

## **CIMAREX ENERGY CO.**

### **AUDIT COMMITTEE CHARTER (As amended and restated February 25, 2010)**

#### **ORGANIZATION**

The Cimarex Energy Co. (the “Company”) Audit Committee shall be appointed by the Company’s Board of Directors (the “Board”), and shall have at least three members, including a designated chairperson.

#### **QUALIFICATIONS**

- ◆ All members of the Audit Committee shall meet the independence, experience and financial literacy requirements of the New York Stock Exchange, the Sarbanes-Oxley Act of 2002 and any rules or regulations promulgated by the Securities and Exchange Commission (the “SEC”).
- ◆ As required by the New York Stock Exchange, at least one member (who may also be the “financial expert” referred to below) shall have accounting or related financial management expertise.
- ◆ When and as required by the SEC, at least one member of the Audit Committee shall be a “financial expert,” as the SEC defines such term (who may also be the member with accounting or related financial management expertise referred to above).
- ◆ No member of the Audit Committee may simultaneously serve on the audit committee of more than three public companies.

#### **PURPOSE**

The Audit Committee shall assist the Board in monitoring:

- ◆ The integrity of the Company's financial statements;
- ◆ The independent auditors' qualifications and independence;
- ◆ The performance of the Company's internal audit function and independent auditors;
- ◆ The appropriateness of the Company’s accounting policies;

- ◆ The adequacy of the Company's internal controls;
- ◆ The Company's compliance with legal and regulatory requirements related to audit matters; and
- ◆ Risk Oversight.

## **TERM**

Each of the elected members of the Audit Committee shall be elected for a one year term and shall serve until a successor has been duly elected and qualified.

## **RISK OVERSIGHT**

The Audit Committee shall periodically discuss with management and report to the Board the Committee's findings relative to:

- ◆ overall corporate risk including, but not limited to, strategic, business and operational risk exposure;
- ◆ processes the Company has taken to mitigate corporate risks;
- ◆ guidelines and processes pertaining to financial risk assessment;
- ◆ steps management has taken 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.

## **INDEPENDENT AUDITORS AND OTHER AUDIT FUNCTIONS**

The Audit Committee shall:

- ◆ Have sole authority and direct responsibility for the appointment (subject, if applicable, to stockholder ratification), termination, compensation and oversight of the independent auditors (including resolution of disagreements with Company management), and to approve any significant non-audit relationship with the independent auditors (who shall report directly to the Audit Committee);
- ◆ Have sole authority for the terms of the engagement of the independent auditors, including the scope of their audit and qualifications;
- ◆ Periodically review and discuss information necessary to satisfy itself of the

independence of the independent auditors, including ensuring that the independent auditors submit at least annually a formal written statement regarding its relationships and services which may affect independence, including all relationships with the Company;

- ◆ At least annually, obtain and review a report by the independent auditors describing: (i) the firm's internal quality control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
- ◆ Discuss earnings press releases (including any use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies;
- ◆ Meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors;
- ◆ Set clear hiring policies for employees or former employees of the independent auditors;
- ◆ Review with the independent auditors and the Company's management the results of the independent auditors' year-end audit;
- ◆ Review with the independent auditors any audit problems or difficulties that may have been encountered during the performance of its duties and management's response;
- ◆ Review (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements;
- ◆ Receive and review required communications from the independent auditors, who shall report directly to the Audit Committee; and

- ◆ Report regularly to the Board the results of the Audit Committee meetings.

## **MATTERS PERTAINING TO SEC FILINGS**

The Audit Committee shall:

- ◆ Review with the independent auditors and the Company's management the Company's audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and, if satisfied, recommend approval by the Board of the Company's Form 10-K for filing with the SEC;
- ◆ Review the Company's quarterly financial results with the independent auditors and the Company's management, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and, if satisfied, recommend approval by the Board of the Company's Form 10-Q for filing with the SEC;
- ◆ Be responsible for the preparation of the Audit Committee report required by SEC rules to be included in the Company's annual proxy statement; and
- ◆ Receive and review with the Company's management the Company's proxy statement and related materials.

## **LEGAL MATTERS**

The Audit Committee shall review with the Company's General Counsel material litigation, if any, and other legal matters as appropriate. The Audit Committee shall have the authority and appropriate funding (as determined by the Audit Committee) to engage independent counsel and other advisors or consultants as appropriate to carry out its duties.

## **COMPLAINT PROCEDURES**

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including the confidential and anonymous submission of complaints by employees.

## **FEES**

An Audit Committee member may not receive any compensation from the Company other than director's fees.

## **OTHER MATTERS**

In order to carry out its obligations, the Audit Committee has the authority, as it deems necessary, to confer with the Company's independent auditors and officers and employees and to conduct or authorize investigations into any matters within the scope of the Audit Committee's responsibilities.

## **CHARTER REVIEW**

The Audit Committee shall reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall formally present its charter to the Board for approval at least once every three years.

## **ANNUAL PERFORMANCE EVALUATION**

A performance evaluation of the Audit Committee will be conducted annually.

## **SCOPE OF COMMITTEE DUTIES**

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP. This is the responsibility of the Company's management and the independent auditors. Nor is it the duty of the Audit Committee to conduct investigations or to assure compliance with laws and regulations.

## **DISCLOSURE OF CHARTER**

This Charter will be made available on the Company's website at [www.cimarex.com](http://www.cimarex.com).