement
- Clawback policy
- Non-Hedging and Non-Pledging Policies
- Director and Management Stock Ownership Guidelines
- No Tax Gross Ups

Table of Contents**2013 Executive Compensation** (page 29)

Below is the 2013 compensation for each Named Executive Officer as determined under the Securities and Exchange Commission (SEC) rules. See the notes accompanying the 2013 Summary Compensation Table on page 42 for more information.

Name and Principal Position	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Comp.	All Other Comp.	Total
Thomas E. Jorden Chairman and Chief Executive Officer	\$ 751,616	\$	\$ 4,785,000	\$	\$ 1,620,000	\$ 58,975	\$ 7,215,591
Paul Korus Senior Vice President, Chief Financial Officer	\$ 463,539	\$	\$ 2,791,250	\$	\$ 750,000	\$ 48,440	\$ 4,053,229
Joseph R. Albi Chief Operating Officer	\$ 523,077	\$	\$ 3,190,000	\$	\$ 930,000	\$ 48,440	\$ 4,691,517
Stephen P. Bell Executive Vice President-Business Development	\$ 428,654	\$	\$ 2,791,250	\$	\$ 750,000	\$ 56,436	\$ 4,026,340
John A. Lambuth Vice President-Exploration	\$ 368,654	\$	\$ 2,791,250	\$	\$ 645,000	\$ 48,440	\$ 3,853,344

A Significant Portion of our CEO s 2013 Compensation is At Risk

The accompanying graph illustrates our CEO s 2013 at-risk compensation. A significant portion of reported compensation is an incentive for future performance and realized only if Cimarex meets certain performance measures.

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How CEO Pay is Tied to Cimarex's Performance (page 34)

Our compensation programs are designed to align performance incentives with the long-term interests of our shareholders. The programs also provide competitive total compensation opportunities that retain, and attract when needed, executive talent and link compensation earned to achievement of short-term and long-term financial and strategic objectives. Our Compensation and Governance Committee considers performance in two primary ways:

- Cimarex's operating performance; and
- Return to shareholders over time, both on an absolute basis and relative to other companies in the S&P Oil & Gas Exploration Index and our compensation peer group (see page 38).

2013 Financial and Operating Highlights

- Total shareholder return of 82.9% on a one year basis and 20.8% on a three year basis.
- Generated a record of \$2.0 billion revenues.
- Realized net income of \$564.7 million, or \$6.47 per diluted share, which benefited from a reduction in our estimated exposure to litigation expense of \$90.3 million (after tax) that had been accruing since 2008.
- Generated \$1.3 billion of cash flow from operating activities.
- Invested \$1.6 billion in exploration and development.
- Grew production 11% to a record 692.6 MMcfe/d.
- Increased proved reserves 11 percent to 2.5 Tcfe, 26 percent of which are oil.

- Added 727 Bcfe of proved reserves from extensions and discoveries replacing 288 percent of production.
- Delineated and expanded our Delaware Basin acreage position uncovering several long-term future drilling projects.
- Ended 2013 with debt-to-total capitalization of 19 percent.

Return to Shareholders

Cimarex has consistently returned value to its shareholders. The following chart shows how a December 31, 2008 investment of \$100 in Cimarex common stock would have grown to \$404.04 on December 31, 2013, which includes dividends reinvested quarterly for those who wish to consider total shareholder return when evaluating executive compensation. The chart also compares the total shareholder return on Cimarex common stock to the same investment in the S&P 500 Index and the Dow Jones Exploration & Production Index over the same period.

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2013 Enhancements to the Compensation Program

We continue to monitor our compensation program so that it remains linked to Cimarex's performance. In 2013 we implemented the following changes:

- We completed the change in the timing of our long-term equity awards from January of each year to December. This change provides the Compensation and Governance Committee with more fully developed peer group data and with Cimarex's performance results for the prior calendar year.
- We refined the annual cash incentive program to provide cash awards based on specific measurable goals and objectives approved by the Compensation and Governance Committee that align with Cimarex's financial and operational goals and objectives.

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PROXY STATEMENT

We are furnishing you this proxy statement to solicit proxies to be voted at the 2014 Annual Meeting of Shareholders of Cimarex Energy Co. (Cimarex or the Company). The meeting will be held at the Hyatt Regency Tulsa, 100 East Second Street, Tulsa, Oklahoma 74103 on May 15, 2014 at 9:00 a.m. Central Daylight Time. The proxies also may be voted at any adjournments or postponements of the meeting.

The mailing address of our principal office is 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203. We are first furnishing the proxy materials to shareholders on April 4, 2014.

All properly executed written proxies and all properly completed proxies submitted by telephone or internet that are delivered pursuant to this solicitation will be voted at the meeting in accordance with the directions given in the proxy, unless the proxy is revoked prior to completion of voting at the meeting.

Only owners of record of shares of Cimarex common stock (Common Stock) as of the close of business on March 19, 2014, the record date, are entitled to notice of and to vote at the meeting or at any adjournments or postponements of the meeting. Each owner of Common Stock on the record date is entitled to one vote for each share of Common Stock held. On March 19, 2014, there were 87,028,195 shares of Common Stock issued and outstanding.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 15, 2014.

The Notice of Annual Meeting, Proxy Statement and Annual Report on Form 10-K for the year ended December 31, 2013 are available at www.allianceproxy.com/cimarex2014.

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QUESTIONS AND ANSWERS

PROXY MATERIALS AND VOTING INFORMATION

1. Why did I receive these proxy materials?

We are providing these materials in connection with the solicitation by the Board of Directors of Cimarex Energy Co., a Delaware corporation, of proxies to be voted at our 2014 Annual Meeting of Shareholders and at any adjournment or postponement of the Meeting. The Meeting will take place on May 15, 2014, beginning at 9:00 a.m. Central Daylight Time, at the Hyatt Regency Tulsa, 100 East Second Street, Tulsa, Oklahoma 74103.

2. What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with Cimarex's registrar and transfer agent, Continental Stock Transfer & Trust Company, you are considered a shareholder of record with respect to these shares. If your shares are held in a brokerage account or bank, broker or other nominee, you are considered the beneficial owner of these shares.

3. What shares are included on the proxy card?

If you are a shareholder of record, you will receive only one proxy card for all the shares you hold of record in certificate form and in book-entry form.

If you are a Cimarex employee, you will receive a proxy or voting instruction card for all the shares you hold in the Cimarex 401(k) Plan. Your proxy card will serve as a voting instruction card for the Plan trustee. If you do not specify your voting instructions on the proxy card, the Plan trustee will vote your shares in the same proportion as it votes shares for which it did receive timely instructions. **To allow sufficient time for voting by the trustee, your voting instructions must be received no later than 11:59 p.m. Eastern Daylight Time on May 12, 2014.**

4. What different methods can I use to vote?

By Written Proxy. All shareholders of record can vote by written proxy card. If you are a shareholder of record and receive a notice regarding the availability of proxy materials, you may request a written proxy card by following the instructions included in the notice. If you are a beneficial owner, you may request a written proxy card or a voting instruction form from your bank, broker or other nominee.

By Telephone or Internet. All shareholders of record can vote by calling the toll-free telephone number on the proxy card. Please have your proxy card when you call. Voice prompts will direct you on how to vote your shares and will confirm that your voting instructions have been recorded properly.

Shareholders may also vote on the internet by accessing the website noted on the proxy card. Please have your proxy card when you go to the website. As with telephone voting, you can confirm that your voting instructions have been recorded properly.

Beneficial owners may vote by telephone or Internet if their bank, broker or other nominee makes those methods available, in which case the bank, broker or other nominee will include the instructions with the proxy materials.

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5. What are my voting choices for each of the proposals to be voted on at the 2014 Annual Meeting of Shareholders and what are the voting standards?

Proposal	Voting Choices and Board Recommendation	Voting Standard
Item 1. Election of Four Class III Directors	<ul style="list-style-type: none"> • vote in favor of all nominees; • vote in favor of specific nominees; • vote against all nominees; • vote against specific nominees; • abstain from voting with respect to all nominees; or • abstain from voting with respect to specific nominees. <p>The Board recommends a vote FOR each of the nominees.</p>	Majority of votes cast
Item 2. Advisory Vote to Approve Executive Compensation	<ul style="list-style-type: none"> • vote in favor of the advisory proposal; • vote against the advisory proposal; or • abstain from voting on the advisory proposal. <p>The Board recommends a vote FOR the advisory proposal to approve executive compensation.</p>	Majority of shares present and entitled to vote
Item 3. Approve the 2014 Equity Incentive Plan	<ul style="list-style-type: none"> • vote in favor of the Plan; • vote against the Plan; or • abstain from voting on the Plan. <p>The Board recommends a vote FOR approval of the 2014 Equity Incentive Plan.</p>	Majority of shares present and entitled to vote
Item 4. Ratification of the Appointment of KPMG LLP as Independent Auditors	<ul style="list-style-type: none"> • vote in favor of the ratification; • vote against the ratification; or • abstain from voting on the ratification. <p>The Board recommends a vote FOR the ratification.</p>	Majority of shares present and entitled to vote

6. What if I am a beneficial owner and do not give voting instructions to my broker?

As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your bank, broker or other nominee by the deadline provided in the materials you receive from your bank, broker or other nominee. If you do not provide voting instructions to your bank, broker or other nominee, whether your shares can be voted by such person depends on the type of item being considered to vote.

Non-Discretionary Items. The election of Directors, the advisory vote to approve executive compensation and the approval of the 2014 Equity Incentive Plan are non-discretionary items and may not be voted on by brokers, banks or other nominees who have not received specific voting instructions from beneficial owners.

Discretionary Items. The ratification of the appointment of KPMG LLP as Independent Auditors is a discretionary item. Generally banks, brokers and other nominees that do not receive voting instructions from beneficial owners may vote on the proposal in their discretion.

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7. How are abstentions and broker non-votes counted?

Item 1. Election of Four Class III Directors. If you abstain from voting in the election of directors, you have not cast a vote and the abstention will not be counted in determining the outcome of the election. Broker non-votes are not considered a vote cast under our Bylaws and will have no effect on the outcome of the election of directors.

Item 2. Advisory Vote to Approve Executive Compensation. If you abstain from voting on the advisory vote to approve executive compensation, you are considered present and entitled to vote, and your shares are considered in the calculation of whether Item 2 received the affirmative vote of a majority of shares present and entitled to vote. The effect of an abstention is a vote against Item 2. Broker non-votes will have no effect on the outcome of Item 2 because broker non-votes are not entitled to vote and are not considered in the calculation of a majority of shares present and entitled to vote.

Item 3. Approve the 2014 Equity Incentive Plan. If you abstain from voting on the proposed 2014 Equity Incentive Plan, you are considered present and entitled to vote, and your shares are considered in the calculation of whether Item 3 received the affirmative vote of a majority of shares present and entitled to vote. The effect of an abstention is a vote against Item 3. Broker non-votes will have no effect on the outcome of Item 3 because broker non-votes are not entitled to vote and are not considered in the calculation of a majority of shares present and entitled to vote.

Item 4. Ratification of Appointment of KPMG as Independent Auditors. If you abstain from voting on the ratification of KPMG LLP as Cimarex's independent auditors, you are considered present and entitled to vote, and your shares are considered in the calculation of whether Item 4 received the affirmative vote of a majority of shares present and entitled to vote. The effect of an abstention is a vote against Item 4. Because Item 4 is a routine matter on which a broker has discretionary authority, no broker non-votes likely will result from this Item.

8. What can I do if I change my mind after I vote my shares?

You may revoke your proxy prior to the completion of voting by:

- Giving written notice to Cimarex's Corporate Secretary;
- Delivering a valid, later-dated proxy, or a later-dated vote by telephone or on the Internet in a timely manner; or
- Voting by ballot at the Annual Meeting.

9. Can I access the proxy materials on the Internet? How can I sign up for the electronic proxy delivery service?

We are distributing our proxy materials to certain shareholders via the Internet under the notice and access approach permitted by the SEC. On or about April 4, 2014, we will mail to certain of our shareholders a notice of Internet availability of proxy materials with instructions explaining how to access our proxy statement and annual report and how to vote online. If you receive a notice of Internet availability by mail, you will not receive a printed copy of the proxy materials in the mail unless you request them by following the instructions for requesting such materials included in the notice of Internet availability.

Even if you do not participate in notice and access, the Notice of Annual Meeting and Proxy Statement are available on the Internet at <http://www.allianceproxy.com/cimarex/2014>.

10. Who counts the votes?

Alliance Advisors LLC, our proxy solicitor, will tabulate the votes and act as inspector of election.

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11. When will Cimarex announce the voting results?

We will announce the preliminary voting results at the Annual Meeting of Shareholders. Cimarex will report the final results in a Current Report on Form 8-K filed with the SEC.

12. How are proxies solicited, and what is the cost?

We bear all expenses incurred in connection with the solicitation of proxies. We hired Alliance Advisors LLC to assist with the solicitation of proxies for an estimated fee of \$6,000 plus expenses. We will reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of Common Stock.

Our Directors, officers and employees also may solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities.

13. What is householding?

As permitted by the Securities Exchange Act of 1934 (the 1934 Act), as amended, only one copy of this Proxy Statement is being delivered to shareholders residing at the same address, unless the shareholders have notified Cimarex of their desire to receive multiple copies of the Proxy Statement. This is known as householding.

Upon oral or written request, we will promptly deliver a separate copy of the Proxy Statement to any shareholder residing at an address to which only one copy was mailed. Direct requests for additional copies for the current year or future years to our Corporate Secretary, Cimarex Energy Co., 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, telephone (303) 295-3995 and facsimile (303) 295-3494.

Shareholders of record residing at the same address and currently receiving multiple copies of the Proxy Statement may contact our registrar and transfer agent, Continental Stock Transfer & Trust Company, by phone at (888) 509-5580 or by mail at 17 Battery Place South, 8th Floor, New York, NY 10004, to request a single copy be mailed in the future.

Beneficial owners should contact their broker or bank.

14. How can I vote at the meeting if I am a beneficial owner?

If you are a beneficial owner and want to vote your shares at the annual meeting, you will need to ask your bank, broker or other nominee to furnish you with a legal proxy, bring the legal proxy with you to the meeting and hand it in with a signed ballot that will be provided to you at the meeting. You will not be able to vote your shares at the meeting without a legal proxy. If you do not have a legal proxy, you can still attend the meeting. We encourage you to vote your shares in advance, even if you intend to attend the meeting. Please note that if you request a legal proxy, any previously executed proxy will be revoked, and your vote will not be counted unless you appear at the meeting and vote in person or legally appoint another proxy to vote on your behalf.

COMPANY DOCUMENTS, COMMUNICATIONS AND SHAREHOLDER PROPOSALS

15. How can I view copies of Cimarex's corporate documents and SEC filings?

Our Corporate Governance Guidelines, Board Committee Charters, Code of Business Conduct and Code of Ethics and SEC filings are posted on our website at www.cimarex.com. Upon request, we will promptly deliver (free of charge) a copy of the Form 10-K to any shareholder. Direct such requests to our Corporate Secretary, Cimarex Energy Co., 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, telephone (303) 295-3995 and facsimile (303) 295-3494.

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16. How can I communicate with Cimarex's Directors?

Communications can be addressed to our Directors by mail in care of our Corporate Secretary, Cimarex Energy Co., 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, telephone (303) 295-3995, facsimile (303) 295-3494 or by calling our Confidential Hotline (1-888-519-1898). All communications will be forwarded to our Lead Director. The Lead Director may take any action deemed appropriate or necessary, including, without limitation, forwarding the information to the Board for consideration or, with the concurrence of the Board, retaining independent or outside counsel, accountants or other advisors to address the concern. No adverse action will be taken against any individual making any such communication to the Lead Director.

17. How do I submit a proposal for action at the 2015 Annual Meeting of Shareholders?

A proposal to be acted upon at the 2015 Annual Meeting of Shareholders will be acted upon only:

- If the proposal is to be included in the proxy statement, pursuant to Rule 14a-8 under the 1934 Act, the proposal is received by our Corporate Secretary on or before December 5, 2014 and the proposal meets the requirements of the applicable rules of the SEC and the requirements of our bylaws.
- If the proposal is not to be included in the proxy statement, pursuant to our bylaws, the proposal is submitted in writing to our Corporate Secretary no earlier than January 15, 2015 and no later than February 14, 2015, and such proposal is, under Delaware General Corporation Law, an appropriate subject for shareholder action.

ELECTION OF DIRECTORS (ITEM 1)

Election Process

Our current Board consists of ten members, which is the maximum number of Directors permitted by our Certificate of Incorporation. The Board is divided into three classes, Class I, Class II and Class III Directors. At each Annual Meeting a class of directors is elected for a term expiring at the Annual Meeting in the third year following the year of election. Each Director holds office until his successor is elected and qualifies.

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The terms of the four Class III directors, David A. Hentschel, Thomas E. Jorden, Floyd R. Price and L. Paul Teague, will expire at the 2014 Annual Meeting. The Nominating Committee, at its February 2014 meeting, nominated Messrs. Hentschel, Jorden, Price and Teague for re-election as Class III directors, with a term expiring at the 2017 Annual Meeting.

If prior to the Annual Meeting a nominee becomes unavailable to serve as a Director, any shares represented by a proxy directing a vote will be voted for the remaining nominees and for any substitute nominee(s) designated by our Board or its Nominating Committee. As of the mailing of these proxy materials, the Board knows of no reason why any Director nominee would not be available to serve as a Director.

A nominee is elected if the votes cast for his election exceed the votes cast against his election. Each nominated Director has tendered an irrevocable resignation that is effective upon his failure to receive the required vote and the Board's acceptance of such resignation. If a nominee fails to receive more favorable votes than votes cast against him, the Nominating Committee will act on an expedited basis following the Annual Meeting to determine whether to recommend that the Board accept the Director's resignation. The Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept the Director's resignation. The Director whose resignation is under consideration must abstain from participating in any decision regarding his resignation. The Board will publicly disclose its decision regarding acceptance of his resignation within 90 days after the results of the election are certified. If the resignation is not accepted, the Director will continue to serve as a Director until his successor is elected and qualified. If the Board accepts the resignation, then the Board may fill the vacancy in accordance with the Bylaws or may decrease the size of the Board in compliance with the Certificate of Incorporation.

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Director Nominations

The Nominating Committee is responsible for identifying and evaluating nominees for Director and for recommending to the Board a slate of nominees for election at each Annual Meeting. Nominees may be suggested by Directors, members of management, shareholders or, in some cases, by a third-party firm.

The Committee will consider nominees recommended by shareholders. The Committee did not receive nominations for the 2014 Annual Meeting from any shareholder prior to the deadline for shareholder nominations. Shareholders who wish to nominate persons for election as directors at the 2015 Annual Meeting must submit a timely written notice complying with Cimarex's Bylaws to the Corporate Secretary, Cimarex Energy Co., 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203-4518, facsimile (303) 295-3494. To be timely, the shareholder's written notice must be received between January 15, 2015 and February 14, 2015.

Director Qualifications

In its assessment of each potential candidate, the Nominating Committee considers the nominee's judgment, integrity, experience, independence, understanding of Cimarex's business or related industries and such other factors that the Committee determines are pertinent in light of the needs of the Board. The Committee also considers the ability of a nominee to devote the time and effort necessary to fulfill his or her responsibilities to Cimarex. Our Nominating Committee charter specifically includes diversity of gender and ethnicity in the list of desirable attributes sought in our Board composition.

Although all the current Directors have extensive oil and gas experience, either as company executives or attorneys, their experience is with companies with widely different operating strategies. This diversity and depth of experience benefits our Board in executing its duty of oversight and guidance.

2013 Nominees for Class III Directors

Upon the recommendation of the Nominating Committee, the Board has nominated each of David A. Hentschel, Thomas E. Jorden, Floyd R. Price and L. Paul Teague for election as Class III Directors to serve until the Annual Meeting of Shareholders to be held in 2017. The Board has determined that all of the nominees are independent under the New York Stock Exchange corporate governance rules, except Thomas E. Jorden. Each of the Director nominees currently serves on the Board. We have no reason to believe that any of the nominees will be unable or unwilling to serve if elected.

The Board believes that the combination of the various qualifications, skills and experiences of the 2014 Director nominees would contribute to an effective and well-functioning Board. The Board also believes that, individually and as a whole, the Directors possess the necessary qualifications to provide effective oversight of the business and quality advice and counsel to Cimarex.

Included in each Director nominee's biography is an assessment of the specific qualifications, attributes, skills and experience of such nominee based on the qualifications described above.

The Board of Directors recommends a vote FOR the election of each of the Director nominees.

DAVID A. HENTSCHEL, age 80

Position, Principal Occupation and Business Experience

Mr. Hentschel was Chairman and Chief Executive Officer of Occidental Oil and Gas Corporation, a subsidiary of Occidental Petroleum, from 1986 until 1993 and from 1997 until 1999, when he retired. He also served as President and Chief Executive Officer of Canadian Occidental Petroleum, Ltd., now known as Nexen, from 1995 until 1997. He was in charge of the worldwide exploration and production operations for Cities Service and Occidental Oil and Gas Corporation for the last 20 years of his 40-year career.

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Mr. Hentschel was a director of Occidental Petroleum from 1987 until 1993 and of Canadian Occidental or Nexen from 1985-2009. During his service as a director of Nexen, he was chair of the audit committee and a member of the compensation committee and various other committees. He was also a director of the Bank of Oklahoma from 1984 until 1995.

Key Attributes, Experience and Skills

Mr. Hentschel brings considerable executive experience in the domestic and international oil and gas industry to the Board. Mr. Hentschel's extensive leadership background and his service on Nexen's audit and compensation committees provide strong skills and experience for his service on our Compensation and Governance Committee.

THOMAS E. JORDEN, 56

Position, Principal Occupation and Business Experience

Mr. Jorden is the Chairman of the Board, Chief Executive Officer and President of Cimarex. He has served Cimarex in various capacities since September 2002. He was elected CEO in September 2011, from 2003 to 2011 served as Executive Vice President-Exploration and from 2002 to 2003 as Vice President-Exploration.

Key Attributes, Experience and Skills

Mr. Jorden brings to the Board over 30 years of experience in the oil and gas exploration and production industry, and as our Chief Executive Officer, a deep understanding of our business, operations and long-term strategic issues and goals. Mr. Jorden holds undergraduate and graduate degrees in geophysics and has headed the company's exploration program since the company's inception. His service on the Board creates an important link between management and the Board.

FLOYD R. PRICE, 65

Position, Principal Occupation and Business Experience

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Mr. Price, a former executive officer of Apache Corp., held various positions with Apache Corp. from 1991 through 2009, including Executive Vice President and Corporate Exploration Officer; President, Apache Canada; President, Apache International; and Exploration Manager. Apache Corp., with headquarters in Houston, is an oil and gas exploration and production company with domestic and international operations. Mr. Price serves as Chairman of the Board and as a member of the audit and compensation/governance committees of Tamarack Valley Energy Ltd., Calgary, Alberta, Canada, a publicly held company traded on the TSX Venture Exchange. Tamarack is involved in the identification, evaluation and operation of resource plays in the Western Canadian sedimentary basin. From June 2000 to January 2013, Mr. Price served as a director, chairman of the board and member of the compensation and governance committee of Gastar Exploration, Inc., a publicly held company located in Houston, Texas. Gastar is engaged in the exploration, development and production of natural gas, natural gas liquids, oil and condensate in the United States and is traded on the NYSE MKT.

Key Attributes, Experience and Skills

Mr. Price has over 35 years of experience in the exploration and production business. Mr. Price has considerable domestic and international experience in the oil and gas industry, and has held leadership positions with a large public oil and gas company. His experience during the past three years serving as a director of public and private companies also provide him with invaluable Board skills and experience. Mr. Price brings extensive oil and gas exploration, operations, management and financial experience to Cimarex's Audit Committee.

L. PAUL TEAGUE, 79

Position, Principal Occupation and Business Experience

Mr. Teague served 35 years with Texaco Inc. He retired in 1994 as Vice President, Western Exploration & Producing Region of Texaco USA in Denver, Colorado. Mr. Teague held various positions with Texaco USA, including Vice President-Producing in

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Houston; Vice President of the New Orleans Producing Division; Division Manager, New Orleans; and General Superintendent of the Offshore Division in New Orleans.

Key Attributes, Experience and Skills

Mr. Teague holds a degree in Petroleum Engineering from Louisiana Tech University and is a graduate of the University of Southern California Executive Program. He has several industry affiliations, including the former Chairman of the API Executive Committee on Drilling and Production Practices, former President of the Colorado Petroleum Association, a 50-year Legion of Honor Member of the Society of Petroleum Engineers and a member of the Rocky Mountain Oil & Gas Hall of Fame. He brings his executive experience with a major oil and gas company to bear on corporate governance and executive compensation issues in his role as Chairman of our Compensation and Governance Committee.

Continuing Directors Class I Term Expires 2015

JOSEPH R. ALBI, 55

Position, Principal Occupation and Business Experience

Mr. Albi was named Chief Operating Officer in September 2011. He has served Cimarex in various capacities since September 2002, including Executive Vice President-Operations from 2005 to 2011, Senior Vice President-Corporate Engineering from 2003 to 2005 and Vice President-Engineering from 2002 to 2003.

Key Attributes, Experience and Skills

Mr. Albi has over 30 years of experience in the oil and gas industry. His extensive understanding of the management of oil and gas production and drilling operations, business development, environmental and safety management and oil and gas marketing provide the Board with considerable insight about the operations of Cimarex.

JERRY BOX, 75

Position, Principal Occupation and Business Experience

Mr. Box was Chairman of Magnum Hunter Resources, Inc. from October 2004 until June 2005, and a director of Magnum Hunter from March 1999 to June 2005. He retired in June 2005 at the time of the acquisition by Cimarex of Magnum Hunter. Mr. Box served as President, COO and a director of Oryx Energy Company from February 1998 to March 1999. He had previously held a number of managerial and executive positions with Oryx Energy and its predecessor company, Sun Oil Company. Mr. Box serves as a non-management director and Chairman of the Board of Newpark Resources, Inc. of The Woodlands, Texas, an oilfield services company traded on the NYSE.

Key Attributes, Experience and Skills

Mr. Box holds undergraduate and graduate degrees in geology. He has served for several years in an executive capacity with public and private companies. Mr. Box has served on numerous oil and gas committees and task forces and as a President and Treasurer of the Dallas Petroleum Club. His extensive experience as an executive for companies in the energy business makes his service on the Compensation and Governance Committee particularly valuable.

MICHAEL J. SULLIVAN, 74

Position, Principal Occupation and Business Experience

Mr. Sullivan has been a senior attorney, partner or special counsel for the Arizona-based law firm, Lewis Roca Rothgerber LLP since 2001, and the managing attorney of the Casper office of that firm. Mr. Sullivan practiced law as a partner with Brown, Drew, Apostolos, Massey & Sullivan from 1964 to 1986 and from 1995 until 1998.

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Mr. Sullivan is a director and member of the compensation committee of First Interstate BancSystem, Billings, Montana and a director and member of the compensation and governance and audit committee of Sletten Construction, Inc., Great Falls, Montana (a non-public company). From 2001 to May 2009 he served as a director and during his tenure as a member of the audit, corporate social responsibility committee and governance committee of Allied Irish Bank Group, Dublin, Ireland. From 2003 to 2010 he served as a director of the Kerry Group Plc, a global food and food ingredients producer headquartered in Tralee, the county town of County Kerry, Ireland.

Key Attributes, Experience and Skills

Mr. Sullivan brings a wealth of experience and a diverse background to our Board. In addition to his Juris Doctor degree, he has an undergraduate degree in petroleum engineering, years of governmental service as the Governor of Wyoming (1987-1995) and Ambassador to Ireland (1998-2001), and 37 years' experience practicing law in the areas of natural resources, mediation and business. As Governor, he was involved in the process of reviewing and administering Wyoming's budget. This experience is particularly relevant in his service on the Audit Committee. Mr. Sullivan's education, legal experience, particularly in mediation and litigation, and his domestic and international service all provide a background that is beneficial in addressing the issues coming before the Cimarex Board.

Continuing Directors Class II Term Expires 2016

HANS HELMERICH, 55

Position, Principal Occupation and Business Experience

Mr. Helmerich has served as Chairman of Helmerich & Payne, Inc. (H&P) since March 2012 and a director since 1987. H&P is a publicly held company primarily engaged in contract drilling for oil and gas wells for exploration and production companies using drilling rigs it designs and builds and is one of the major land and offshore platform drilling companies in the world. Mr. Helmerich served as CEO from 1989 until March 2014 and as President from 1989 until March 2012 after joining H&P in 1981. Helmerich & Payne's exploration and production business was merged into Cimarex in 2002.

Mr. Helmerich serves as a director of Atwood Oceanics, Inc., Houston, Texas, an international offshore drilling company traded on the NYSE, and as a Trustee of The Northwestern Mutual Life Insurance Company of Milwaukee, Wisconsin.

Key Attributes, Experience and Skills

Mr. Helmerich's background with the drilling sector of the oil and gas business provides the Board with insight into an aspect of Cimarex's business that represents a significant expenditure in Cimarex's capital budget. His over 25 years of executive experience provide a strong background for his service on Cimarex's Board and on the Compensation and Governance Committee. In addition, his service as a director of Atwood Oceanics and as a Trustee of The Northwestern Mutual Life Insurance Company provide him with additional experience and knowledge to serve as a Director.

HAROLD R. LOGAN, JR., 69

Position, Principal Occupation and Business Experience

Mr. Logan currently serves as Chairman of the Board of Supervisors of Suburban Propane Partners, L.P. and is a Director of Graphic Packaging Corporation. He is also a Director of two privately held companies Basic Materials and Services LLC that invests in companies providing specialized services for the pipeline construction and sand/silica industries, and Hart Energy Publishing, publisher of *Oil and Gas Investor* and other energy publications.

Mr. Logan was a Co-Founder of TransMontaigne, Denver, Colorado, in 1995 and Chief Financial Officer, Executive Vice President, Treasurer and a director through 2002. He served as a director of TransMontaigne and chairman of its finance committee from 2002-2006. From 1987 to 1995, he was Senior Vice President/Finance, Chief Financial Officer and a director of Associated Natural Gas Corporation. Prior to that, Mr. Logan was an investment banker with Dillon Read & Co. Inc. and Rothschild, Inc.

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Since 1998, Mr. Logan has been a director of nine public companies and has served on audit, compensation and governance committees.

Key Attributes, Experience and Skills

Over the past 39 years, Mr. Logan's education, investment banking/venture capital experience and business financial management experience have provided him with a comprehensive understanding of business and finance. Mr. Logan's expertise and experience have been relevant to his responsibilities of providing oversight and advice to the management of public companies, and is of particular benefit in his role as Lead Director and as a member of Cimarex's Audit Committee.

MONROE W. ROBERTSON, 64

Position, Principal Occupation and Business Experience

Mr. Robertson is currently a private investor. Mr. Robertson retired from Key Production Company, Inc. (a company acquired by Cimarex in 2002) after serving ten years with the company. While with Key, he held the positions of President, Chief Operating Officer, Senior Vice President and Principal Financial Officer. Mr. Robertson has served in executive capacities with three other public energy companies, Apache Corp., Gulf Oil Corporation and Terra Resources.

Mr. Robertson currently serves as a Director, Chairman of the Audit Committee and member of the Compensation and Nominating committee of Earthstone Energy, Inc. (formerly named Basic Earth Science System), Denver, Colorado, a publicly traded independent exploration and production company.

Key Attributes, Experience and Skills

Mr. Robertson has comprehensive knowledge of the financial and operational sides of the exploration and production business, which is of considerable value in his service as Chairman of the Audit Committee.

DIRECTOR COMPENSATION

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Our Compensation and Governance Committee administers our director compensation program. Director compensation is designed to be near the 50th percentile of that paid by comparable public oil and gas companies with similar market capitalization and revenue. We use the same group of companies in reviewing Director compensation as we use in reviewing executive base salary and total direct compensation. See *Competitive Positioning, Section 2, Compensation Discussion and Analysis* for a list of, and the methodology followed in selecting these companies. The Committee uses its independent compensation consultant, Longnecker & Associates, to review Director compensation. The Committee, after reviewing the consultant's recommendations with the CEO and Vice President of Human Resources, recommends Director compensation for Board consideration and approval at the Board meeting held following each year's annual meeting of shareholders. Payment of director compensation occurs on June 1 of each year.

At the May 15, 2013 meeting, the Committee's independent consultant reviewed director compensation and reported that director compensation was at the 53rd percentile of director compensation paid by comparable public oil and gas companies. The consultant recommended that no changes be made to director compensation, and the Committee and the Board concurred with the consultant's recommendation. 2013 non-employee Director compensation consisted of the following:

- Annual cash retainer of \$65,000
- Annual equity retainer of \$180,000, comprised of restricted stock that vests in one-third increments on each anniversary of the date of grant
- Committee chairman fee of \$20,000
- Lead Director (who also acts as Nominating Committee chairman) fee of \$20,000
- Board meeting attendance fee of \$1,800 per meeting
- Committee meeting attendance fee of \$1,500 per meeting

Table of Contents**2013 Compensation**

NAME	FEES PAID IN CASH¹	STOCK AWARDS²	TOTAL
Jerry Box	\$ 83,300	\$ 180,000	\$ 263,300
Hans Helmerich	\$ 83,300	\$ 180,000	\$ 263,300
David Hentschel	\$ 83,300	\$ 180,000	\$ 263,300
Harold Logan	\$ 112,900	\$ 180,000	\$ 292,900
Floyd Price	\$ 87,800	\$ 180,000	\$ 267,800
Monroe Robertson	\$ 114,400	\$ 180,000	\$ 294,400
Michael Sullivan	\$ 87,800	\$ 180,000	\$ 267,800
L. Paul Teague	\$ 103,300	\$ 180,000	\$ 283,300

(1) Represents fees earned for services as a Director during 2013, including the annual cash retainer fee, Board and Committee meeting attendance fees, Committee Chairman fee and Lead Director fee.

(2) Represents the aggregate grant date fair value computed as the market value (average of the high and low trading prices) of the the 2,567 shares of restricted stock as of the May 15, 2013 grant date.

The following table discloses as of December 31, 2013 the aggregate number of outstanding unvested stock awards and the market value of those awards. (Market value uses a \$103.475 share price, which is based on the average of the high and low trading prices on December 31, 2013.) The directors have the right to vote and receive dividends on unvested stock awards. There were no outstanding vested but unexercised option awards as of that date.

Director	Unvested Stock Awards	Market Value
Jerry Box	5,171	\$ 535,069
Hans Helmerich	5,171	\$ 535,069
David Hentschel	5,171	\$ 535,069
Harold Logan	5,171	\$ 535,069
Floyd Price	3,435	\$ 355,437
Monroe Robertson	5,171	\$ 535,069
Michael Sullivan	5,171	\$ 535,069
L. Paul Teague	5,171	\$ 535,069

Our Corporate Governance Guidelines require that each independent director own Cimarex stock in an amount equal to three times his annual cash retainer. A newly elected director has three years from the date of his or her initial election to comply with the Guidelines. Restricted stock, restricted stock units and deferred compensation units are counted in calculating ownership; shares subject to options are not counted. Each of the independent directors complies with these guidelines.

CORPORATE GOVERNANCE

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Cimarex's website (www.cimarex.com) includes corporate governance materials that are helpful in understanding our corporate governance practices:

- Corporate Governance Guidelines
- Code of Ethics for CEO, CFO and Chief Accounting Officer
- Complaint and Reporting Procedures
- Committee Charters
- Code of Business Conduct and Ethics
- Stock Ownership Guidelines
- Background and Experience of our Board of Directors
- Background and Experience of Executive Management

We believe that good corporate governance promotes the long-term interests of shareholders, strengthens Board and management accountability and helps build public trust. Copies of corporate governance materials may be requested from our Corporate Secretary, Cimarex Energy Co., 1700 Lincoln Street, Suite 1800, Denver, Colorado 80203.

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A summary of key governance matters are noted in the table below:

Size of Board	10	Code of Business Conduct and Ethics	Yes
Number of independent directors	8	Corporate Governance Guidelines	Yes
Majority voting for directors	Yes	Disclosure Committee for financial reporting	Yes
Classified Board	Yes	Board and Audit Committee risk oversight	Yes
Separate Chairman and CEO	No	Compensation risk assessment	Yes
Independent Lead Director	Yes	Review of related party transactions	Yes
Diverse Board skills and experience	Yes	Non-Hedging and non-pledging policies	Yes
Annual Board and Committee self-evaluations	Yes	Clawback policy	Yes
Annual equity grants to directors	Yes	Management and director stock ownership guidelines	Yes
Annual Board education	Yes	Tax Gross Ups	No

Interested parties may communicate with our Board by mail directed to our Corporate Secretary or by calling our Confidential Hotline (1-866-519-1898). All communications will be forwarded to the Lead Director for his review. The Lead Director may take any action he deems appropriate or necessary, including, without limitation, forwarding the information to the Board for consideration or, with the concurrence of the Board, retaining independent or outside counsel, accountants or other advisors to address the concern. No adverse action will be taken against any individual making any such communication to the Lead Director.

BOARD AND COMMITTEE INFORMATION**Our Board**

During 2013, the Board of Directors met five times. The Board has three Committees: the Audit Committee, the Compensation and Governance Committee and the Nominating Committee. During 2013, each director attended greater than 75% of the Board and the Board Committees meetings on which he served. All Board members are expected to attend the Annual Meeting. All of our Directors attended our 2013 Annual Meeting.

NAME	AGE	DIRECTOR SINCE	POSITION	INDEPENDENT	OTHER PUBLIC BOARDS
Joseph R. Albi	55	2011	Chief Operating Officer, Executive Vice President, Cimarex	No	0
Jerry Box	75	2005	Retired, Chairman, Newpark Resources	Yes	1
Hans Helmerich	55	2002		Yes	3

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			Chairman and former CEO, Helmerich & Payne		
David A. Hentschel	80	2002	Retired, Former Chairman, CEO Occidental Oil & Gas Corp	Yes	0
Thomas E. Jordan	56	2011	Chairman and CEO, Cimarex	No	0
Harold R. Logan, Jr.	69	2009	Chairman, Suburban Propane Partners, L.P.	Yes	2
Floyd R. Price	65	2012	Retired, Former Executive Vice President, Apache Corp	Yes	1
Monroe W. Robertson	64	2005	Private Investor	Yes	1
Michael J. Sullivan	74	2002	Senior Attorney, Lucas Roca Rothgerber LLC	Yes	1
L. Paul Teague	79	2002	Retired, Former Regional Vice President, Texaco USA	Yes	0

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Board Leadership Structure

Cimarex has a combined Chairman of the Board and CEO. Cimarex also has a Lead Director who is chosen annually from our independent directors. Following is a summary of the functions of the Chairman of the Board/CEO and the Lead Director, as provided in our Lead Director Charter:

Duties and Responsibilities of Chairman of the Board	Duties and Responsibilities of Lead Director
Preside over Board meetings.	Preside at all Board meetings at which the Chairman of the Board is not present.
Call special meetings of the Board.	Solicit agenda items from non-management directors, review Board meeting agenda and materials, and provide input to the Chairman of the Board.
Approve agenda for Board meetings.	Authority to call meetings of non-management directors and, as appropriate, set the agenda.
Preside over shareholder meetings.	Preside at all meetings of non-management directors and at all executive sessions of non-management directors.
Facilitate and participate in formal and informal communications with and among directors.	Act as Chairman of the Nominating Committee. Liaison between the Chairman and Board members and facilitate communication among full Board. Review interested party communications directed to Board and take appropriate action. Retain outside advisors and consultants who report directly to the Board on board-wide issues.

The Board believes that the roles of a combined Chairman/CEO and an independent Lead Director having the duties described above serve the interests of our shareholders because this structure provides an appropriate balance between strategy development and independent oversight of management.

Thomas Jorden was elected Chief Executive Officer on September 30, 2011 and Chairman of the Board on August 14, 2012. He has served as an executive officer of Cimarex since its formation in 2002. He has considerable knowledge and experience gained through his executive positions with Cimarex and prior industry experience. This knowledge and experience allow him to focus the activities of the Board on matters most relevant to the success of Cimarex.

Our Board structure is designed to avoid any undue influence by the Chairman of the Board/CEO on the Board. The Compensation and Governance Committee is comprised entirely of independent Directors. When the Board acts on the Compensation and Governance Committee's recommendation for compensation of the Chairman/CEO, it acts without him being present.

The substantial experience and background of our independent Board members ensure their active and knowledgeable involvement in Board matters. This involvement, and the presence and involvement of our Lead Director, provide the Board with a strong and independent point of view.

Table of Contents**Board Committees**

The table below provides 2013 membership and meeting information for each of the Board Committees:

NAME	AUDIT	COMP/GOV	NOMINATING
Jerry Box		X	X
Hans Helmerich		X	X
David Hentschel		X	X
Harold Logan	X		X
Floyd Price	X		X
Monroe Robertson	X		X
Michael Sullivan	X		X
L. Paul Teague		X	X
2013 Meetings Held	8	5	2

Audit Committee

The Audit Committee is comprised entirely of independent Directors and is governed by a Board-approved Charter stating its responsibilities. A copy of the Audit Committee Charter is available on our website at www.cimarex.com. Under its Charter, the Audit Committee performs the following functions:

- Appoints independent auditors;
- Approves the nature and scope of services of independent auditors and reviews range of fees for such services;
- Oversees internal audit function;
- Reviews qualification and independence of auditors;
- Reviews and discusses with independent auditors (i) the auditors' responsibilities and management's responsibilities in audit process, (ii) overall audit strategy, (iii) scope and timing of annual audit, and (iv) any significant risks identified during auditors' risk assessment procedures;
- Monitors integrity of financial statements;
- Monitors compliance with legal and regulatory requirements; and
- Reviews and reports to Board on corporate and financial risk processes.

The Board of Directors has determined that each of the members of the Audit Committee is financially literate and independent as defined by the rules of the SEC and the NYSE. The Board has also determined that each of Messrs. Logan, Price and Robertson is an audit committee financial expert as defined by the SEC's rules.

Compensation and Governance Committee

The Compensation and Governance Committee is comprised entirely of independent Directors and is governed by a Board-approved Charter stating its responsibilities. A copy of the Compensation and Governance Committee Charter is available on our website at www.cimarex.com. Under its Charter, the Compensation and Governance Committee performs the following functions:

Compensation Functions

- Recommends CEO and executive officer cash compensation for approval by the Board;
- Recommends director compensation for approval by the Board;
- Reviews and recommends to the Board that the Compensation Discussion and Analysis be included in our proxy statement;
- Determines amount and terms of equity awards;
- Reviews and approves long-term incentive plans;
- Reviews relationship of compensation to risk; and
- Approves the nature and scope of services of independent compensation consultant.

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Governance Functions

- Oversees corporate governance;
- Develops plans for managerial succession; and
- Oversees annual Board and Committee evaluations.

Compensation and Governance Committee Interlocks and Insider Participation. Hans Helmerich, a member of the Committee, was an executive officer of Cimarex from February 14, 2002 until September 30, 2002. Cimarex was formed on February 14, 2002, as a wholly owned subsidiary of Helmerich & Payne, Inc. for the purpose of facilitating a spinoff by Helmerich & Payne of its oil and gas exploration and production business. Cimarex became a publicly traded company on September 30, 2002, at which time Mr. Helmerich resigned as an executive officer.

Nominating Committee

The Nominating Committee is comprised of all of the independent Directors and is governed by a Board-approved Charter stating its responsibilities. A copy of the Nominating Committee Charter is available on our website at www.cimarex.com. Under its Charter, the Nominating Committee performs the following functions:

- Determines desired Board skills and attributes;
- Recommends candidates to serve on the Board and to stand for election at annual meeting of shareholders or to fill a vacancy occurring between meetings; and
- Recommends Committee appointments.

Director Independence and Related Person Transactions

Our Corporate Governance Guidelines require that a majority of our Board of Directors be independent as defined by applicable laws, rules, regulations and listing standards. We comply with the criteria for independence established by the New York Stock Exchange (NYSE) listing requirements and other governing laws and regulations.

Each year the Compensation and Governance Committee reviews the independence of our directors and any related person transactions. On the basis of this review, the Committee delivers a report to the Board of Directors, and the Board makes independence determinations based on the Committee's report and supporting documents.

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As a result of this review, the Board has affirmatively determined that Jerry Box, Hans Helmerich, David Hentschel, Harold Logan, Floyd Price, Monroe Robertson, Michael Sullivan and L. Paul Teague, representing eight of our ten Directors, are independent of Cimarex and its management. Thomas Jorden and Joseph Albi are not independent because of their employment as CEO and COO of Cimarex, respectively.

In making these determinations, the Board considered that in the ordinary course of business, relationships and transactions may occur between Cimarex and entities with which some of our Directors are or have been affiliated. As a result of the Committee's review, certain relationships and transactions are not considered to be material transactions that would impair a Director's independence, including the following:

- The Director is an employee of another company that does business with Cimarex, and our annual sales to or purchases from the other company amount to less than 2% of the annual revenues of the other company and that such sales to or purchases from the other company are part of our ordinary course of business and conducted in the same manner as we obtain services from other companies that provide similar services; or
- The Director is a director (but not an employee) of another company that does business with Cimarex.

Hans Helmerich is the Chairman of the Board and, until March 5, 2014, was the CEO of Helmerich & Payne, Inc., a company with which Cimarex engages in ordinary course of business transactions. During Helmerich & Payne's fiscal year ended September 30, 2013, Cimarex paid Helmerich & Payne \$14.7 million for drilling rigs and services in arms-length transactions and as part of our ordinary course of business and in the same manner as we obtain services from other companies that provide similar services. The aggregate amount of the payment represented 0.47% of Helmerich & Payne's revenue during that period. The Committee reviewed these transactions and concluded that (i) the transactions are proper and not material when compared to both Cimarex's total drilling costs and Helmerich & Payne's total revenues; (ii) the transactions occur in the ordinary course of business and at arms-length; (iii) the Board does not review or approve drilling service contracts or arrangements; and

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(iv) Mr. Helmerich's relationship with Helmerich & Payne, Inc. does not interfere with his independent judgment as a director of Cimarex.

Risk Oversight

The Board has overall responsibility for risk oversight. In carrying out its responsibility, the Board has requested that the Audit Committee discuss with management and report to the Board with respect to:

- Processes Cimarex follows to mitigate corporate risks;
- Guidelines and processes pertaining to financial risk assessment;
- Steps management takes to measure, monitor and control such financial risk exposures; and
- Management's conclusion as to the effectiveness of the guidelines and processes utilized to mitigate such corporate and financial risks and exposures.

In addition, at each of its four meetings held during the year, management provides the Board with an overview of Cimarex's operations, financial results and other aspects of its business. Significant strategic considerations, such as material acquisitions or mergers are brought to the Board for deliberation and, as appropriate, decisions.

The Audit Committee, at its December 2013 meeting, reviewed, discussed and, at the February 25, 2014 meeting, reported to the Board about corporate, operational and financial risks and Cimarex's processes for mitigation of these risks.

Compensation Risk Oversight

In February 2014, the Compensation and Governance Committee performed a thorough review of the possible connection between incentives and excessive risk taking. The Committee's review covered Cimarex's compensation policies and practices covering executive and non-executive employees to determine whether the policies and practices encourage excessive risk taking by employees. The Committee's analysis included:

- What are the metrics for determining awards?
- Who are plan participants?
- How are the pools and individual awards determined?
- What is the maximum individual award potential (maximum individual incentive to take risk)?

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- What is the maximum possible cost if awards were paid at maximum (maximum cost exposure)?
- What is the decision-making and approval process?
- What are the systemic limitations on the ability to take excessive risks in order to influence compensation?

The Committee determined that risks from compensation policies and practices for Cimarex employees are not reasonably likely to have a material adverse effect on Cimarex.

Executive Sessions

The non-employee members of the Board meet in executive session at each regularly scheduled Board meeting. The Lead Director presides over executive sessions. During 2013, four executive sessions were held, and all of the non-employee Directors attended each session. These sessions allow non-employee Directors to review the CEO's performance and his compensation, to discuss issues of importance to Cimarex, including the business and affairs of Cimarex, as well as matters concerning management, without any member of management present.

Shareholder Engagement

Cimarex's relationships with its shareholders are an important part of our corporate governance profile, and we recognize the value of taking their views into account. Engagement with shareholders helps us to understand the larger context and impact of our operations, learn about expectations for our performance, assess emerging issues that may affect our business or other aspects of our operations and shape corporate and governance policies.

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Consistent with our commitment to seek and respond to shareholder input on corporate governance topics, we have considered and discussed with investors a wide variety of matters, including our executive compensation program and disclosures and have previously made changes in these areas.

STOCK OWNERSHIP**DIRECTORS, MANAGEMENT AND CERTAIN BENEFICIAL OWNERS****Beneficial Ownership by Executive Officers and Directors**

The following table shows, as of March 15, 2014, the number of shares of common stock beneficially owned, as determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, by the NEOs, the directors, and all executive officers and directors, as a group:

Name of Beneficial Owner	Shares Owned(1)	Beneficial Ownership Total	Percent of Class
<i>Named Executive Officers</i>			
Thomas E. Jordan, CEO (also director)	230,544	230,544	<1%
Paul Korus, CFO	134,228	134,228	<1%
Joseph R. Albi, COO (also director)	160,748	160,748	<1%
Stephen P. Bell	136,327	136,327	<1%
John A. Lambuth	73,500	73,500	<1%
<i>Directors</i>			
Jerry Box	12,488	12,488	<1%
Hans Helmerich	464,315(2)	464,315(2)	<1%
David A. Hentschel	31,460	31,460	<1%
Harold R. Logan, Jr.	8,476	8,476	<1%
Floyd R. Price	4,868	4,868	<1%
Monroe W. Robertson	15,037	15,037	<1%
Michael J. Sullivan	17,234	17,234	<1%
L. Paul Teague	54,291(3)	54,291(3)	<1%
All executive officers and directors as a group (17 persons)	1,577,105	1,577,105	2%

(1) Includes restricted stock, direct and indirect ownership of common stock and equivalent shares of common stock held by the trustee for the benefit of the named individual in the Cimarex Energy Co. 401(k) Plan. Does not include deferred compensation units held by one director. There are no shares of common stock that could be purchased by the exercise of vested stock options within the 60-day period following March 15, 2014.

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(2) Includes 11,450 shares owned by Mr. Helmerich's wife. Mr. Helmerich disclaims beneficial ownership of the shares held by his wife. Also includes 55,000 shares owned by The Helmerich Foundation, of which Mr. Helmerich is co-trustee, and 350,000 shares held by the Estate of W. H. Helmerich III, of which Mr. Helmerich is the trustee.

(3) Includes 9,066 shares owned by Mr. Teague's wife. Mr. Teague disclaims beneficial ownership of the shares held by his wife.

Table of Contents**Beneficial Ownership of More than Five Percent**

Each of the following shareholders beneficially owns five percent or more of our outstanding shares of common stock. The following table provides information regarding their stock ownership and is based on their filings with the SEC.

<u>Name and Address</u>	<u>Voting Authority</u>		<u>Dispositive Authority</u>		<u>Total Amount of Beneficial Ownership</u>	<u>Percent of Class</u>
	<u>Sole</u>	<u>Shared</u>	<u>Sole</u>	<u>Shared</u>		
BlackRock Inc. 40 East 52nd Street New York, NY 10022	8,575,880	0	9,066,432	0	9,066,432	10.40%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	77,764	0	4,697,953	70,064	4,768,017	5.49%

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Executive Summary of Compensation Discussion & Analysis (CD&A)

2013 BUSINESS AND FINANCIAL PERFORMANCE OVERVIEW

- Total shareholder return of 82.9% on a one year basis and 20.8% on a three year basis.
- Generated a record of \$2.0 billion revenues.
- Realized net income of \$564.7 million, or \$6.47 per diluted share, which benefited from a reduction in our estimated exposure to litigation expense of \$90.3 million (after-tax) that had been accruing since 2008.
- Generated \$1.3 billion of cash flow from operating activities.
- Invested \$1.6 billion in exploration and development.
- Grew production 11% to a record 692.6 MMcfe/d.
- Increased proved reserves 11 percent to 2.5 Tcfe, 26 percent of which are oil.
- Added 727 Bcfe of proved reserves from extensions and discoveries replacing 288 percent of production.
- Delineated and expanded our Delaware Basin acreage position uncovering several long-term future drilling projects;
- Ended 2013 with debt-to-total capitalization of 19 percent.

2013 EXECUTIVE COMPENSATION

	2013 Salary	2013 Annual Cash Incentive Award	2013 Long-Term Incentive Grant Value	Total	% of Total Compensation at Risk
Thomas E. Jorden, CEO	\$ 810,000	\$ 1,620,000	\$ 4,785,000	\$ 7,215,000	89%
Paul Korus, CFO	\$ 472,000	\$ 750,000	\$ 2,791,250	\$ 4,013,250	88%
Joseph R. Albi	\$ 540,000	\$ 930,000	\$ 3,190,000	\$ 4,660,000	88%
Stephen P. Bell	\$ 435,000	\$ 750,000	\$ 2,791,250	\$ 3,976,250	89%
John A. Lambuth	\$ 375,000	\$ 645,000	\$ 2,791,250	\$ 3,811,250	90%

ELEMENTS AND MIX OF EXECUTIVE COMPENSATION

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Cimarex's executive compensation program directly links a substantial portion of executive compensation to Cimarex's performance through annual and long-term incentives. The mix of the pay elements for the CEO and other NEOs for fiscal 2013 is shown below. This information is based on the Summary Compensation Table data and highlights the substantial portion of compensation that is at risk and will be realized only if performance criteria are met. Of the CEO's total disclosed 2013 compensation, 89% is at risk and is linked to Cimarex's future performance and 67% of his 2013 disclosed compensation is service-based and performance-based long-term equity incentive compensation. The average compensation mix for the other NEOs is 89% at risk compensation and 70% service-based and performance-based long-term equity incentive compensation.

Pay Elements

Base Salary

Annual Cash Incentive

Long-Term Equity Incentive

Pay Element Rationale

Retain and attract, when needed, talented executives

Encourage short term operational/financial performance

Encourage retention and above average stock price performance

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) describes Cimarex 's executive compensation program for 2013 and certain elements of the 2013 program. We use this program to retain and attract (when appropriate) the executives who lead our business. This CD&A explains how the Compensation and Governance Committee (the Committee) of the Board of Directors made 2013 compensation decisions for our executives, including the following Named Executive Officers (NEOs)

- Thomas E. Jorden, Chairman of the Board, Chief Executive Officer (CEO) and President
- Paul Korus, Senior Vice President, Chief Financial Officer (CFO)
- Joseph R. Albi, Chief Operating Officer (COO)
- Stephen P. Bell, Executive Vice President-Business Development
- John A. Lambuth, Vice President-Exploration

This CD&A is divided into two sections:

Section 1 discusses 2013 and early 2014 actions related to 2013 executive compensation.

Section 2 discusses our compensation framework, post-employment compensation, retirement benefits, perquisites and other compensation policies.

SECTION 1

Summary of 2013 and Early 2014 Compensation Decisions

TOPIC	ACTION	RATIONALE
Base Salary Review	Increased CEO 's base salary from \$672,000 to \$810,000.	CEO 's base salary was significantly below the 50th percentile of Cimarex 's peers.

	Increased COO s base salary by 8%	A larger than 4% market increase was recommended due to the increased responsibilities.
	Increased remaining NEOs base salaries by 4%	Maintain alignment of the NEOs with the market.
Annual Short-Term Incentive plan	Authorized annual cash short-term awards to the CEO of 200% of year-end base salary (target of 100% of base salary) and to the other NEOs at a range from 152% to 179% of year-end base salary (target of 100% for all other NEOs).	Annual cash awards were based on the achievement of financial and strategic objectives. See <i>Key Compensation Actions for 2013</i> in <i>Section 1, Compensation Discussion and Analysis</i> .

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TOPIC	ACTION	RATIONALE
Long-Term Equity Incentives	Authorized long-term equity awards to NEOs (including the CEO) with an aggregate grant date fair value of \$16,348,750. The number of shares that may be earned pursuant to these awards is determined by Cimarex's relative stock price performance. The awards vest three years from the date of grant and are subject to a continuous service requirement. A minimum of 50% of the shares granted and a maximum of 100% of the shares granted may be earned at the end of the three-year period.	The range for 2013 long-term equity awards recommended by the compensation consultant represented a total value between the 50th and 75th percentiles when compared to 2012 awards made by peer companies (which was the latest public information available). The Committee approved awards at approximately the 75th percentile when compared to peer company 2012 awards. The Committee considered Cimarex's total shareholder return for the past one and three years, NEO total direct compensation compared to peer companies, Cimarex's strong 2013 financial and operational performance, and the compensation consultant's recommended range.
Director Compensation	Recommended no increases during 2013 for director compensation.	Based on a market review of director compensation at peer group companies, the compensation consultant advised that Cimarex Director compensation was at the 53rd percentile and recommended no increases for 2013.

See *Key 2013 Compensation Actions* below for more detail.

Response to 2013 Say-on-Pay Vote and Shareholder Engagement

At the 2013 Annual Meeting of Shareholders, 91% of the votes cast were in favor of the advisory vote to approve executive compensation. The Committee considered this a favorable outcome and believed it conveyed our shareholders' support of the Committee's compensation decisions in 2012 and early 2013 and shareholders' overall satisfaction with Cimarex's executive compensation programs. Consistent with this support, the Committee retained the core design of our executive compensation programs for the remainder of 2013, as it believes the programs continue to retain, attract, when appropriate, and appropriately incent senior management.

As part of our regular shareholder engagement, we consider and discuss with shareholders a number of matters throughout the year, including executive compensation and governance. The Committee carefully considers any feedback and routinely reviews executive compensation practices and governance.

Key 2013 Compensation Actions

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The following discusses the Committee's key 2013 compensation decisions, which are reflected in the 2013 Summary Compensation Table below. These decisions were made with the advice of the Committee's independent consultant, Longnecker & Associates. (See *Section 2 of Compensation Discussion and Analysis* for additional discussion regarding the role of the Committee's compensation consultant.)

CEO Compensation

- Effective June 1, 2013, Mr. Jordan's base salary was increased from \$672,000 to \$810,000. Prior to the increase, Mr. Jordan's base salary was well below the 50th percentile of CEOs of our peer companies, and the Committee, with the concurrence of its independent consultant, increased his base salary to near the 50th percentile.
- Mr. Jordan's 2013 annual cash incentive award was \$1,620,000, or 200% of his year-end base salary.
- His annual long-term incentive equity award value at the date of grant (December 12, 2013) was \$4,785,000.

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These adjustments were reviewed in detail by the Committee and its independent consultant. The Committee considered several factors, including input from its independent consultant and salary data from peer companies. In 2013, approximately 89% of Mr. Jordan's compensation as disclosed in the Summary Compensation Table was at risk.

Other NEO Compensation

The Committee also made compensation decisions for the other NEOs comprised of base salary adjustments, 2013 annual cash incentive awards made in February 2014 and long-term equity awards made in December 2013. These adjustments were based upon the recommendations of the CEO, evaluation by the Committee, the advice of the Committee's independent consultant, salary data from peer and comparator groups, internal pay relationships based on relative duties and responsibilities, the executive's impact on Cimarex's results, and for retention purposes. Based upon these considerations, the Committee made the following 2013 NEO compensation decisions:

	2013 Salary	2013 Annual Cash Incentive Award	2013 Long-Term Incentive Equity Grant Date Fair Value	Total	% of Total Compensation that is At Risk
Paul Korus, CFO	\$ 472,000	\$ 750,000	\$ 2,791,250	\$ 4,013,250	88%
Joseph R. Albi	\$ 540,000	\$ 930,000	\$ 3,190,000	\$ 4,660,000	88%
Stephen P. Bell	\$ 435,000	\$ 750,000	\$ 2,791,250	\$ 3,976,250	89%
John A. Lambuth	\$ 375,000	\$ 645,000	\$ 2,791,250	\$ 3,811,250	90%

Base Salary Determination

We provide competitive base salaries to retain and attract, when appropriate, talented executives and to provide a fixed base of cash compensation. We compare each NEO's base salary with the base salary paid for a similar executive position by companies in our Compensation Peer Group. See *Competitive Positioning* later in this CD&A for a list of the companies in the Compensation Peer Group. The Committee then may adjust base salaries based on a number of factors, including job responsibilities, management experience, individual contributions, number of years in position and current salary.

In May 2013, the Committee's independent compensation consultant reviewed the NEOs' base salaries compared to market and recommended an annual increase of 3.5% to 4% to maintain market alignment. The consultant also advised that the CEO's base salary was below market and recommended an increase in the CEO's base salary to at least the 50th percentile of the Compensation Peer Group. The Committee also recognized that the executive officers' base salaries were not increased for the period June 1, 2012 through May 31, 2013 and that the Chief Operating Officer was particularly affected, as he had assumed significant additional responsibilities at the time he was promoted to Chief Operating Officer in September 2011 but had not received a base salary increase in consideration of those increased responsibilities since September 2011. Therefore, the Committee considered (i) the recommendations of the consultant, (ii) that the base salaries of the NEOs, including the CEO, were not increased for the period June 1, 2012 through May 31, 2013 and (iii) that the Chief Operating Officer had not received a base salary increase reflecting his increased responsibilities associated with his September 2011 promotion. The Committee recommended, and the Board approved, the following base salary increases effective June 1, 2013:

Name	Title	5/31/13 Base Salary	After 6/1/13 Base Salary	Percent Increase
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Thomas E. Jorden	CEO and President	\$ 672,000	\$ 810,000	20.5%
Joseph R. Albi	Chief Operating Officer	\$ 500,000	\$ 540,000	8.0%
Stephen P. Bell	Executive Vice President-Business Development	\$ 420,000	\$ 435,000	3.6%
Paul Korus	Senior Vice President, CFO	\$ 452,000	\$ 472,000	4.4%
John A. Lambuth	Vice President-Exploration	\$ 360,000	\$ 375,000	4.2%

Annual Cash Incentive Awards

In February 2014, the Committee met to deliberate and determine NEO (including the CEO) annual cash incentive awards for 2013 services. The individual target for the CEO and each other NEO is 100% of his base salary. There is no minimum award and an individual's maximum award is 200% of his base salary.

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In December 2012, the Committee adopted 2013 strategic and tactical goals and objectives to be measured in 2014. The following represents the level of achievement of the 2013 strategic and tactical goals and objectives:

2013 Strategic and Tactical Goals and Objectives

Achieve threshold or greater economic return on invested capital.

Increase production compared to previous year (absolute and on a debt-adjusted basis).

Increase reserves compared to previous year (absolute and on a debt-adjusted basis).

Deliver at least one new project that contains significant future investment potential.

Improve management of base property production.

Continue improvement of drilling and completion performance and decrease in related costs.

Analyze midstream operations in order to decide whether to retain and develop or to divest.

Develop and implement corporate financial modeling tool.

Develop and implement HR staffing and succession plan for key levels of management below executive team.

Improve operational safety and environmental management.

Achievement

Very Good. Exceeded threshold for after tax return on invested capital based on internal measurements which consider only discounted future cash flows from proved developed reserves.

Very Good. Increased absolute production by 11% and debt-adjusted production by 9%.

Very Good. Increased absolute reserves by 11% and debt-adjusted reserves by 9%.

Fair. Tested one exploration concept that will continue to be tested and continue to review additional exploration concepts.

Very Good. Production growth in 2013 enhanced by promotions of Vice President of Production and Director of Production and their management of production activities as well as the greater role of Cimarex's Exploration Regions in managing the production contributions from their drilling programs.

Excellent. Decreased drilling times and costs; increases in completion costs more than offset by production gains.

Very Good. Hired plant manager and other experienced midstream employees and brought Triple Crown plant in Culberson County, Texas online; established multiple markets for production in Permian; evaluating monetization of Mid-Continent plants.

Excellent. Implemented new software that provides ability to generate cash flow forecasts that incorporate base production and production increases from planned drilling programs.

Fair. Continue to make progress in the face of shortage of skilled manpower and leadership. The shortage affects Cimarex and its competitors.

Excellent. Hired Director of Health, Environment and Safety; continue to improve environmental compliance and agency relationships; continue to stress culture of safe and environmentally responsible operations.

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Based principally on the achievement of the 2013 strategic and tactical goals and objectives, the CEO recommended cash incentive awards for the other NEOs in the range of 159% to 172% of their year-end 2013 salaries. The Committee's independent consultant concurred that the CEO's recommendations were reasonable. The consultant also had recommended a pool for cash incentive awards for all NEOs in the range of \$3.7 million to \$5.2 million based on the consultant's review of the company's achievement of the 2013 strategic and tactical goals. The Committee, after considering the achievement of the 2013 financial and operational objectives and in consultation with its independent consultant, accepted the CEO's recommendations, and the Board approved the Committee's recommendations.

The Committee, with its independent consultant, and without management present, deliberated on the CEO's annual cash incentive award. Based on its analysis of the CEO's 2013 performance described above and the CEO's leadership of the company and management of senior executives and other employees to achieve this performance, the Committee recommended and the Board approved a cash incentive award to the CEO of 200% of his base salary. The Committee's independent consultant concurred with this recommendation and the total cash incentive awards to all NEOs of \$4.7 million was within the recommendation of the compensation consultant of a reasonable range of \$3.7 million to \$5.2 million. Following are the CEO and other NEO 2013 annual cash incentive awards:

<u>Name</u>	<u>Cash Incentive Award</u>	<u>% of Year-End Base Salary</u>
Thomas E. Jorden, CEO	\$ 1,620,000	200%
Paul Korus, CFO	\$ 750,000	159%
Joseph R. Albi	\$ 930,000	172%
Stephen P. Bell	\$ 750,000	172%
John A. Lambuth	\$ 645,000	172%

Long-Term Equity Incentive Award Program

Our long-term equity incentive award program balances the short-term annual cash incentive program by focusing executive efforts on the activities and short-term results that lead to long-term shareholder value. Each year the Committee grants equity awards of restricted stock to NEOs.

The number of shares that may be earned is determined by the relative stock price performance of Cimarex when compared to the stock price performance of companies in the S&P 400 and 500 Oil and Gas Exploration Indices (Stock Performance Peer Group). See *Competitive Positioning* in this CD&A for a list of the companies in the 2013 Stock Performance Peer Group. The awards vest three years from the date of grant and are subject to a continuous service requirement. A minimum of 50% of the shares granted and a maximum of 100% of the shares granted may be earned at the end of the three-year period.

Dividends equivalent to those paid on Cimarex common stock are paid on 50% of the shares awarded, and dividends applicable to the remainder of the shares awarded are accrued and only paid on the shares earned following calculation of Cimarex's relative stock price performance compared to companies in the Stock Performance Peer Group at the end of the performance period. All of the shares subject to the award have the same voting rights as outstanding shares of Cimarex common stock.

For restricted stock awards made in December 2013, the total number of shares earned is determined by calculating the percentage difference between the average per share closing price for shares of Cimarex and each company in the Stock Performance Peer Group for the 30 trading days preceding the date of grant and the 30 trading days preceding the third anniversary of the grant. The Committee ranks Cimarex and calculates its relative performance percentile. Companies that are not in the Stock Performance Peer Group at both the beginning and the end of the

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performance period are not included in the calculation. The following table illustrates shares that would be earned at various relative stock performance price percentiles (assuming 24 companies in the Peer Group).

<u>Cimarex's Rank Among Peer Companies</u>	<u>Relative Stock Price Performance Percentile</u>	<u>Percent of Shares Earned</u>
1-6	75-100%	100%
7-12	52-71%	77-99%
13-18	29-48%	51-73%
19-24	0-24%	50%

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On December 12, 2013, the Committee granted long-term equity awards to the NEOs with a total grant date fair value of \$16,348,750 based on competitive market data for companies in Cimarex's Compensation Peer Group. See *Competitive Positioning* in this CD&A for a list of the companies in the Compensation Peer Group. The Committee's compensation consultant recommended awards with a value between the 50th and 75th percentiles when compared to companies in the Compensation Peer Group. (Comparative data is obtained from public filings disclosing 2012 NEO compensation of companies in the Compensation Peer Group.) The Committee approved awards at approximately the 75th percentile based on Cimarex's total shareholder return for the past one and three years, the total direct compensation of our NEOs compared to our peer companies, Cimarex's 2013 financial and operational performance, and the compensation consultant's recommended range.

The Committee granted a total of 205,000 restricted shares to the NEOs (including the CEO). The number of shares granted to each NEO was based on the relative individual roles and responsibilities. Of the total number of shares granted to the NEOs (including the CEO), the Committee awarded 29.3% of the shares to Mr. Jorden, 19.5% of the total shares to Mr. Albi and the remaining 51.2% of the total shares were divided equally among Messrs. Bell, Korus and Lambuth. The following table reflects the awards made by the Committee:

<u>Name</u>	<u>No. of Shares Subject to Award</u>		<u>Grant Date Value of Long-Term Equity Incentive Award(1)</u>
Thomas E. Jorden, CEO	60,000	\$	4,785,000
Paul Korus, CFO	35,000	\$	2,791,250
Joseph R. Albi	40,000	\$	3,190,000
Stephen P. Bell	35,000	\$	2,791,250
John Lambuth	35,000	\$	2,791,250

(1) Represents an estimate of the fair value of the shares as of the grant date utilizing a Monte Carlo valuation technique as permitted by the guidance provided by FASB ASC Topic 718. The estimated fair value is the aggregate compensation cost to be recognized over the service period based on the results of the Monte Carlo analysis.

2013 Vesting of NEO Equity Awards

On January 4, 2013, the performance period applicable to the January 4, 2010 NEO equity awards ended. Cimarex's relative stock price performance percentile was 42% at the end of the performance period, resulting in the vesting of 67% of the shares subject to the January 4, 2010 award. The following table reflects the shares originally granted to each NEO and the number of shares that vested at the end of the three-year performance period:

<u>Name</u>	<u>No. of Shares Granted 1/4/2010</u>	<u>No. of Shares Vested 1/4/2013</u>
Thomas E. Jorden, CEO	50,000	33,500
Paul Korus, CFO	50,000	33,500
Joseph R. Albi	50,000	33,500
Stephen P. Bell	50,000	33,500

The vesting of these awards and the value at vesting is also reported in *2013 Option Exercises and Restricted Stock Vesting* table in this Proxy Statement. Mr. Lambuth was not an executive officer at the time of the January 4, 2010 awards. Mr. Lambuth's service-based award that vested in 2013 is included in the *2013 Option Exercises and Restricted Stock Vesting* table.

Elimination of Tax Gross Up Payments

In March 2013, the Board amended the Cimarex Energy Co. Change in Control Severance Plan to eliminate any participant's right (including the right of any NEO) to a tax gross-up payment.

Cimarex's Change in Control Severance Plan is the only plan that provided for a tax gross up payment to a participant following a change in control if any payments received by the participant as a result of the change in control become subject to the excise tax imposed by Section 4999 of the Internal Revenue Code. See *Potential Payments upon Change in Control or Termination* for a more detailed description of this Plan.

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Alignment of CEO Compensation to Total Shareholder Return

Cimarex CEO Total Compensation Compared to Cimarex Total Shareholder Return

The following graph illustrates our CEO compensation compared to our TSR for the years 2009 through 2013. Indexed TSR represents the cumulative total return of Cimarex stock for a five-year period based on a \$100 investment at the start of the first year and reinvestment of all dividends. The data for 2009 and 2010 represents reported compensation for only F. H. Merelli, our former CEO. The data for 2011 includes weighted compensation, including compensation for F. H. Merelli, who served as CEO for nine months in 2011, and compensation for Thomas Jorden, who served as CEO for three months in 2011. Compensation for 2012 and 2013 represents only compensation for Thomas Jorden, Cimarex's current CEO. The table shows the value of the investment at the end of each year.

Relative CEO Total Compensation Compared to Relative Total Shareholder Return

The following graph depicts alignment of relative CEO compensation compared to relative Total Shareholder Return for the years ended December 31, 2010 through December 31, 2012. The information is only provided through 2012 because 2013 CEO peer company compensation information is not publicly available at this time. The companies used for the relative comparison are the companies in our Compensation Peer Group. We have also included, as a point of reference, Cimarex's CEO compensation for the years ended December 31, 2011 through December 31, 2013.

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Multiple of Median CEO Compensation

The graph below reflects that Cimarex's 2012 CEO total direct compensation represents 64% of the median CEO total direct compensation of companies in our Compensation Peer Group. The information provided is for 2012 peer group CEO total direct compensation because 2013 CEO peer company compensation information is not publicly available at this time. We have also included, as a point of reference, Cimarex's 2013 CEO total direct compensation.

Early 2014 Compensation Decisions

2014 Annual Cash Incentive Award Goals

In December 2013, the Committee approved the following strategic goals and objectives that will apply to 2014 annual cash incentive awards that will be measured and paid in 2015:

2014 strategic goals:

- o Achieve good return on invested capital.
- o Increase production compared to previous year on a debt-adjusted basis.

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- o Increase reserves compared to previous year on a debt-adjusted basis.
- o Deliver at least one new project that contains significant future investment potential.

2014 tactical goals:

- o Improve management of base property production.
- o Continued improvement of drilling and completion performance and decrease in related costs.
- o Continued focus on staffing and succession planning at all levels.
- o Develop internal five-year plan and capital model.
- o Emphasize and improve health, safety and environmental management.
- o Prepare for Delaware Basin Wolfcamp development decision.

The strategic and tactical measures and objectives have been clearly communicated to the NEOs. At year end, the CEO will deliver a report of results to the Committee with respect to each goal and provide the CEO's recommendation and the basis for the CEO's recommendations for individual awards. The Committee and its independent compensation consultant will review management's recommendations and accept or modify those recommendations. The non-management members of the Board will consider the recommendations of the Committee. Each NEO, including the CEO, has a target award equal to 100% of base salary and a maximum award of 200% of base salary; there is no minimum award.

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SECTION 2

Our Compensation Framework

Objectives

Our principal business objective is to profitably grow our proved oil and gas reserves and production for the long-term benefit of shareholders. The primary strategy we use to achieve this objective is to reinvest our cash flow from operations at a competitive rate of return. Our executive compensation program is designed to retain and attract, when appropriate, the experienced professionals necessary to carry out this strategy.

Design

We design our executive compensation program to:

- **Align performance incentives with the long-term interests of our shareholders.**

We align the long-term interests of our executives with the long-term interests of our shareholders by paying a substantial portion of each executive's total direct compensation in the form of performance-based equity awards. The actual awards delivered are dependent upon relative TSR so that the more our shareholders benefit through shareholder returns compared to our Stock Performance Peer Group, the more our executives benefit through increased vesting of performance-based equity and the relative increase in stock price compared to our Stock Performance Peer Group. Also, stock ownership guidelines encourage executives to have a meaningful ownership stake.

- **Provide competitive total direct compensation opportunities that retain and attract, when needed, executive talent.**

We provide compensation opportunities to our executives at levels that are competitive with equivalent positions at companies with which we may compete for talent. In general, when we review base salary, long-term equity awards and total direct compensation, we reference the 50th and 75th percentiles. Actual compensation earned by an executive may be outside this range based on company and individual performance and industry competition for talented executives.

- **Link compensation earned to achievement of short-term and long-term financial and operational objectives.**

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We provide an annual incentive cash award opportunity that is designed to reward executive efforts for achievement of company financial and operational objectives. Our long-term equity incentive awards are designed to encourage above average stock price performance and are structured to encourage retention of executives.

Principal Elements of Executive Compensation

We principally use three elements of executive compensation to carry out the design of our executive compensation program, collectively referred to as Total Direct Compensation :

Ø	Base salary	Retain executive team and, when appropriate, attract other executives.
Ø	Annual cash incentive award	Reward executives for short-term financial and operational results.
Ø	Annual long-term equity award	Focus executive efforts on activities and short-term results that lead to long-term shareholder value. Use time-vested restricted stock for retention and performance measures based on relative TSR to align executives' interests with the interests of shareholders.

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Competitive Positioning

In support of our compensation objectives, we reference the 50th and 75th percentiles of a peer group of companies to determine an appropriate total value and mix of pay for executives. We look at individual NEO and total NEO Total Direct Compensation compared to individual NEO and total NEO Total Direct Compensation of companies in our Compensation Peer Group. Because not all of our NEO positions are directly comparable to NEO positions of companies in our Compensation Peer Group, we believe that reviewing aggregate Total Direct Compensation of all NEOs provides an appropriate reference for comparative purposes. The Compensation Peer Group is comprised of companies in the oil and gas industry with similar market capitalization and revenue. The Committee annually reviews companies in this peer group. The 50th and 75th percentiles are reference points only; we do not automatically compensate each executive at these levels. Several variables, including individual and division performance, time in position, annual company performance and one- and three-year relative stock price performance influence the actual executive compensation decisions.

In May 2013, the Committee approved Cimarex's Compensation Peer Group to be used for 2013 compensation decisions. The companies included in the Peer Group at the time of selection are companies in our industry of similar size and scope of operations and similar market capitalization and revenue. At the time of selection, the 2012 year-end market capitalization of these companies ranged from \$3.7 billion to \$26.98 billion, and the annual revenue ranged from \$810 million to \$4.2 billion. For the comparable periods, Cimarex's market capitalization was \$9 billion and revenue was \$1.6 billion.

2013 Compensation Peer Group

Peer Company

Cabot Oil & Gas Corporation
 Concho Resources, Inc.
 Denbury Resources Inc.
 Energen Corp.
 Newfield Exploration Co.
 Noble Energy Inc.
 Pioneer Natural Resources Co.

Peer Company

QEP Resources, Inc.
 Range Resources Corp.
 SM Energy Company
 Southwestern Energy Co.
 Ultra Petroleum Corporation
 Whiting Petroleum Corporation
 WPX Energy, Inc.

Under our long-term equity incentive award program, we grant performance-based awards of restricted stock. The performance measure used to determine the number of shares to be delivered upon vesting is Cimarex's relative total shareholder return, or TSR, when compared to companies in the S&P 400 and 500 Oil and Gas Exploration Indices (the Stock Performance Peer Group).

2013 Stock Performance Peer Group

S&P 400 Oil & Gas Exploration Index

Bill Barrett Corporation
 Comstock Resources Inc.
 Forest Oil Corp.
 Plains Exploration & Production co.
 Quicksilver Resources Corp.

S&P 500 Oil & Gas Exploration Index

Anadarko Petroleum Corp.
 Apache Corp.
 Cabot Oil & Gas Corp.
 Chesapeake Energy Corp.
 Denbury Resources Inc.

EQT Corp.
 Newfield Exploration Co.
 Noble Energy Inc.
 Pioneer Natural Resources Co.
 QEP Resources, Inc.

Role of Compensation Consultant and Management in Compensation Decisions

Compensation Consultant

The Committee has engaged the firm of Longnecker & Associates (Longnecker) as its independent compensation consultant to fulfill the following responsibilities:

- Advise the Committee on management proposals, as requested.
- Undertake special projects at the request of the Committee.
- Participate in Committee meetings.
- Make recommendations concerning the Compensation Peer Group.

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- Review the selected peer group and survey data for competitive comparisons.
- Provide market data and recommendations on NEO compensation.

The Committee has considered the six independence factors adopted by the NYSE and has determined that its consultant, Longnecker, is independent within the meaning of the NYSE listing standards.

In 2013, as part of its ongoing services to the Committee, one or more representatives of Longnecker attended or participated by teleconference at five of the meetings of the Committee. Longnecker provided the following services in 2013:

- Reviewed and provided input on the CD&A in the 2013 Proxy Statement.
- Attended February 25, 2013 Committee meeting and consulted with the Committee on annual cash incentive awards.
- Reviewed and made executive base salary recommendations.
- Made recommendations concerning the Compensation Peer Group.
- Conducted a market analysis of Board compensation.
- Provided an executive compensation analysis and recommended range for long-term equity grants.
- Recommended compensation in connection with an executive hiring.

The total amount of fees paid to Longnecker for 2013 services to the Committee was \$83,899. In addition, the Committee reimburses Longnecker for reasonable travel and business expenses.

Management

Our CEO and President is the principal management resource for compensation recommendations to the Committee with respect to the other NEOs. The CEO (i) provides an annual assessment of Cimarex's overall financial and operational performance, and (ii) subjectively evaluates individual NEO performance and recommends individual base salary adjustments, annual cash incentive awards and long-term equity awards. His subjective evaluations generally include factors such as scope of responsibility, contribution to company performance, technical competence, managerial skills and advancement potential. The Committee considers the CEO's recommendations in making Committee decisions regarding executive compensation. The Committee exercises its discretion to accept, reject or modify these compensation recommendations.

Our Vice President of Human Resources acts as an informational resource to Longnecker and the Committee and compiles survey and other compensation data for their review. The Committee, in consultation with Longnecker, reviews this information when making executive compensation

and program design decisions.

Other Compensation Arrangements

Post-Employment and Employment Arrangements

All employees, including the NEOs, are covered by the Cimarex Change in Control Severance Plan. The Plan provides for a double trigger so that payments are made only if (a) there is a change in control (as defined in the Plan) and (b) an employee is terminated for any reason other than cause (as defined in the Plan) within two years following a change in control. In that event, the employee is entitled to (i) cash severance payments of two times annual salary and average cash incentive award, (ii) a pro-rata portion of annual cash incentive bonus for the current year, and (iii) continued medical, dental, disability and life insurance benefits for two years. See *Potential Payments upon Change in Control or Termination* for a more detailed description of these benefits. In addition, the 2011 Equity Incentive Plan, the proposed 2014 Equity Incentive Plan, and the terms of employee equity award agreements provide for acceleration of vesting of outstanding equity awards upon the occurrence of a change in control.

Cimarex assumed the change in control provisions from the now-expired employment agreements between each of Messrs. Albi, Bell, Jorden and Korus and a predecessor company. The assumed portion of each agreement provides that if the executive is terminated without cause following a change in control event (as defined in the agreement), the executive is entitled to a lump-sum payment equal to two times the executive's base salary at the time of the change in control. Benefits payable under these agreements are forfeited if the executive receives benefits under any other change in control plan, including the Cimarex Energy Co. Change in Control Severance Plan. As a practical matter, the change in control benefits assumed under the employment agreements only benefit these executives if the Change in Control Severance Plan described above has been terminated. The Change in Control Severance Plan provides for greater benefits payable upon the occurrence of a change in control event than those payable under the assumed agreements.

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In 2010, prior to becoming an NEO, John Lambuth, Vice President-Exploration, entered into a retention agreement with Cimarex. The agreement requires Cimarex to make a payment of \$600,000, less required withholdings, to Mr. Lambuth if he remains employed through June 1, 2014 or upon an earlier change in control (as defined in the Change in Control Severance Plan) or termination of Mr. Lambuth by Cimarex other than for cause.

Retirement Benefits

Employees, including the NEOs, are eligible to participate in the Cimarex 401(k) defined contribution retirement plan. Cimarex matches dollar-for-dollar employee contributions to the plan up to 7% of the employee's cash compensation, subject to limits imposed by the Internal Revenue Code. The Board is authorized to make profit-sharing contributions under the Plan and, in February 2014, the Board authorized a profit-sharing contribution of 4% of the gross cash compensation of eligible participants under the Plan.

In addition, eligible participants, including the NEOs, may participate in the Supplemental Savings Plan, which is a non-qualified deferred compensation plan that permits participants to make contributions (and to receive matching contributions) in excess of the Internal Revenue Code limitations for 401(k) plans. See *Compensation Tables, 2013 Nonqualified Deferred Compensation* for information about contributions to the Supplemental Savings Plan. The Committee administers this plan and designates who may participate. Benefits are paid upon the later to occur of termination of employment or the time elected by the participant. In the event of a change in control, each participant receives a lump sum cash payment of the amount allocated to his or her account.

Perquisites

We provide a limited number of perquisites (personal benefits) to our NEOs, including financial and estate planning and a medical reimbursement program. Our corporate aircraft is generally not available for personal use by any employee. With the authorization of our CEO, however, the corporate aircraft may be used by an employee or a member of his/her family for medical purposes. The incremental cost for non-business use of our corporate aircraft, if any, is disclosed in the *Summary Compensation Table*. We use the Standard Industry Fare Level tables published by the Internal Revenue Service to determine the amount of compensation income that is imputed to the employee for tax purposes for personal use of corporate aircraft. There was no non-business use of our corporate aircraft during 2013.

Other Compensation Policies

Total Pay Considerations

The Committee considers total direct compensation at the time it makes a decision on any element of executive compensation. The Committee also reviews the relationship of the CEO's total compensation to the total compensation of each of the other NEOs.

Stock Ownership and Holding Requirements

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Our Corporate Governance Guidelines require that each independent director own Cimarex stock in an amount equal to three times his annual cash retainer. In addition, the CEO is expected to own Cimarex shares in an amount equal to five times his annual base salary, and each executive officer who reports to the CEO is expected to own stock in an amount equal to three times his annual base salary. A newly elected director or a newly appointed executive officer has three years from the date of his or her initial election or appointment to comply with the Guidelines. Restricted stock, restricted stock units, deferred compensation units and performance awards are counted in calculating ownership. Shares subject to options are not counted. Each of the independent directors, the CEO and the other NEOs comply with these guidelines.

Clawback Policy

We have adopted a clawback policy providing that, in the event of an accounting restatement due to material noncompliance with financial reporting requirements under the U.S. federal securities laws, the Committee has the right to use reasonable efforts to recover from any of our current or former executive officers who received incentive-based compensation related to the restatement and received during the three-year period preceding any such accounting restatement. This policy applies to incentive-based compensation granted on or after June 1, 2012. This clawback policy will be interpreted in the best judgment of the Committee in a manner consistent with any applicable rules or regulations adopted by the SEC or the NYSE as contemplated by the Dodd-Frank Act.

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Non-Hedging and Non-Pledging Policies

Our insider trading policy prohibits directors, officers and designated employees from engaging in hedging or monetization transactions and other employees are strongly discouraged from engaging in such transactions. Any other employee wishing to enter into such an arrangement must first submit the proposed transaction for approval by the compliance officer designated in the policy. The policy also prohibits directors, officers and employees from holding Cimarex stock in a margin account or pledging Cimarex stock as collateral for a loan.

Tax Law Considerations

The Committee considers the impact of applicable tax laws with respect to executive compensation. Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)), limits the amount of compensation that Cimarex may deduct on its federal income tax return for compensation paid to certain executive officers to no more than \$1 million per year. There are exceptions to the \$1 million limitation for performance-based compensation meeting certain requirements. The performance-based portion of our restricted stock awards are the only element of executive compensation designed to qualify for the performance-based exception to the \$1 million deduction limit, provided additional requirements are met. The Committee attempts to preserve the deductibility of compensation paid to executive officers but does not limit executive compensation to amounts deductible under Section 162(m).

COMPENSATION AND GOVERNANCE COMMITTEE REPORT

The Compensation and Governance Committee has reviewed and discussed with management the preceding Compensation Discussion and Analysis section of Cimarex's 2014 Proxy Statement. Based on our review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Cimarex's 2014 Proxy Statement.

THE COMPENSATION AND GOVERNANCE COMMITTEE

L. Paul Teague, Chairman
Jerry Box
Hans Helmerich
David A. Hentschel

Table of Contents**COMPENSATION TABLES****SUMMARY COMPENSATION TABLE**

The following table describes 2011-2013 compensation of our CEO, CFO and the three other most highly compensated executive officers.

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards	Non-Equity Incentive Plan Comp.(2)	All Other Comp.(3)	Total
Thomas E. Jorden Chief Executive Officer and President (CEO)	2013	\$ 751,616	\$	\$ 4,785,000	\$	\$ 1,620,000	\$ 58,975	\$ 7,215,591
	2012	\$ 672,000	\$	\$ 2,549,445	\$	\$ 800,000	\$ 44,740	\$ 4,066,185
	2011	\$ 538,621	\$	\$ 3,494,478	\$ 479,260	\$ 750,000	\$ 43,590	\$ 5,305,949
Joseph R. Albi Chief Operating Officer	2013	\$ 523,077	\$	\$ 3,190,000	\$	\$ 930,000	\$ 48,440	\$ 4,691,517
	2012	\$ 500,000	\$	\$ 1,912,127	\$	\$ 550,000	\$ 83,692	\$ 3,045,819
	2011	\$ 465,772	\$	\$ 3,494,478	\$ 479,260	\$ 400,000	\$ 70,276	\$ 4,909,786
John A. Lambuth Vice President- Exploration	2013	\$ 368,654	\$	\$ 2,791,250	\$	\$ 645,000	\$ 48,440	\$ 3,853,344
	2012	\$ 324,615	\$	\$ 1,367,000	\$	\$ 325,000	\$ 42,637	\$ 2,059,252

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- (1) Represents the grant date fair value of the awards, which is an estimate of aggregate compensation cost to be recognized over the service period based on the probable outcome of the performance conditions and is an estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under FASB ASC Topic 718. The awards are valued as market-based awards using the Monte Carlo simulation method assuming a target number of shares that would be issued because this is deemed to be the probable payout percentage at the time of grant consistent with the estimate of aggregate compensation cost to be recognized over the service period. Actual payouts with respect to the awards can range from 50 percent to 100 percent of the award based on the relative ranking of the Company's TSR in comparison to the peer group over the three-year performance period. If the Company's performance results in 100% of the award being paid, the grant date fair value of the maximum number of shares for each of the NEOs pursuant to the awards granted in 2013 based on the closing price of the company's common stock on the December 12, 2013 date of grant would have been as follows: Mr. Jorden \$5,792,400; Mr. Albi \$3,861,600; and each of Messrs. Korus, Bell and Lambuth \$3,378,900.
- (2) Amount reported for the year earned.
- (3) The following describes the components of other items of compensation, including any perquisite in excess of \$10,000:

Thomas E. Jorden, CEO						
2013	\$	\$	45,200	\$	3,240	\$ 58,975(a)
2012	\$	\$	41,500	\$	3,240	\$ 44,740
2011	\$	\$	40,350	\$	3,240	\$ 43,590

Joseph R. Albi						
2013	\$	\$	45,200	\$	3,240	\$ 48,440
2012	\$	3,036	\$ 41,500	\$	3,240	\$ 83,692
2011	\$	\$	40,350	\$	3,094	\$ 70,276

John A. Lambuth(b)						
2013	\$	\$	45,200	\$	3,240	\$ 48,440
2012	\$	\$	39,743	\$	2,894	\$ 42,637

- (a) Mr. Jorden's total other compensation includes \$9,926 for medical reimbursements and \$609 for reserved parking.
- (b) This is the second year that Mr. Lambuth is included as an NEO in the Summary Compensation Table. Therefore, information is reported only for the 2013 and 2012 fiscal years.

Table of Contents**2013 GRANTS OF PLAN-BASED AWARDS****2013 Non-Equity Incentive Plan**

The following table describes the target and maximum amounts of annual cash incentive awards for the NEOs and the actual award paid in March 2014 for 2013 services. The non-equity incentive plan provides for no minimum (threshold) award. The amounts listed in the *Target* column represent 100% of the year-end monthly base salary annualized. The amounts listed in the *Maximum* column represent 200% of the year-end monthly base salary annualized. See the description of our annual cash incentive award plan in *Section 1, Compensation Discussion and Analysis*.

**Estimated Future Payouts Under
Non-Equity Incentive Plan**

<u>Name</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual Award Paid in March 2014</u>
Thomas E. Jorden, CEO	\$ 0	\$ 810,000	\$ 1,620,000	\$ 1,620,000
Joseph R. Albi	\$ 0	\$ 500,000	\$ 1,000,000	\$ 930,000
John A. Lambuth	\$ 0	\$ 375,000	\$ 750,000	\$ 645,000

2013 Equity Incentive Plan Awards

The following table provides information regarding the awards of restricted stock and options made to the CEO, CFO and other NEOs in 2013. No option awards were made in 2013. See *Section 1, Compensation Discussion and Analysis, Long Term Equity Incentive Award Program*, for more information about these awards.

<u>Name</u>	<u>Type of Award(1)</u>	<u>Award Grant Date</u>	<u>Comp. Comm. Approval Date</u>	<u>Estimated Future Payouts Under Equity Incentive Plan Awards</u>			<u>Grant Date Fair Value of Stock & Option Awards(4)</u>
				<u>Threshold(2)</u>	<u>Target(3)</u>	<u>Maximum</u>	

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Thomas E. Jordan, CEO	RSA	12/12/13	12/12/13	30,000	60,000	\$	4,785,000
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