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HELMERICH & PAYNE INC

Form 425

May 21, 2002

Filed by Helmerich & Payne, Inc.
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934

Subject Company: Cimarex Energy Co.
Commission File No.:132-02238

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The information contained within this presentation is forward looking and involves risks and uncertainties that could significantly impact expected results. A discussion of these risks and uncertainties is contained in the Company's Form 10-Q filed with the Securities and Exchange Commission on May 15, 2002.

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FORWARD-LOOKING STATEMENTS

It should be noted that this announcement contains certain statements that may be deemed to be "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements regarding the consummation of the proposed spin-off and merger, its effect on future earnings, cash flow or other operating results, the expected closing date of the proposed spin-off and merger, any other effect or benefit of the proposed spin-off and merger, the tax treatment of the proposed spin-off and merger and the combined company, market prospects, and any other statements that are not historical facts. H&P and Key strongly encourage readers to note that some or all of the assumptions upon which such forward-looking statements are based are beyond their ability to control or estimate precisely, and may in some cases be subject to rapid and material changes. Such assumptions include but are not limited to costs and difficulties related to the integration of the businesses, costs, delays and other difficulties related to the proposed spin-off and merger, closing conditions not being satisfied, general market conditions prevailing in the exploration for and development and production of oil and gas (including inflation or lack of availability of goods and services, environmental risks, drilling risks and regulatory changes), operating hazards and delays, actions by customers and other third parties, the future price of oil and gas, and other factors detailed in H&P's and Key's filings with the Securities and Exchange Commission (the "SEC"), which are available free of charge on the SEC's website at www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. H&P and Key undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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ADDITIONAL INFORMATION

In connection with the proposed spin-off and merger, Key and Cimarex filed with the SEC on May 9, 2002, a Registration Statement No. 333-87948 on Form S-4. Investors and security holders are urged to carefully read the Registration Statement regarding the proposed transaction because it contains important information. Investors and security holders may obtain a

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free copy of the Registration Statement and other documents containing information about Key and H&P's oil and gas division, without charge, at the SEC's web site at www.sec.gov. Copies of the Registration Statement and the SEC filings incorporated by reference therein may also be obtained for free by directing a request to either: Key Production Company, Inc., 707 Seventeenth Street, Suite 3300, Denver, Colorado 80202, Attention: Sharon M. Pope, Assistant Corporate Secretary; telephone 303-295-3995, fax: 303-295-3494, or Helmerich & Payne, Inc, Utica at Twenty-First Street, Tulsa, Oklahoma 74114, Attention: Steven R. Mackey, Corporate Secretary; telephone 918-742-5531, fax 918-743-2671.

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PARTICIPANTS IN SOLICITATION

H&P, Cimarex, Key and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Key's shareholders in connection with the proposed merger. Information concerning Key's participants in the solicitation is set forth in Key's proxy statement dated April 26, 2001, which is filed with the SEC. Hans Helmerich, Douglas E. Fears and Steven R. Mackey are currently directors of Cimarex, and each of them and Steven R. Shaw are currently officers of Cimarex (the "Cimarex Participants"). None of the Cimarex Participants beneficially owns any shares of Cimarex common stock. The Cimarex Participants are all executive officers of H&P. Information concerning H&P's participants in the solicitation is set forth in H&P's proxy statement dated January 25, 2002, which is filed with the SEC. Key's shareholders may obtain additional information about the interests of all such participants in the proposed merger by reading Registration Statement No. 333-87948 on Form S-4 which was filed with the SEC on May 9, 2002. Investors should read the Registration Statement carefully before making any voting or investment decisions.

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A New Look For An 82 Year Old Company

>> H&P to Become a "Pure Play" Contract Drilling Company

	Contract Drilling	E&P	Portfolio
HP	70	20	10

>> H&P's Total Rig Fleet to Increase by 33% from 2001 To 2003

	1998	1999	2000	2001	2002E	2003E
East	90	90	88	96	113	128

[graphic omitted]

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Helmerich & Payne, Inc.
(pre-transaction)

[graphic omitted]

Contract Drilling - 104 rigs
E&P - 245 Bcfe
Portfolio - \$300MM

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- >> ~ \$2.0 billion market cap
- >> ~ 50 million shares outstanding

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Exploration & Production Division Spun Off As Cimarex Energy Co.

[graphic omitted]

Exploration and Production division spun off to H&P Shareholders as Cimarex Energy Co.

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Spin/Merge Goals

- >> Use financial strength to enhance shareholder value
- >> Increase focus and visibility
- >> Strengthen E&P division's position
- >> Capture tax efficiency

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Why Key Production?

- >> Impressive people and organization
- >> Complementary and overlapping asset base
- >> Strong balance sheet
- >> Similar philosophies and cultures

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Key Production Record Of Growth

(\$ in millions)	1992	2001
	----	----
Market Cap	\$25	\$240
Debt	\$3	\$34
Stock price (\$/share)	\$3	\$17
Reserves (Bcfe)	38	147
Reserves (Mcfe/share)	3.6	10.5
Production (Bcfe)	8.3	26.0

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Combined Properties

Helmerich & Payne, Inc.

Proved reserves (Bcfe)	245
% Natural gas	87%
Production (MMcfe/d)	116
Net undeveloped acres	150,401

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Key Production Company

Proved reserves (Bcfe)	147
% Natural gas	62%
Production (MMcfe/d)	74
Net undeveloped acres	119,251

[graphic omitted]

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Cimarex Energy

(\$ in millions)	Key	H&P	Combined
YE01 Proved reserves, Bcfe	147	245	392
2002E Production, MMcfe/d	74	116	190
% Gas Production	65%	90%	80%
2001 EBITDAX	\$80	\$146	\$226
Employees	95	150	245

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What makes H&P attractive as a "pure play" contract drilling company?

- >> Unique Strategy
- >> Expanding Rig Fleet
- >> Strong balance sheet
- >> Additional analyst coverage and ownership interest

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Helmerich & Payne, Inc.

	Total Rigs						
	1998	1999	2000	2001	2002E	2003E	
East	90	90	88	96	113	128	33% Increase

[graphic omitted]

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Rig Locations

[graphic omitted]

71	U.S. Rigs
33	International Rigs
--	
104	Total H & P Rigs
4	Management Contracts

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HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

FlexRig(TM)

[graphic omitted]

The BEST VALUE rig
for a wide
range of wells

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The Market For FlexRig(TM)*

- o The customer needs BEST VALUE from the contractor to achieve lowest total well cost.
- o H&P believes BEST VALUE will come from investments in new rigs, innovative ideas and applications of new technologies - not from renovating the last used rig available.

* FlexRig(TM) hereinafter referred to as FlexRig

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The FlexRig's 8 - 18,000' Capacity
is Aimed at a Market Need

U.S. Rigs Drilling 1982-2001*

[graphic omitted]

	0-10,000'	10,001-15,000'	15,001-17,500'	17,501-20,000'	>20,000'
1983	62%	29%	5%	3%	1%4
2001	44%	43%	7%	4%	2%

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FlexRig Offers Continuity Over 8 - 18,000' well depths

Wells drilled by R166 (FlexRig1) for Chevron
May '98 - Nov '01

8-9,000'	9-11,000'	11-14,000'	14-18,000'
9	28	8	4

[graphic omitted]

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FlexRig Offers Continuity Over 8 - 18,000' well depths

Wells drilled by R168 (FlexRig1) for Shell
Nov '99 - April '02 (Continuing)

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8-9,000'	9-11,000'	11-14,000'	14-18,000'
5	1	10	7

[graphic omitted]

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H&P Goals
For Improving Value

- o Reduce safety and environmental incidents.
- o Improve productivity
- o Build the right rig at the best value cost

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Reduce Safety &
Environmental Incidents

- o Use "safety by design" to minimize or eliminate incidents.
- o Develop new ideas such as patented round mud tanks to reduce incidents.
- o Since 1998, mobile and FlexRigs have a Total Recordable Incident Rate (TRIR) 28% lower than H&P conventional rigs.

5 - Year Average TRIR (1998-1Q02)

[graphic omitted]

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IMPROVE PRODUCTIVITY

- o Reduce crew turnover.
- o Mobile and FlexRig rig turnover rate is 73% lower than H&P conventional rigs.

H&P Crew Turnover - Mobile and FlexRigs* vs. Conventional Rigs
15 Months
Jan. '01 - Mar. '02

[graphic omitted]

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Capture & Use
Organizational Learnings

[graphic omitted]

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graphic shows:

- Maintenance
- Safety
- Environment
- Communications
- Training
- Supply Chain Management

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Apply New Ideas & Technology

[Graphic omitted]

graphic shows:

- V-ICIS eD Controls
- Round Mud Tanks
- Integrated Top Drive
- P-Quip System
- VFD AC Drainworks
- BoP Handling

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Reduce Well Cycle Time

South Texas move times - 1500 HP Rigs

Average days per 40 mile move:

- FlexRigs (257 moves) - 2.4 days
- Conventional (49 moves) - 6.7 days

[graphic omitted]

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Reduce Total Well Cost

[graphic omitted]

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Build The Right Rig
At The Best Value Cost

- o 1997 industry estimate*: \$12.45MM for new 2000HP land rig w/o top drive. Related estimate: \$11MM for new 1500HP land rig w/o top drive.
- o H&P created value in FlexRig: Lower investment and enhanced capabilities

Year	Rig	# Rigs	New Cost (\$MM)	Top Drive
1998	FlexRig1	6	6.7A	No
2001	FlexRig2	12	8.0A	No
2002-3	FlexRig3	25	10.5E	Yes

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* Source: Oil & Gas Journal, 22 September 1997

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Reliability of New Technology

[graphic omitted]

Sources of Improvements

- o Support from H&P field operations
- o Learning curve
- o Varco - H&P collaboration
- o Varco command center using H&P WAN
- o Daily conference call to share organizational learnings
- o Software and hardware upgrades
- o "No Retreat" attitude

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Rig Status as of 20 May 2002

	Rigs Available	Working / Contracted
	-----	-----
U.S. Land, Mobile & FlexRigs(tm)	30	100%
U.S. Land, Conventional	29	72%
U.S. Platform	12	75%
International Land	33	55%
	---	---
Total	104	75%

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Total H&P Rigs Available

	1998	1999	2000	2001	2002E	2003E
Offshore Rigs	11	10	10	10	12	12
Conventional Land Rigs	63	62	61	61	62	62
Mobile & FlexRigs	16	17	17	25	39	54

[graphic omitted]

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EBITDA (\$MM)

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	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
EBITDA	32.889	46.48	52.745	53.762	85.461	114.086	142.1	127.3	118.9	180.8	180.8
Peak Run Rate											

[graphic omitted]