REFINITIV

DELTA REPORT

10-K

CTRA - COTERRA ENERGY INC.

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	4143
CHANGES	396
DELETIONS	1438
ADDITIONS	2309

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023 December 31, 2024

Commission file number 1-10447

COTERRA ENERGY INC.

(Exact name of registrant as specified in its charter)

Delaware	**04-3072771**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Three Memorial City Plaza,
840 Gessner Road, Suite 1400, Houston, Texas 77024
(Address of principal executive offices including ZIP code)
(281) 589-4600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	CTRA	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of Common Stock, par value $0.10 per share ("Common Stock"), held by non-affiliates as of the last business day of registrant's most recently completed second fiscal quarter (based upon the closing sales price on the New York Stock Exchange on June 30, 2023 June 30, 2024) was approximately $18.8 billion $19.5 billion.

As of February 21, 2024 February 14, 2025, there were 751,847,432 764,151,477 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held May 1, 2024 April 30, 2025 are incorporated by reference into Part III of this report.

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FORWARD-LOOKING INFORMATION

This report includes forward-looking statements within the meaning of federal securities laws. All statements, other than statements of historical fact, included in this report are forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding future financial and operating performance and results, strategic pursuits and goals, market prices, future hedging and risk management activities, timing and amount of capital expenditures and other statements that are not historical facts contained in this report. The words “expect,” “project,” “estimate,” “believe,” “anticipate,” “intend,” “budget,” “plan,” “forecast,” “target,” “predict,” “potential,” “possible,” “may,” “should,” “could,” “would,” “will,” “strategy,” “outlook” and similar expressions are also intended to identify forward-looking statements. We can provide no assurance that the forward-looking statements contained in this report will occur as expected, and actual results may differ materially from those included in this report. Forward-looking statements are based on current expectations and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those included in this report. These risks and uncertainties include, without limitation, the impact of public health crises, including pandemics (such as the coronavirus (“COVID-19”) pandemic) and epidemics and any related company or governmental policies or actions, the availability of cash on hand and other sources of liquidity to fund our capital expenditures, actions by, or disputes among or between, members of OPEC+, market factors, market prices (including geographic basis differentials) of oil and natural gas and the impacts thereof (including downward adjustments to our estimated proved reserves and potential impairment charges), impacts of inflation, labor shortages and economic disruption, including as a result of instability in the banking sector, geopolitical disruptions such as the war in Ukraine or the conflict in the Middle East, or further escalation thereof, results of future drilling and marketing activities, future production and costs, legislative and regulatory initiatives, electronic, cyber or physical security breaches, the impact of public health crises, including pandemics and epidemics and any related company or governmental policies or actions, and other factors detailed herein and in our other Securities and Exchange Commission (“SEC”) SEC filings. Additional important risks, uncertainties and other factors are described in “Risk Factors” in Part I. Item 1A of this report. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Except to the extent required by applicable law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

Investors should note that we announce material financial information in SEC filings, press releases and public conference calls. Based on guidance from the SEC, we may use the Investors section of our website (www.coterra.com) to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on our website is not part of, and is not incorporated into, this report.

GLOSSARY OF CERTAIN OIL AND GAS TERMS

The following are abbreviations and definitions of certain terms commonly used in the oil and gas industry and included within this Annual Report on Form 10-K:

Bbl. One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil or other liquid hydrocarbons.

Bcf. One billion cubic feet of natural gas.

Boe. Barrels of oil equivalent.

Btu. British thermal units, a measure of heating value.

DD&A. Depletion, depreciation and amortization.

Development well. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

EHS. Environmental, health and safety.

ESG. Environmental, social and governance.

Exploratory well. A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir. Generally, a well that is not a development well, a service well, or a stratigraphic test well.

G&A. General and administrative.

GAAP. Accounting principles generally accepted in the U.S.

GHG. Greenhouse gas.

Hydraulic fracturing. A technology involving the injection of fluids, which typically include small amounts of several chemical additives and sand, into a wellbore under high pressure in order to create fractures in the formation that allow oil or natural gas to flow more freely to the wellbore.

MBbl. One thousand barrels of oil or other liquid hydrocarbons.

MBoe. One thousand barrels of oil equivalent.

Mcf. One thousand cubic feet of natural gas.

MMBbl. One million barrels of oil or other liquid hydrocarbons.

MMBoe. One million barrels of oil equivalent.

MMBtu. One million British thermal units.

MMcf. One million cubic feet of natural gas.

Net Acres or Net Wells. The sum of the fractional working interest owned in gross acres or gross wells expressed in whole numbers and fractions of whole numbers.

Net Production. Gross production multiplied by net revenue interest.

NGLs. Natural gas liquids.

NYMEX. New York Mercantile Exchange.

NYSE. New York Stock Exchange.

OPEC+. Organization of Petroleum Exporting Countries and other oil exporting nations.

Primary term. The initial time period of an oil and gas lease during which the lessee has the option, but not the obligation, to drill an oil or gas well.

Proved developed reserves. Reserves that can be expected to be recovered: (1) through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and (2) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Proved reserves. Those quantities, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions and operating methods prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based on future conditions.

Proved undeveloped reserves. Reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as having proved undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. Under no circumstances shall estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

PUD. Proved undeveloped.

SEC. Securities and Exchange Commission.

Tcf. One trillion cubic feet of natural gas.

Transco Leidy. Transco-Leidy Line Receipts index price as published by S&P Global Platts in their Inside FERC's Gas Market Report.

Transco Zone 6 Non-NY. Transco Zone 6 Non-NY index price as published by S&P Global Platts in their Inside FERC's Gas Market Report.

U.S. United States.

WTI. West Texas Intermediate, a light sweet blend of oil produced from fields in western Texas and is a grade of oil used as a benchmark in oil pricing.

WTI Midland. WTI Midland Index price as quoted by Argus Americas Crude.

Energy equivalent is determined using the ratio of one barrel of crude oil, condensate or NGL to six Mcf of natural gas.

PART I

ITEMS 1 and 2. BUSINESS AND PROPERTIES

Coterra Energy Inc. ("Coterra," the "Company," "our," "we" and "us") is an independent oil and gas company engaged in the development, exploration and production of oil, natural gas and NGLs. Our assets are concentrated in areas with known hydrocarbon resources, which are conducive to multi-well, repeatable development programs. We operate in one segment, oil and natural gas development, exploration and production, in the continental U.S.

Our headquarters is located in Houston, Texas. We also maintain regional offices in Midland, Texas, Pittsburgh, Pennsylvania, Midland, Texas, and Tulsa, Oklahoma, as well as field offices near our operations.

STRATEGY

Coterra is a premier U.S.-focused exploration and production company. We embrace innovation, technology and data, as we work to create value for our investors and the communities where we operate. We believe the following strategic priorities will help drive value creation and long-term success.

Generate Sustainable Returns. Our premier assets across multiple basins provide commodity diversification and strong cash flow generation defensive positioning through the commodity price cycles that, combined with our disciplined capital investment, give us confidence in our ability to provide returns to our stockholders that we believe to be sustainable. Demonstrating our continued confidence in our business model, since Over the consummation of the merger with Cimarex Energy Co. ("Cimarex") through December 31, 2023, past three years, we have increased our annual base dividend $0.36 $0.24 per share, or 82 40 percent, on our common stock to $0.80 $0.84 per share and have returned over $3.5 billion to stockholders through dividends. In Demonstrating our continued confidence in our business model, in February 2024, 2025, our Board of Directors increased our annual base dividend to $0.84 $0.88 per share. Since During 2024, we also repurchased 17 million shares of our initial share repurchase program, which began in early 2022, we have repurchased 65 million shares common stock for $1.7 billion $464 million, at a weighted average share price of $25.75 $26.35 per share. As of December 31, 2023, we had $1.6 billion remaining on share under our current $2.0 billion share repurchase program. In total, since the consummation of the merger with Cimarex, we have returned $5.2 billion to stockholders through dividends and share repurchases program, and have retired $874 million of debt. $1.1 billion available for future repurchases. We remain committed to returning 50 percent or more of our annual free cash flow to our stockholders through dividends and our share repurchase program, while maintaining our industry-leading top-tier balance sheet.

Disciplined Capital Allocation Across Top-Tier Position. Our asset portfolio offers scale, capital duration, commodity optionality and low break-even resilient investment options. returns. We anticipate our drilling inventory will be developed over the next 15 20 to 20 30 years. We are committed to maintaining a disciplined capital investment strategy and using technology and innovation to maximize capital efficiency and create value for stockholders. With operations in the Permian Basin, Marcellus Shale and Anadarko Basin, our asset portfolio is both commodity and geographically diversified, allowing for capital allocation flexibility that may prove opportunistic in navigating commodity price cycles. During 2023 2024 and 2022, 2023, we invested 57 63 percent and 31 57 percent, respectively, of our cash flow from operations in our drilling program, capital programs, and in 2024 2025 we expect to invest approximately 50 percent of our estimated cash flow from operations, based on recent strip prices. prices, including future expenses related to our recently completed acquisitions. We are committed to maintaining a disciplined capital investment strategy to maximize capital efficiency and create value for stockholders.

Maintain Financial Strength. Maintaining an industry-leading a top-tier balance sheet with significant financial flexibility is imperative in a cyclical industry exposed to commodity price volatility. Our asset base, revenue diversity, low-cost structure and strong balance sheet provide us with the flexibility to thrive across various commodity price environments. With At year-end 2024, we had a year-end 2023 $2.0 billion cash balance, of $956 million and $1.5 billion $2.0 billion of unused commitments under our revolving credit agreement we believe we are well positioned and a $1.0 billion undrawn term loan, successfully positioning us to maintain fund the FME and Avant acquisitions that closed in January 2025 while maintaining our balance sheet strength. In January 2025, we borrowed $1.0 billion under the term loan to partially fund the closing of the FME and Avant acquisitions. For additional information refer to “Acquisitions” below, “Liquidity and Capital Resources” in Item 7, and Note 2 and Note 4 of the Notes to the Consolidated Financial Statements “Acquisitions” and “Long-Term Debt and Credit Agreements”.

Focus on Safe, Responsible and Sustainable Operations. Responsible development of oil and natural gas resources provides opportunity for a bright future, one built through technology and innovation that offers prosperity for communities around the world. Our focus on operational excellence is based on making our operations more environmentally and socially sustainable. We actively implement technology across our operations from the design phase to equipment improvements to limit our methane emissions and flaring activity. Safety The safety of our employees and contractors is paramount. the cornerstone of our focus on operational excellence. We empower all employees and contractors to utilize our Stop Work Authority program, which allows them to stop any work at any time if they are uncomfortable, discover a dangerous condition, or suspect any other EHS hazard. We are also focused on making our operations more environmentally sustainable by actively implementing technology across our operations from the design phase to equipment improvements to limit our methane emissions and flaring activity. We focus on practical and sustainable environmental initiatives that promote efficient use of fresh and produced water, eliminate or mitigate releases, and minimize land surface impact. We are committed to being responsible stewards of our resources and implementing sustainable practices. We have published our 2023 2024 Sustainability Report, which includes more information related to our sustainability practices, on our website at www.coterra.com. The information on our website is not part of, and is not incorporated into, this Annual Report on Form 10-K or any other report we may file with or furnish to the SEC (and is not deemed filed herewith), whether before or after the date of this Annual Report on Form 10-K and irrespective of any general incorporation language therein.

2024 2025 OUTLOOK

Our 2024 2025 full year capital program is expected to be in the range of approximately $1.75 billion $2.1 billion to $1.95 $2.4 billion, a decrease an increase of 12 28 percent (at the mid-point) from $2.1 billion $1.8 billion in 2023. 2024. The increase in our budgeted capital program was primarily driven by incremental capital expenditures associated with our January 2025 FME and Avant acquisitions, which increased our anticipated expenditures in the Permian Basin. We expect to fund our 2025 capital expenditures with our operating cash flow. We turned in line 153.0 net wells in 2024 and expect to turn-in-line 132 175 to 158 205 total net wells in 2024 2025 across our three core operating areas. regions. Approximately 60 70 percent of our drilling and completion capital expenditures will be invested in the Permian Basin, 23 11 percent in the Marcellus Shale, and 17 10 percent in the Anadarko Basin (at the mid-point). and remaining nine percent for gathering systems infrastructure, saltwater disposal and other spend.

DESCRIPTION OF PROPERTIES

Our operations are primarily concentrated in In 2025, we expect to average approximately 11 drilling rigs and three core completion crews operating areas—the Permian Basin in west Texas and southeast New Mexico, the Marcellus Shale in northeast Pennsylvania and the Anadarko Basin in the Mid-Continent region in Oklahoma.

Permian Basin

Our properties are principally located in the western half of the Permian Basin where we currently hold approximately 296,000 net acres in our core operating area in the Delaware Basin. Our development activities are primarily focused on the Wolfcamp Shale and the Bone Spring formation in Culberson and Reeves Counties in Texas and Lea and Eddy Counties in New Mexico. Our 2023 net production from the Permian Basin was 233 MBoe per day, representing 35 percent of our total equivalent production for the year. Net oil production in 2023 averaged 90 MBbl per day, representing 93 percent of our total company oil production. As of December 31, 2023, we had a total of 1,083.0 producing net wells in the Permian Basin, one drilling rig and one half of which approximately 89 percent are operated by us.

During 2023, we invested $970 million in the Permian Basin, and had seven drilling rigs a completion crew operating at year end.

Marcellus Shale

Our properties are principally located in Susquehanna County, Pennsylvania, where we currently hold approximately 186,000 net acres in the dry gas window of the Marcellus Shale. Our 2023 net production in the Marcellus Shale was 377 MBoe per day, representing 57 percent of our total equivalent production for the year. Net natural gas production in 2023 averaged 2,263 MMcf per day, representing 78 percent of our total natural gas production. As of December 31, 2023, we had a total of 1,108.2 producing net wells in the Marcellus Shale, of which approximately 99 percent are operated by us.

During 2023, we invested $912 million in the Marcellus Shale, and had two one and one half drilling rigs operating at year end.

Anadarko Basin

Our properties are located in the Mid-Continent region in Oklahoma where we currently hold approximately 182,000 net acres. Our development activities are primarily focused on both the Woodford Shale and the Meramec formations. Our 2023 net production one half of a completion crew operating in the Anadarko Basin was 56 MBoe per day, representing eight percent Basin.

In the normal course of our total equivalent production for business, we will continue to assess the year. As of December 31, 2023, we had a total of 509.9 producing net wells in the Anadarko Basin, of which approximately 61 percent are operated by us.

During 2023, we invested $158 million in the Anadarko Basin and had one rig operating at year end.

Other Properties

Ancillary to our exploration, development and production operations, we operate a number of natural gas gathering and saltwater gathering and disposal systems. The majority of this infrastructure is located in Texas and directly supports our Permian Basin operations. Our gathering systems enable us to connect new wells quickly and to transport natural gas from the wellhead directly to interstate and intrastate pipelines oil and natural gas processing facilities price macro environments and to transport produced water to new wells for re-use in completions activities and to disposal facilities. In addition, we can engage in development drilling without relying on third parties to transport may adjust our natural gas or produced water and while incurring only the incremental costs of pipeline and compressor additions to our system. capital allocation accordingly.

ACQUISITIONS

Franklin Mountain Energy ("FME") Acquisition

In January 2025, we closed on our acquisition of all of the issued and outstanding equity ownership interests of a group of privately owned oil and gas exploration and production companies with assets and operations in the Delaware Basin of New Mexico (the "FME Interests") for total consideration of $2.5 billion, subject to certain post-closing adjustments, which included $1.7 billion of cash and the issuance of 28,190,682 shares of our common stock.

Avant Acquisition

In January 2025, we closed on the acquisition of certain interests in oil and gas properties located in the Delaware Basin in New Mexico from certain privately owned sellers for total cash consideration of $1.5 billion, subject to certain post-closing adjustments.

Cimarex Merger

On October 1, 2021, we completed a merger transaction (the "Merger") with Cimarex. Cimarex Energy Co. (now known as Coterra Energy Operating Co, or "Cimarex"). Cimarex is an oil and gas exploration and production company with operations in Texas, New Mexico and Oklahoma. Under the terms of the merger agreement relating to the Merger (the "Merger Agreement"), and subject to certain exceptions specified in the Merger Agreement, each eligible share of Cimarex common stock was converted into the right to receive 4.0146 shares of our common stock at closing. As a result of the completion of the Merger, we issued approximately 408.2 million shares of common stock to Cimarex stockholders (excluding shares that were awarded in replacement of certain previously outstanding Cimarex restricted share awards). Additionally,

DESCRIPTION OF PROPERTIES

Our operations are primarily concentrated in three core operating areas—the Permian Basin in west Texas and southeast New Mexico, the Marcellus Shale in northeast Pennsylvania and the Anadarko Basin in the Mid-Continent region in Oklahoma.

Permian Basin

Our properties are principally located in the western half of the Permian Basin where we currently hold approximately 297,000 net acres in our core operating area in the Delaware Basin. Our development activities are primarily focused on October 1, 2021 the Wolfcamp Shale and the Bone Spring formation in Culberson and Reeves Counties in Texas and Lea and Eddy Counties in New Mexico. Our 2024 net production from the Permian Basin was 262 MBoe per day, representing 39 percent of our total equivalent production for the year. Net oil production in 2024 averaged 101 MBbl per day, representing 93 percent of our total company oil production. As of December 31, 2024, we changed our name to Coterra Energy Inc. had a total of 1,162.6 producing net wells in the Permian Basin, of which approximately 90 percent are operated by us.

During 2024, we invested $1,057 million of drilling and completion capital and had nine drilling rigs and three completion crews operating in the Permian Basin at year end.

Operational information set forth in this Annual Report on Form 10-K does not include In January 2025, we completed the activity of Cimarex for periods prior to FME and Avant acquisitions. With the completion of these acquisitions, we added approximately 49,000 net acres in the Merger. Delaware Basin in Lea County, New Mexico and 290.7 producing net wells to our portfolio.

Marcellus Shale

Our properties are principally located in Susquehanna County, Pennsylvania, where we currently hold approximately 186,000 net acres in the dry gas window of the Marcellus Shale. Our 2024 net production in the Marcellus Shale was 350 MBoe per day, representing 52 percent of our total equivalent production for the year. Net natural gas production in 2024 averaged 2,099 MMcf per day, representing 75 percent of our total natural gas production. As of December 31, 2024, we had a total of 1,135.1 producing net wells in the Marcellus Shale, of which over 99 percent are operated by us.

During 2024, we invested $304 million of drilling and completion capital and had no drilling rigs or completion crews operating in the Marcellus Shale at year end.

Anadarko Basin

Our properties are located in the Mid-Continent region in Oklahoma where we currently hold approximately 181,000 net acres. Our development activities are primarily focused on both the Woodford Shale and the Meramec formations. Our 2024 net production in the Anadarko Basin was 64 MBoe per day, representing nine percent of our total equivalent production for the year. As of December 31, 2024, we had a total of 527.2 producing net wells in the Anadarko Basin, of which approximately 62 percent are operated by us.

During 2024, we invested $289 million of drilling and completion capital and had one drilling rig and no completion crews operating in the Anadarko Basin at year end.

Other Properties

Ancillary to our exploration, development and production operations, we operate a number of natural gas gathering and saltwater gathering and disposal systems. The majority of this infrastructure is located in Texas and directly supports our Permian Basin operations. Our gathering systems enable us to connect new wells quickly and to transport natural gas from the wellhead directly to interstate and intrastate pipelines and natural gas processing facilities and to transport produced water to new wells for re-use in completions activities and to disposal facilities. In addition, we can engage in development drilling without relying on third parties to transport our natural gas or produced water and while incurring only the incremental costs of pipeline and compressor additions to our system.

During 2024, we invested $103 million in our gathering systems infrastructure, saltwater disposal, and other items not directly related to drilling and completion activities.

MARKETING

Substantially all of our oil and natural gas production is sold under both long-term and short-term sales contracts at market-sensitive prices. We sell oil, natural gas and NGLs to a broad portfolio of domestic and international customers, including industrial customers, local distribution companies, oil and gas marketers, major energy companies, pipeline companies and power generation facilities.

We also incur gathering and transportation expenses when we move our oil and natural gas production from wellhead markets to other downstream markets.

To date, we have not experienced significant difficulty in transporting or marketing our production as it becomes available; however, there is no assurance that we will always be able to transport and market all of our production.

Delivery Commitments

We have entered into various firm sales contracts to deliver and sell natural gas. We believe we will have sufficient production quantities to meet our commitments, but we may be required to purchase natural gas from third parties to satisfy shortfalls, should they occur.

A summary of our firm sales commitments as of December 31, 2023 December 31, 2024 are set forth in the table below:

		Natural Gas (in Bcf)
2024		
Year Ending December 31,	Natural Gas (in Bcf)	
2025		
2026		
2027		
2028		
2029		

We utilize part of our firm transportation capacity to deliver natural gas under the majority of these firm sales contracts and have entered into numerous agreements for transportation of our production. Some of these contracts have volumetric requirements that could result in monetary shortfall penalties if our production is inadequate to meet such requirements. However, we do not anticipate incurring any penalties based on our current proved reserves and production levels from which we can fulfill these obligations.

RISK MANAGEMENT

We use derivative financial instruments to manage price risk associated with our production. Please read “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Quantitative and Qualitative Disclosures about Market Risk” and Note 5 of the Notes to the Consolidated Financial Statements, “Derivative Instruments” for further discussion related to our use of derivatives.

PROVED OIL AND GAS RESERVES

The following table presents our estimated proved reserves by commodity as of the dates indicated:

		December 31,			December 31,		
		2023	2022	2021	2024	2023	2022
Oil (MBbl)							
Proved developed reserves							
Proved developed reserves							
Proved developed reserves							
Proved undeveloped reserves							
	249,213						

	269,995
Natural Gas (Bcf)	
Proved developed reserves	
Proved developed reserves	
Proved developed reserves	
Proved undeveloped reserves	
	10,525
	9,834
NGLs (MBbl)	
Proved developed reserves	
Proved developed reserves	
Proved developed reserves	
Proved undeveloped reserves	
	317,456
	361,777
Oil equivalent (MBoe)	
Oil equivalent (MBoe)	
Oil equivalent (MBoe)	

At December 31, 2023 December 31, 2024, our interests in the Dimock field, which is primarily located in Susquehanna County, Pennsylvania in the Marcellus Shale account for approximately 60 55 percent of our total proved reserves. reserves, on a volumetric basis. There are no other fields which represent 15 percent or more of our total proved reserves.

For additional information regarding estimates of our net proved and proved undeveloped reserves, the qualifications of the preparers of our reserves estimates, the evaluation of such estimates by our independent petroleum consultants, our processes and controls with respect to our reserves estimates and other information about our reserves, including the risks inherent in our estimates of proved reserves, refer to the Supplemental Oil and Gas Information included in Item 8 and “Risk Factors—Business and Operational Risks—Our proved reserves are estimates. Any material inaccuracies in our reserves estimates or underlying assumptions could cause the quantities and net present value of our reserves to be overstated or understated” in Item 1A.

PRODUCTION, SALES PRICE AND PRODUCTION COSTS

The following table presents historical information about our total and average daily production volumes for oil, natural gas and NGLs; average oil, natural gas and NGL sales prices; and average production costs per oil equivalent:

		Year Ended December 31,						
		2023	2022	2021 (1)				
		2024	2023	2022				
Production Volumes								
Oil (MBbl)								
Oil (MBbl)								
Oil (MBbl)								
Natural gas (Bcf)	Natural gas (Bcf)	1,053	1,024	911	Natural gas (Bcf)	1,025	1,053	1,024
NGL (MBbl)								
Equivalents (MBoe)	Equivalents (MBoe)	243,497	231,342	167,113	Equivalents (MBoe)	247,589	243,497	231,342
Average Daily Production Volumes								
Average Daily Production Volumes								
Average Daily Production Volumes								
Oil (MBbl)								
Oil (MBbl)								
Oil (MBbl)								
Natural gas (MMcf)								
NGL (MBbl)	NGL (MBbl)	90	79	77	NGL (MBbl)	101	90	79
Equivalents (MBoe)								
Average Sales Price								

Average Sales Price
Average Sales Price
Excluding Derivative Settlements
Excluding Derivative Settlements
Excluding Derivative Settlements
Oil ($/Bbl)
Oil ($/Bbl)
Oil ($/Bbl)
Natural gas ($/Mcf)
NGL ($/Bbl)
Including Derivative Settlements
Oil ($/Bbl)
Oil ($/Bbl)
Oil ($/Bbl)
Natural gas ($/Mcf)
NGL ($/Bbl)
Average Production Costs ($/Boe)
Average Production Costs ($/Boe)
Average Production Costs ($/Boe)

(1) On October 1, 2021, we completed the Merger. The production information presented in this table includes Cimarex production for the period subsequent to that date.

The following table presents historical information about our total and average daily natural gas production volumes associated with our interests in the Dimock field. There was no oil or NGL production associated with our interests in the Dimock field.

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Production Volumes			
Natural gas (Bcf)			
Natural gas (Bcf)			
Natural gas (Bcf)			
Equivalents (MBoe)			
Equivalents (MBoe)			
Equivalents (MBoe)			
Average Daily Production Volumes			
Average Daily Production Volumes			
Average Daily Production Volumes			
Natural gas (MMcf)			
Natural gas (MMcf)			
Natural gas (MMcf)			
Equivalents (MBoe)			
Equivalents (MBoe)			
Equivalents (MBoe)			

ACREAGE

Our interest in both developed and undeveloped properties is primarily in the form of leasehold interests held under oil and gas mineral leases. These leases provide us the right to develop oil and natural gas on the properties. Their primary terms generally range in length from approximately three to 10 years, and, these leases generally are held once a successful well is drilled, they typically then continue for longer periods once production is established. the economic life of the well holding such lease.

The following table summarizes our gross and net developed and undeveloped leasehold acreage at December 31, 2023 December 31, 2024:

Acreage					
Developed	Undeveloped	Total	Developed	Undeveloped	Total

		Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Core Acreage													
Permian Basin													
Permian Basin													
Permian Basin													
New Mexico (1)													
New Mexico (1)													
New Mexico (1)													
Texas													
	346,290												
	346,557												
Marcellus Shale													
Pennsylvania													
Pennsylvania													
Pennsylvania													
Anadarko Basin													
Anadarko Basin													
Anadarko Basin													
Oklahoma													
Oklahoma													
Oklahoma													
Noncore Acreage (2)													
Noncore Acreage (2)													
Noncore Acreage (2)													
Arizona													
Arizona													
Arizona													
California													
Nevada													
Nevada													
Nevada													
New Mexico													
Pennsylvania													
Pennsylvania													
Pennsylvania													
West Virginia													
West Virginia													
West Virginia													
Other													
Other													
Other													
	157,015												
	996,610												
	1,003,342												

(1) *Acreage does not include the acreage acquired from the FME and Avant acquisitions that closed in January 2025.*

(2) *Includes acreage outside of our three core operating areas. This acreage is located in the states of Arizona, California, Nevada, New Mexico, Pennsylvania, West Virginia, and various other states. As of December 31, 2024, there is no value ascribed to this acreage, and there are no plans to develop this acreage in the near term.*

Total Net Undeveloped Acreage Expiration

The table below summarizes by year and operating area our undeveloped acreage expirations in the next three years. years as of December 31, 2024. In most cases, the drilling of a commercial well will hold the acreage beyond the expiration.

	Acreage													
		2024		2025		2026								
		2025		2026		2027								
	Gross	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Core Acreage														
Permian Basin														
Permian Basin														
Permian Basin														
Marcellus Shale														
Anadarko Basin														
Noncore Acreage														
	3,214													
	3,289													

Expiring acreage in our core operating areas in 2024, 2025, 2026 and 2026 2027 represents less than one percent of our total undeveloped acreage. At December 31, 2023 December 31, 2024, we had no PUD reserves recorded on undeveloped acreage that were scheduled for development beyond the expiration dates of the undeveloped acreage or outside of our core operating area. The summary above does not include the acreage acquired from the FME and Avant acquisitions that closed in January 2025.

WELL SUMMARY

The following table presents our ownership in productive oil and natural gas wells at December 31, 2023 December 31, 2024. This summary includes oil and natural gas wells in which we have a working interest:

	Gross	Net	Gross	Net
Natural Gas				
Oil				
Total(1)				

(1) Total percentage of gross and net operated wells is 49 50 percent and 88 percent, respectively.

The well summary above does not include wells acquired from the FME and Avant acquisitions that closed in January 2025.

DRILLING ACTIVITY

The table below presents wells that we drilled and completed or in which we participated in the drilling and completion. This information should not be considered indicative of future performance, nor should a correlation be assumed as a result of the number of productive wells drilled, the quantities of reserves found or the economic value.

	Year Ended December 31,						Year Ended December 31,					
	2023		2022		2021		2024		2023		2022	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Development Wells												
Productive												
Productive												
Productive												
Dry												
Total												
Total												
Exploratory Wells												
Productive												
Productive												
Productive												
Dry												
Total												

Acquired Wells

Acquired Wells

Acquired Wells

During the year ended December 31, 2023 December 31, 2024, we completed 98 92 gross wells (62.7 (62.8 net) that were drilled in prior years.

The following table sets forth information about wells for which drilling was in progress or which were drilled but uncompleted at December 31, 2023 December 31, 2024, which are not included in the above table:

	Drilling In Progress		Drilling In Progress		Drilled But Uncompleted	Drilling In Progress		Drilled But Uncompleted	
	Gross	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Development wells									
Exploratory wells									
Total									

OTHER BUSINESS MATTERS

Title to Properties

We believe that we have satisfactory title to all of our producing properties and leases in accordance with generally accepted industry standards. Individual properties may be subject to burdens such as royalty, overriding royalty, carried, net profits, working and other outstanding interests customary in the industry. In addition, interests may be subject to obligations or duties under applicable laws or burdens such as production payments, ordinary course liens incidental to operating agreements and for current taxes or development obligations under oil and gas leases. As is customary in the industry in the case of undeveloped properties, we conduct preliminary investigations of record title at the time of lease acquisition. We conduct more complete investigations prior to the consummation of an acquisition of producing properties and before commencement of drilling operations on undeveloped properties.

Competition

The oil and gas industry is highly competitive, and we experience strong competition where in the areas in which we operate. We primarily compete with integrated, independent and other energy companies for the sale and transportation of our oil and natural gas production to pipelines, marketing companies and end users. Many of these competitors have greater financial, technical and personnel resources and exploration and development budgets than we have. The effect of these competitive factors cannot be predicted.

Price, contract terms, availability of rigs and completion crews and related equipment and quality of service, including infrastructure availability and pipeline connection times, distribution efficiencies and reliable delivery record affect competition. For example, constrained pipeline capacity and oversupply in certain geographic areas in 2024 resulted in negative spot market pricing at times for natural gas, such as in the Permian Basin at the Waha Hub. We believe that our concentrated acreage positions and our access to both third-party and Company-owned gathering and pipeline infrastructure in our core operating areas, along with our expected activity level and the related services and equipment that we have secured for the upcoming years, enhance our competitive position.

Major Customers

During the year ended December 31, 2024, two customers accounted for approximately 21 percent and 19 percent of our total sales. During the year ended December 31, 2023, two customers accounted for approximately 19 percent and 17 percent of our total sales. During the year ended December 31, 2022, two customers accounted for approximately 13 percent and 11 percent of our total sales.

If any one of our major customers were to stop purchasing our production, we believe there are other purchasers to whom we could sell our production. If multiple significant customers were to stop purchasing our production, we expect to have sufficient alternative markets to handle any sales disruptions despite any initial disruptions that may occur.

We regularly monitor the creditworthiness of our customers and may require parent company guarantees, letters of credit or prepayments when necessary. Historically, losses associated with uncollectible receivables have not been significant.

Regulation of Oil and Natural Gas Exploration and Production

Exploration and production operations are subject to various types of regulation at the federal, state and local levels. These regulations include requiring permits to drill wells, maintaining bonding requirements to drill or operate wells, regulating the location of wells, the method of drilling and casing wells, the surface use and restoration of properties on which wells are drilled and the plugging and abandoning of wells. Our operations are also subject to various conservation laws and regulations. These include the regulation of the size of drilling and spacing units or proration units, the density of wells that may be drilled and the unitization or pooling of oil and gas properties. Some states allow the forced pooling or integration of tracts to facilitate exploration while other states rely on voluntary pooling of lands and leases. In addition, state conservation laws establish maximum rates of production from oil and natural gas wells, generally prohibit the venting or flaring of natural gas and impose certain requirements regarding the ratability of production. The laws and regulations limit the amounts of oil and natural gas we can produce from our wells as well as the number of wells, and the locations where, we can drill. Because these laws and regulations are often amended, expanded and reinterpreted, we are unable to predict the future cost or impact of regulatory compliance. The regulatory burden on the oil and gas industry often increases the cost of doing business and, consequently, affects our profitability. These laws and regulations, however, do not affect us differently than others in the industry.

Regulation of Natural Gas Marketing, Gathering and Transportation

Federal legislation and regulatory controls have historically affected the price of the natural gas we produce and the manner in which our production is transported and marketed. Under the U.S. Natural Gas Act of 1938 (the “NGA”), the U.S. Natural Gas Policy Act of 1978 (the “NGPA”) and the regulations promulgated under those statutes, the U.S. Federal Energy Regulatory Commission (the “FERC”) regulates the interstate sale for resale of natural gas and the transportation of natural gas in interstate commerce, although facilities used in the production or gathering of natural gas in interstate commerce are generally exempted from FERC jurisdiction. Effective beginning in January 1993, the Natural Gas Wellhead Decontrol Act deregulated However, natural gas prices for all “first sales” of natural gas, which definition covers all sales of our own production. production, are not subject to price regulation. In addition, as part of the broad industry restructuring initiatives described below, the FERC granted to all producers such as us a “blanket certificate of public convenience and necessity” authorizing the sale of natural gas for resale without further FERC approvals. As a result of this policy, all of our produced natural gas is sold at market prices, subject to the terms of any private contracts that may be in effect. Under the provisions of the Energy Policy Act of 2005 (“2005 Act”), the NGA was amended to prohibit any forms of market manipulation in connection with the purchase or sale of natural gas. Pursuant to the

2005 Act, the FERC established regulations intended to increase natural gas pricing transparency by, among other things, requiring market participants to report their gas sales transactions annually to the FERC. The 2005 Act also significantly increased the penalties for violations of the NGA and NGPA and the FERC’s regulations thereunder up to $1 million per day per violation. This maximum penalty authority established by statute has been and will continue to be adjusted periodically for inflation. regulations. The current maximum penalty is approximately $1.5 million $1.6 million per day per violation. In 2010, the FERC issued Penalty Guidelines for the determination of civil penalties and procedure under its enforcement program.

Under the NGPA, natural gas gathering facilities are expressly exempt from FERC jurisdiction. What constitutes “gathering” under the NGPA has evolved through FERC decisions and judicial review of such decisions. We believe that our gathering and production facilities meet the test for non-jurisdictional “gathering” systems under the NGPA and that our facilities are not subject to federal regulations. Although exempt from FERC oversight, our natural gas gathering systems and services may receive regulatory scrutiny by state and federal agencies regarding the safety and operating aspects of the transportation and storage activities of these facilities.

Our natural gas sales prices continue to be affected by intrastate and interstate gas transportation regulation because the cost of transporting the natural gas once sold to the consuming market is a factor in the prices we receive. Beginning with Order No. 436 in 1985 The rates and continuing through Order No. 636 in 1992 and Order No. 637 in 2000, the FERC has adopted a series of rule makings that have significantly altered the terms for access to natural gas pipeline transportation and marketing of natural gas. These changes were intended by the FERC services are subject to foster competition by, extensive regulation. The FERC’s regulations require, among other things, requiring that interstate natural gas pipelines provide firm and interruptible transportation service on an unbundled, open access, and non-discriminatory basis, provide internet access to current information about available pipeline companies capacity and other relevant information, and permit pipeline shippers under certain circumstances to separate their wholesale gas marketing business from their gas release contracted transportation business and storage capacity to other shippers, thereby creating secondary markets for such services. The rates for such transportation and storage services are subject to the FERC’s ratemaking authority, and the FERC exercises its authority by increasing applying cost-of-service principles to limit the transparency maximum and minimum levels of pricing tariff-based recourse rates. However, it also allows for pipeline the negotiated rates as an alternative to cost-based rates and may grant market-based rates in certain circumstances, typically with respect to storage services. The FERC has regulations also established regulations governing the relationship of restrict interstate natural gas pipelines from sharing transportation or customer information with their marketing affiliates which essentially and require that designated employees the transmission function personnel of interstate natural gas pipelines operate independently of each other and that certain information not be shared. The FERC has also implemented standards relating to the use of electronic data exchange by the pipelines to make transportation information available on a timely basis and to enable transactions to occur on a purely electronic basis.

In light of these statutory and regulatory changes, most pipelines have divested their natural gas sales functions to marketing affiliates, which operate separately from the transporter and in direct competition with all other merchants. Most pipelines have also implemented the large-scale divestiture of their natural gas gathering facilities to affiliated or non-affiliated companies. Interstate pipelines are required to provide unbundled, open and nondiscriminatory transportation and transportation-related services to producers, gas marketing companies, local distribution companies, industrial end users and other customers seeking such services. As a result function personnel of the FERC requiring natural gas pipeline companies to separate marketing and transportation services, sellers and buyers of natural gas have gained direct access to pipeline transportation services, and are better able to conduct business with a larger number of counterparties. We believe these changes generally have improved our access to markets while, at the same time, substantially increasing competition in the natural gas marketplace. or its affiliates. We cannot predict what new or different regulations the FERC and other regulatory agencies may adopt, or what effect subsequent regulations may have on our activities. Similarly, we cannot predict what proposals, if any, that affect the oil and natural gas industry might actually be enacted by the U.S. Congress or the various state legislatures and what effect, if any, such proposals might have on us. Further, we cannot predict whether the recent trend toward federal deregulation of the natural gas industry will continue or what effect future policies will have on our sale of gas.

Federal Regulation of Swap Transactions

We use derivative financial instruments such as collar, swap and basis swap agreements to attempt to manage price risk due to the impact of changes in commodity prices on our operating results and cash flows. The Commodity Exchange Act provides the U.S. Commodity Futures Trading Commission (the “CFTC”) with jurisdiction to regulate the over-the-counter (“OTC”) derivatives market (which includes the sorts of financial instruments we use) and participants in that market. We endeavor to ensure that our OTC derivatives transactions comply with applicable CFTC regulations. Although the CFTC does not currently require the clearing of OTC commodity derivatives transactions of the types that we use, we believe that our use of swaps to hedge against changes in commodity prices qualifies us as a commercial end-user, which would exempt us from a future requirements to centrally clear our commodity swaps. Nevertheless, future changes in CFTC regulations could increase the cost of entering into derivative contracts, limit the availability of derivatives to protect against risks that we encounter, reduce our ability to monetize or restructure our existing derivative contracts and increase our exposure to less creditworthy counterparties. If we reduce our use of swaps, our results of operations may become more volatile and our cash flows may be less predictable.

Federal Regulation of Petroleum

Sales of crude oil and NGLs are not regulated and are made at market prices. However, the price received from the sale of these products is affected by the cost of transporting the products to market. Much of that transportation is through interstate common carrier pipelines, which are regulated by the FERC under the Interstate Commerce Act (“ICA”). The FERC requires that pipelines regulated under the ICA file tariffs setting forth the rates and terms and conditions of service and that such service not be unduly discriminatory or preferential.

Effective January 1, 1995, the FERC implemented The FERC’s regulations generally grandfathering all previously approved interstate transportation rates and establishing provide for an indexing system for those ICA-regulated rates by which the carrier makes annual adjustments are made annually based on the rate of inflation, subject to certain maximum ceiling and other conditions and limitations. These regulations adjustments may increase or decrease the cost of transporting crude oil and NGLs by interstate pipeline. Every five years, the FERC must examine the relationship between the annual change in the applicable index and the actual cost changes experienced in the oil pipeline industry. In December 2015, to implement this required five-year redetermination, the FERC established an upward adjustment in the index to track oil pipeline cost changes and determined that the Producer Price Index for Finished Goods plus 1.23 percent should be the oil pricing index for the five-year period beginning July 1, 2016. In 2020, the FERC concluded its five-year index review to establish established the new adder for calculating the ceiling for crude oil and liquids pipeline rates subject to indexing. The FERC issued an order on December 17, 2020 indexing, establishing an index level of Producer Price Index for Finished Goods plus 0.78 percent for the five-year period commencing July 1, 2021. The result On rehearing, the FERC subsequently reduced the adder to minus 0.21 percent, but this action was vacated on appeal to the U.S. Court of indexing Appeals for the D.C. Circuit in 2024. In response to the court's ruling, the FERC reinstated the plus 0.78 percent adder but issued a supplemental notice of proposed rulemaking proposing to re-adopt the minus 0.21 percent adder for the remainder of the five-year period. This proposal is a "ceiling rate" for each rate, which is pending before the maximum at which the pipeline may set its interstate transportation rates. A pipeline may also file cost-of-service FERC. Cost-of-service based rates, if rate market-based rates and settlement rates are alternatives to the indexing will system and may be insufficient used in certain specified circumstances to allow the pipeline to recover its costs. change rates. Rates and terms and conditions of service are subject to challenge by protest when they are filed or changed. For indexed rates, complaints alleging that complaint and also may be investigated by the rates are unjust and unreasonable may only be pursued if the complainant can show that a substantial change has occurred since the enactment of Energy Policy Act of 1992 in either the economic circumstances of the pipeline or in the nature of the services provided that were a basis for the rate. There is no such limitation FERC on complaints alleging that the pipelines' rates or terms and conditions of service are unduly discriminatory or preferential. its own motion. We are unable to predict with certainty the effect upon us of these periodic reviews by the FERC of the pipeline index or any potential future challenges to pipelines' rates.

Environmental and Safety Regulations

General. Our operations are subject to extensive and stringent federal, state and local laws and regulations governing the protection of the environment. These laws and regulations can change, restrict or otherwise impact our business in many ways, including the handling or disposal of waste material, planning for future activities to avoid or mitigate harm to threatened or endangered species, and requiring the installation and operation of emissions or pollution control equipment. Existing environmental laws and regulations could be revised or reinterpreted, including by the Trump administration, which introduces further uncertainty as to our compliance obligations. The overturning of the Chevron doctrine on June 28, 2024 by the U.S. Supreme Court, which had provided for deference in certain cases to the relevant federal agency with regard to the interpretation of federal regulations, has introduced additional uncertainty going forward regarding existing and future federal regulations. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Permits are required for the operation of our various facilities. These permits can be revoked, modified or renewed by issuing authorities. Governmental authorities enforce compliance with their regulations through fines, injunctions or both. Regulations can increase the cost of planning, designing, installing and operating, and can affect the timing of installing and operating, oil and natural gas facilities. Although we believe that compliance with environmental regulations will not have a material adverse effect on us, risks of substantial costs and liabilities and potential suspension or cessation of operations under certain conditions related to environmental considerations or compliance issues are part of oil and natural gas production operations. We can provide no assurance that we will not incur significant costs and liabilities. Also, it is possible that other developments, such as stricter environmental laws and regulations and claims for damages to property or persons resulting from oil and natural gas production could result in substantial costs and liabilities to us.

Solid and Hazardous Waste. We currently own or lease, and have in the past owned or leased, numerous properties that were used for the production of oil and natural gas for many years. Although operating and disposal practices that were standard in the industry at the time may have been utilized, it is possible that hydrocarbons or other wastes may have been disposed of or released on or under the properties currently owned or leased by us. State and federal laws applicable to oil and gas wastes and properties have become stricter over time. Under these increasingly stringent requirements, we could be required to remove or remediate previously disposed wastes (including wastes disposed or released by prior owners and operators), clean up contamination (including groundwater contamination by prior owners or operators) or perform plugging operations to prevent future contamination.

We generate some wastes that are hazardous wastes subject to the Resource Conservation and Recovery Act (the "RCRA") and comparable state statutes, as well as wastes that are exempt from such regulation. The U.S. Environmental Protection Agency (the "EPA") limits the disposal options for certain hazardous wastes. It is possible that certain wastes currently exempt from regulation as hazardous wastes may in the future be designated as hazardous wastes under RCRA or other applicable statutes. For example, in December 2016, the EPA and environmental groups entered into a consent decree to address the EPA's alleged failure to timely assess the need to regulate exploration and production related oil and gas wastes exempt from regulation as hazardous wastes under RCRA under Subtitle D applicable to non-hazardous solid waste. The consent decree required the EPA to propose a rulemaking by March 2019 for revision of certain Subtitle D criteria regulations pertaining to oil and gas wastes or to sign a determination that revision of the regulations is not necessary. In April 2019, the EPA issued its determination that based on its review, including consideration of state regulatory programs, it was not necessary at the time to revise Subtitle D regulations to address the management of oil and gas wastes. In the future, we could be subject to more rigorous and costly disposal requirements than we encounter today.

Superfund. The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), also known as the "Superfund" law, and comparable state laws and regulations impose liability, without regard to fault or the legality of the original conduct, on certain persons with respect to the release of hazardous substances into the environment. These persons include the current and past owners and operators of a site where the release occurred and any party that treated or disposed of or arranged for the treatment or disposal of hazardous substances found at a site. Under CERCLA, such persons may be subject to joint and several strict liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. CERCLA also authorizes the EPA,

and in some cases, private parties, to undertake actions to clean up such hazardous substances, or to recover the costs of such actions from the responsible parties. In addition, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. In the course of business, we have used materials and generated wastes and will continue to use materials and generate wastes that may fall within CERCLA's hazardous substances definition. We may also be an owner or operator of sites on which hazardous substances have been released. As a result, we may be responsible under CERCLA for all or part of the costs to clean up sites where such substances have been released.

Oil Pollution Act. The Oil Pollution Act of 1990 (the “OPA”) and implementing regulations impose a variety of obligations on responsible parties related to the prevention of oil spills and liability for damages resulting from such spills in waters of the U.S. The term “waters of the U.S.” has been broadly defined to include some inland water bodies, including wetlands and intermittent streams. The OPA assigns joint and several strict liability to each responsible party for oil removal costs and a variety of public and private damages. The OPA also imposes ongoing requirements on operators, including the preparation of oil spill response plans and proof of financial responsibility to cover environmental cleanup and restoration costs that could be incurred in connection with an oil spill. We believe that we are in substantial compliance with the OPA and related federal regulations to the extent applicable to our operations.

Endangered Species Act. The Endangered Species Act (the “ESA”) was established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species’ habitat. The U.S. Fish and Wildlife Service (the “FWS”) may designate critical habitat and suitable habitat areas it believes are necessary for survival of a threatened or endangered species. A critical habitat or suitable habitat designation could result in further material restrictions to federal land use and may materially delay or prohibit land access for oil and gas development. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act, to bald and golden eagles under the Bald and Golden Eagle Protection Act, and to certain species under state law. We conduct operations in areas where certain species are currently listed as threatened or endangered, or could be listed as such, under the ESA. Operations in areas where threatened or endangered species or their habitat are known to exist may require us to incur increased costs to implement mitigation or protective measures and also may restrict or preclude our drilling activities in those areas or during certain seasons, such as breeding and nesting seasons.

On June 1, 2021, the FWS proposed to list two distinct population segments (“DPS”) of the lesser prairie-chicken (“LPC”) under the ESA. The Southern DPS, located in eastern New Mexico and the southwest Texas panhandle was proposed to be listed as endangered and the Northern DPS, located in southeastern Colorado, southcentral to southwestern Kansas, western Oklahoma and the northeast Texas panhandle, was proposed to be listed as threatened. On November 25, 2022, the FWS finalized the proposed rule, listing the southern DPS of the lesser prairie-chicken as endangered and the northern DPS of the lesser prairie-chicken as threatened. On July 27, 2023, the U.S. House of Representatives voted to use the Congressional Review Act to reverse the LPC listing. On September 26, 2023 President Biden vetoed Congress’ resolution to reverse the LPC listing. On September 28, 2023, the U.S. Senate voted and failed to override the President’s veto. On November 3, 2023, the U.S. House of Representatives passed an appropriations bill for the U.S. Department of Interior for fiscal year 2023, which provides, in part, that no funds may be used to implement, administer, or enforce the listing of the LPC. Listing of the LPC as a threatened or endangered species will impose restrictions on disturbances to critical habitat by landowners and drilling companies that would harass, harm or otherwise result in a “taking” of this species. Regulatory impacts on landowners and businesses from an ultimate decision to list the LPC could be limited for those landowners and businesses who have entered into certain range-wide conservation planning agreements, such as those developed by the Western Association of Fish and Wildlife Agencies (“WAFWA”), pursuant to which such parties agreed to take steps to protect the LPC’s habitat and to pay a mitigation fee if its actions harm the lesser prairie-chicken’s habitat. We have entered into a various voluntary Candidate Conservation Agreement (a “CCA” Agreements (“CCAs”) with the WAFWA, , whereby we agreed to take certain actions and limit certain activities, such as limiting drilling on certain portions of our acreage during nesting seasons, in an effort to protect the LPC.

On February 9, 2018, the FWS announced the listing of the Texas Hornshell, a freshwater mussel species in areas where we operate in the Permian Basin, including New Mexico and Texas, as an certain threatened or endangered species. In March 2018, we entered into a CCA concerning voluntary conservation actions with respect to the Texas Hornshell.

Participating in CCAs could result in increased costs to us from species protection measures, time delays or limitations on drilling activities, which costs, delays or limitations may be significant. Listing

New listing petitions continue to be filed with the FWS which could impact our operations. Many non-governmental organizations (“NGOs”) work closely with the FWS regarding the listing of many species, including species with broad and even nationwide ranges. The listing of the Mexican Long Nosed Bat, whose habitat includes the Permian Basin where we operate, and the Dunes Sagebrush Lizard (proposed to be listed as endangered under the ESA on July 3, 2023) in the Permian Basin, are examples of the NGOs’ influence on ESA listing decisions.

On December 1, 2020, the FWS proposed to list the Peppered Chub as endangered under the ESA. The proposed listing was finalized and published on February 28, 2022. The Peppered Chub is a freshwater fish that historically was found in the South Canadian, Cimarron and Arkansas rivers within New Mexico, Texas, Oklahoma and Kansas. We have operations near the South Canadian River in Oklahoma that may be impacted by the listing of the Peppered Chub as endangered. The increase in endangered species listings such as the Peppered Chub, may limit our ability to explore for or produce oil and gas in certain areas or cause us to incur additional costs.

Clean Water Act. The Federal Water Pollution Control Act (the “Clean Water Act”) and implementing regulations, which are primarily executed through a system of permits, also govern the discharge of certain pollutants into waters of the U.S. Sanctions for failure to comply strictly with the Clean Water Act are generally resolved by payment of fines and correction of any identified deficiencies. However, regulatory agencies could require us to cease construction or operation of certain facilities or to cease hauling wastewater to facilities owned by others that are the source of water discharges to resolve non-compliance. We believe that we substantially comply with the applicable provisions of the Clean Water Act and related federal and state regulations.

Clean Air Act. Our operations are subject to the federal Clean Air Act (the “Clean Air Act”) and comparable local and state laws and regulations to control emissions from sources of air pollution. Federal and state laws require new and modified sources of air pollutants to obtain permits prior to commencing construction. Major sources of air pollutants are subject to more stringent, federally imposed requirements including additional permitting requirements. Federal and state laws designed to control toxic air pollutants and greenhouse gases might require installation of additional controls. Payment of fines and correction of any identified deficiencies generally resolve any failures to comply strictly with air regulations or permits. However, in the event of non-compliance, regulatory agencies could also require us to cease construction or operation of certain facilities or to install additional controls on certain facilities that are air emission sources. We believe that we substantially comply with applicable emission standards and permitting requirements under local, state and federal laws and regulations.

Some of our producing wells and associated facilities are subject to restrictive air emission limitations and permitting requirements. Two examples are the EPA’s source aggregation rule and the EPA’s New Source Performance Standards (“NSPS”) and National Emission Standards for Hazardous Air Pollutants (“NESHAP”). In June 2016, the EPA published a final rule concerning aggregation of sources that affects source determinations for air permitting in the oil and gas industry, and, as a result, aggregating our oil and gas facilities for permitting may result in increased complexity and cost of, and time required for, air permitting. Particularly with respect to obtaining pre-construction permits, the final aggregation rule has requirements, which have added costs and caused delays in operations.

In 2012, the EPA published final NSPS and NESHAP that amended the existing NSPS and NESHAP for the oil and natural gas sector. In June 2016, the EPA published a final rule that updated and expanded the NSPS by setting additional emissions limits for volatile organic compounds and regulating methane emissions for new and modified sources in the oil and gas industry. In June 2017, the EPA proposed a two-year stay of certain requirements contained in the June 2016 rule and, in November 2017, issued a notice of data availability in support of the stay proposal and provided a 30-day comment period on the information provided. In March 2018, the EPA published a final rule that amended two narrow provisions of the NSPS, removing the requirement for completion of delayed repair during emergency or unscheduled vent blowdowns. In September 2020, the EPA published a final rule amending the 2012 and 2016 NSPS for the oil and natural gas sector that removed transmission and storage sources from the oil and natural gas industry source category and rescinded the methane requirements applicable to the production and processing sources. On June 30, 2021, President Biden signed into law a joint Congressional resolution under the Congressional Review Act disapproving the September 2020 rule amending the EPA's 2012 and 2016 NSPS standards for the oil and natural gas sector. On November 15, 2021, the EPA proposed rules to reduce methane emissions from both new and existing oil and natural gas industry sources and published supplemental rules regarding the same on December 6, 2022. On December 2, 2023, during the United Nations Climate Change Conference in the United Arab Emirates ("COP28"), the EPA announced its final methane rules, which impose several new methane emission requirements on the oil and gas industry. For additional information, please read "Risk Factors—Legal, Regulatory and Governmental Risks— Federal, state and local laws and regulations, judicial actions and regulatory initiatives related to oil and gas development and the use of hydraulic fracturing could result in increased costs and operating restrictions or delays and adversely affect our business, financial condition, results of operations and cash flows" in Item 1A.

In October 2015, the EPA adopted a lower national ambient air quality standard for ozone. The revised standard resulted in additional areas being designated as ozone non-attainment, which could lead to requirements for additional emissions control equipment and the imposition of more stringent permit requirements on facilities in those areas. The EPA completed its final area designations under the new ozone standard in July 2018. If we are unable to comply with air pollution regulations or to obtain permits for emissions associated with our operations, we could be required to forego or implement modifications to certain operations. These regulations may also increase compliance costs for some facilities we own or operate, and result in administrative, civil or criminal penalties for noncompliance. Obtaining permits may delay the development of our oil and natural gas projects, including the construction and operation of facilities.

Safe Drinking Water Act. The Safe Drinking Water Act ("SDWA") and comparable local and state provisions restrict the disposal, treatment or release of water produced or used during oil and natural gas development. Subsurface placement of fluids (including disposal wells or enhanced oil recovery) is governed by federal or state regulatory authorities that, in some cases, includes the state state's oil and gas regulatory authority or the state's environmental authority. These regulations may increase the costs of compliance for some facilities.

Hydraulic Fracturing. Substantially all of our exploration and production operations depend on the use of hydraulic fracturing to enhance production from oil and natural gas wells. Most of our wells would not be economical without the use of hydraulic fracturing to stimulate production from the well. Due to concerns raised relating to potential impacts of hydraulic fracturing on groundwater quality, legislative and regulatory efforts at the U.S. federal, state and local levels have been initiated to render permitting and compliance requirements more stringent for hydraulic fracturing or to restrict or prohibit the activity altogether. States in which we operate also have adopted, or have stated intentions to adopt, laws or regulations that mandate further restrictions on hydraulic fracturing, such as imposing more stringent permitting, disclosure and well-construction requirements on hydraulic fracturing operations and establishing standards for the capture of air emissions released during hydraulic fracturing. In addition to state measures, local land use restrictions, such as city ordinances, may restrict drilling in general or hydraulic fracturing in particular. Increased regulation and attention given to the hydraulic fracturing process could lead to greater opposition to oil and natural gas production activities using hydraulic fracturing techniques, which could have an adverse effect on oil and natural gas production activities, including operational delays or increased operating costs in the production of oil and natural gas, or could make it more difficult to perform hydraulic fracturing. For example, Pennsylvania's Act 13 of 2012 amended the state's Oil and Gas Act to, among other things, increase civil penalties and strengthen the authority of the Pennsylvania Department of Environmental Protection over the issuance of drilling permits. Although the Pennsylvania Supreme Court struck down portions of Act 13 that made statewide rules on oil and gas preempt local zoning rules, this could lead to additional local restrictions on oil and gas activity in the state.

At the federal level, the EPA conducted a study of the potential environmental effects of hydraulic fracturing on drinking water and groundwater. The EPA released its final report in December 2016. It groundwater, and concluded that hydraulic fracturing activities can impact drinking water resources under some circumstances, including large volume spills and inadequate mechanical integrity of wells. This study and other studies that may be undertaken by the EPA or other federal agencies could spur initiatives to further regulate hydraulic fracturing under the Safe Drinking Water Act, the Toxic Substances Control Act, or other statutory and regulatory mechanisms. A number of federal agencies are analyzing, or have been requested to review, a variety of environmental issues associated with hydraulic fracturing practices.

Our inability to locate sufficient amounts of water, or to dispose of or recycle water used or produced in our exploration and production operations, could adversely impact our operations. For water sourcing, we first seek to use non-potable water supplies, or recycled produced water for our operational needs. In certain areas, there may be insufficient water available for drilling and completion activities. Water must then be obtained from other sources and transported to the drilling site. Our operations in certain areas could be adversely impacted if we are unable to secure sufficient amounts of water or to dispose of or recycle the water used in our operations. The imposition of new environmental and other regulations, as well as produced water disposal well limits or moratoriums in areas of seismicity, could further restrict our ability to conduct operations such as hydraulic fracturing by restricting the disposal of waste such as produced water and drilling fluids. Compliance with environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells may increase our operating costs and cause delays, interruptions or termination of our operations, the extent of which cannot be predicted, all of which could have an adverse effect on our operations and financial condition. In June 2016, the EPA published final pretreatment standards for disposal of wastewater produced from shale gas operations to publicly owned treatment works. The regulations were developed under the EPA's Effluent Guidelines Program under the authority of the Clean Water Act. In response to these actions, operators, Operators, including us, have begun to rely more on recycling of water that flows back from the wellbore following hydraulic fracturing ("flowback water") and produced water from well sites as a preferred alternative to disposal.

Greenhouse Gas and Climate Change Laws and Regulations. In response to studies suggesting that emissions of carbon dioxide and certain other greenhouse gas ("GHG"), including methane, may be contributing to global climate change, there is increasing focus by local, state, regional, national and international regulatory bodies as well as by investors and the public on GHG emissions and climate change issues. In December 2015, We closely follow developments in this area, including changes in the regulatory landscape in the U.S. joined the international community at the 21st Conference federal, state, and local levels. We cannot predict, however, how or when such changes may be implemented or ultimately impact our business. U.S. presidents have the power to issue executive orders that can have the effect of the Parties enactment of new laws. The Trump Administration has issued a series of executive orders that signal a shift in the United Nations Framework Convention on Climate Change (the "UNFCCC") in Paris, France in creating an agreement (the "Paris Agreement") that requires member countries to review States' energy and "represent a progression" in their intended nationally determined contributions ("NDC") of GHGs, which set GHG emission reduction goals every five years beginning in 2020. In 2019, the U.S. withdrew climate change policies from the Paris Agreement. The prior administration. Future administrations may, however, pursue executive orders similar to, or more restrictive than, current Presidential

administration has made climate change a central priority. On January 20, 2021, his first day in office, President Biden took action to reverse the withdrawal of the previous administration from the Paris Agreement so that the U.S. could rejoin as a party to the agreement. The U.S. officially rejoined the Paris Agreement on February 19, 2021, and in April 2021 submitted its NDC. The U.S. NDC sets an economy-wide target of net GHG emissions reduction from 2005 levels of 50-52 percent by 2030. The specific measures to be taken in furtherance of achieving this target have not been established, but the NDC submission indicated that a "whole government approach" will be used to achieve this target, including regulatory, technology and policy initiatives designed to reduce the generation of GHG emissions and to incentivize the capture and geologic sequestration or utilization of carbon dioxide that would otherwise be emitted in the atmosphere. Also on his first day in office, President Biden signed an executive order on climate action and reconvened an interagency working group to establish interim and final social costs of three GHGs: carbon dioxide, nitrous oxide, and methane. Carbon dioxide is released during the combustion of fossil fuels, including oil, natural gas, and NGLs, and methane is a primary component of natural gas. The Biden administration stated it will use updated social cost figures to inform federal regulations and major agency actions and to justify aggressive climate action as the U.S. moves toward a "100 percent clean energy" economy with net-zero GHG emissions. Furthermore, at COP28 in December 2023, more than 190 governments reached a non-binding agreement to transition away from fossil fuels and encourage the growth and expansion of renewable energy.

Although the U.S. Congress has considered legislation designed to reduce emissions of GHGs in recent years, it has not adopted any significant GHG legislation. However, the 2021 Infrastructure and Investment Jobs Act passed by Congress on November 6, 2021 included measures aimed at decarbonization to address climate change, including funding for replacing transit vehicles, including buses, with zero- and low-emission vehicles and for the deployment of an electric vehicle charging network nationwide. This legislation, and other future laws, that promote a shift toward electric vehicles could adversely affect the demand for our products. Moreover, in the absence of federal GHG legislation, a number of state and regional efforts have emerged. These include measures aimed at tracking and reducing GHG emissions through cap-and-trade programs, which typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting GHGs. In addition, a coalition of over 20 governors of U.S. states formed the U.S. Climate Alliance to advance the objectives of the Paris Agreement, and several U.S. cities have committed to advance the objectives of the Paris Agreement at the state or local level as well. To this end, California's governor issued an executive order on September 23, 2020 ordering actions to pursue GHG emissions reductions, including a direction to the California State Air Resources Board to develop and propose regulations to require increasing volumes of new zero-emission passenger vehicles and trucks sold in California over time, with a targeted ban of the sale of new gasoline vehicles by 2035. prior administrations.

At the federal level, the EPA has begun to regulate regulates carbon dioxide, methane and other GHGs under existing provisions of the Clean Air Act. In December 2009, the EPA published its findings that emissions of GHGs present an endangerment to public health and the environment because emissions of such gases are contributing to the warming of the earth's atmosphere and other climatic changes. Based on these findings, the EPA adopted regulations under existing provisions of the federal Clean Air Act that establish Prevention of Significant Deterioration ("PSD") and Title V permit reviews for GHG emissions from certain large stationary sources that are otherwise subject to PSD and Title V permitting requirements. The EPA has also adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the U.S., including, among others, certain oil and gas production facilities on an annual basis, which includes certain of our operations. The In 2024, the EPA widened the scope of annual GHG published final rules imposing new, stricter requirements for methane monitoring, reporting, to include, not only activities associated with completion and workover of gas wells with hydraulic fracturing and activities associated with emissions control at certain oil and natural gas production operations, but also completions and workovers facilities, as well as a final rule implementing a charge on large emitters of oil wells with hydraulic fracturing, gathering and boosting systems, and transmission pipelines. More recently, on November 15, 2021, the EPA proposed rules to reduce waste methane emissions from new and modified sources in the oil and gas sector and published proposed supplemental rules regarding the same on December 6, 2022. On December 2, 2023, during COP28, sector. In January 2025, however, President Trump signed a series of executive orders that call upon the EPA announced to submit a report on the continuing applicability of its final methane endangerment finding for GHGs under the Clean Air Act, directed federal executive departments and agencies to initiate a regulatory freeze for certain rules which impose several that have not taken effect pending review by the newly appointed agency head, directed federal agencies to identify and exercise emergency authority to facilitate conventional energy production, transportation, and refining, and mandated a review of existing regulations that may burden domestic energy development. Thus, the future of the new methane and waste emission requirements on charge rules, as well as the oil and gas industry. The Inflation Reduction Act regulation of 2022 ("IRA") established GHGs by the Methane Emissions Reduction Program, which imposes a charge on methane emissions from certain petroleum and natural gas facilities, which may apply to our operations in the future and may require us to expend material sums. federal government, is uncertain at this time.

If we are unable to recover or pass through a significant portion of our costs related to complying with current and future regulations relating to climate change and GHGs, it could materially affect our operations and financial condition. Any future laws or regulations that limit emissions of GHGs from our equipment and operations could require us to both develop and implement new practices aimed at reducing GHG emissions, such as emissions control technologies, which could increase our operating costs and could adversely affect demand for the oil and gas that we produce. To the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact our cost of, and access to, capital. Future implementation or adoption of legislation or regulations adopted to address climate change could also make our products more or less desirable than competing sources of energy. At this time, it is not possible to quantify the impact of any such future developments on our business.

Occupational Safety and Health Act and Other Laws and Regulations. We are subject to the requirements of the U.S. federal Occupational Safety and Health Act (the "Occupational Safety and Health Act") and comparable state laws. The Occupational Safety and Health Act hazard communication standard, the EPA community right-to-know regulations under the Title III of CERCLA and similar state laws require that we organize and disclose information about hazardous materials used or produced in our operations. Also, pursuant to the Occupational Safety and Health Act, the Occupational Safety and Health Administration (the "OSHA") has established a variety of standards related to workplace exposure to hazardous substances and employee health and safety.

Human Capital Resources

As of December 31, 2023 December 31, 2024, we had 894 915 Coterra employees, 285 303 of whom were located in our headquarters in Houston, Texas and 227 232 of whom were located in our regional offices in Midland, Texas, Tulsa, Oklahoma and Pittsburgh, Pennsylvania. We had a total of 382 380 employees in production field locations across our regional offices. Of our total employee population, 564 589 were salaried and 330 326 were hourly. Additionally, we have 189 42 employees that are employed by our wholly-owned subsidiary, GasSearch Drilling Services Corporation (“GDS”), which is a service company engaged in water hauling and site preparation exclusively for our Marcellus Shale operations. Of our GDS employees, 16 4 were salaried and 173 38 were hourly. We believe that our relations with our employees are favorable. None of our employees are represented pursuant to a collective bargaining agreement.

Our ability to attract, retain and develop the highest quality employees is a vital component of our success.

In managing our people, we seek to:

- promote a safe and healthy workplace;
- have a results-focused culture centered on transparency and open communication;
- attract, retain and develop a highly qualified, motivated and diverse workforce;
- maintain a conservatively managed headcount to minimize workforce fluctuations;
- provide opportunities for career growth, learning and development; and
- offer highly competitive compensation and benefits packages.

We believe these practices, further described below, are the key drivers in our development of current and future talent and leadership as well as employee engagement and retention.

Recruiting, Hiring and Advancement. Due to the cyclical nature of our business and the fluctuations in activity that can occur, we manage our headcount carefully. We provide employees with opportunities to learn new roles and develop the breadth and depth of their skills to ensure a collaborative environment, strong talent and future leadership. This also helps to minimize layoffs and overall staff fluctuations when downturns occur. When a position needs to be filled, we generally seek to promote current top-performing employees before going to outside sources for a new hire. We believe this practice helps to build future leadership and to reduce voluntary turnover among our workforce by providing employees with new challenges and opportunities throughout their careers.

When we hire from outside the Company, we identify qualified candidates by promoting the position internally for referrals, engaging in recruiting through our website and online platforms, utilizing recruiting services and attending job fairs. We also have a well-established internship program that feeds top talent into our technical functions. In our recruiting efforts, we foster a culture of mutual respect and compliance with all applicable federal, state and local laws governing nondiscrimination in employment. We seek to increase the diversity of our workforce in our external hiring practices. We ask our recruiting partners to provide diverse slates of candidates, and we treat all applicants with the same high level of respect regardless of their gender, ethnicity, religion, national origin, age, marital status, political affiliation, sexual orientation, gender identity, disability or protected veteran status. This philosophy extends to all employees throughout the lifecycle of employment, including recruiting, hiring, placement, promotion, evaluation, leaves of absence, compensation and training.

Compensation and Benefits. Our focus on providing competitive total compensation and benefits to our employees is a core value and a key driver of our retention program. We design our compensation programs to provide compensation that is competitive with our industry peers and rewards superior performance and, for managers and executives, aligns compensation with our performance and incentivizes the achievement of superior operating results. We do this through a total rewards program that provides:

- base wages or salaries that are competitive for the position and considered for increases annually based on employee performance, business performance and industry outlook;
- incentives that reward individual and Company performance, such as performance bonuses, management discretionary bonuses, field operational bonuses and short-term and long-term incentive programs;
- retirement benefits, including dollar-for-dollar matching contributions and discretionary employer retirement contributions to a tax-qualified defined contribution savings plan for all employees and other non-qualified retirement programs;
- comprehensive health and welfare benefits, including medical insurance, prescription drug benefits, dental insurance, vision insurance, life insurance, accident insurance, short and long-term disability benefits, employee assistance program and health savings accounts;
- tuition reimbursement for eligible employees, scholarship program and matching charitable contributions program; and
- time off, sick time, parental leave and holiday time.

We believe our compensation and benefits package is a strong retention tool and promotes personal health and financial security within our workforce.

Health and Safety. The health and safety of our employees is one of our core values for sustainable operations. This value is reflected in our strong safety culture that emphasizes personal responsibility and safety leadership, both for our employees and our contractors that are on our worksites. Our safety programs are built on a foundation that emphasizes personal safety and includes a Stop Work Authority program that empowers employees and contractors to stop work if they discover, or even suspect, a dangerous condition or other serious EHS hazard. Our comprehensive EHS management system establishes a corporate governance framework for EHS compliance and performance and covers all elements of our operating lifecycle.

Website Access to Company Reports

We make available free of charge through our website, www.coterra.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. In addition, the SEC maintains an Internet site a website at www.sec.gov that contains reports, proxy and information statements and other information filed by us. Information on our website, including our 2023 2024 Sustainability Report, is not a part of, and is not incorporated into, this Annual Report on Form 10-K or any other report we may file with or furnish to the SEC (and is not deemed filed herewith), whether before or after the date of this Annual

Report on Form 10-K and irrespective of any general incorporation language therein. Furthermore, references to our website URLs are intended to be inactive textual references only.

Corporate Governance Matters

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter, Governance and Social Responsibility Committee Charter and Environment, Health & Safety Committee Charter are available on our website at www.coterra.com. Requests for copies of these documents can also be made in writing to our Corporate Secretary at our corporate headquarters at Three Memorial City Plaza, 840 Gessner Road, Suite 1400, Houston, Texas 77024.

ITEM 1A. RISK FACTORS

Business and Operational Risks

You should carefully consider the following risk factors in addition to the other information included in this report. Each of these risk factors could adversely affect our business, financial condition, results of operations and cash flows, as well as adversely affect the value of an investment in our common stock, debt securities, or preferred stock.

Commodity prices fluctuate widely, and low prices for an extended period would likely have a material adverse impact on our business.

Our revenues, operating results, financial condition and ability to borrow funds or obtain additional capital depend substantially on prices we receive for the oil, natural gas and NGLs that we sell. Lower commodity prices may reduce the amount of oil, natural gas and NGLs that we can produce economically, while higher commodity prices could cause us to experience periods of higher costs. Historically, commodity prices have been volatile, with prices fluctuating widely, and they are likely to continue to be volatile. Wide fluctuations in commodity prices may result from relatively minor changes in the supply of and demand for oil, natural gas and NGLs, market uncertainty and a variety of additional factors that are beyond our control, including global events or conditions that affect supply and demand such (such as pandemics, the war in Ukraine, conflict in the Middle East and other geopolitical risks and sanctions, sanctions), the actions of OPEC+ members and climate change. change and potential legislative and regulatory actions related thereto. In addition, the price for natural gas and NGLs that we sell may be impacted by the demand for liquid natural gas ("LNG") exports and the impact of such demand on domestic natural gas prices, including if future U.S. regulatory action limits the construction of new LNG facilities or limits the approvals of applications for LNG export authorization. Any substantial or extended decline in future commodity prices would have a material adverse effect on our future business, financial condition, results of operations, cash flows, liquidity or ability to finance planned capital expenditures and commitments. If commodity prices decline significantly for a sustained period of time, the lower prices may cause us to reduce our planned drilling program or adversely affect our ability to make planned expenditures, raise additional capital or meet our financial obligations. Furthermore, substantial, extended decreases in commodity prices may render certain projects uneconomic, which may result in significant downward adjustments to our estimated proved reserves and could negatively impact our ability to borrow, our cost of capital and our ability to access capital markets, increase our costs under our revolving credit agreement and limit our ability to execute aspects of our business plans.

Future commodity price declines may result in write-downs of the carrying amount of our oil and gas properties, which could materially and adversely affect our results of operations.

The value of our oil and gas properties depends on commodity prices. Declines in these prices as well as increases in development costs, changes in well performance, delays in asset development or deterioration of drilling results may result in our having to make material downward adjustments to our estimated proved reserves and could result in an impairment charge and a corresponding write-down of the carrying amount of our oil and gas properties.

We evaluate our oil and gas properties for impairment on a field-by-field basis whenever events or changes in circumstances indicate a property's carrying amount may not be recoverable. We compare expected undiscounted future cash flows to the net book value of the asset. If the future undiscounted expected cash flows, based on our estimate of future commodity prices, operating costs and anticipated production from proved reserves and risk-adjusted probable and possible reserves, are lower than the net book value of the asset, the capitalized cost is reduced to fair value. Commodity pricing is estimated by using a combination of assumptions management uses in its budgeting and forecasting process as well as historical and current prices adjusted for geographical location and quality differentials, as well as other factors that management believes will impact realizable prices. In the event that commodity prices decline, there could be a significant revision to the carrying amounts of oil and gas properties in the future.

Drilling, completing and operating oil and natural gas wells are high-risk activities.

Our growth is materially dependent upon the success of our drilling program. Drilling for oil and natural gas involves numerous risks, including the risk that no commercially productive reservoirs will be encountered. The cost of drilling, completing and operating wells is substantial and uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors beyond our control. control, including the risk of electric grid outages and the potential impacts thereof on our electric fracturing systems. Our future drilling activities may not be successful and, if unsuccessful, such failure will have an adverse effect on our future results of operations and financial condition.

Our operations present hazards and risks that require significant oversight and are subject to numerous possible disruptions from unexpected events.

The scope and nature of our operations present a variety of significant hazards and risks, including operational hazards and risks such as explosions, fires, product spills, and cybersecurity incidents, such as unauthorized access to data or systems, among other risks. Our operations are also subject to broader global events and conditions, including public health crises, pandemics, epidemics, war or civil unrest, acts of terror, weather events and natural disasters, including those that are related to or exacerbated by climate change. Such hazards and risks could impact our business in the areas in which we operate, and our business and operations may be disrupted if we fail to respond in an appropriate manner to such hazards and risks or if we are unable to efficiently restore or replace affected operational components and capacity. Furthermore, our insurance may not cover such liabilities, or be adequate to compensate us for all resulting losses. The cost of insurance may increase, and the availability of insurance may decrease, as a result of climate change or other factors. The occurrence of any event not covered or fully covered by insurance could have a material adverse effect on our financial position, results of operations and cash flows.

Our proved reserves are estimates. Any material inaccuracies in our reserves estimates or underlying assumptions could cause the quantities and net present value of our reserves to be overstated or understated.

Reserves engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact manner. The process of estimating quantities of proved reserves is complex and inherently imprecise, and the reserves data included in this document are only estimates. The process relies on interpretations of available geologic, geophysical, engineering and production data. The extent, quality and reliability of this technical data can vary. The process also requires certain economic assumptions, some of which are mandated by the SEC, such as assumptions relating to commodity prices. Additional assumptions include drilling and operating expenses, capital expenditures, taxes and availability of funds. Furthermore, different reserve engineers may make different estimates of reserves and cash flows based on the same data. For example, our total company proved reserves decreased by approximately 17 percent year over year at December 31, 2022. For more information on such revision, refer to the Supplemental Oil and Gas Information included in Item 8.

Results of drilling, testing and production subsequent to the date of a reserves estimate may justify revising the original estimate. Accordingly, initial reserves estimates often vary from the quantities of oil and natural gas that are ultimately recovered, and such variances may be material. Any significant variance could reduce the estimated quantities and present value of our reserves.

You should not assume that the present value of future net cash flows from our proved reserves is the current market value of our estimated reserves. In accordance with SEC requirements, we base the estimated discounted future net cash flows from our proved reserves on the 12-month average index price for the respective commodity, calculated as the unweighted arithmetic average for the first day of the month price for each month and costs in effect on the date of the estimate, holding the prices and costs constant throughout the life of the properties, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. Actual future prices and costs may differ materially from those used in the net present value estimate, and future net present value estimates using then current prices and costs may be significantly less than the current estimate. In addition, the 10 percent discount factor we use when calculating discounted future net cash flows for reporting requirements in compliance with the applicable accounting standards may not be the most appropriate discount factor based on interest rates in effect from time to time time-to-time and risks associated with us or the oil and gas industry in general.

Our future performance depends on our ability to find or acquire additional oil and natural gas reserves that are economically recoverable.

Unless we successfully replace the reserves that we produce, our reserves will decline as reserves are depleted, eventually resulting in a decrease in oil and natural gas production and lower revenues and cash flow from operations. Our future production is, therefore, highly dependent on our level of success in finding or acquiring additional reserves. We may not be able to replace reserves through our exploration, development and exploitation activities or by acquiring properties at acceptable costs. Additionally, there is no way to predict in advance of any exploration and development whether any particular location will yield sufficient quantities to recover drilling or completion costs or be economically viable. Low commodity prices may further limit the kinds of reserves that we can develop and produce economically. If we are unable to replace our current and future production, our revenues will decrease and our business, financial condition and results of operations may be adversely affected.

The development of our proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate.

As of December 31, 2023 December 31, 2024, approximately 21 18 percent of our estimated proved reserves (by volume) were undeveloped. Developing PUD reserves requires significant capital expenditures, and the estimated future development costs associated with our PUD reserves may not equal our actual costs, development may not occur as scheduled and results of our development activities may not be as estimated. If we choose not to develop our PUD reserves, or if we are not otherwise able to develop them successfully, we will be required to remove them from our reported proved reserves. In addition, under the SEC's reserves reporting rules, because PUD reserves generally may be recorded only if they relate to wells scheduled to be drilled within five years of the date of booking, we may be required to remove any PUD reserves that are no longer planned to be developed within this five-year time frame. Delays in the development of our PUD reserves, decreases in commodity prices and increases in costs to drill and develop such reserves may also result in some projects becoming uneconomic.

Strategic determinations, including the allocation of capital and other resources to strategic opportunities, are challenging, and our failure to appropriately allocate capital and resources among our strategic opportunities may adversely affect our financial condition and reduce our growth rate.

Our future growth prospects depend on our ability to identify optimal strategies for our business. In developing our business plans, we considered allocating capital and other resources to various aspects of our business including well-development (primarily drilling and completion), reserve acquisitions, exploratory activity, corporate items and other alternatives. We also consider our likely sources of capital. Notwithstanding the determinations made in the development of our 2024 2025 plan, business opportunities not previously identified periodically may come to our attention, including possible acquisitions and dispositions. If we fail to identify optimal business strategies or fail to optimize our capital investment and capital raising opportunities and the use of our other resources in furtherance of our business strategies, our financial condition and growth rate may be adversely affected. Moreover, economic or other circumstances may change from those contemplated by our 2024 2025 plan, and our failure to recognize or respond to those changes may limit our ability to achieve our objectives.

Our ability to sell our oil, natural gas and NGL production and the prices we receive for our production could be materially harmed if we fail to obtain adequate services such as gathering, transportation and processing.

The sale of our oil, natural gas and NGL production depends on a number of factors beyond our control, including the availability and capacity of gathering, transportation and processing facilities. We deliver the majority of our oil, natural gas and NGL production through gathering systems and pipelines that we do not own. The lack of available capacity on these systems and facilities could reduce the price offered for our production or result in the shut-in of producing wells or the delay or discontinuance of development plans for properties. Third-party systems and facilities may be unavailable due to market conditions or mechanical or other reasons, and in some cases the resulting curtailments of production could lead to payment being required where we fail to deliver oil, natural gas and NGLs to meet minimum volume commitments. In addition, construction of new pipelines and building of required infrastructure may be slow. To the extent these services are unavailable, we would be unable to realize revenue from wells served by such facilities until suitable arrangements are made to market our production. Our failure to obtain these services on acceptable terms could materially harm our business.

Moreover, these availability and capacity issues are likely to occur in remote areas with less established infrastructure, such as our Permian Basin properties where we have significant oil and natural gas production. Such availability and capacity issues may result in increased basis differentials, which became more divergent in 2024 in part due to constrained pipeline capacity and oversupply in certain geographic areas. At times, such basis differentials have been significant enough to result in negative spot market pricing in certain areas, such as the Waha Hub in the Permian Basin during 2024. Any of these availability or capacity issues could negatively affect our operations, revenues and expenses. This could result in wells being shut in or awaiting a pipeline connection or capacity, which would adversely affect our results of operations and cash flows.

Acquired properties may not be worth what we pay to acquire them, due to uncertainties in evaluating recoverable reserves and other expected benefits, as well as potential liabilities.

Successful property acquisitions require an assessment of a number of factors beyond our control. These factors include estimates of recoverable reserves, exploration and development potential, future commodity prices, operating costs, production taxes and potential environmental and other liabilities. These assessments are complex and inherently imprecise. Our review of the properties we acquire may not reveal all existing or potential problems. In addition, our review may not allow us to assess fully the potential deficiencies of the properties. We do not inspect every well, and even when we inspect a well, we may not discover structural, subsurface or environmental problems that may exist or arise.

There may be threatened or contemplated claims against the assets or businesses we acquire related to environmental, title, regulatory, tax, contract, litigation or other matters of which we are unaware, which could materially and adversely affect our production, revenues and results of operations. We often assume certain liabilities, and we may not be entitled to contractual indemnification for pre-closing liabilities, including environmental liabilities, and our contractual indemnification may not be effective. At times, we acquire interests in properties on an “as is” basis with limited representations and warranties and limited remedies for breaches of such representations and warranties. In addition, significant acquisitions can change the nature of our operations and business if the acquired properties have substantially different operating and geological characteristics or are in different geographic locations than our existing properties.

The integration of the businesses and properties we have acquired or may in the future acquire could be difficult and may divert management’s attention away from our existing operations.

The integration of the businesses and properties we have acquired or may in the future acquire could be difficult, and may divert management’s attention and financial resources away from our existing operations. These difficulties include:

- the challenge of integrating the acquired businesses and properties while carrying on the ongoing operations of our business;
- the inability to retain key employees of the acquired business;
- the challenge of inconsistencies in standards, controls, procedures and policies of the acquired business;
- potential unknown liabilities, unforeseen expenses or higher-than-expected integration costs;
- an overall post-completion integration process that takes longer than originally anticipated;
- potential lack of operating experience in a geographic market of the acquired properties; and
- the possibility of faulty assumptions underlying our expectations.

If management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer. Our future success will depend, in part, on our ability to manage our expanded business, which may pose substantial challenges for management. We may also face increased scrutiny from governmental authorities as a result of the increase in the size of our business. There can be no assurances that we will be successful in our integration efforts.

We have limited control over the activities on properties we do not operate.

Other companies operate some of the properties in which we have an interest. As of December 31, 2023 December 31, 2024, non-operated wells represented approximately 51 50 percent of our total owned gross wells, or 12 percent of our owned net wells. We have limited ability to influence or control the operation or future development of these non-operated properties and of properties we operate in joint ventures in which we may share control with third parties, including compliance with environmental, safety and other regulations or the amount of capital expenditures that we are required to fund with respect to them. An operator of our wells or a joint venture participant may not adequately perform operations, may breach applicable agreements or may fail to act in ways that are in our best interest, which could reduce our production and revenues and expose us to liabilities. Our dependence on the operator or a joint venture participant could materially adversely affect the realization of our targeted returns on capital in drilling or acquisition activities and lead to unexpected future costs.

Many of our properties are in areas that may have been partially depleted or drained by offset (i.e., neighboring) wells and certain of our wells may be adversely affected by actions other operators may take when drilling, completing or operating wells that they own.

Many of our properties are in areas that may have been partially depleted or drained by earlier drilled offset wells. We have no control over offsetting operators who could take actions such as drilling and completing nearby wells, that could adversely affect our operations. When a new offset well is completed and produced, the pressure differential in the vicinity of the wellbore causes the migration of reservoir fluids toward the new wellbore (and potentially away from existing wellbores), which could cause a depletion of our proved reserves and may inhibit our ability to further develop our proved reserves. The possibility for these impacts may increase with respect to wells that are shut in as a response to lower commodity prices or the lack of pipeline and storage capacity. In addition, completion operations and other activities conducted on other nearby wells could cause us, in order to protect our existing wells, to shut in production for indefinite periods of time. Shutting in our wells and damage to our wells from offset completions could result in increased costs and could adversely affect the reserves and re-commenced production from such shut in shut-in wells.

We may lose leases if production is not established within the time periods specified in the leases or if we do not maintain production in paying quantities.

We could lose leases under certain circumstances if we do not maintain production in paying quantities or meet other lease requirements, and the amounts we spent for those leases could be lost. If we shut in wells in response to lower commodity prices or a lack of pipeline and storage capacity, we may face claims that we are not complying with lease provisions. In addition, the government also may impose new restrictions and regulations affecting our ability to drill, conduct hydraulic fracturing operations, and obtain necessary rights-of-way on federal lands, which could, in turn, result in the loss of federal leases. As of December 31, 2023 December 31, 2024, less than one percent of our net undeveloped acreage in our core operating areas will expire over the next three years. Our actual drilling activities may materially differ from those presently identified, which could adversely affect our business.

Oil and natural gas production operations, especially those using hydraulic fracturing, are substantially dependent upon the availability of water and the ability to dispose of produced water gathered from drilling and production activities. Restrictions on the Company's ability to obtain water or dispose of produced water may have a material effect on its financial condition, results of operations and cash flows.

Water is an essential component of oil and natural gas production during the drilling and hydraulic fracturing processes. In particular, we use a significant amount of water in the hydraulic fracturing process. Limitations or restrictions on the Company's ability to secure sufficient amounts of water (including limitations resulting from natural causes such as drought) could have a material impact on our operations. Severe drought conditions can result in local water districts taking steps to restrict the use of water in their jurisdiction for drilling and hydraulic fracturing in order to protect the local water supply. If the Company is unable to obtain water to use in its operations from local sources, it may need to be obtained from new sources and transported to drilling sites, resulting in increased costs, which could adversely affect our financial condition, results of operations and cash flows. Our inability to locate sufficient amounts of water, or dispose of or recycle water used in our exploration, development and production activities, could adversely impact our operations. Compliance with environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells may increase our operating costs and cause delays, interruptions or termination of our operations. Such delays, interruptions or termination of our operations could have an adverse effect on our operations and financial condition.

In addition, the Company must dispose of the fluids produced from oil and gas production operations, including produced water, which it does directly or through the use of third-party vendors. The legal requirements related to the disposal of produced water into a non-producing geologic formation by means of underground injection wells are subject to change based on concerns of the public or governmental authorities regarding such disposal activities. More stringent regulations or legal directives, as well as potential litigation or other developments, related to such disposal activities could materially impact our ability to dispose of produced water, which could adversely affect the Company's business, financial condition and results of operations.

For additional information, please read "Business and Properties—Other Business Matters—Environmental and Safety Regulations—Clean Water Act" in Items 1 and 2.

Cyber-attacks targeting our systems, the oil and gas industry systems and infrastructure or the systems of our third-party service providers could adversely affect our business.

Our business, like the oil and gas industry in general, has become increasingly dependent on data, information systems, and digitally connected infrastructure, including technologies managed by third-party providers on whom we rely on to help us collect, host or process information. We depend on this technology to, for example, record and store information like financial data, estimate quantities of oil and natural gas reserves, analyze and share operating data, and communicate internally and externally. Information and operational technology systems control nearly all of the oil and gas distribution systems in the U.S., which are necessary to transport our products to market. These systems also enable communications and provide a host of other support services for our business. In recent years (and, in large part, due to the COVID-19 pandemic), we have increased the use of remote networking and online conferencing services and technologies that enable employees to work outside of our corporate infrastructure, which exposes us to additional cybersecurity risks, including unauthorized access to proprietary, confidential, or other sensitive information.

We have experienced cyber incidents in the past and, although none have been material, we may experience cybersecurity incidents and security breaches in the future. Cyber-attacks are becoming more sophisticated and can include, but are not limited to, the use of malicious software, phishing scams, ransomware, attempts to gain unauthorized access to systems or data, or other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, such as personal information of our employees, and corruption of data. In addition, cybersecurity risk is exacerbated with the advancement of technologies like artificial intelligence, which malicious third parties are using to create new, more sophisticated and more frequent attacks. Unauthorized access to our seismic data, reserves information, customer or employee data or other proprietary or commercially sensitive information could lead to data integrity issues, communication interruption or other disruptions in our exploration or production operations or planned business transactions, any of which could have a material adverse impact on our business and operations. If our information or operational technology systems cease to function properly or are breached, we could suffer disruptions to our normal operations, which may include drilling, completion, production and corporate functions. A successful cyber-attack involving our information or operational technology systems and related infrastructure, or that of our business associates or partners, could result in supply chain disruptions that delay or prevent the transportation and marketing of our production, equipment damage, fires, explosions or environmental releases, non-compliance leading to regulatory fines or penalties, loss or disclosure of, or damage to, our or any of our customer's or supplier's data or confidential information that could harm our business by damaging our reputation, subjecting us to potential financial or legal liability and requiring us to incur significant costs, including costs to repair or restore our systems and data or to take other remedial steps.

In addition, certain cyber incidents, such as reconnaissance campaigns, may remain undetected for an extended period, and our systems and insurance coverage for protecting against such cybersecurity risks may be costly and may not be sufficient. As cyber-attackers become more sophisticated, we may be required to expend significant additional resources to continue to protect our business or remediate the damage from cyber-attacks. Furthermore, the continuing and evolving threat of cyber-attacks has resulted in increased regulatory focus on prevention, mitigation, and notification, and we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. To the extent we face increased regulatory requirements, we may be required to expend significant additional resources to meet such requirements.

Risks Related to our Indebtedness, Hedging Activities and Financial Position

We have substantial capital requirements, and we may not be able to obtain needed financing on satisfactory terms, if at all.

We make and expect to make substantial capital expenditures in connection with our development and production projects. projects, as well as to finance our acquisitions. We rely on access to both our revolving credit agreement and longer-term capital markets as sources of liquidity for any capital requirements not satisfied by cash flow from operations or other sources. Adverse economic and market conditions could adversely affect our ability to access such sources of liquidity. Future challenges in the global financial system may adversely affect the terms on which we are able to obtain financing, which could impact our business, financial condition and access to capital. Our ability to access the capital markets may be restricted at a time when we want or need to raise capital, which could have an impact on our flexibility to react to changing economic and business conditions. Additionally, such adverse economic and market conditions could impact our counterparties, including our receivables and our hedging counterparties who may, as a result of such conditions, be unable to perform their obligations.

Risks associated with our debt and the provisions of our debt agreements could adversely affect our business, financial position and results of operations.

Our indebtedness could have adverse effects on our business, financial condition, results of operations and cash flows, including by requiring us to use a substantial portion of our cash flow to make debt service payments, which would reduce the funds that would otherwise be available for operations, returning cash flow from operations capital to stockholders and future business opportunities. As a result, our ability to sell assets, engage in strategic transactions or obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be adversely impacted. Our ability to make payments on and to refinance our indebtedness will depend on our ability to generate cash in the future from operations, financings or asset sales. If we fail to make required payments or otherwise default on our debt, the lenders who hold such debt also could accelerate amounts due, which could potentially trigger a default or acceleration of other debt.

Our debt agreements also require compliance with covenants to maintain specified financial ratios. If commodity prices deteriorate from current levels, it could lead to reduced revenues, cash flow and earnings, which in turn could lead to a default under such agreements due to lack of covenant compliance. Because the calculations of the financial ratios are made as of certain dates, the financial ratios can fluctuate significantly from period to period. A prolonged period of lower commodity prices could further increase the risk of our inability to comply with covenants to maintain specified financial ratios. In order to provide a margin of comfort with regard to these financial covenants, we may seek to modify our capital program, sell non-strategic assets or opportunistically modify or increase our derivative instruments. In addition, we may seek to refinance or restructure all or a portion of our indebtedness. We cannot provide assurance that we will be able to successfully execute any of these strategies, and such strategies may be unavailable on favorable terms or at all. For more information about our debt agreements, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations-Financial Condition-Liquidity Operations—Financial Condition—Liquidity and Capital Resources." Resources" in Item 7.

We may have hedging arrangements that expose us to risk of financial loss and limit the benefit to us of increases in prices for oil and natural gas.

We use financial derivative instruments to manage commodity price risk. While there are many different types of derivatives available, we generally utilize collar, swap and basis swap agreements to manage price risk more effectively.

While these derivatives reduce the impact of declines in commodity prices, these derivatives conversely limit the benefit to us of increases in prices. In addition, these arrangements expose us to risks of financial loss in a variety of circumstances, including when:

- there is an adverse change in the expected differential between the underlying price in the derivative instrument and actual prices received for our production;
- production is less than expected; or
- a counterparty is unable to satisfy its obligations.

In addition, the CFTC has promulgated regulations to implement statutory requirements for derivatives transactions, including swaps. Although we believe that our use of swap transactions exempts us from certain regulatory requirements, the changes to the derivatives market regulation affect us directly and indirectly. These changes, as in effect and as continuing to be implemented, as well as a reduced liquidity in oil and gas derivative market, could increase the cost of derivative contracts, limit the availability of derivatives to protect against risks that we encounter, reduce our ability to monetize or restructure our existing derivative contracts and increase our exposure to less creditworthy counterparties. If we reduce our use of swaps, our results of operations may become more volatile, and our cash flows may be less predictable.

In addition, the use of financial derivative instruments involves the risk that the counterparties will be unable to meet the financial terms of such transactions. We are unable to predict changes in a counterparty's creditworthiness or ability to perform, and even if we could predict such changes accurately, our ability to negate such risk may be limited depending on market conditions and the contractual terms of the instruments. If any of our counterparties were to default on its obligations under our financial derivative instruments, such a default could (1) have a material adverse effect on our results of operations, (2) result in a larger percentage of our future production being subject to commodity price changes and (3) increase the likelihood that our financial derivative instruments may not achieve their intended strategic purposes.

We will continue to evaluate the benefit of utilizing derivatives in the future. Please read “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 and “Quantitative and Qualitative Disclosures about Market Risk” in Item 7A for further discussion concerning our use of derivatives.

Legal, Regulatory and Governmental Risks

ESG concerns and negative public perception regarding us and our industry could adversely affect our business operations and the price of our common stock, debt securities and preferred stock.

Businesses across all industries are facing increasing scrutiny from investors, governmental authorities, regulatory agencies and the public related to their ESG practices, including practices and disclosures related to climate change, sustainability, diversity, equity and inclusion initiatives, and heightened governance standards. Failure, or a perceived failure, to adequately respond to or meet evolving investor, stockholder or public ESG expectations, concerns and standards may cause a business entity to suffer reputational damage and materially and adversely affect the entity’s business, financial condition, or stock and debt prices. In addition, organizations that provide ESG information to investors have developed ratings processes for evaluating a business entity’s approach to ESG matters. Although currently no universal rating standards exist, the importance of sustainability evaluations is becoming more broadly accepted by investors and stockholders, with some using these ratings to inform investment and voting decisions. Additionally, certain investors use these scores to benchmark businesses against their peers and, if a business entity is perceived as lagging, these investors may engage with the entity to demand improved ESG disclosure or performance. Moreover, certain members of the broader investment community may consider a business entity’s sustainability score as a reputational or other factor in making an investment decision. Consequently, a low sustainability score could result in exclusion of our securities from consideration by certain investment funds, engagement by investors seeking to improve such scores and a negative perception of our operations by certain investors. In addition, efforts in recent years aimed at the investment community to generally promote the divestment of fossil fuel equities and to limit or curtail activities with companies engaged in the extraction of fossil fuel reserves could limit our ability to access capital markets. These initiatives by activists and banks, including certain banks who are parties to the credit agreement providing for our revolving credit agreement, could interfere with our business activities, operations and ability to access capital.

Further, negative public perception regarding us and our industry resulting from, among other things, concerns raised by advocacy groups about climate change impacts of methane and other greenhouse gas emissions, hydraulic fracturing, oil spills, and pipeline explosions coupled with increasing societal expectations on businesses to address climate change and potential consumer use of substitutes to carbon-intensive energy commodities may result in increased costs, reduced demand for our oil, natural gas and NGL production, reduced profits, increased regulation, regulatory investigations and litigation, and negative impacts on our stock and debt prices and access to capital markets. These factors could also cause the permits we need to conduct our operations to be challenged, withheld, delayed, or burdened by requirements that restrict our ability to profitably conduct our business.

Federal, state and local laws and regulations, judicial actions and regulatory initiatives related to oil and gas development and the use of hydraulic fracturing could result in increased costs and operating restrictions or delays and adversely affect our business, financial condition, results of operations and cash flows.

Our operations are subject to extensive federal, state and local laws and regulations, including drilling and environmental and safety laws and regulations, which increase the cost of planning, designing, drilling, installing and operating oil and natural gas facilities. New laws and regulations or revisions or reinterpretations of existing laws and regulations could further increase these costs, could increase our liability risks, and could result in increased restrictions on oil and gas exploration and production activities, which could have a material adverse effect on us and the oil and gas industry as a whole. Risk of substantial costs and liabilities related to environmental and safety matters in particular, including compliance issues, environmental contamination and claims for damages to persons or property, are inherent in oil and natural gas operations. Failure to comply with applicable environmental and safety laws and regulations also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties as well as the imposition of corrective action requirements and orders. In addition, applicable laws and regulations require us to obtain many permits for the operation of various facilities. The issuance of required permits is not guaranteed and, once issued, permits are subject to revocation, modification and renewal. Failure to comply with applicable laws and regulations can result in fines and penalties or require us to incur substantial costs to remedy violations.

For additional information, please read “Business and Properties—Other Business Matters—Regulation of Oil and Natural Gas Exploration and Production,” “—Regulation of Natural Gas Marketing, Gathering and Transportation,” and “—Environmental and Safety Regulations” in Items 1 and 2.

Oil and natural gas production operations, especially those using hydraulic fracturing, are substantially dependent on the availability of water. Our ability to produce oil and natural gas economically and in commercial quantities could be impaired if we are unable to acquire adequate supplies of water for our operations or are unable to dispose of or recycle the water we use economically and in an environmentally safe manner.

Water is an essential component of oil and natural gas production during the drilling process. In particular, we use a significant amount of water in the hydraulic fracturing process. Our inability to locate sufficient amounts of water, or dispose of or recycle water used in our exploration and production operations, could adversely impact our operations. Compliance with environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing of wells may increase our operating costs and cause delays, interruptions or termination of our operations, the extent of which cannot be predicted, all of which could have an adverse effect on our operations and financial condition.

For additional information, please read “Business and Properties—Other Business Matters—Environmental and Safety Regulations—Clean Water Act” in Items 1 and 2.

The adoption of climate change legislation or regulations restricting emission of greenhouse gases could result in increased operating costs and reduced demand for the oil and gas we produce.

Studies have found that emission of certain gases, commonly referred to as GHGs impact the earth’s climate. The U.S. Congress and various states have been evaluating, and in some cases implementing, climate-related legislation and other regulatory initiatives that restrict GHG emissions. These actions as well as any future laws or regulations that regulate or limit GHG emissions from our equipment and operations could require us to develop and implement new practices aimed at reducing GHG emissions, such as emissions control technologies, and to monitor and report GHG emissions associated with our operations, any of which could increase our operating costs and could adversely affect demand for the oil and gas that we produce. At this time, it is not possible to quantify the impact of such future laws and regulations on our business.

For additional information, please read "Business and Properties—Other Business Matters—Environmental and Safety Regulations—Greenhouse Gas and Climate Change Laws and Regulations" in Items 1 and 2.

We are subject to various climate-related risks.

The following is a summary of potential climate-related risks that could adversely affect us:

Transition Risks. Transition risks are related to the transition to a lower-carbon economy and include policy and legal, technology, and market risks.

Policy and Legal Risks. Policy risks include actions that seek to lessen activities that contribute to adverse effects of climate change or to promote adaptation to climate change. Examples of policy actions that would increase the costs of our operations or lower demand for our oil and gas include implementing carbon-pricing mechanisms, shifting energy use toward lower emission sources, adopting energy-efficiency solutions, encouraging greater water efficiency measures, and promoting more sustainable land-use practices. Policy actions also may include restrictions or bans on oil and gas activities, which could lead to write-downs or impairments of our assets or may incentivize the use of alternative or renewable sources of energy that could reduce the demand for our products. For example, the IRA contains tax inducements and other provisions that incentivize investment, development and deployment of alternative energy sources and technologies, and at COP28 in December 2023, more than 190 governments reached a non-binding agreement to transition away from fossil fuels and encourage the growth and expansion of renewable energy. Legal risks include potential lawsuits or regulations regarding the impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks. For example, the SEC in 2022 proposed rules on climate change disclosure requirements for public companies which, if adopted as proposed, could result in substantial compliance costs, and in September of 2023, California passed climate-related disclosure mandates that are broader than the SEC's proposed rules. mandates.

Furthermore, we could also face an increased risk of climate-related litigation or "greenwashing" suits with respect to our operations, disclosures, or products. Claims have been made against certain energy companies alleging that GHG emissions from oil, gas and NGL operations constitute a public nuisance under federal and state law. Private individuals or public entities also could attempt to enforce environmental laws and regulations against us and could seek personal injury and property damages or other remedies. Additionally, governments and private parties are also increasingly filing suits, or initiating regulatory action, based on allegations that certain public statements regarding ESG-related matters by companies are false and misleading "greenwashing" campaigns that violate deceptive trade practices and consumer protection statutes or that climate-related disclosures made by companies are inadequate. Similar issues can also arise when aspirational statements such as net-zero or carbon neutrality targets are made without clear plans. Although we are not a party to any such climate-related or "greenwashing" litigation currently, unfavorable rulings against us in any such case brought against us in the future could significantly impact our operations and could have an adverse impact on our financial condition. Alternatively, we may be accused of "greenhushing" for the failure to communicate certain climate-related initiatives, commitments and goals, whether in our filings with the SEC or in other disclosures.

Technology Risks. Technological improvements or innovations that support the transition to a lower-carbon, more energy efficient economic system may have a significant impact on us. The development and use of emerging technologies in renewable energy, battery storage, and energy efficiency may lower demand for oil and gas, resulting in lower prices and revenues, and higher costs. In addition, many automobile manufacturers have announced plans to shift production from internal combustion engine to electric powered vehicles, and states and foreign countries have announced bans on sales of internal combustion engine vehicles beginning as early as 2025, which would reduce demand for oil.

Market Risks. Markets could be affected by climate change through shifts in supply and demand for certain commodities, especially carbon-intensive commodities such as oil and gas and other products dependent on oil and gas. Lower demand for our oil and gas production could result in lower prices and lower revenues. Market risk also may take the form of limited access to capital as investors shift investments to less carbon-intensive industries and alternative energy industries. In addition, investment advisers, banks, and certain sovereign wealth, pension and endowment funds recently have been promoting divestment of investments in fossil fuel companies and pressuring lenders to limit funding to companies engaged in the

extraction, production and sale of oil and gas. For additional information, please read "—Risks Related to our Indebtedness, Hedging Activities and Financial Position—We have substantial capital requirements, and we may not be able to obtain needed financing on satisfactory terms, if at all" all." in this Item 1A.

Reputation Risk. Climate change is a potential source of reputational risk, which is tied to changing customer or community perceptions of an organization's contribution to, or detraction from, the transition to a lower-carbon economy. For additional information, please read "—ESG concerns and negative public perception regarding us and our industry could adversely affect our business operations and the price of our common stock, debt securities and preferred stock." stock" in this Item 1A.

Physical Risks. Potential physical risks resulting from climate change may be event driven (including increased severity of extreme weather events, such as hurricanes, droughts, floods, tornadoes, wildfires or freezes) or may be driven by longer-term shifts in climate patterns that may cause sea level rise or chronic heat waves. Potential physical risks may cause direct damage to assets and indirect impacts, such as supply chain disruption, changes in water availability, sourcing and quality, which could impact drilling and completion operations. These physical risks could cause increased costs, production disruptions, lower revenues and substantially increase the cost or limit the availability of insurance.

We are subject to a number of privacy and data protection laws, rules and directives (collectively, "data protection laws") relating to the processing of personal data.

The regulatory environment surrounding data protection laws is uncertain. Complying with varying jurisdictional requirements could increase the costs and complexity of compliance, and violations of applicable data protection laws can result in significant penalties. A determination that there have been violations of applicable data protection laws could expose us to significant damage awards, fines and other penalties that could materially harm our business and reputation.

Any failure, or perceived failure, by us to comply with applicable data protection laws could result in proceedings or actions against us by governmental entities or others, subject us to significant fines, penalties, judgments and negative publicity, require us to change our business practices, increase the costs and complexity of compliance and adversely affect our business. As noted above, we are also subject to the possibility of security and privacy breaches, which themselves may result in a violation of these laws. Additionally, the acquisition of a company that is not in compliance with applicable data protection laws may result in a violation of these laws.

Tax law changes could have an adverse effect on our financial position, results of operations and cash flows.

Periodically U.S. legislators propose substantive changes to existing federal income tax laws that would repeal many tax incentives and deductions that are currently used by U.S. oil and gas companies and would impose new taxes. Past proposals have included repeal of the percentage depletion allowance for oil and gas properties; elimination of the ability to fully deduct intangible drilling costs in the year incurred; and increase in the geological and geophysical amortization period for independent producers. These proposals have also included general tax law changes to raise tax rates on both domestic and foreign income.

Should the U.S. or the states pass tax legislation limiting any currently allowed tax incentives and deductions, our taxes would increase, potentially significantly, which would have a negative impact on our net income and cash flows. This could also reduce our drilling activities in the U.S. Since future changes to federal and state tax legislation and regulations are unknown, we cannot predict the ultimate impact such changes may have on our business.

Risks Related to our Corporate Structure

Provisions of Delaware law and our bylaws and charter could discourage change-in-control transactions and prevent stockholders from receiving a premium on their investment.

Our charter authorizes our Board of Directors to set the terms of preferred stock. In addition, Delaware law contains provisions that impose restrictions on business combinations with interested parties. Our bylaws prohibit the calling of a special meeting by our stockholders and place procedural requirements and limitations on stockholder proposals at meetings of stockholders. Because of these provisions of our charter, bylaws and Delaware law, persons considering unsolicited tender offers or other unilateral takeover proposals may be more likely to negotiate with our Board of Directors rather than pursue non-negotiated takeover attempts. As a result, these provisions may make it more difficult for our stockholders to benefit from transactions that are opposed by an incumbent Board of Directors.

The personal liability of our directors and officers for monetary damages for breach of their fiduciary duty of care is limited by the Delaware General Corporation Law and by our charter.

The Delaware General Corporation Law allows corporations to limit available relief for the breach of directors’ or officers’ duty of care to equitable remedies such as injunction or rescission. Our charter limits the liability of our directors and officers to the fullest extent permitted by Delaware law. Specifically, our directors and officers will not be personally liable for monetary damages for any breach of their fiduciary duty, as a director, except for liability:

- for any breach of their duty of loyalty to the Company or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- for any transaction from which the director or officer derived an improper personal benefit;
- solely with respect to directors, under provisions relating to unlawful payments of dividends or unlawful stock repurchases or redemptions; and
- solely with respect to officers, for any transaction from which action by or in the director derived an improper personal benefit. right of the Company.

This limitation may have the effect of reducing the likelihood of derivative litigation against directors or officers and may discourage or deter stockholders or management (or, with respect to directors, management) from bringing a lawsuit against directors or officers, as applicable, for breach of their duty of care, even though such an action, if successful, might otherwise have benefited our stockholders.

The exclusive-forum provision contained in our bylaws could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of us, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or agent of Coterra to Coterra or our stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our bylaws or charter or (4) any action asserting a claim governed by the internal affairs doctrine or asserting an "internal corporate claim" shall, to the fullest extent permitted by law, be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the U.S. federal district court for the District of Delaware).

To the fullest extent permitted by applicable law, this exclusive-forum provision applies to state and federal law claims, including claims under the federal securities laws, including the Securities Act of 1933, as amended (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), although our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. This exclusive-forum provision may limit the ability of a stockholder to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find this exclusive-forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, results of operations and financial condition. In addition, stockholders who do bring a claim in a state or federal court located within the State of Delaware could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. In addition, the court located in the State of Delaware may reach different judgments or results than would other courts, including courts where a stockholder would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders.

General Risk Factors

The loss of key personnel could adversely affect our ability to operate.

Our operations depend on a relatively small group of key management and technical personnel, and one or more of these individuals could leave our employment. The unexpected loss of the services of one or more of these individuals could have a detrimental effect on us. In addition, our drilling success and the success of other activities integral to our operations will depend, in part, on our ability to attract and retain experienced geologists, engineers and other professionals. Competition for experienced geologists, engineers and some other professionals is extremely intense and can be exacerbated following a downturn in which talented professionals leave the industry or when potential new entrants to the industry decide not to undertake the professional training to enter the industry. If we cannot retain our technical personnel or attract additional experienced technical personnel, our ability to compete could be harmed.

Competition in our industry is intense, and many of our competitors have substantially greater financial, technical and technological personnel resources than we do, which could adversely affect our competitive position.

Competition in the oil and natural gas industry is intense. We primarily compete with integrated, independent and other energy companies for the sale and transportation of our oil and natural gas production to pipelines, marketing companies and end users. Major and independent oil and natural gas companies actively bid for desirable oil and gas properties, as well as for the capital, equipment, labor and infrastructure required to operate and develop these properties. Our competitive position is affected by price, contract terms, availability of rigs and completion crews and related equipment and quality of service, including pipeline connection times, distribution efficiencies and reliable delivery record. Many of our competitors have financial, technical and technological personnel resources and exploration and development budgets that are substantially greater than ours. These companies may be able to pay more for exploratory projects and productive oil and gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit. In addition, these companies may be able to expend greater resources on the existing and changing technologies that we believe will be increasingly important to attaining success in the industry. These companies may also have a greater ability to continue drilling activities during periods of low oil and natural gas prices and to absorb the burden of current and future governmental regulations and taxation.

Further, certain of our competitors may engage in bankruptcy proceedings, debt refinancing transactions, management changes or other strategic initiatives in an attempt to reduce operating costs to maintain a position in the market. This could result in such competitors emerging with stronger or healthier balance sheets and in turn an improved ability to compete with us in the future. We have seen and may continue to see corporate consolidations among our competitors, which could significantly alter industry conditions and competition within the industry.

Because our activity is concentrated in areas of heavy industry competition, there is heightened demand for equipment, power, services, facilities and resources, resulting in higher costs than in other areas. Such intense competition also could result in delays in securing, or the inability to secure, the equipment, power, services, water or other resources or facilities necessary for our development activities, which could negatively impact our production volumes. In remote areas, vendors also can charge higher rates due to the inability to attract employees to those areas and the vendors' ability to deploy their resources in easier-to-access areas. The effect of these competitive factors cannot be predicted.

The declaration, payment and amounts of future dividends distributed to our stockholders and the repurchase of our common stock will be uncertain.

Although we have paid cash dividends on shares of our common stock and have conducted repurchases of our common stock in the past, our Board of Directors may determine not to take such actions in the future or may reduce the amount of dividends or repurchases made in the future. Decisions on whether, when and in which amounts to declare and pay any future dividends, or to authorize and make any repurchases of our common stock, will remain in the discretion of our Board of Directors. We expect that any such decisions will depend on our financial condition, results of operations, cash balances, cash requirements, future prospects, the outlook for commodity prices and other considerations that our Board of Directors deems relevant.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Governance

Our Board of Directors, with assistance from our Audit Committee and Cybersecurity Steering Committee, oversees our risk management program, which includes technology and cybersecurity risks. Our management team, including our Vice President - Information Technology ("VP - IT"), provides periodic updates on risk management to the Audit Committee and to the Board of Directors. Such periodic updates include presentations regarding cybersecurity matters, including any new cybersecurity threats, events, incidents, risks, risk management solutions, trainings or education, strategy pivots, or governance changes. The Audit Committee regularly reports its actions, findings and recommendations to the Board of Directors. The Audit Committee relies in large part on such periodic updates and presentations from our management team in developing its reports to the Board of Directors.

Risk Management and Strategy

We maintain a cybersecurity Incident Response Plan ("IRP") designed to identify, assess, manage, mitigate, and respond to cybersecurity risks, threats and incidents. The IRP was developed in consultation with common cybersecurity frameworks, including NIST Cybersecurity the Center for Internet Security (CIS) Critical Security Controls Framework, to provide efficiency, familiarity and consistency in design. As part of our IRP, we have established a Cybersecurity Incident Management Team ("CIMT"), comprised of senior level executives and management, that defines overall policy and strategy when faced with a cybersecurity incident. The CIMT provides cross-functional and geographical visibility, as well as executive leadership oversight, to address and mitigate associated risks. Among our CIMT, our VP - IT holds the highest level of executive responsibility for assessing and managing cybersecurity threats, incidents, and risks, as well as developing and implementing all cybersecurity risk management, strategy, and governance recommendations. Our VP - IT leads all components of our information technology functions and reports to our Executive Vice President and Chief Financial Officer.

The CIMT is supported by a dedicated Cybersecurity Incident Response Team ("CIRT"), comprised generally of security and networking team members with responsibilities to monitor and assess events, cybersecurity incidents, and technical activities throughout our organization. Our CIRT members possess critical skill sets, experience, and competencies related to the management of cybersecurity risks and matters. In particular, our VP - IT has over 28 29 years of experience in the field of information systems and cybersecurity and leads an experienced security and networking team with 67 71 years of additional combined experience in developing and executing cybersecurity strategies. Our CIRT members also hold over 29 31 certifications in risk and information security from organizations such as International Information System Security Certification Consortium (ISC2), The SANS Institute, Global Information Assurance Certification (GIAC), CompTIA and Cisco, including Certified Information Systems Security Professional (CISSP), GIAC, Certified Incident Handler Certification (GCIH), GIAC Critical Controls Certification (GCCC), GIAC Continuous Monitoring Certification (GMON), SANS Security Awareness Professional (SSAP), Certified Information Security Manager (CISM), Certified in Risk and Information Systems Control (CRISC), and Certified Information Systems Auditor (CISA).

Our CIRT is supported by dedicated Information Technology ("IT") and Operational Technology ("OT") security resources, and further supported by various external parties, including but not limited to, cybersecurity service providers, assessors, consultants, auditors, and other third parties engaged on an as-needed basis.

The CIRT determines whether a cybersecurity incident warrants escalation to the CIMT. In the event of a cybersecurity incident, the IRP describes processes to detect, analyze, contain, eradicate and remediate such incident. These processes include, but are not limited to:

- Maintaining an updated inventory and management of digital assets;
- Conducting risk assessments to validate our cybersecurity policies, practices, and tools;
- Employing appropriate next generation firewalls, endpoint detection and response (EDR) software, identity and access management (IAM), multifactor authentication (MFA), virtual private network (VPN), account change monitoring, encryption, patch management, web content filter, spam filter and reporting, and security information and event management (SIEM) software;
- Conducting regular vulnerability scans of our IT and OT infrastructure;
- Obtaining and applying vulnerability patches appropriately;
- Conducting penetration tests and assessing recommended corrective actions;
- Requiring employees to complete a security awareness training program;
- Conducting regular phishing simulations and tabletop exercises to test familiarity with cybersecurity policies and procedures; and
- Reviewing and evaluating developments in the cyber threat landscape.

Our IRP also describes processes to identify material risks from cybersecurity incidents associated with our use of third-party service providers.

Currently, we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect our operations. However, the nature of potential cybersecurity risks and threats are uncertain, and any future incidents, outages or breaches could have a material adverse effect on our reputation, business strategy, results of operations or financial condition.

ITEM 3. LEGAL PROCEEDINGS

Legal Matters

We are involved in various legal proceedings incidental to our business. The information set forth under the heading "Legal Matters" in Note 8 of the Notes to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K is incorporated by reference in response to this item.

Governmental Proceedings

From time to time time-to-time, we receive notices of violation from governmental and regulatory authorities, including notices relating to alleged violations of environmental statutes or the rules and regulations promulgated thereunder. While we cannot predict with certainty whether these notices of violation will result in fines, penalties or both, if fines or penalties are imposed, they may result in monetary sanctions, individually or in the aggregate, in excess of $300,000.

In June 2023, we received a Notice of Violation and Opportunity to Confer ("NOVOC") from the U.S. EPA Environmental Protection Agency ("EPA") alleging violations of the Clean Air Act, the Texas State Implementation Plan, the New Mexico State Implementation Plan ("NMSIP") and certain other state and federal regulations pertaining to facilities in Texas and New Mexico. Separately, in July 2023, we received a letter from the U.S. Department of Justice that the EPA has referred this NOVOC for civil enforcement proceedings. In August 2023, we received a second NOVOC from the EPA alleging violations of the Clean Air Act, the NMSIP, and certain other state and federal regulations pertaining to

Company facilities in New Mexico. We have exchanged information with the EPA and continue to engage in discussions aimed at resolving the allegations. At this time, we are unable to predict with certainty the financial impact of these NOVOCs or the timing of any resolution. However, any enforcement action related to these NOVOCs will likely result in fines or penalties, or both, and corrective actions, which may increase our development costs or operating costs. We believe that any fines, penalties, or corrective actions that may result from this matter these matters will not have a material effect on our financial position, results of operations, or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table shows certain information as of February 23, 2024 February 25, 2025 about our executive officers, as such term is defined in Rule 3b-7 of the Securities Exchange Act of 1934. All officers are elected annually by our Board of Directors.

Name	Age	Position
Thomas E. Jorden	66 67	Chairman, Chief Executive Officer and President
Shannon E. Young III	52 54	Executive Vice President and Chief Financial Officer
Stephen P. Bell	69 70	Executive Vice President, Business Development
Andrea M. Alexander	42 43	Senior Vice President and Chief Human Resources Officer
Michael D. DeShazer	39	Senior Vice President, Business Units
Blake A. Sirgo	41 42	Senior Vice President, Operations
Adam Vela Kevin W. Smith	50 39	Senior Vice President and General Counsel Chief Technology Officer
Michael D. DeShazer Adam M. Vela	38 51	Senior Vice President, of Business Units
Gary Hlavinka	62	Vice President, Marcellus Business Unit General Counsel
Todd M. Roemer	53 54	Vice President and Chief Accounting Officer
Kevin W. Smith	38	Vice President and Chief Technology Officer

Mr. Jorden was appointed Chief Executive Officer and President of Coterra following the Merger with Cimarex in October 2021 and Chairman of the Board of Coterra in November 2022. Mr. Jorden previously served as the Chief Executive Officer and President of Cimarex beginning September 2011 and as Chairman of the Board of Directors of Cimarex beginning August 2012. At Cimarex, he began serving as Executive Vice President of Exploration when the company formed in 2002. Prior to the formation of Cimarex, Mr. Jorden held multiple leadership roles at Key Production Company, Inc. ("Key"), which was acquired by Cimarex in 2002. He joined Key in 1993 as Chief Geophysicist and subsequently became Executive Vice President of Exploration. Before joining Key, Mr. Jorden served at Union Pacific Resources and Superior Oil Company.

Mr. Young was appointed Executive Vice President and Chief Financial Officer in July 2023. From 2019 to 2023, Mr. Young served as Executive Vice President and Chief Financial Officer of Talos Energy Inc. Prior to joining Talos Energy Inc.,

Mr. Young served in similar positions with Sheridan Production Company, LLC, Cobalt International Energy, Inc. and Talos Energy LLC. Mr. Young served as a Managing Director for the Global Energy Group at Goldman, Sachs & Co. from 2010 to 2014 and was an investment banker at Morgan Stanley from 1998 to 2010.

Mr. Bell was appointed Executive Vice President of Business Development following the Merger with Cimarex in October 2021. At Cimarex, Mr. Bell was appointed Senior Vice President of Business Development and Land in September 2002 and was named Executive Vice President of Business Development in September 2012. Mr. Bell served at Key prior to its acquisition by Cimarex. He joined Key in 1994 as Vice President of Land and was appointed Senior Vice President of Business Development and Land in 1999.

Ms. Alexander was appointed Senior Vice President and Chief Human Resources Officer in July 2023. Ms. Alexander served as Chief People Officer at Rent the Runway from June 2021 to July 2023. Ms. Alexander served in various roles of increasing responsibility, including Associate Partner and Professional Development Manager, at McKinsey & Company, a management consulting company, from 2009 to 2021.

Mr. DeShazer was appointed Senior Vice President of Business Units in May 2024. Mr. DeShazer previously served as Vice President of Business Units following the Merger in October 2021. Mr. DeShazer joined Cimarex in 2007, serving in various engineering and reservoir manager positions, as well as multiple leadership roles, including Technology Group Manager from 2016 to 2018, Asset Evaluation Team Manager from 2018 to 2019 and Vice President of the Permian Business Unit in 2019.

Mr. Sirgo was appointed Senior Vice President of Operations in October 2022. Mr. Sirgo previously served as Vice President of Operations at Coterra from October 1, 2021 to October 1, 2022. Prior to the Merger with Cimarex in October 2021, Mr. Sirgo served in a number of technical and leadership roles since joining Cimarex in 2008, including Vice President of Operations from February 2020 to October 2021, Vice President of Operation Resources from November 2018 to February 2020, Permian Division Production Manager from June 2016 to November 2018, and in various engineering and production manager positions. Before joining Cimarex, Mr. Sirgo worked at Occidental Petroleum.

Mr. Smith was appointed Senior Vice President and Chief Technology Officer in May 2024. Mr. Smith previously served as Vice President and Chief Technology Officer following the Merger in October 2021. Mr. Smith began his career with Cimarex in 2007, serving in a number of technical and leadership roles, including Director of Technology and Anadarko Exploration Region Manager. In September 2020, Mr. Smith assumed the role of Chief Engineer for Cimarex.

Mr. Vela was appointed Vice President and General Counsel in October 2022 and was promoted to Senior Vice President and General Counsel in August 2023. Mr. Vela previously served in various capacities at Coterra and Cimarex beginning in 2005, including Vice President, Assistant General Counsel, Chief Litigation Counsel and Corporate Counsel. Mr. Vela is a member of the Texas, Colorado, American and Houston Hispanic Bar associations, as well as the Foundation for Natural Resources and Energy Law.

Mr. DeShazer was appointed Vice President of Business Units following the Merger with Cimarex in October 2021. Mr. DeShazer joined Cimarex in 2007, serving in various engineering and reservoir manager positions, as well as multiple leadership roles, including Technology Group Manager from 2016 to 2018, Asset Evaluation Team Manager from 2018 to 2019 and Vice President of the Permian Business Unit in 2019.

Mr. Hlavinka was appointed Vice President of the Marcellus Business Unit in April 2022. Since joining Coterra, formerly Cabot Oil & Gas Corporation, in 1989, he has served in engineering and management roles across the Company's operations, in multiple producing basins. Mr. Hlavinka worked initially as a Facility Engineer and District Superintendent in the Company's West Virginia production operations, and subsequently as a Corporate Reservoir Engineer in Houston, Texas. In 2006 he was named West Region Engineering Manager for the Rocky Mountain and Mid-Continent operating areas, and in 2009 he was promoted to Regional Operations Manager for the North Region, with responsibility for Appalachian Basin operations and engineering.

Mr. Roemer was appointed Vice President and Chief Accounting Officer in July 2019. Mr. Roemer previously served as Vice President and Controller from February 2017 to July 2019 and Controller from March 2010 to February 2017. Prior to joining Coterra in 2010, Mr. Roemer was a Senior Manager in the energy practice of PricewaterhouseCoopers LLP. Mr. Roemer is a Certified Public Accountant in the state of Texas.

Mr. Smith was appointed Vice President and Chief Technology Officer following the Merger with Cimarex in October 2021. Mr. Smith began his career with Cimarex in 2007, serving in a number of technical and leadership roles, including Director of Technology and Anadarko Exploration Region Manager. In September 2020, Mr. Smith assumed the role of Chief Engineer for Cimarex.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our $0.10 par value common stock is listed and principally traded on the NYSE under the ticker symbol "CTRA." Cash dividends were paid to our common stockholders in each quarter of 2023. 2024. Future dividend payments will depend on the Company's level of earnings, financial requirements and other factors considered relevant by our Board of Directors.

As of February 6, 2024 February 14, 2025, there were 858 884 registered holders of our common stock.

ISSUER PURCHASES OF EQUITY SECURITIES

In February 2023, our Board of Directors terminated the previously authorized share repurchase plan and approved a new share repurchase program that authorizes us to purchase up to $2.0 billion $2.0 billion of our common stock in the open market or in negotiated transactions. During the quarter ended December 31, 2023 December 31, 2024, we purchased 1 million 2 million shares of common stock for $29 million $58 million, bringing our total repurchases in 2023 2024 to 17 million shares of common stock at a total cost of $418 million $464 million. As of December 31, 2023 December 31, 2024, we were authorized to repurchase up to approximately an additional $1.6 billion $1.1 billion of our outstanding common stock.

The following table sets forth information regarding repurchases of our common stock during the quarter ended December 31, 2023 December 31, 2024.

Period (1)	Total Number of Shares Purchased (In thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (In thousands)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (In millions)
October 2023	430	$ 26.90	430	$ 1,603
November 2023	307	$ 27.47	307	$ 1,595
December 2023 (2)	333	$ 26.14	333	$ 1,586
Total	1,070		1,070	

Period (1)	Total Number of Shares Purchased (In thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (In thousands)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (In millions)
October 2024 (2)	352	$ 24.15	352	$ 1,175
November 2024	443	$ 24.80	443	$ 1,164
December 2024	1,617	$ 24.12	1,617	$ 1,125
Total	2,412		2,412	

(1) *All purchases during the covered periods were made under the new share repurchase program, which was approved by our Board of Directors in February 2023 and which authorized the repurchase of up to $2.0 billion of our common stock. The new share repurchase program does not have an expiration date. Purchases were made under terms intended to qualify for exemption under Rules 10b-18 and 10b5-1.*

(2) *In December 2023, October 2024, we purchased 332,634 351,791 shares of common stock delivered to us by employees to satisfy withholding taxes on the vesting of restricted stock awards.*

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis are based on management's perspective and are intended to assist you in understanding our results of operations and our present financial condition and outlook. Our Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K contain additional information that should be referenced when reviewing this material. This discussion and analysis also include forward-looking statements. Readers are cautioned that such forward-looking statements are based on current expectations and assumptions that involve a number of risks and uncertainties, including those described under "Forward-Looking Statements" in Part I of this report and "Risk Factors" in Part I, Item 1A of this report, which could cause actual results to differ materially from those included in this report.

OVERVIEW

Financial and Operating Overview

Financial and operating results for the year ended December 31, 2023 December 31, 2024 compared to the year ended December 31, 2022 are as follows: December 31, 2023 reflect the following:

- Net income decreased $2.4 billion $504 million from $4.1 billion, or $5.09 per share, in 2022 to $1.6 billion, or $2.14 per share, in 2023. 2023 to $1.1 billion, or $1.51 per share, in 2024.
- Net cash provided by operating activities decreased $1.8 billion $863 million, from $5.5 billion $3.7 billion, in 2022 2023 to $3.7 billion $2.8 billion in 2023. 2024.
- Equivalent production increased 12.2 4.1 MMBoe from 231.3 MMBoe, or 633.8 MBoe per day, in 2022 to 243.5 MMBoe, or 667.1 MBoe per day, in 2023. 2023 to 247.6 MMBoe, or 676.5 MBoe per day, in 2024.
    - Oil production increased 4.7 MMBbl from 35.1 MMBbl, or 96 MBbl per day, in 2023 to 39.8 MMBbl, or 109 MBbl per day, in 2024.
    - Natural gas production increased 28.4 decreased 28.0 Bcf from 1,024.3 Bcf, or 2,806 MMcf per day, in 2022 to 1,052.7 Bcf, or 2,884 MMcf per day, in 2023.
    - Oil production increased 3.2 MMBbl from 31.9 MMBbl, 2023 to 1,024.7 Bcf, or 87 MBbl 2,800 MMcf per day, in 2022 to 35.1 MMBbl, or 96 MBbl per day, in 2023. 2024.
    - NGL volumes increased 4.2 4.1 MMBbl from 28.7 MMBbl, or 79 MBbl per day, in 2022 to 32.9 MMBbl, or 90 MBbl per day, in 2023. 2023 to 37.0 MMBbl, or 101 MBbl per day, in 2024.
- Average realized prices: prices (including impact of derivatives):
    - Oil was $74.22 per Bbl in 2024, 2 percent lower than the $76.07 per Bbl price realized in 2023.
    - Natural gas was $2.44 $1.75 per Mcf in 2023, 50 2024, 28 percent lower than the $4.91 $2.44 per Mcf price realized in 2022.
    - Oil was $76.07 per Bbl in 2023, 10 percent lower than the $84.33 per Bbl price realized in 2022. 2023.
    - NGL price for 2023 2024 was $19.56 $19.95 per Bbl, 42 2 percent lower higher than the $33.58 $19.56 per Bbl price realized in 2022. 2023.
- Total capital expenditures for drilling, completion and other fixed assets were $1.8 billion in 2024 compared to $2.1 billion in 2023 compared 2023.

Other financial highlights for the year ended December 31, 2024 and subsequent periods include the following:

- Issued $500 million aggregate principal amount of 5.60% senior notes due March 15, 2034. We used the net proceeds, and cash on hand, to $1.7 billion repay the $575 million of 3.65% weighted-average private placement senior notes that matured in 2022. The increase was driven by higher planned completion activity levels across our operations and higher costs. September 2024.
- Increased Amended our quarterly base dividend revolving credit agreement to increase our aggregate commitments from $0.15 per share $1.5 billion to $2.0 billion and extend the maturity date from March 2028 to September 2029.
- Entered into a $1.0 billion delayed draw term loan agreement consisting of two tranches of $500 million each, which was fully drawn in January 2025 to partially fund the FME and Avant acquisitions that both closed in January 2025.

- Issued $750 million aggregate principal amount of 5.40% senior notes due February 15, 2035 and $750 million aggregate principal amount of 5.90% senior notes due February 15, 2055. The net proceeds were used to partially fund the FME and Avant acquisitions which both closed in January 2025.
- Completed our previously announced acquisitions of FME and Avant in January 2025 for regular quarterly dividends in 2022 an aggregate consideration of approximately $4.0 billion, subject to $0.20 per share in 2023 as part of our returns-focused strategy. certain post-closing adjustments.
- Increased our quarterly base dividend from $0.20 per share to $0.21 per share in February 2024. 2024, and in February 2025 our Board of Directors approved an additional increase of our quarterly base dividend from $0.21 per share to $0.22 per share.
- Implemented our new $2.0 billion share repurchase program and repurchased Repurchased 17 million shares of our common stock during 2024 for $418 million during the year ended December 31, 2023. Under our previous share repurchase program, we repurchased 48 million shares for $1.25 billion during the year ended December 31, 2022 $464 million.

Market Conditions and Commodity Prices

Our financial results depend on many factors, particularly commodity prices and our ability to find, develop and market our production on economically attractive terms. Commodity prices are affected by many factors outside of our control,

including changes in market supply and demand, which are can be impacted by pipeline capacity constraints, inventory storage levels, basis differentials, weather conditions, and geopolitical, economic and other factors.

Oil prices have recovered were relatively steady in recent years from previous pandemic related market weakness, particularly on the 2024 compared to 2023 as demand side. Global has continued for oil supply. Following global conflict and supply chain disruptions that drove high oil prices in 2022, which then moderated throughout 2023. OPEC+ reacted with supply reductions helping which helped to stabilize oil price levels during in 2023. Oil and gas companies in the U.S. have largely refrained oil production was relatively flat from expanding their existing production, 2023 to 2024, which, has when combined with OPEC+'s reductions, contributed to relatively steadier oil prices in 2023 as compared and 2024. Additionally, while OPEC+ previously announced gradually increasing oil production over the course of 2025, several key members of OPEC+ have indicated their intent to recent years delay such increases until the second half of 2025 and to improved oil futures prices in early 2024. into 2026.

Natural gas prices trended down year-over-year but strengthened in 2024 compared to 2023 as strong production and relatively weak demand drove inventory levels above the five-year average. While natural gas prices have recovered from their lows in early 2024, natural gas prices in 2024 still trended lower overall compared to 2023. In response to the weakness of natural gas prices, we reduced our capital expenditures in the Marcellus Shale and also strategically curtailed our natural gas production in the basin from August 2024 through November 2024, resulting in an estimated curtailment of 232 MMcf per day of net production during that period. Natural gas prices increased slightly during the last quarter of 2024 and so far have continued to increase into early 2025 due to, among other factors, colder temperatures resulting in increased seasonal demand. Meanwhile, basis differentials became more divergent in 2024, in part due to constrained pipeline capacity and oversupply in certain geographic areas, and at times have resulted in negative spot market pricing for natural gas during 2024, such as the Waha Hub in the Permian Basin. While such issues have abated so far in 2025 in part due to the opening of the Matterhorn Express Pipeline in the fourth quarter of 2024, basis differentials may increase in magnitude again in 2025 due to increased power demand. However, a variety of factors we cannot predict. Looking to 2025, forward pricing indicates the recent increase in natural gas futures prices have declined overall is expected to continue through the remainder of 2025, partially as a result of, among other factors, an expected increase in demand driven by LNG exports. However, LNG exports may be impacted by retaliatory tariffs (including China's recently announced LNG tariffs), which could reduce the first part of 2024 as the domestic market appears oversupplied. expected demand for LNG in 2025. Nevertheless, we expect natural gas prices overall to be stronger in 2025 compared to 2024.

Although the current outlook on oil and natural gas prices is generally favorable and our operations have not been significantly impacted in the short-term, in the event further disruptions occur and continue for an extended period of time, our operations could be adversely impacted, commodity prices could decline, and our costs may increase. Oil and natural gas prices have fallen significantly since their peak in 2022, and we We expect commodity price volatility to continue, driven by further geopolitical disruptions, including as a result of conflicts in the Middle East, and actions of OPEC+ (including the ability of OPEC+ to successfully coordinate production quotas), and potentially swift near near- and medium term medium-term fluctuations in supply and demand. Although While we are unable to predict future commodity prices, at current oil, natural gas and NGL price levels, we do not believe that an impairment of our oil and gas properties is reasonably likely to occur in the near future. However, in the event that commodity prices significantly decline or costs significantly increase significantly from current levels, our management would evaluate the recoverability of the carrying value of our oil and gas properties.

In addition, the issue of, and increasing political and social attention on, climate change has resulted in both existing and pending national, regional and local legislation and regulatory measures, such as mandates for renewable energy and emissions reductions targeted at limiting or reducing emissions of GHGs. reductions. Changes in these laws or regulations may result in delays or restrictions in permitting and the development of projects, may result in increased costs and may impair our ability to move forward with our construction, completions, drilling, water management, waste handling, storage, transport and remediation activities, or may result in renewable energy alternatives that become more competitive with traditional oil and natural gas-derived products (including government subsidies and incentives for electric vehicles), any of which could have an adverse effect on our financial results.

For information about the impact of realized commodity prices on our revenues, refer to "Results of Operations" below.

FINANCIAL CONDITION

Liquidity and Capital Resources

We strive to maintain an adequate liquidity level to address commodity price volatility and risk. Our liquidity requirements consist primarily of funding our planned acquisitions and capital expenditures, payment of contractual obligations (including debt maturities and interest payments), working capital requirements, dividend payments and share repurchases. Although we have no obligation to do so, we may also from time-to-time refinance or retire our outstanding debt through privately negotiated transactions, open market repurchases, redemptions, exchanges, tender offers or otherwise.

Our primary sources of liquidity are cash on hand, net cash provided by operating activities and available borrowing capacity under our revolving credit agreement. Our liquidity requirements are generally funded with cash flows provided by operating activities, together with cash on hand. However, from time to time, time-to-time, our investments may be funded by bank borrowings (including draws under our revolving credit agreement), sales of non-strategic assets, and private or public financing based on our monitoring of capital markets and our balance sheet. Our debt is currently rated as investment grade by the three leading rating agencies, and While there are no “rating triggers” in any of our debt agreements that would accelerate the scheduled maturities should our debt rating fall below a certain level. In determining our debt ratings, the agencies consider level, a number of qualitative and quantitative items including, but not limited to, current commodity prices, our liquidity position, our debt levels and leverage ratios, the size and mix of our production and proved reserves, and our cost structure. Credit ratings are not recommendations to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. A change in our debt rating could adversely impact our interest rate on any borrowings under our revolving credit agreement and our ability to economically access debt markets in the future and could trigger the requirement to post credit support under various agreements, which could reduce the borrowing capacity under our revolving credit agreement. As of the date hereof, our debt is currently rated as investment grade by the three leading rating agencies. For more on the impact of credit ratings on our interest rates and fees for unused commitments under our revolving credit agreement, see Note 4 of the Notes to the Consolidated Financial Statements, “Long-Term Debt and Credit Agreements.” We believe that, with operating cash flow, cash on hand and availability under our revolving credit agreement and term loan, we have the ability to finance our spending plans over the next twelve months and, based on current expectations, for the longer term.

Our working capital is substantially influenced by the variables discussed above and fluctuates based on the timing and amount of borrowings and repayments under our revolving credit agreement, borrowings and repayments of debt, the timing of cash collections and payments on our trade accounts receivable and payable, respectively, payment of dividends, repurchases of our securities and changes in the fair value of our commodity derivative activity. From time to time, time-to-time, our working capital will reflect a deficit, while at other times it will reflect a surplus. This fluctuation is not unusual. At December 31, 2023 December 31, 2024 and 2022, 2023, we had a working capital surplus of $355 million $2.2 billion and $1.0 billion $355 million, respectively. The decrease increase in our working capital surplus is primarily due to the reclassification during 2023 an increase in cash and cash equivalents related to our issuance of $575 million $1.5 billion of long-term debt scheduled to mature senior notes in September December 2024 to current liabilities. partially fund our FME and Avant acquisitions which both closed in January 2025. We believe we have adequate liquidity and availability under our revolving credit agreement as outlined above to meet our working capital requirements over the next 12 months.

As In March 2024, we issued $500 million of December 31, 2023, 5.60% senior notes, and used these net proceeds, along with cash on hand, to fund the repayment of the $575 million of 3.65% weighted-average senior notes that matured in September 2024.

In September 2024, we had no borrowings outstanding under entered into an amendment relating to our revolving credit agreement, which increased our unused aggregate commitments were $1.5 billion from $1.5 billion to $2.0 billion and extended the maturity date to September 2029, among other things.

In December 2024, we issued $750 million of 5.40% senior notes which will mature in February 2035 and $750 million of 5.90% senior notes which will mature in February 2055. We used the net proceeds to partially fund the FME and Avant acquisitions which both closed in January 2025.

In December 2024, we entered into a $1.0 billion delayed draw term loan agreement which consists of two tranches, a $500 million Tranche A Term Loan and a $500 million Tranche B Term Loan. The Tranche A Term Loan matures two years after funding, and the Tranche B Term Loan matures three years after funding. In January 2025, we borrowed the full $1.0 billion available under the term loan and used the proceeds to partially fund the FME and Avant acquisitions which both closed in January 2025.

As of December 31, 2024, and we had unrestricted cash on hand of $956 million $2.0 billion, unused commitments of $2.0 billion under our revolving credit agreement, and a $1.0 billion undrawn term loan. Subsequently, the term loan was fully drawn in January 2025, as discussed herein.

Our revolving credit agreement and term loan include a covenant potentially limiting our borrowing capacity as determined by our leverage ratio. As of December 31, 2024, we were in compliance with all financial covenants applicable to our revolving credit agreement, term loan and private placement senior notes.

Refer to Note 4 of the Notes to the Consolidated Financial Statements, “Long-Term Debt and Credit Agreements,” for further details (including our restrictive covenants and required financial ratio).

Cash Flows

Our cash flows from operating activities, investing activities and financing activities are as follows:

		Year Ended December 31,				Year Ended December 31,		
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
Cash flows provided by operating activities								
Cash flows (used in) provided by investing activities								
Cash flows used in financing activities								
Cash flows used in investing activities								
Cash flows provided by (used in) financing activities								

2024 and 2023 Compared

Operating Activities. Operating cash flow fluctuations are substantially driven by changes in commodity prices, production volumes and operating expenses. Commodity As discussed above, commodity prices have historically been volatile, primarily as a result of supply and demand for oil and natural gas, pipeline infrastructure constraints, basis differentials, inventory storage levels, seasonal influences and geopolitical, economic and other factors. In addition, fluctuations volatile. Fluctuations in cash flow may result in an increase or decrease in our planned capital expenditures.

Net cash provided by operating activities in 2023 decreased by $1.8 billion $863 million in 2024 compared to 2022. 2023. This decrease was primarily due to lower net income as a result of decrease in natural gas revenue, caused by lower natural gas oil prices and NGL revenue due to lower commodity prices, partially offset by higher production. This decrease was partially offset by lower production, an increase in operating costs, higher a decrease in cash received on derivative settlements and a larger contribution from changes net reduction in working capital during 2024. These decreases were partially offset by higher oil and other assets and liabilities. NGL revenues primarily driven by higher production.

Refer to "Results of Operations" for additional information relative to commodity price, production and operating expense fluctuations. We are unable to predict future commodity prices and, as a result, cannot provide any assurance about future levels of net cash provided by operating activities.

Investing Activities. Cash flows used in investing activities increased decreased by $385 million from 2022 $297 million in 2024 compared to 2023. The increase This decrease was primarily due to $389 million $335 million of higher lower cash paid for capital expenditures, due to our increased capital budget for 2023 compared to 2022 . partially offset by $31 million lower proceeds from asset sales.

Financing Activities. Cash flows used in provided by financing activities decreased increased by $2.8 billion from 2022 $1.6 billion in 2024 compared to 2023. The decrease increase was primarily due to $1.1 billion the issuance of the $500 million of 5.60% senior notes in March 2024, $750 million of 5.40% senior notes and $750 million of 5.90% senior notes in December 2024, and $265 million of lower dividend payments payments. These increases were partially offset by the repayment of $575 million of 3.65% weighted-average senior notes at their maturity in September 2024 and $845 million $50 million of lower higher common stock repurchases during 2024. The lower dividend payments were a result of a decrease in our dividend from $1.17 per common share for 2023 to $0.84 per common share for 2024 due to a special variable-rate dividend of $0.37 that was paid in 2023, and $874 million net repayments a decrease in outstanding shares of debt in 2022. stock due to our active share repurchase program during 2023 and 2024.

2022 2023 and 2021 2022 Compared. For information on the comparison of operating, investing, and financing cash flows for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022, refer to Financial Condition (Cash Flows) included in the Coterra Energy Inc. Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which information in incorporated by reference herein.

Revolving Credit Agreement

We had $1.5 billion of borrowing capacity under In September 2024, we entered into Amendment No. 1 (the "Amendment") relating to our revolving credit agreement at December 31, 2023 with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), and certain lenders and issuing banks party thereto (as amended by the Amendment, and further amended, supplemented or otherwise modified from time-to-time, the "Credit Agreement"). The revolving credit agreement is scheduled to mature in March 2028 and can be extended for additional one-year periods on up to two occasions upon Amendment increased the agreement of lenders holding at least 50 percent of the aggregate revolving commitments under the credit agreement Credit Agreement from $1.5 billion to $2.0 billion, extended the Credit Agreement maturity date from March 10, 2028 to September 12, 2029, made certain amendments to the representations and us. warranties, affirmative and negative covenants and events of default, and made certain other modifications.

Borrowings under our revolving credit agreement the Credit Agreement bear interest at a rate per annum equal to, at our option, (i) either a term secured overnight financing rate ("SOFR") plus a 0.10 percent credit spread adjustment for all tenors or (ii) a base rate, plus, in each case, plus an interest rate margin which ranges from 0 to 75 basis points for base rate loans and 100 to 175 basis points for term SOFR loans, based on our credit rating. Our revolving credit The maturity date of the Credit Agreement can be extended for additional one-year periods on up to two occasions upon the agreement of lenders holding at least 50 percent of the commitments under the Credit Agreement and us.

The Credit Agreement includes certain customary covenants, including the maintenance of a maximum leverage ratio of no more than 3.0 to 1.0 as of the last day of any fiscal quarter. At such time as we have no other debt in a principal amount in excess of $75 million $75 million outstanding that has a financial maintenance covenant based on a substantially similar leverage ratio, in lieu of such maximum leverage ratio covenant, the revolving credit agreement Credit Agreement will instead require us to maintain a ratio of total net debt to total capitalization of no more than 65 percent. percent (with all calculations based on definitions contained in the Credit Agreement).

At December 31, 2023 December 31, 2024, we were in compliance with all financial covenants for and had $2.0 billion of borrowing capacity under our revolving Credit Agreement.

Term Loan

In December 2024, we entered into a $1.0 billion delayed draw term loan credit agreement. Refer agreement with Toronto Dominion (Texas) LLC, as administrative agent, and certain other lenders and issuing banks (the "Term Loan"), which consists of a $500 million Tranche A Term Loan and a $500 million Tranche B Term Loan. The Tranche A Term Loan matures two years after funding, and the Tranche B Term Loan matures three years after funding. Borrowings under the Term Loan can be prepaid without penalty. As of December 31, 2024, we had no borrowings outstanding under the Term Loan and $1.0 billion of available commitments.

In January 2025, we borrowed $500 million under the Tranche A Term Loan to Note 4 partially fund the closing of the Notes FME acquisition and $500 million under the Tranche B Term Loan to partially fund the Consolidated Financial Statements, "Long-Term Debt and Credit Agreements," closing of the Avant acquisition.

Borrowings under the Term Loan bear interest at a rate per annum equal to, at our option, either (i) a term SOFR plus a 0.10 percent credit spread adjustment for further details regarding the all tenors or (ii) a base rate, plus an interest rate margin which ranges from 0 to 75 basis points for base rate loans, 100 to 175 basis points for Tranche A SOFR Term Loans and 112.5 to 187.5 basis points for Tranche B SOFR Term Loans based on future borrowings under our credit rating. The ticking fee on the revolving average daily amount of the Tranche A commitments and Tranche B commitments is calculated at annual rates ranging from 10 basis points to 25 basis points based on our credit agreement and rating.

The Term Loan includes certain customary covenants, including the maintenance of a maximum leverage ratio of no more than 3.0 to 1.0 as of the last day of any fiscal quarter until such time as we have no other debt (other than our Credit Agreement) in a principal amount in excess of $75 million outstanding that has a financial maintenance covenant based on a leverage ratio. ratio, at which time the Term Loan requires maintenance of a ratio of total net debt to capitalization of no more than 65 percent (with all calculations based on definitions contained in the Term Loan).

Certain Restrictive Covenants

Our ability to incur debt, incur liens, enter into mergers, sell assets, enter into transactions with affiliates, and engage in certain other activities are subject to certain restrictive covenants in our various debt instruments. In addition, the senior note agreement governing various series of senior notes that were issued in a private placement (the "private placement senior notes") requires us to maintain a minimum annual coverage ratio of consolidated cash flow to interest expense for the trailing four quarters of not less than 2.8 to 1.0 and requires us to maintain, as of the last day of any fiscal quarter, a maximum ratio of total debt to consolidated EBITDAX for the trailing four quarters of not more than 3.0 to 1.0. At December 31, 2023 December 31, 2024, we were in compliance with all financial covenants in our private placement senior notes.

Refer to Note 4 of the Notes to the Consolidated Financial Statements, "Long-Term Debt and Credit Agreements," for further details regarding the interest rate on future borrowings under our Credit Agreement and Term Loan, as well as information regarding our restrictive covenants, contained in including our various debt instruments. leverage ratio.

Capitalization

Information about our capitalization is as follows:

		December 31,			December 31,	
(Dollars in millions)	(Dollars in millions)	2023	2022	(Dollars in millions)	2024	2023
Total debt (1)	Total debt (1)	$ 2,161	$ 2,181	Total debt (1)	$ 3,535	$ 2,161
Stockholders' equity	Stockholders' equity	13,039	12,659	Stockholders' equity	13,122	13,039
Total capitalization	Total capitalization	$ 15,200	$ 14,840	Total capitalization	$ 16,657	$ 15,200
Debt to total capitalization	Debt to total capitalization	14%	15%	Debt to total capitalization	21%	14%
Cash and cash equivalents	Cash and cash equivalents	$ 956	$ 673	Cash and cash equivalents	$ 2,038	$ 956

(1) Included $575 million of current portion of long-term debt as of December 31, 2023 that was repaid at maturity in September 2024. There were no borrowings outstanding under our Credit Agreement or Term Loan as of December 31, 2024 or December 31, 2023.

Share repurchases. In February 2023, our Board of Directors approved a new share repurchase program which authorizes the purchase of up to $2.0 billion of our common stock in the open market or in negotiated transactions.

During 2023, the year ended December 31, 2024, we repurchased and retired 17 million shares of our common stock for $418 million under our authorized share repurchase program. During 2022, the Company $464 million. We repurchased 48 million and retired 17 million shares of common stock for $1.25 billion under $418 million during the February 2022 share repurchase program. year ended December 31, 2023.

During the years ended December 31, 2023 December 31, 2024 and 2022, 2023, 351,791 and 332,634 and 320,236 shares of common stock, respectively, were recorded as treasury stock and retired related to common shares that were retained from vested restricted stock awards for withholding of taxes.

In December 2022, our Board of Directors authorized the retirement of our common stock held in treasury as of December 31, 2022 and provided that prospectively, share repurchases and shares withheld for the vesting of stock awards will be retired in the period in which they are repurchased or withheld. Accordingly, as of December 31, 2023 and 2022, there were no common shares held in Treasury Stock on the Consolidated Balance Sheet.

Dividends. In February 2023 and 2024, our Board of Directors approved an increase in the base quarterly dividend from $0.15 per share to $0.20 per share. share beginning in the first quarter of 2023 and from $0.20 per share to $0.21 per share beginning in the first quarter of 2024, respectively.

In February 2025, our Board of Directors approved an additional increase in our base quarterly dividend from $0.21 per share to $0.22 per share beginning in the first quarter of 2025.

The following table presents our dividends paid on our common stock for the year ended December 31, 2023 December 31, 2024 and 2022. 2023.

	Rate per share			
	Base	Variable	Total	Total Dividends Paid (In millions)
2023	$ 0.80	$ 0.37	$ 1.17	$ 895
2022	$ 0.60	$ 1.89	$ 2.49	$ 1,991

In February 2024, our Board of Directors approved an increase in our base quarterly dividend from $0.20 per share to $0.21 per share beginning in the first quarter of 2024, and approved a quarterly base dividend of $0.21 per share.

	Rate per share			
	Base	Variable	Total	Total Dividends Paid (In millions)
2024	$ 0.84	$ —	$ 0.84	$ 630
2023	$ 0.80	$ 0.37	$ 1.17	$ 895

Capital and Exploration Expenditures

On an annual basis, we generally fund most of our capital expenditures, excluding any significant property acquisitions, with cash generated from operations and, if required, borrowings under our revolving credit agreement. We budget these expenditures based on our projected cash flows for the year.

The following table presents major components of our capital and exploration expenditures:

		Year Ended December 31,				Year Ended December 31,		
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
Acquisitions(1) :								
Proved								
Proved								
Proved								
Unproved								
Total								
Capital expenditures								
Capital expenditures								
Capital expenditures								
Drilling and completion								
Pipeline and gathering								
Pipeline and gathering								
Pipeline and gathering								
Other								
Capital expenditures for drilling, completion and other fixed asset additions								
Capital expenditures for leasehold and property acquisitions								
Exploration expenditures(2)								
Exploration expenditures(1)								
Total								

(1) *These amounts represent the fair value Exploration expenditures include $5 million of the proved and unproved properties recorded exploratory dry hole costs in the purchase price allocation with respect to the Merger. The purchase was funded through the issuance of our common stock.*

(2) *2024. There were no exploratory dry hole costs in 2023 2022 and 2021. 2022.*

In 2023, 2024, our capital program focused on the Permian Basin, Anadarko Basin, and Marcellus Shale, where we drilled 264 313 gross wells (169.4 (159.4 net) and completed 288 290 gross wells (183.3 (143.8 net), of which 98 92 gross wells (62.7 (62.8 net) were drilled but uncompleted in prior years.

Our 2024 2025 full year capital program is expected to be in the range of approximately $1.75 billion $2.1 billion to $1.95 $2.4 billion. We expect to turn-in-line 132 175 to 158 205 total net wells in 2024 2025 across our three core operating areas. regions. Approximately 60 70 percent of our drilling and completion capital expenditures will be invested in the Permian Basin, 23 11 percent in the Marcellus Shale, and 17 10 percent in the Anadarko Basin (at the mid-point). and remaining percent for gathering systems infrastructure, saltwater disposal and other spend. The decrease increase in our year-over-year budgeted capital expenditures is program was primarily driven by lower planned spending incremental capital expenditures associated with our recently completed FME and Avant acquisitions in January 2025, which increased our anticipated expenditures in the Marcellus Shale, partially offset by modest increases in the Permian Basin and Anadarko Basin. We will continue to assess the commodity price environment and may increase or decrease our capital expenditures accordingly.

Contractual Obligations

We have various contractual obligations in the normal course of our operations. As of December 31, 2023 December 31, 2024, our material contractual obligations include debt and related interest expense, gathering, processing and transportation agreements, lease obligations, operational agreements, drilling and completion obligations, derivative obligations and asset retirement obligations. Other joint owners in the properties operated by us could incur a portion of these costs. We expect that our sources of capital will be adequate to fund these obligations. Refer to the Notes to the Consolidated Financial Statements included in Item 8 of this Annual Report for further details.

We enter into arrangements that can give rise to material off-balance sheet obligations. As of December 31, 2023 December 31, 2024, the material off-balance sheet arrangements we had entered into included certain firm gathering, processing and transportation commitments and operating lease agreements with terms at commencement of less than 12 months for equipment used in our exploration and development activities. We have no other off-balance sheet debt or other similar unrecorded obligations.

RESULTS OF OPERATIONS

2023 2024 and 2022 2023 Compared

Operating Revenues

(In millions)	(In millions)	Year Ended December 31, 2023		2022		Variance Amount		Percent	(In millions)	2024		2023		Amount
Oil		$2,953		$2,667		$ 286		11 %						
Natural gas	Natural gas	$2,292	$	$5,469	$	$(3,177)	(58)	(58) %	Natural gas	1,693	2,292	2,292		(599)
Oil		2,667		3,016		(349)		(12) %						
NGL	NGL	644	964	964	(320)	(320)	(33)	(33) %	NGL	738	644	644		94
Gain (loss) on derivative instruments	Gain (loss) on derivative instruments	230	(463)	(463)	693	693	(150)	(150) %	Gain (loss) on derivative instruments	(3)	230	230		(233)
Other	Other	81	65	65	16	16	25	25 %	Other	77	81	81		(4)
	$	$5,914	$	$9,051	$	$ (3,137)	(35)	(35) %		$ 5,458	$	$5,914		$

Production Revenues

Our production revenues are derived from sales of our oil, natural gas and NGL production. Increases or decreases in our revenues, profitability and future production growth are highly dependent on the commodity prices we receive, which, we expect to as discussed above, fluctuate due to a variety of factors (including supply and demand, factors, and the availability of transportation, seasonality and geopolitical, economic and other factors. factors).

Oil Revenues

	Year Ended December 31, 2024	2023	Variance Amount	Percent	Increase (Decrease) (In millions)
Volume (MMBbl)	39.8	35.1	4.7	13%	$ 357
Price ($/Bbl)	$ 74.18	$ 75.97	$ (1.79)	(2)%	(71)
Total					$ 286

Oil revenues increased $286 million primarily due to higher production in the Permian Basin partially offset by lower oil prices.

Natural Gas Revenues

	Year Ended December 31, 2023	2022	Variance Amount	Percent	Increase (Decrease) (In millions)
Volume variance (Bcf)	1,052.7	1,024.3	28.4	3 %	$ 152
Price variance ($/Mcf)	$ 2.18	$ 5.34	$ (3.16)	(59)%	(3,329)
Total					$ (3,177)

	Year Ended December 31, 2024	2023	Variance Amount	Percent	Increase (Decrease) (In millions)
Volume (Bcf)	1,024.7	1,052.7	(28.0)	(3)%	$ (61)
Price ($/Mcf)	$ 1.65	$ 2.18	$ (0.53)	(24)%	(538)
Total					$ (599)

Natural gas revenues decreased $3.2 billion $599 million primarily due to significantly lower natural gas prices partially offset by higher and lower production. The increase decrease in production was related primarily due to higher lower production in the Marcellus Shale, Permian Basin and Anadarko Basin.

Oil Revenues

	Year Ended December 31,	Variance	Increase (Decrease) (In

	2023	2022	Amount	Percent	millions)
Volume variance (MMBbl)	35.1	31.9	3.2	10%	$ 302
Price variance ($/Bbl)	$ 75.97	$ 94.47	$ (18.50)	(20)%	(651)
Total					$ (349)

Oil revenues decreased $349 million primarily where we strategically curtailed production from August 2024 through November 2024 due to lower oil prices, weaker natural gas prices. This decrease was partially offset by higher production mainly in the Permian Basin. and Anadarko Basins.

NGL Revenues

	Year Ended December 31,		Variance		Increase (Decrease) (In millions)
	2023	2022	Amount	Percent	
Volume variance (MMBbl)	32.9	28.7	4.2	15 %	$ 141
Price variance ($/Bbl)	$ 19.56	$ 33.58	$ (14.02)	(42)%	(461)
Total					$ (320)

	Year Ended December 31,		Variance		Increase (Decrease) (In millions)
	2024	2023	Amount	Percent	
Volume (MMBbl)	37.0	32.9	4.1	12 %	$ 80
Price ($/Bbl)	$ 19.95	$ 19.56	$ 0.39	2 %	14
Total					$ 94

NGL revenues decreased $320 million increased $94 million primarily due significantly lower NGL prices, partially offset by to higher NGL volumes particularly in the Permian Basin.

Basin and Anadarko Basin and slightly higher NGL prices.

Gain (Loss) on Derivative Instruments

Net gains and losses on our derivative instruments are a function of fluctuations in the underlying commodity index prices as compared to the contracted prices and the monthly cash settlements (if any) of the derivative instruments. We have elected not to designate our derivatives as hedging instruments for accounting purposes and, therefore, we do not apply hedge accounting treatment to our derivative instruments. Consequently, changes in the fair value of our derivative instruments and cash settlements are included as a component of operating revenues as either a net gain or loss on derivative instruments. Cash settlements of our contracts are included in cash flows from operating activities in our statement of cash flows.

The following table presents the components of “Gain (loss) on derivative instruments” for the years indicated:

		Year Ended December 31,			Year Ended December 31,	
(In millions)	(In millions)	2023	2022	(In millions)	2024	2023
Cash received (paid) on settlement of derivative instruments						
Cash received on settlement of derivative instruments						
Gas contracts						
Oil contracts						
Non-cash gain (loss) on derivative instruments	**Non-cash gain (loss) on derivative instruments**			**Non-cash gain (loss) on derivative instruments**		
Gas contracts						
Oil contracts						
	$					

Operating Costs and Expenses

Costs associated with producing oil and natural gas are substantial. Among other factors, some of these costs vary with commodity prices, some trend with volume and commodity mix, some are a function of the number of wells we own and operate, some depend on the prices charged by service companies, and some fluctuate based on a combination of the foregoing. Our costs for services labor and supplies have remained high due began to stabilize at the end of 2023 despite on-going demand for those items, and to a lesser extent rising the latent effects of inflation and supply chain disruptions all of which affected the cost of our operations and continued to remain stable throughout 2022. During 2023, these costs have begun to stabilize. 2024.

The following table reflects our operating costs and expenses for the years indicated and a discussion of the operating costs and expenses follows.

		Year Ended December 31,		Variance		Per Boe			Year Ended December 31,		Variance		Per Boe	
(In millions, except per Boe)	**(In millions, except per Boe)**	**2023**	**2022**	**Amount**	**Percent**	**2023**	**2022**	**(In millions, except per Boe)**	**2024**	**2023**	**Amount**	**Percent**	**2024**	**2023**
Operating Expenses														
Direct operations														
Direct operations														
Direct operations														
Gathering, processing and transportation														
Taxes other than income														
Exploration														
Depreciation, depletion and amortization														
General and administrative														
General and administrative														
General and administrative														
	$													

Direct Operations

Direct operations generally consist of costs for labor, equipment, maintenance, saltwater disposal, compression, power, treating and miscellaneous other costs (collectively, "lease operating expense"). Direct operations also include well workover activity necessary to maintain production from existing wells.

Direct operations consisted of lease operating expense and workover expense as follows:

		Year Ended December 31,			Per Boe			Year Ended December 31,			Per Boe	
(In millions, except per Boe)	**(In millions, except per Boe)**	**2023**	**2022**	**Variance**	**2023**	**2022**	**(In millions, except per Boe)**	**2024**	**2023**	**Variance**	**2024**	**2023**
Direct Operations												
Lease operating expense												
Lease operating expense												
Lease operating expense												
Workover expense												
	$											

Lease operating expense increased primarily due to higher production levels. Additionally, lease levels and higher operating expense on a per Boe basis generally increased due costs driven by our production mix related to increasing higher production in fields with higher operating costs, of primarily in the Permian Basin, and higher equipment and field services, which began service costs.

Workover expense increased primarily due to stabilize an increase in late 2023, and higher contract labor and employee-related costs. workover activity in the Permian Basin.

Gathering, Processing and Transportation

Gathering, processing and transportation costs principally consist of expenditures to treat prepare and transport production downstream from the wellhead, including gathering, fuel, and compression, and along with processing costs, the last of which are incurred to extract NGLs from the raw natural gas stream. Gathering costs also include costs associated with operating our gas gathering infrastructure, including operating and maintenance expenses. Costs vary by operating area and will fluctuate with increases or decreases in production volumes, contractual fees, and changes in fuel and compression costs.

Gathering, processing and transportation increased $20 million $1 million primarily due to higher production levels, partially offset by lower gathering and transportation costs in the Permian Basin related to higher production and Anadarko Basin due higher transportation rates, partially offset by lower gathering charges in the Marcellus Shale related to lower gathering and transportation rates which were driven by lower commodity prices during 2023 compared to the same period in 2022. production.

Taxes Other Than Income

Taxes other than income consist of production (or severance) taxes, drilling impact fees, ad valorem taxes and other taxes. State and local taxing authorities assess these taxes, with production taxes being based on the volume or value of production, drilling impact fees being based on drilling activities and prevailing natural gas prices and ad valorem taxes being based on the value of properties.

The following table presents taxes other than income for the years indicated:

(In millions)		2023	2022	Variance	2024	2023	Variance
(In millions)							
(In millions)							
Taxes Other than Income							
Production							
Production							
Production							
Drilling impact fees							
Ad valorem							
Other							
	$						
Production taxes as a percentage of revenue (Permian and Anadarko Basins)							

Taxes other than income decreased $83 million. Production taxes represented the majority of our taxes other than income, which decreased $12 million primarily due to lower oil, natural gas ad valorem taxes, which was primarily driven by a combination of lower-than-expected property valuations in 2024 resulting in a lower tax obligation and NGL revenues. Drilling a reduction of prior period accruals in 2024 due to a change in estimated taxes due for the full-year 2023. Additionally, drilling impact fees decreased primarily due to the timing of wells drilled a decrease in drilling activity in the Marcellus Shale and a decrease in assessed rates as a result of lower natural gas prices, prices. These decreases were partially offset by an increase in our production taxes, which drive the fees assessed on our drilling activities. increased primarily due to higher oil and NGL production compared to 2023.

Depreciation, Depletion and Amortization

DD&A expense consisted of the following for the periods indicated:

(In millions, except per Boe)	(In millions, except per Boe)	Year Ended December 31, 2023	2022	Variance	Per Boe 2023	2022		(In millions, except per Boe)	Year Ended December 31, 2024	2023		Variance		Per Boe 2024	2023
DD&A Expense															
Depletion															
Depletion															
Depletion															
Depreciation	Depreciation	74	91	(17)	0.30	0.30	0.40	Depreciation	73	74	74	(1)	(1)	0.30	0.30
Amortization of unproved properties	Amortization of unproved properties	48	61	(13)	0.20	0.20	0.26	Amortization of unproved properties	49	48	48	1	1	0.20	0.20
Accretion of ARO	Accretion of ARO	10	9	1	1	0.04	0.04	Accretion of ARO	11	10	10	1	1	0.04	0.04
	$														

Depletion of our producing properties is computed on a field basis using the unit-of-production method under the successful efforts method of accounting. The economic life of each producing property depends upon the estimated proved reserves for that property, which in turn depend depends upon the assumed realized sales price for future production. Therefore, fluctuations in oil and natural gas prices will impact the level of proved developed and proved reserves used in the calculation. Higher prices generally have the effect of increasing reserves, which reduces depletion expense. Conversely, lower prices generally have the effect of decreasing reserves, which increases depletion expense. The cost of replacing production also impacts our depletion expense. In addition, changes in estimates of reserve quantities, estimates of operating and future development costs, reclassifications of properties from unproved to proved and impairments of oil and gas properties will also impact depletion expense. Our depletion expense increased $35 million $198 million primarily due to increased production partially offset by a lower higher depletion rate and an increase in production. Our depletion rate increased due to lower oil and gas reserve volumes and a shift in our production mix to fields with higher depletion rates. The lower oil and gas reserve volumes were driven by negative price revisions as a result of $6.20 per Boe for 2023 compared to $6.37 per Boe for 2022. lower prices in 2023.

Fixed assets consist primarily of gas gathering facilities, water infrastructure, buildings, vehicles, aircraft, furniture and fixtures and computer equipment and software. These items are recorded at cost and are depreciated on the straight-line method based on expected lives of the individual assets, which range from three to 30 years. Also included in our depreciation expense is the depreciation of the right-of-use asset associated with our finance lease gathering system. Depreciation expense decreased $17 million primarily due remained steady in 2024 compared to a non-recurring impairment charge related to certain right-of-use assets (building leases) recorded in late 2022. 2023.

Unproved oil and gas properties are amortized based on our drilling experience and our expectation of converting our unproved leaseholds to proved properties. The rate of amortization depends on the timing and success of our exploration and development program. If development of unproved properties is deemed unsuccessful and the properties are abandoned or surrendered, the capitalized costs are expensed in the period the determination is made. Amortization of unproved properties decreased $13 million primarily due remained steady in 2024 compared to a non-recurring charge related to the release of certain leaseholds that occurred in 2022. 2023.

General and Administrative

G&A expense consists primarily of salaries and related benefits, stock-based compensation, office rent, legal and consulting fees, systems costs and other administrative costs incurred.

The table below reflects our G&A expense for the periods identified:

(In millions)

(In millions)

(In millions)	**2023**	**2022**	**Variance**	**2024**	**2023**	**Variance**
G&A Expense						
General and administrative expense						
General and administrative expense						
General and administrative expense						
Stock-based compensation expense						
Merger-related expense						
$						

G&A expense, excluding stock-based compensation, and merger-related expenses, decreased $21 increased $20 million primarily due to higher employee-related costs in 2024 compared to 2023 and the recognition of certain long-term commitments for community outreach and charitable contributions in 2024. These increases were partially offset by lower legal costs incurred expenses in 2023 2024 compared to 2022, and lower compensation and benefit costs due to the reduction in transition personnel throughout 2023.

Stock-based compensation expense will fluctuate based on the grant date fair value of awards, the number of awards, the requisite service period of the awards, estimated employee forfeitures, and the timing of the awards. Stock-based compensation expense decreased $27 million increased $3 million primarily due to higher stock-based compensation costs during 2022 related to the accelerated vesting impact of employee performance shares and vesting the liquidation of certain other awards, and a gain related to our common stock from our deferred compensation plan associated with the liquidation of the Coterra stock that resulted in a $7 million gain that decreased stock-based compensation expense in the plan in first half of 2023. These decreases were This increase was partially offset by higher a decrease in the valuation of performance share awards in 2024 compared to 2023 due to a weaker common stock price and lower non-recurring stock-based compensation costs expenses related to new shares replacement awards that were granted during 2023. in the Cimarex merger that vested in late 2023 and the second half of 2024.

Merger-related expenses Merger related expense decreased $57 million primarily due to lower $12 million as the accrual for employee-related severance and termination benefits associated with the termination of Cimarex merger transition employees. We accrued for these costs over the transition period during 2022 and early 2023, with substantially all of our expected severance costs being fully accrued over that time period. Merger-related expenses also decreased due to $7 million of transaction-related costs associated with the merger that were incurred employees was completed in 2022. 2023.

Gain (Loss) on Sale of Assets

The increase decrease in gain (loss) on sale of assets is due to the sale of certain non-core oil and gas properties and other equipment. equipment in 2023.

Interest Expense

The table below reflects our interest expense, net for the periods indicated:

(In millions)

(In millions)

(In millions)	**2023**	**2022**	**Variance**	**2024**	**2023**	**Variance**
Interest Expense						
Interest expense						
Interest expense						
Interest expense						
Debt premium amortization						
Debt premium and discount amortization, net						
Debt issuance cost amortization						
Other						

$

Interest expense decreased $28 million increased $19 million due to higher debt balances primarily due related to the issuance of $500 million of 5.60% senior notes in March 2024 partially offset by the repayment of our 6.51% and 5.58% $575 million related to the 3.65% weighted-average private placement senior notes in August 2022 and the redemption of $750 million of the 4.375% senior notes in late 2022. September 2024.

Debt premium issuance cost amortization decreased $16 million increased $6 million primarily due to fees associated with a bridge commitment to provide the redemption of $750 million term loan commitments related to the FME and Avant acquisitions. These costs were expensed upon termination of the 4.375% senior notes bridge commitment in late 2022. December 2024.

Other interest expense increased $8 million related to assessments arising due to the timing of certain regulatory filings.

Interest Income

Interest income increased $37 million $15 million primarily due to higher interest rates earned on our higher cash balances.

Gain on Debt Extinguishment

In 2022, we paid down $874 million of our debt for $880 million and recognized a net gain on debt extinguishment of $28 million primarily due short-term investment balances during 2024 compared to the write off of related debt premiums and debt issuance costs.

2023.

Income Tax Expense

(In millions)

(In millions)

(In millions)	**2023**	**2022**	**Variance**	**2024**	**2023**	**Variance**
Income Tax Expense						
Current tax expense						
Current tax expense						
Current tax expense						
Deferred tax expense						
Deferred tax (benefit) expense						
	$					
Combined federal and state effective income tax rate						

Income tax expense decreased $601 million $279 million primarily due to lower pre-tax income in 2023 compared to 2022, partially offset by and a higher lower effective tax rate. The effective tax rate was higher for 2023 compared to 2022 decreased due to differences in the non-recurring discrete items recorded during 2023 versus 2022. 2024 compared to 2023.

2022 2023 and 2021 2022 Compared

For information on the comparison of the results of operations for the year ended December 31, 2022 December 31, 2023 compared to the year ended December 31, 2021 December 31, 2022, refer to Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Coterra Energy Inc. Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which information is incorporated by reference herein.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the balance sheet, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and changes in our estimates are recorded when known. We consider the following to be our most critical estimates that involve judgement of management.

Successful Efforts Method of Accounting

We follow the successful efforts method of accounting for our oil and gas producing activities. Acquisition costs for proved and unproved properties are capitalized when incurred. Judgment is required to determine the proper classification of wells designated as developmental or exploratory, which ultimately will determine the proper accounting treatment of costs incurred. Exploration costs, including geological and geophysical costs, the costs of carrying and retaining unproved properties and exploratory dry-hole costs are expensed. Development costs, including costs to drill and equip development wells and successful exploratory drilling costs to locate proved reserves, are capitalized.

Oil and Gas Reserves

The process of estimating quantities of proved reserves is inherently imprecise, and the reserves data included in this document are only an estimate. The process relies on interpretations and judgment of available geological, geophysical, engineering and production data. The extent, quality and reliability of this technical data can vary. The process also requires certain economic assumptions, some of which are mandated by the SEC, such as commodity prices. Additional assumptions include drilling and operating expenses, capital expenditures, taxes and availability of funds. Any significant variance in the interpretations or assumptions could materially affect the estimated quantity and value of our reserves and can change substantially over time. Periodic revisions to the estimated reserves and future cash flows may be necessary as a result of reservoir performance, drilling activity, commodity prices, fluctuations in operating expenses, technological advances, new geological or geophysical data or other economic factors. Accordingly, reserves estimates are generally different from the quantities ultimately recovered.

The reserves estimates of our oil and gas properties have been prepared by our reservoir engineering staff and certain of our reserves are subject to an evaluation performed by an independent third-party petroleum consulting firm. In 2023, 2024, greater than 90 percent of the total future net revenue discounted at 10 percent attributable to our proved reserves were subject to this evaluation. For more information regarding reserves estimation, including historical reserves revisions, refer to the Supplemental Oil and Gas Information included in Item 8.

Our rate of recording DD&A expense is dependent upon our estimate of proved reserves, which are utilized in our unit-of-production calculation. If the estimates of proved and proved developed reserves were to be reduced, the rate at which we record DD&A expense would increase, reducing net income. Such a reduction in reserves may result from lower market prices, which may make it uneconomic to drill and produce higher cost fields. A five percent positive or negative revision to proved reserves would result in a decrease of $0.31 $0.33 per Boe and an increase of $0.35 $0.37 per Boe, respectively, on our DD&A rate. This estimated impact is based on current data, and actual events could require different adjustments to our DD&A rate.

In addition, a decline in proved reserves estimates may impact the outcome of our impairment test under applicable accounting standards. Due to the inherent imprecision of the reserves estimation process, risks associated with the operations of proved producing properties and market sensitive commodity prices utilized in our impairment analysis, we cannot determine if an impairment is reasonably likely to occur in the future.

Oil and Gas Properties

We evaluate our proved oil and gas properties for impairment on a field-by-field basis whenever events or changes in circumstances indicate an asset's carrying amount may not be recoverable. We compare expected undiscounted future cash flows to the net book value of the asset. If the future undiscounted expected cash flows, based on our estimate of future commodity prices, operating costs and anticipated production from proved reserves and risk-adjusted probable and possible reserves, are lower than the net book value of the asset, then the capitalized cost is reduced to fair value. Commodity pricing is estimated by using a combination of assumptions management uses in its budgeting and forecasting process, historical and current prices adjusted for geographical location and quality differentials, as well as other factors that we believe will impact realizable prices. Given the significant volatility in oil, natural gas and NGLs prices, estimates of such future prices are inherently imprecise. In the event that commodity prices significantly decline, we would assess whether the decline constitutes a triggering event that would require us to test the recoverability of the carrying value of our oil and gas properties and, if necessary, record an impairment charge. Fair value is calculated by discounting the future cash flows. The discount factor used is based on rates utilized by market participants that are commensurate with the risks inherent in the development and production of the underlying oil and natural gas.

Unproved oil and gas properties are assessed periodically for impairment on an aggregate basis through periodic updates to our unproved acreage amortization based on past drilling and exploration experience, our expectation of converting leases to held by production and average property lives. Average property lives are determined on a geographical basis and based on the estimated life of unproved property leasehold rights. Historically, the average property life in each of the geographical areas has not significantly changed and generally ranges from three to five years. The commodity price environment may impact the capital available for our drilling activities. We have considered these impacts when determining the amortization of our unproved acreage. If the average unproved property life decreases or increases by one year, the amortization would increase by approximately $12 million or decrease by $8 million, respectively, per year.

As these properties are developed and reserves are proved, the remaining capitalized costs are subject to depreciation and depletion. If the development of these properties is deemed unsuccessful and the properties are abandoned or surrendered, the capitalized costs related to the unsuccessful activity are expensed in the year the determination is made. The rate at which the unproved properties are written off depends on the timing and success of our future exploration and development program.

Derivative Instruments

Under applicable accounting standards, the fair value of each derivative instrument is recorded as either an asset or liability on the balance sheet. At the end of each quarterly period, these instruments are marked-to-market. The change in fair value of derivatives not designated as hedges is recorded as a component of operating revenues in gain (loss) on derivative instruments in the Consolidated Statement of Operations.

Our derivative contracts are measured based on quotes from our counterparties or internal models. counterparties. Such quotes and models have been derived using an income approach that considers various inputs including current market and contractual prices for the underlying instruments, quoted forward commodity prices, basis differentials, volatility factors and interest rates for a similar length of time as the derivative contract term, as applicable. These estimates are derived from or verified using relevant NYMEX futures contracts or are compared to multiple quotes obtained from counterparties or third-party valuation services, or a combination of the foregoing, for reasonableness. The determination of fair value also incorporates a credit adjustment for non-performance risk. We measure the non-performance risk of our counterparties by reviewing credit default swap spreads for the various financial institutions with which we have derivative transactions, while our non-performance risk is evaluated by using credit default swap spreads for various similarly rated companies in our sector.

Our financial condition, results of operations and liquidity can be significantly impacted by changes in the market value of our derivative instruments due to volatility of commodity prices, including changes in both index prices (such as NYMEX) and basis differentials.

Income Taxes

We make certain estimates and judgments in determining our income tax expense for financial reporting purposes. These estimates and judgments include the calculation of certain deferred tax assets and liabilities that arise from differences in the timing and recognition of revenue and expenses for tax and financial reporting purposes and estimating reserves for potential adverse outcomes regarding tax positions that we have taken. We account for the uncertainty in income taxes using a recognition and measurement threshold for tax positions taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is recognized when it is more likely than not that the position will be sustained upon examination by taxing authorities based on technical merits of the position. The amount of the tax benefit recognized is the largest amount of the benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The effective tax rate and the tax basis of assets and liabilities reflect management's estimates of the ultimate outcome of various tax uncertainties.

We believe all of our deferred tax assets, net of any valuation allowances, will ultimately be realized, taking into consideration our forecasted future taxable income, which includes consideration of future operating conditions specifically related to commodity prices. If our estimates and judgments change regarding our ability to realize our deferred tax assets, our tax provision could increase in the period it is determined that it is more likely than not it will not be realized.

Our effective tax rate is subject to variability as a result of factors other than changes in federal and state tax rates and changes in tax laws which could affect us. Our effective tax rate is affected by changes in the allocation of property, payroll and revenues among states in which we operate. A small change in our estimated future tax rate could have a material effect on current period earnings.

Contingency Reserves

A provision for contingencies is charged to expense when the loss is probable and the cost is estimable. The establishment of a reserve is based on an estimation process that includes the advice of legal counsel and subjective judgment of management. In certain cases, our judgment is based on the advice and opinions of legal counsel and other advisors, the interpretation of laws and regulations, which can be interpreted differently by regulators and courts of law, our experience and the experiences of other companies dealing with similar matters, and our decision on how we intend to respond to a particular matter. Actual losses can differ from estimates for various reasons, including those noted above. We monitor known and potential legal, environmental and other contingencies and make our best estimate based on the information we have. Future changes in facts and circumstances not currently foreseeable could result in the actual liability exceeding the estimated ranges of loss and amounts accrued.

Stock-Based Compensation

We account for stock-based compensation under the fair value method of accounting in accordance with applicable accounting standards. Under the fair value method, compensation cost is measured at the grant date for equity-classified awards and re-measured each reporting period for liability-classified awards based on the fair value of an award and is recognized over the service period, which is generally the vesting period. To calculate fair value, we use various models, including both a Black Scholes or a Monte Carlo valuation model, as determined by the specific provisions of the award. The use of these models requires significant judgment with respect to expected life, volatility and other factors.

Recently Issued and Adopted Accounting Pronouncements

Refer to Note 1 of the Notes to the Consolidated Financial Statements, “Summary of Significant Accounting Policies,” for a discussion of new newly issued and adopted accounting pronouncements that affect us.

pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are subject to a variety of risks, including market risks associated with changes in commodity prices and interest rate movements on outstanding debt. The Except as otherwise indicated, the following quantitative and qualitative information is provided for financial instruments to which we were party to as of December 31, 2023 December 31, 2024 and from which we may incur future gains or losses from changes in commodity prices or interest rates.

Commodity Price Risk

Our most significant market risk exposure is pricing applicable to our oil, natural gas and NGL production. Realized prices are mainly driven by the worldwide price for oil and spot market prices for North American natural gas and NGL production. These As noted above, these prices have been volatile and unpredictable. To mitigate the volatility in commodity prices, we may enter into derivative instruments to hedge a portion of our production.

Derivative Instruments and Risk Management Activities

Our commodity price risk management strategy is designed to reduce the risk of commodity price volatility for our production in the oil and natural gas markets through the use of financial commodity derivatives. A committee that consists of members of senior management oversees our risk management activities. Our financial commodity derivatives generally cover a portion of our production and, while protecting us in the event of price declines, limit the benefit to us in the event of price increases. Further, if any of our counterparties defaulted, this protection might be limited as we might not receive the full benefit of our financial commodity derivatives. Please read the discussion below as well as Note 5 of the Notes to the Consolidated Financial Statements, “Derivative Instruments,” in Item 8 for a more detailed discussion of our derivatives.

Periodically, we enter into financial commodity derivatives, including collar, swap, and basis swap agreements, to protect against exposure to commodity price declines. All of our financial derivatives are used for risk management purposes and are not held for trading purposes. Under the collar agreements, if the index price rises above the ceiling price, we pay the counterparty. If the index price falls below the floor price, the counterparty pays us. Under the swap agreements, we receive a fixed price on a notional quantity of natural gas or oil in exchange for paying a variable price based on a market-based index.

As of December 31, 2023 December 31, 2024, we had the following outstanding financial commodity derivatives:

	2024				2025				
Natural Gas	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Fair Value Asset (Liability) (In millions)**
NYMEX collars									$ 67
Volume (MMBtu)	35,490,000	44,590,000	45,080,000	16,690,000	9,000,000	9,100,000	9,200,000	9,200,000	
Weighted average floor ($/MMBtu)	$ 3.00	$ 2.70	$ 2.75	$ 2.75	$ 3.25	$ 3.25	$ 3.25	$ 3.25	

Weighted average ceiling ($/MMBtu)	$ 5.38	$ 3.87	$ 3.94	$ 4.23	$ 4.79	$ 4.79	$ 4.79	$ 4.79	
									$ 67

	2024	Fair Value Asset (Liability) (In millions)
	2024	
	2024	
	2025	
	2026	Fair Value Asset (Liability) (In millions)

Oil

WTI oil collars

WTI oil collars

WTI oil collars

Volume (MBbl)

Weighted average floor ($/Bbl)

Weighted average floor ($/Bbl)

Weighted average floor ($/Bbl)

Weighted average ceiling ($/Bbl)

Weighted average ceiling ($/Bbl)

Weighted average ceiling ($/Bbl)

WTI oil swaps

WTI oil swaps

WTI oil swaps

Volume (MBbl)

Weighted average price ($/Bbl)

Weighted average price ($/Bbl)

Weighted average price ($/Bbl)

WTI Midland oil basis swaps

WTI Midland oil basis swaps

WTI Midland oil basis swaps

Volume (MBbl)

Weighted average differential ($/Bbl)

Weighted average differential ($/Bbl)

Weighted average differential ($/Bbl)

$

$

$

Natural Gas	2025 First Quarter	2025 Second Quarter	2025 Third Quarter	2025 Fourth Quarter	2026 First Quarter	Fair Value Asset (Liability) (In millions)
NYMEX gas collars						$ (13)
Volume (MMBtu)	45,000,000	45,500,000	46,000,000	46,000,000	27,000,000	
Weighted average floor ($/MMBtu)	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.75	
Weighted average ceiling ($/MMBtu)	$ 4.51	$ 4.07	$ 4.07	$ 5.55	$ 7.66	
Transco Leidy gas basis swaps						$ —
Volume (MMBtu)	18,000,000	18,200,000	18,400,000	18,400,000	—	
Weighted average differential ($/MMBtu)	$ (0.70)	$ (0.70)	$ (0.70)	$ (0.70)	$ —	
Transco Zone 6 Non-NY gas basis swaps						$ (1)
Volume (MMBtu)	9,000,000	9,100,000	9,200,000	9,200,000	$ —	
Weighted average differential ($/MMBtu)	$ (0.29)	$ (0.29)	$ (0.29)	$ (0.29)	$ —	

	$ (14)

In January 2024, 2025, the Company entered into the following financial commodity derivatives:

Oil	2024 First Quarter	2024 Second Quarter	2024 Third Quarter	2024 Fourth Quarter
WTI oil collars				
Volume (MBbl)	300	455	920	920
Weighted average floor ($/Bbl)	$ 65.00	$ 65.00	$ 65.00	$ 65.00
Weighted average ceiling ($/Bbl)	$ 85.02	$ 85.02	$ 81.49	$ 81.49
WTI Midland oil basis swaps				
Volume (MBbl)	300	455	920	920
Weighted average differential ($/Bbl)	$ 1.10	$ 1.10	$ 1.10	$ 1.10

Natural Gas	2025 First Quarter	2025 Second Quarter	2025 Third Quarter	2025 Fourth Quarter	2026 First Quarter	2026 Second Quarter	2026 Third Quarter	2026 Fourth Quarter
NYMEX gas collars								
Volume (MMBtu)	5,900,000	9,100,000	9,200,000	9,200,000	22,500,000	22,750,000	23,000,000	23,000,000
Weighted average floor ($/MMBtu)	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00
Weighted average ceiling ($/MMBtu)	$ 4.46	$ 4.46	$ 4.46	$ 4.46	$ 5.79	$ 5.79	$ 5.79	$ 5.79

A significant portion of our production for 2024 2025 and beyond is currently unhedged and directly exposed to the volatility in commodity oil and natural gas prices, whether favorable or unfavorable.

During 2023, 2024, oil collars with floor prices ranging from $60.00 to $70.00 per Bbl and ceiling prices ranging from $80.55 to $93.65 per Bbl covered 13.5 MMBbls, or 34 percent, of oil production at a weighted-average price of $76.30 per Bbl. Oil basis swaps covered 15.5 MMBbls, or 39 percent, of oil production at a weighted-average differential of $1.14 per Bbl.

During 2024, natural gas collars with floor prices ranging from $3.00 $2.50 to $7.50 $3.00 per MMBtu and ceiling prices ranging from $4.55 $2.85 to $13.08 $5.67 per MMBtu covered 174.9 156.5 Bcf, or 17 15 percent of natural gas production at a weighted-average price of $4.23 $2.84 per MMBtu.

During 2023, oil collars with floor prices ranging from $65.00 to $80.00 per Bbl and ceiling prices ranging from $89.00 to $118.30 per Bbl Gas basis swaps covered 7.1 MMBbls, 1.5 Bcf, or 20 less than one percent of oil natural gas production at a weighted-average price differential of $68.75 $(0.46) per Bbl. Oil basis swaps covered 7.6 MMBbls, or 22 percent, of oil production at a weighted-average price of $0.92 per Bbl. MMBtu.

We are exposed to market risk on financial commodity derivative instruments to the extent of changes in market prices of the related commodity. However, the market risk exposure on these derivative contracts is generally offset by the gain or loss recognized upon the ultimate sale of the commodity. Although notional contract amounts are used to express the volume of oil and natural gas agreements, the amounts that can be subject to credit risk in the event of non-performance by third parties are substantially smaller. Our counterparties are primarily commercial banks and financial service institutions that our management believes present minimal credit risk and our derivative contracts are with multiple counterparties to minimize our exposure to any individual counterparty. We perform both quantitative and qualitative assessments of these counterparties based on their credit ratings and credit default swap rates where applicable. We have not incurred any losses related to non-performance risk of our counterparties and we do not anticipate any material impact on our financial results due to non-performance by third parties. However, we cannot be certain that we will not experience such losses in the future.

Interest Rate Risk

At December 31, 2023 December 31, 2024, we had total debt of $2.2 billion $3.5 billion (with a principal amount of $2.1 billion $3.5 billion). All of our outstanding debt is based on fixed interest rates and, as a result, we do not have significant exposure to movements in market interest rates with respect to such debt. Our revolving credit agreement provides and term loan agreements provide for variable interest rate borrowings; however, we did not have any borrowings outstanding as of December 31, 2023 December 31, 2024 and, therefore, no related exposure to interest rate risk.

Fair Value of Other Financial Instruments

The estimated fair value of other financial instruments is the amount at which the instrument could be exchanged currently between willing parties. The carrying amounts reported in the Consolidated Balance Sheet for cash, cash equivalents and restricted cash approximate fair value due to the short-term maturities of these instruments.

The fair value of our senior notes is based on quoted market prices. The fair value of our private placement senior notes is based on third-party quotes which are derived from credit spreads for the difference between the issue rate and the period end market rate and other unobservable inputs.

The carrying amount and estimated fair value of debt is as follows:

		December 31, 2023		December 31, 2022			December 31, 2024	December 31, 2023		
(In millions)	(In millions)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	(In millions)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Total debt										
Current maturities										
Long-term debt, excluding current maturities										

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Coterra Energy Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Coterra Energy Inc. and its subsidiaries (the “Company”) as of December 31, 2023 December 31, 2024 and 2022, 2023, and the related consolidated statements of operations, of comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 December 31, 2024 and 2022, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

The Impact of Proved Developed Oil and Natural Gas Reserves on Proved Oil and Gas Properties, Net

As described in Notes 1 and 3 to the consolidated financial statements, a significant portion of the Company's properties and equipment, net balance of $12,835 million $17,890 million as of December 31, 2023 December 31, 2024 and depreciation, depletion and amortization (DD&A) expense of $1,635 million $1,840 million for the year ended December 31, 2023 December 31, 2024 relate to proved oil and gas properties. The Company uses the successful efforts method of accounting for its oil and gas producing activities. As disclosed by management, the Company's rate of recording DD&A expense is dependent upon the estimate of proved reserves and proved developed reserves, which are utilized in the unit-of-production calculation. In estimating proved oil and natural gas reserves, management relies on interpretations and judgment of available geological, geophysical, engineering and production data, as well as the use of certain economic assumptions such as commodity prices. Additional assumptions include drilling and operating expenses, capital expenditures, taxes and availability of funds. The estimates of proved oil and natural gas reserves have been developed by specialists, specifically petroleum engineers.

The principal considerations for our determination that performing procedures relating to the impact of proved developed oil and natural gas reserves on proved oil and gas properties, net is a critical audit matter are (i) the significant judgment by management, including the use of specialists, when developing the estimates of proved developed oil and natural gas reserves, which in turn led to (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the data, methods, and assumptions used by management and its specialists in developing the estimates of proved developed oil and natural gas reserves.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimates of proved developed oil and natural gas reserves. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of the proved developed oil and natural gas reserves. As a basis for using this work, the specialists' qualifications were understood and the Company's relationship with the specialists was assessed. The procedures performed also included evaluating the methods and assumptions used by the specialists, testing the completeness and accuracy of data used by the specialists, and evaluating the specialists' findings.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 23, 2024 25, 2025

We have served as the Company's auditor since 1989.

COTERRA ENERGY INC.
CONSOLIDATED BALANCE SHEET

(In millions, except per share amounts)	(In millions, except per share amounts)	December 31, 2023	2022	(In millions, except per share amounts)	December 31, 2024	2023
ASSETS	ASSETS		ASSETS			
Current assets	Current assets		Current assets			
Cash and cash equivalents						
Restricted cash						

Accounts receivable, net			
Income taxes receivable			
Inventories			
Derivative instruments			
Other current assets			
Other current assets			
Other current assets			
Total current assets			
Properties and equipment, net (Successful efforts method)			
Other assets			
Other assets			
Other assets			
		$	
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY	LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY		LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY
Current liabilities	Current liabilities		Current liabilities
Accounts payable			
Current portion of long-term debt			
Accrued liabilities			
Interest payable			
Interest payable			
Interest payable			
Total current liabilities			
Total current liabilities			
Total current liabilities			
Long-term debt			
Deferred income taxes			
Asset retirement obligations			
Other liabilities			
Other liabilities			
Other liabilities			
Total liabilities			
Commitments and contingencies (Note 8)			
Commitments and contingencies (Note 8)			
Commitments and contingencies (Note 8)			
Cimarex redeemable preferred stock			
Cimarex redeemable preferred stock			
Cimarex redeemable preferred stock			
Redeemable preferred stock			
Redeemable preferred stock			
Redeemable preferred stock			
Stockholders' equity			
Stockholders' equity			
Stockholders' equity			
Common stock:	Common stock:		Common stock:
Authorized — 1,800 shares of $0.10 par value in 2023 and 2022			
Issued — 751 shares and 768 shares in 2023 and 2022, respectively			
Authorized — 1,800 shares of $0.10 par value in 2024 and 2023			

Issued — 735 shares and 751 shares in 2024 and 2023, respectively	
Additional paid-in capital	
Retained earnings	
Accumulated other comprehensive income	
Total stockholders' equity	
Total stockholders' equity	
Total stockholders' equity	
	$

The accompanying notes are an integral part of these consolidated financial statements.

COTERRA ENERGY INC.
CONSOLIDATED STATEMENT OF OPERATIONS

		Year Ended December 31,			Year Ended December 31,			
(In millions, except per share amounts)	(In millions, except per share amounts)	2023	2022	2021	(In millions, except per share amounts)	2024	2023	2022
OPERATING REVENUES	OPERATING REVENUES			OPERATING REVENUES				
Oil								
Natural gas								
Oil								
NGL								
Gain (loss) on derivative instruments								
Other								
	5,914							
	5,458							
OPERATING EXPENSES	OPERATING EXPENSES			OPERATING EXPENSES				
Direct operations								
Gathering, processing and transportation								
Taxes other than income								
Exploration								
Depreciation, depletion and amortization								
General and administrative								
General and administrative								
General and administrative								
	3,772							
	4,072							
Gain (loss) on sale of assets								
Gain (loss) on sale of assets								
Gain (loss) on sale of assets								
INCOME FROM OPERATIONS								
Interest expense								
Interest income								
Gain on debt extinguishment								
Other income								
Income before income taxes								

Income tax expense

NET INCOME

Earnings per share

Earnings per share

Earnings per share

Basic

Diluted

Weighted-average common shares outstanding

Weighted-average common shares outstanding

Weighted-average common shares outstanding

Basic	Basic	756	796	796		503	Basic	742	756	756	796
Diluted	Diluted	760	799	799		504	Diluted	745	760	760	799

The accompanying notes are an integral part of these consolidated financial statements.

COTERRA ENERGY INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year Ended December 31,		
(In millions)	**(In millions)**	**2024**	**2023**	**2022**
(In millions)				
(In millions)				
Net income				
Net income				
Net income				
Postretirement benefits:	Postretirement benefits:			
Postretirement benefits:				
Postretirement benefits:				
Amortization of net actuarial gain(1)				
Amortization of net actuarial gain(1)				
Amortization of net actuarial gain(1)				
Net actuarial gain(2)				
Net actuarial gain(2)				
Net actuarial gain(2)				
Amortization of prior service credit(3)				
Amortization of prior service credit(3)				
Amortization of prior service credit(3)				
Plan amendment (4)				
Plan amendment (4)				
Plan amendment (4)				
Total other comprehensive (loss) income				
Total other comprehensive income (loss)				
Total other comprehensive income (loss)				
Total other comprehensive (loss) income				
Total other comprehensive (loss) income				
Comprehensive income				
Comprehensive income				
Total other comprehensive income (loss)				
Comprehensive income				

(1) Net of income taxes of less than $1 million for the year years ended December 31, 2023. December 31, 2024 and 2023, respectively.

(2) Net of income taxes of less than $1 million and $3 million for the year years ended December 31, 2022 . December 31, 2024 and 2022, respectively.
(3) Net of income taxes of less than $1 million for each of the years year ended December 31, 2022 and 2021. .
(4) Net of income taxes of less than $1 million for the year ended December 31, 2022.

The accompanying notes are an integral part of these consolidated financial statements.

COTERRA ENERGY INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

		Year Ended December 31,		Year Ended December 31,				
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES	CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM OPERATING ACTIVITIES				
Net income								
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation, depletion and amortization								
Deferred income tax expense								
Deferred income tax (benefit) expense								
Deferred income tax expense								
Deferred income tax (benefit) expense								
Deferred income tax expense								
Deferred income tax (benefit) expense								
(Gain) loss on sale of assets								
(Gain) loss on derivative instruments								
(Gain) loss on derivative instruments								
Exploratory dry hole cost								
(Gain) loss on derivative instruments								
Net cash received (paid) in settlement of derivative instruments								
Amortization of debt premium and debt issuance costs								
Amortization of debt premium, debt discount and debt issuance costs								
Amortization of debt premium and debt issuance costs								
Amortization of debt premium, debt discount and debt issuance costs								
Amortization of debt premium and debt issuance costs								
Amortization of debt premium, debt discount and debt issuance costs								
Gain on debt extinguishment								
Stock-based compensation and other								
Changes in assets and liabilities:	Changes in assets and liabilities:			Changes in assets and liabilities:				
Accounts receivable, net								
Income taxes								
Inventories								
Other current assets								
Accounts payable and accrued liabilities								
Interest payable								
Other assets and liabilities								
Net cash provided by operating activities								
Net cash provided by operating activities								
Net cash provided by operating activities								

CASH FLOWS FROM INVESTING ACTIVITIES	CASH FLOWS FROM INVESTING ACTIVITIES	CASH FLOWS FROM INVESTING ACTIVITIES
Capital expenditures for drilling, completion and other fixed asset additions		
Capital expenditures for leasehold and property acquisitions		
Capital expenditures for leasehold and property acquisitions		
Capital expenditures for leasehold and property acquisitions		
Proceeds from sale of assets		
Cash received from Merger		
Purchase of short-term investments		
Cash received from Merger		
Purchase of short-term investments		
Cash received from Merger		
Purchase of short-term investments		
Proceeds from sale of short-term investments		
Net cash (used in) provided by investing activities		
Net cash (used in) provided by investing activities		
Net cash (used in) provided by investing activities		
Net cash used in investing activities		
Net cash used in investing activities		
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM FINANCING ACTIVITIES
Borrowings from debt		
Proceeds from issuance of debt		
Repayments of debt		
Repayments of finance leases		
Repayments of debt		
Repayments of debt		
Common stock repurchases		
Common stock repurchases		
Common stock repurchases		
Dividends paid		
Dividends paid		
Dividends paid		
Cash paid for conversion of redeemable preferred stock		
Tax withholding on vesting of stock awards		
Tax withholding on vesting of stock awards		
Tax withholding on vesting of stock awards		
Capitalized debt issuance costs		
Cash received for stock option exercises		
Cash received for stock option exercises		
Cash received for stock option exercises		
Net cash used in financing activities		
Capitalized debt issuance costs		
Capitalized debt issuance costs		
Other		
Other		
Other		

Net cash provided by (used in) financing activities
Net increase (decrease) in cash, cash equivalents and restricted cash
Cash, cash equivalents and restricted cash, beginning of period
Cash, cash equivalents and restricted cash, end of period

The accompanying notes are an integral part of these consolidated financial statements.

COTERRA ENERGY INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In millions, except per share amounts)	(In millions, except per share amounts)	Common Shares	Common Stock Par	Treasury Shares	Treasury Stock	Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total	(In millions, except per share amounts)	Common Shares	Common Stock Par	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at December 31, 2020																		
Net income																		
Issuance of common stock for merger																		
Issuance of replacement awards and options for merger consideration																		
Exercise of stock options																		
Stock amortization and vesting																		
Cash dividends:																		
Common stock at $1.12 per share																		
Common stock at $1.12 per share																		
Common stock at $1.12 per share																		
Preferred stock at $20.3125 per share																		
Other comprehensive loss																		
Balance at December 31, 2021																		
Net income																		
Exercise of stock options																		
Stock amortization and vesting																		
Common stock repurchases																		
Common stock retirements																		

Conversion of Cimarex redeemable preferred stock								
Conversion of redeemable preferred stock								
Cash dividends:								
Common stock at $2.49 per share								
Common stock at $2.49 per share								
Common stock at $2.49 per share								
Preferred stock at $20.3125 per share								
Preferred stock at $20.31 per share								
Other comprehensive income								
Balance at December 31, 2022								
Balance at December 31, 2022								
Balance at December 31, 2022								
Net income								
Exercise of stock options								
Stock amortization and vesting								
Common stock repurchases								
Common stock retirements								
Conversion of Cimarex redeemable preferred stock								
Conversion of redeemable preferred stock								
Cash dividends on common stock at $1.17 per share								
Cash dividends on common stock at $1.17 per share								
Cash dividends on common stock at $1.17 per share								
Other comprehensive loss								
Other comprehensive loss								
Other comprehensive loss								
Balance at December 31, 2023								
Balance at December 31, 2023								
Balance at December 31, 2023								
Net income								
Exercise of stock options	—	—	—	—	2	—	—	2
Stock amortization and vesting								
Common stock repurchases								
Common stock retirements								

Cash dividends on common stock at $0.84 per share

Cash dividends on common stock at $0.84 per share

Cash dividends on common stock at $0.84 per share

Other comprehensive income

Other comprehensive income

Other comprehensive income

Balance at December 31, 2024

Balance at December 31, 2024

Balance at December 31, 2024

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Presentation and Nature of Operations

Coterra Energy Inc. and its subsidiaries ("Coterra" or the "Company") are engaged in the development, exploration and production of oil, natural gas and NGLs exclusively within the continental U.S. The Company's exploration and development activities are concentrated in areas with known hydrocarbon resources, which are conducive to multi-well, repeatable drilling programs.

The Company operates in one segment, oil and natural gas development, exploration and production. The Company's oil and gas properties are managed as a whole rather than through discrete operating segments. Operational information is tracked by geographic area; however, financial performance is assessed as a single enterprise and not on a geographic basis. Allocation of resources is made on a project basis across the Company's entire portfolio without regard to geographic areas.

The consolidated financial statements include the accounts of the Company and its subsidiaries after eliminating all significant intercompany balances and transactions. Certain reclassifications have been made to prior year statements to conform with the current year presentation. These reclassifications have no impact on previously reported stockholders' equity, net income or cash flows.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. This standard includes additional clarification and implementation guidance related to significant expense principle, single reportable segment entities, and disclosing multiple measures of a segment's profit or loss. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted and retrospective application. The Company and Cimarex Energy Co. ("Cimarex") completed a merger transaction adopted ASU No. 2023-07 during the year ended December 31, 2024. The adoption of ASU No. 2023-07 had no effect on October 1, 2021 (the "Merger"), pursuant to an agreement entered into by the Company and Cimarex (the "Merger Agreement"). Company's financial position, results of operations or cash flows as it modified disclosure requirements only. Refer to Note 2, "Acquisitions," "Significant Accounting Policies — Segment Reporting" below.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosure*. This ASU requires additions to income tax disclosures, including among other things, a further breakout of amounts paid for further information. Additionally, taxes between federal, state, and foreign taxing jurisdictions, and the disaggregation of the rate reconciliation into eight specific categories with both dollar amounts and percentages. The ASU will be effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted. The adoption of ASU No. 2023-09 is not expected to have any effect on October 1, 2021 the Company's financial position, results of operations or cash flows as it modifies disclosure requirements only. The Company plans to adopt ASU No. 2023-09 during the year ending December 31, 2025.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) Disaggregation of Income Statement Expenses.* This ASU requires disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement. The ASU will be effective for fiscal years beginning after December 15, 2026, Cabot Oil & Gas Corporation changed its name and interim periods within fiscal years beginning after December 15, 2027, to Coterra Energy Inc. be applied prospectively, with early adoption and retrospective application permitted. The adoption of ASU No. 2024-03 is not expected to have any effect on the Company's financial position, results of operations or cash flows as it modifies disclosure requirements only. The Company plans to adopt ASU No. 2024-03 during the year ending December 31, 2027.

Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with a maturity of three months or less and deposits in money market funds and other investments that are readily convertible to cash to be cash equivalents. Cash and cash equivalents were primarily concentrated in four six financial institutions at December 31, 2023 December 31, 2024. The Company periodically assesses the financial condition of its financial institutions and considers any possible credit risk to be minimal.

Restricted Cash

Restricted cash includes cash that is legally or contractually restricted as to withdrawal or usage. As of December 31, 2023 December 31, 2024 and 2022, 2023, the restricted cash balance of $9 million $239 million and $10 million $9 million, respectively, includes cash deposited in escrow accounts that are restricted for use.

Allowance for Doubtful Accounts Credit Losses

The Company records an allowance for doubtful accounts credit losses based on the Company's estimate of future expected credit losses on outstanding receivables.

Inventories

Inventories are primarily comprised of tubular goods and well equipment and commodity inventory, including pipeline imbalances.

Tubular goods and well equipment are carried at average cost. Inventories cost and are assessed periodically for obsolescence. Commodity inventories are recorded at actual purchase prices and are adjusted monthly to market prices. Commodity inventories generally turn monthly.

Short-term Investments

The Company's short-term investments include certificates of deposit with maturities between three months and one year. Certificates of deposit are recorded at cost.

Properties and Equipment

Oil and Gas Properties

The Company uses the successful efforts method of accounting for oil and gas producing activities. Under this method, acquisition costs for proved and unproved properties are capitalized when incurred. Exploration costs, including geological and geophysical costs, the costs of carrying and retaining unproved properties and exploratory dry hole drilling costs, are expensed. Development costs, including the costs to drill and equip development wells and successful exploratory drilling costs to locate proved reserves are capitalized.

Exploratory drilling costs are capitalized when incurred pending the determination of whether a well has found proved reserves. The determination is based on a process which relies on interpretations of available geologic, geophysical and engineering data. If a well is determined to be successful, the capitalized drilling costs will be reclassified as part of the cost of the well. If a well is determined to be unsuccessful, the capitalized drilling costs will be charged to exploration expense in the Consolidated Statement of Operations in the period the determination is made. If an exploratory well requires a major capital expenditure before production can begin, the cost of drilling the exploratory well will continue to be carried as an asset pending determination of whether reserves have been found only as long as: (1) the well has found a sufficient quantity of reserves to justify its completion as a producing well if the required capital expenditure is made and (2) drilling of an additional exploratory well is under way or firmly planned for the near future. If drilling in the area is not under way or firmly planned or if the well has not found a commercially producible quantity of reserves, the exploratory well is assumed to be impaired and its costs are charged to exploration expense.

Development costs of proved oil and gas properties, including estimated dismantlement, restoration and abandonment costs and acquisition costs, are depreciated and depleted on a field basis by the unit-of-production method using both proved developed and proved reserves, respectively. reserves.

Costs of sold or abandoned properties that make up a part of an amortization base (partial field) remain in the amortization base if the unit-of-production rate is not significantly affected. If significant, a gain or loss, if any, is recognized and the sold or abandoned properties are retired. A gain or loss, if any, is also recognized when a group of proved properties (entire field) that make up the amortization base has been retired, abandoned or sold.

The Company evaluates its proved oil and gas properties for impairment whenever events or changes in circumstances indicate an asset's carrying amount may not be recoverable. The Company compares expected undiscounted future cash flows to the net book value of the asset. If the future undiscounted expected cash flows, based on estimates of future commodity prices, operating costs and anticipated production from proved reserves and risk-adjusted probable and possible reserves, are lower than the net book value of the asset, the capitalized cost is reduced to fair value. Commodity pricing is estimated by using a combination of assumptions management uses in its budgeting and forecasting process as well as historical and current prices adjusted for geographical location and quality differentials, as well as other factors that management believes will impact realizable prices. Fair value is calculated by discounting the future cash flows. The discount factor used is based on rates utilized by market participants that are commensurate with the risks inherent in the development and production of the underlying oil and natural gas.

Unproved oil and gas properties are assessed periodically for impairment on an aggregate basis through periodic updates to the Company's unproved acreage amortization based on past drilling and exploration experience, the Company's expectation of converting leases to held by production and average property lives. Average property lives are determined on a geographical basis and based on the estimated life of unproved property leasehold rights.

Fixed Assets

Fixed assets consist primarily of gas gathering systems, water infrastructure, buildings, vehicles, aircraft, furniture and fixtures, and computer equipment and software. These items are recorded at cost and are depreciated on the straight-line method based on expected lives of the individual assets, which range from three to 30 years.

Asset Retirement Obligations

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. Asset retirement costs for oil and gas properties are depreciated using the unit-of-production method, while asset retirement costs for other assets are depreciated using the straight-line method over estimated useful lives.

Additional retirement obligations increase the liability associated with new oil and gas wells and other facilities as these obligations are incurred. Accretion expense is included in DD&A expense in the Consolidated Statement of Operations.

Derivative Instruments

The Company enters into financial derivative contracts, primarily collars, swaps and basis swaps, to manage its exposure to price fluctuations on a portion of its anticipated future production volumes. All of the Company's derivatives are used for risk management purposes and are not held for trading purposes. The Company has elected not to designate its financial derivative instruments as accounting hedges under the accounting guidance.

The Company evaluates all of its physical purchase and sale contracts to determine if they meet the definition of a derivative. For contracts that meet the definition of a derivative, the Company may elect the normal purchase normal sale ("NPNS") exception provided under the applicable accounting guidance and account for the contract using the accrual method of accounting. Contracts that do not qualify for or for which the Company elects not to apply the NPNS exception are accounted for at fair value.

All derivatives, except for derivatives that qualify for the NPNS exception, are recognized on the balance sheet Consolidated Balance Sheet and are measured at fair value. At the end of each quarterly period, these derivatives are marked to market. As a result, changes in the fair value of derivatives are recognized in operating revenues in gain (loss) on derivative instruments. The resulting cash flows are reported as cash flows from operating activities.

Leases

The Company determines if an arrangement is, or contains, a lease at inception based on whether that contract conveys the right to control the use of an identified asset in exchange for consideration for a period of time. Operating leases are included in right-of-use assets ("ROU assets") and lease liabilities (current and non-current) in the Consolidated Balance Sheet. Financing leases are included in properties and equipment, net and lease liabilities (current and non-current) in the Consolidated Balance Sheet. Short-term leases (a lease that, at commencement, has a lease term of one year or less and does not contain a purchase option that the Company is reasonably certain to exercise) are not recognized in ROU assets and lease liabilities. For all operating leases, lease and non-lease components are accounted for as a single lease component.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of minimum lease payments over the lease term. Most leases do not provide an implicit interest rate; therefore, the Company uses its incremental borrowing rate based on the information available at the inception date to determine the present value of the lease payments. Lease terms include options to extend the lease when it is reasonably certain that the Company will exercise that option. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Certain leases have payment terms that vary based on the usage of the underlying assets. Variable lease payments are not included in ROU assets and lease liabilities.

Fair Value of Assets and Liabilities

The Company follows the authoritative accounting guidance for measuring fair value of assets and liabilities in its financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants who are independent, knowledgeable and willing and able to transact would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. The Company is able to classify fair value balances based on the observability of these inputs. The authoritative guidance for fair value measurements establishes three levels of the fair value hierarchy, defined as follows:

- Level 1: Unadjusted, quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Significant, unobservable inputs for use when little or no market data exists, requiring a significant degree of judgment.

The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. Depending on the particular asset or liability, input availability can vary depending on factors such as product type, longevity of a product in the market and other particular transaction conditions. In some cases, certain inputs used to measure fair value may be categorized into different levels of the fair value hierarchy. For disclosure purposes under the accounting guidance, the lowest level that contains significant inputs used in the valuation should be chosen.

Revenue Recognition

The Company's revenue is typically generated from contracts to sell oil, natural gas and NGLs produced from interests in oil and gas properties owned by the Company. These contracts generally require the Company to deliver a specific amount of a commodity per day for a specified number of days at a price that is either fixed or variable. The contracts specify a delivery point which represents the point at which control of the product is transferred to the customer. The Company has determined that these contracts represent multiple performance obligations which are satisfied when control of the commodity transfers to the customer, typically through the delivery of the specified commodity to a designated delivery point.

Revenue is measured based on consideration specified in the contract with the customer, and excludes any amounts collected on behalf of third parties. The Company recognizes revenue in the amount that reflects the consideration it expects to be entitled to in exchange for transferring control of those goods to the customer. The contract consideration in the Company's variable price contracts are typically allocated to specific performance obligations in the contract according to the price stated in the contract. Amounts allocated in the Company's fixed price contracts are based on the standalone selling price of those products in the context of long-term, fixed price contracts, which generally approximates the contract price. Payment is generally received one or two months after the sale has occurred.

The Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to the customer and when the customer pays for that good or service will be one year or less.

For contracts with an original expected term of one year or less, the Company has elected not to disclose the transaction price allocated to the unsatisfied performance obligations. For contracts with terms greater than one year, the Company has elected not to disclose the price allocated to the unsatisfied performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Since each unit of the respective commodity typically represents a separate performance obligation, future volumes are considered wholly unsatisfied, and disclosure of the transaction price allocated to the remaining performance obligation is not required.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, and that are collected by the Company from a customer, are excluded from revenue.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recorded for the estimated future tax consequences attributable to the differences between the financial carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the tax rate in effect for the year in which those temporary differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the year of the enacted rate change. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that the related tax benefits will not be realized.

The Company follows the “equity first” approach when applying the limitation for certain executive compensation in excess of $1 million to future compensation. The limitation is first applied to stock-based compensation that vests in future tax years before considering cash compensation paid in a future period. Accordingly, the Company records a deferred tax asset for stock-based compensation expense recorded in the current period, and reverses the temporary difference in the future period, during which the stock-based compensation becomes deductible for tax purposes.

The Company is required to make judgments, including estimating reserves for potential adverse outcomes regarding tax positions that the Company has taken. The Company accounts for uncertainty in income taxes using a recognition and measurement threshold for tax positions taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is recognized when it is more likely than not that the position will be sustained upon examination by taxing authorities based on technical merits of the position. The amount of the tax benefit recognized is the largest amount of the benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The effective tax rate and the tax basis of assets and liabilities reflect management’s estimates of the ultimate outcome of various tax uncertainties.

The Company recognizes accrued interest related to uncertain tax positions in interest expense and accrued penalties related to such positions in G&A expense in the Consolidated Statement of Operations.

Stock-Based Compensation

The Company accounts for stock-based compensation under the fair value method of accounting. Under this method, compensation cost is measured at the grant date for equity-classified awards and re-measured each reporting period for liability-classified awards based on the fair value of an award and is recognized over the service period, which is generally the vesting period. To calculate fair value, the Company uses a Black Scholes or Monte Carlo valuation model based on the specific provisions of the award. Stock-based compensation cost for all types of awards is included in G&A expense in the Consolidated Statement of Operations.

The Company records excess tax benefits and tax deficiencies on stock-based compensation in the income statement upon vesting of the respective awards. Excess tax benefits and tax deficiencies are included in cash flows from operating activities in the Consolidated Statement of Cash Flow.

Cash paid by the Company when directly withholding shares from employee stock-based compensation awards for tax-withholding purposes are classified as financing activities in the Consolidated Statement of Cash Flow.

Earnings per Share

The Company calculates earnings per share recognizing that unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents are “participating securities” and, therefore, should be included in computing earnings per share using the two-class earnings allocation method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. Certain of the Company’s unvested share-based payment awards, consisting of restricted stock, qualify as participating securities. The Company’s participating securities do not have a contractual obligation to share in the losses of the entity and, therefore, net losses are not allocated to them.

Segment Reporting

Operating segments are defined as components of an enterprise for which separate financial information is available and regularly evaluated by the Chief Operating Decision Maker (“CODM”) for the purpose of making key operating decisions, allocating resources, and assessing operating performance. The Company operates in one reportable operating segment, oil and natural gas development, exploration and production. The Company’s oil and gas properties are managed as a whole rather than through discrete operating segments. Financial and operational information is tracked by geographic area; however, financial performance is assessed as a single enterprise and not on a geographic basis. Allocation of resources is made on a project basis across the Company’s entire portfolio without regard to geographic area, and considers among other things, return on investment, current market conditions, including commodity prices and market supply, availability of services and human resources, and contractual commitments. The Company’s Chief Executive Officer is its CODM.

The Company’s profitability measure is consolidated net income which is used to assess budgeted versus actual results and drives the Company’s operating cash flow. The CODM reviews significant consolidated forecasts and results of operations, including return on capital, operating expenses, and cash flow when making decisions such as the allocation of capital. The financial position, results of operations and cash flows of the Company’s reportable operating segment are consistent with the Company’s consolidated financial statements included herein.

Environmental Matters

Environmental expenditures are expensed or capitalized, as appropriate, depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations, and that do not have future economic benefit are expensed. Liabilities related to future costs are recorded on an undiscounted basis when environmental assessments and remediation activities are probable and the costs can be reasonably estimated. Any insurance recoveries are recorded as assets when received.

Credit and Concentration Risk

Substantially all of the Company's accounts receivable result from the sale of oil, natural gas and NGLs to third parties in the oil and gas industry and joint interest billings with other participants in joint operations. This concentration of purchasers and joint owners may impact the Company's overall credit risk, either positively or negatively, in that these entities may be similarly affected by changes in economic or other conditions. The Company does not anticipate any material impact on its financial results due to non-performance by the third parties.

During the year ended December 31, 2024, two customers accounted for approximately 21 percent and 19 percent of the Company's total sales. During the year ended December 31, 2023, two customers accounted for approximately 19 percent and 17 percent of the Company's total sales. During the year ended December 31, 2022, two customers accounted for approximately 13 percent and 11 percent of the Company's total sales. During the year ended December 31, 2021, no customer accounted for more than 10 percent of the Company's total sales.

The Company does not believe that the loss of any of its major customers would have a material adverse effect on it because alternative customers are readily available. If any one of the Company's major customers were to stop purchasing the Company's production, the Company believes there are a number of other purchasers to whom it could sell its production. If multiple significant customers were to stop purchasing the Company's production, the Company believes there could be some initial challenges, but the Company believes it has ample alternative markets to handle any sales disruptions.

The Company regularly monitors the creditworthiness of its customers and may require parent company guarantees, letters of credit or prepayments when necessary. Historically, losses associated with uncollectible receivables have been insignificant.

Use of Estimates

In preparing its financial statements, the Company follows GAAP. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimates pertain to proved oil and gas reserves and related cash flow estimates which are used to compute depreciation, depletion and amortization DD&A and impairments of proved oil and gas properties. Other estimates include oil, natural gas and NGL revenues and expenses, fair value of derivative instruments, estimates of expenses related to legal, environmental and other contingencies, asset retirement obligations, postretirement obligations, stock-based compensation and deferred income taxes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures*. This standard includes additional clarification and implementation guidance related to significant expense principle, single reportable segment entities, and disclosing multiple measures of a segment's profit or loss. The ASU will be effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted

and retrospective application. The adoption of ASU No. 2023-07 is not expected to have any effect on the Company's financial position, results of operations or cash flows as it modifies disclosure requirements only.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosure*. This ASU requires additions to income tax disclosures, including among other things, a further breakout of amounts paid for taxes between federal, state, and foreign taxing jurisdictions, and the disaggregation of the rate reconciliation into eight specific categories with both dollar amounts and percentages. The ASU will be effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted. The adoption of ASU No. 2023-09 is not expected to have any effect on the Company's financial position, results of operations or cash flows as it modifies disclosure requirements only.

2. Acquisitions

Cimarex Franklin Mountain Energy Co. ("FME") Acquisition

On October 1, 2021,*Subsequent Event*. In January 2025, the Company closed on its acquisition of all of the issued and Cimarex completed the Merger. Cimarex is an outstanding equity ownership interests of a group of privately owned oil and gas exploration and production company companies with assets and operations in Texas, the Delaware Basin of New Mexico (the "FME Interests") for total consideration of $2.5 billion, subject to certain post-closing adjustments, which included $1.7 billion in cash and Oklahoma. Upon the effectiveness issuance of 28,190,682 shares of the Merger, each eligible share of Cimarex Company's common stock was converted into the right to receive 4.0146 shares of common stock of the Company. Based valued at $785 million based on the closing price of Coterra's the Company's common stock on October 1, 2021, the total value closing date.

The disclosure of such shares of Coterra common stock was approximately $9.1 billion. The Company and Cimarex intended for the Merger to qualify as a tax-free reorganization for U.S. federal income tax purposes.

Post-Acquisition Operating Results

Cimarex contributed the following to the Company's 2021 consolidated operating results.

(in millions)		October 1, 2021 through December 31, 2021
Revenue	$	1,129
Net income		394

Unaudited Pro Forma Financial Information

The results of Cimarex's operations have been included in the Company's consolidated certain financial statements since October 1, 2021, the effective date of the Merger. The following supplemental pro forma information for the year ended December 31, 2021 required by Accounting Standards Codification ("ASC") 805, *Business Combinations*, has been prepared omitted as it is impracticable to give effect provide such information due to the Cimarex acquisition as if it had occurred on January 1, 2020. The information below reflects pro forma adjustments based on available information and certain assumptions that Coterra believes are factual and supportable. The pro forma results timing of operations do not include any cost savings or other synergies resulting from the closing of the acquisition or any estimated costs that have been or will be incurred by Coterra to integrate the acquired assets.

The pro forma information is not necessarily indicative and issuance of the results that might have occurred had the transaction actually taken place on January 1, 2020, and is not intended to be a projection of future results. Future results may vary significantly from the results reflected in the following pro forma information because of normal production declines, changes in commodity prices, future acquisitions and divestitures, future development and exploration activities and other factors.

(In millions, except per share information)		Year Ended December 31, these consolidated financial statements. 2021
Pro forma revenue	$	5,236
Pro forma net income		1,205
Pro forma basic earnings per share	$	1.49
Pro forma diluted earnings per share	$	1.48

Other Information

In connection with and upon execution of the Merger, FME purchase agreement in November 2024, the Company recognized $42 deposited $125 million of transaction costs for the year ended December 31, 2021. These fees primarily related to bank, legal and accounting fees and are with an escrow agent which is included in G&A expense restricted cash on the Company's Consolidated Balance Sheet at December 31, 2024.

Avant Acquisition

Subsequent Event. In January 2025, the Company closed on the acquisition of certain interests in oil and gas properties located in the Delaware Basin in New Mexico from certain privately owned sellers for total cash consideration of $1.5 billion, subject to certain post-closing adjustments.

The disclosure of certain financial information required by ASC 805, *Business Combinations*, has been omitted as it is impracticable to provide such information due to the timing of the closing of the acquisition and issuance of these consolidated financial statements.

In connection with and upon execution of the Avant purchase and sale agreement in November 2024, the Company deposited $109 million with an escrow agent which is included in restricted cash on the Company's Consolidated Statement of Operations.

Balance Sheet at December 31, 2024.

3. Properties and Equipment, Net

Properties and equipment, net are comprised of the following:

(In millions)	(In millions)	December 31, 2023	2022	(In millions)	December 31, 2024	2023
Proved oil and gas properties						
Unproved oil and gas properties						
Gathering and pipeline systems						
Land, buildings and other equipment						
Finance lease right-of-use asset						
	24,967					

	26,729
Accumulated DD&A	
	$

Capitalized Exploratory Well Costs

As of and for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, the Company did not have any projects with exploratory well costs capitalized for a period of greater than one year after drilling.

4. Long-Term Debt and Credit Agreements

The following table includes a summary of the Company's long-term debt.

(In millions)	(In millions)	December 31, 2023	2022	(In millions)	December 31, 2024	2023
Total debt						
Private placement senior notes:						
3.65% weighted-average private placement senior notes(1)						
3.65% weighted-average private placement senior notes(1)						
3.65% weighted-average private placement senior notes(1)						
Senior notes:						
3.90% senior notes due May 15, 2027						
3.90% senior notes due May 15, 2027						
3.90% senior notes due May 15, 2027						
4.375% senior notes due March 15, 2029						
Revolving credit agreement						
Total						
5.60% senior notes due March 15, 2034						
5.40% senior notes due February 15, 2035						
5.90% senior notes due February 15, 2055						
Total debt						
Total debt						
Total debt						
Unamortized debt premium						
Unamortized debt discount						
Unamortized debt issuance costs						
Total debt						
Total debt, net						
Less: current portion of long-term debt						
Long-term debt						

(1) *The 3.65% weighted-average senior notes have bullet maturities, of which $575 million and $250 million due was repaid in September 2024 and 2026, respectively. $250 million will mature in September 2026. The remaining $250 million of the 3.65% weighted-average private placement senior notes bear interest at 3.77% per annum.*

Long-Term Debt Maturity

As of December 31, 2024, maturities of long-term debt over the next five years were as follows:

(In millions)		
Year Ending December 31,		
2025	$	—
2026		250
2027		750
2028		—
2029		500

Thereafter		2,000
Total long-term debt	$	3,500

Private Placement Senior Notes

The private placement senior notes are general, unsecured obligations of the Company. Interest on each series of private placement senior notes is payable semi-annually. Under the terms of the note purchase agreement, the Company may prepay all or any portion of the notes of each series on any date at a price equal to the principal amount thereof plus accrued and unpaid interest plus a make-whole premium.

During 2022, the Company repaid $37 million of its 6.51% weighted-average senior notes for $38 million and $87 million of its 5.58% weighted-average senior notes for $92 million prior to their original maturity dates, and recognized a net loss on debt extinguishment of $7 million.

The note purchase agreement provides that the Company must maintain a minimum annual coverage ratio of consolidated cash flow to interest expense for the trailing four quarters of not less than 2.8 to 1.0 and requires the Company to maintain, as of the last day of any fiscal quarter, a maximum ratio of total debt to consolidated EBITDAX for the trailing four quarters of not more than 3.0 to 1.0. There are also various other covenants and events of default customarily found in such debt instrument.

As of December 31, 2023 December 31, 2024, the Company was in compliance with its financial covenants under the private placement senior notes.

Senior Notes

The 3.90% senior notes due 2027 and the 4.375% senior notes due 2029 (the “Senior Notes”) are general, unsecured obligations of the Company. Interest on each series of Senior Notes is payable semi-annually. Under the terms of the indenture documents governing the Senior Notes, the Company may redeem all or any portion of the Senior Notes of each series on any date at a price equal to the principal amount thereof plus applicable redemption prices described in the governing indentures. The Company is also subject to various covenants and events of default customarily found in such debt instruments.

In 2022, March 2024, the Company redeemed the $750 issued $500 million aggregate principal amount of its 4.375% 5.60% senior notes due 2034 (the “2034 Senior Notes”). The 2034 Senior Notes for will mature on March 15, 2034 and were issued at a discount of $1 million. The Company incurred approximately $5 million of debt issuance costs that were capitalized and will be amortized over the term of such notes.

In December 2024, the Company issued $750 million aggregate principal amount of 5.40% senior notes due 2035 (the “2035 Senior Notes”) and recognized $750 million aggregate principal amount of 5.90% senior notes due 2055 (the “2055 Senior Notes”). The 2035 Senior Notes and the 2055 Senior Notes will mature on February 15, 2035 and February 15, 2055, respectively, and were issued at a net gain discount of $3 million and $5 million, respectively. The Company incurred approximately $7 million and $8 million of debt issuance costs for the 2035 Senior Notes and 2055 Senior Notes, respectively, that were capitalized and will be amortized over the term of such notes.

Term Loan

In December 2024, the Company entered into a delayed draw term loan credit agreement with Toronto Dominion (Texas), LLC, as administrative agent, and certain other lenders and issuing banks (the “Term Loan”), which consists of a $500 million Tranche A Term Loan and a $500 million Tranche B Term Loan. The Tranche A Term Loan matures two years after funding, and the Tranche B Term Loan matures three years after funding. Borrowings under the Term Loan can be prepaid without penalty. As of December 31, 2024, the Company had no borrowings outstanding under the Term Loan and $1.0 billion of available commitments.

Borrowings under the Term Loan bear interest at a rate per annum equal to, at the Company’s option, either a term secured overnight financing rate (“SOFR”) plus a 0.10 percent credit spread adjustment for all tenors or a base rate, plus an interest rate margin which ranges from 0 to 75 basis points for base rate loans, 100 to 175 basis points for Tranche A SOFR Term Loans and 112.5 to 187.5 basis points for Tranche B SOFR Term Loans based on the Company’s credit rating. The Company incurred $2 million of debt extinguishment of $35 million primarily due to issuance costs which were capitalized and will be amortized over the write off terms of the associated Tranche A and Tranche B Term Loans.

The Term Loan contains customary covenants, including the maintenance of a maximum leverage ratio of no more than 3.0 to 1.0 as of the last day of any fiscal quarter until such time as the Company has no other debt premiums (other than the Company’s Credit Agreement as defined below) in a principal amount in excess of $75 million outstanding that has a financial maintenance covenant based on a leverage ratio, at which time the Term Loan requires maintenance of a ratio of total net debt to total capitalization of no more than 65 percent (with all calculations based on definitions contained in the Term Loan).

Subsequent Event. In January 2025, the Company borrowed $500 million under the Tranche A Term Loan to partially fund the FME acquisition and debt issuance costs. borrowed $500 million under the Tranche B Term Loan to partially fund the Avant acquisition.

Revolving Credit Agreement

On March 10, 2023 September 12, 2024, the Company entered into a an Amendment No. 1 (the “Amendment”) relating to its revolving credit agreement (the “Credit Agreement”) with JPMorgan Chase Bank, N.A., as administrative agent (“JPMorgan” (the “Administrative Agent”), and certain lenders and issuing banks party thereto. thereto (as amended by the Amendment, and further amended, supplemented or otherwise modified from time-to-time, the “Credit Agreement”). The Amendment has increased the aggregate revolving commitments under the Credit Agreement are from $1.5 billion with a discretionary swingline sub-facility of up to $100 million and a letter of credit sub-facility of up to $500 million. The Company may also increase the revolving commitments under $2.0 billion, extended the Credit Agreement by up maturity date from March 10, 2028 to an additional $500 September 12, 2029, made certain amendments to the representations and warranties, affirmative and negative covenants and events of default, and made certain other modifications. The Company incurred $4 million subject of debt issuance costs related to certain conditions the Amendment which were capitalized and will be amortized over the agreement term of the lenders providing commitments with respect to such increase. amended Credit Agreement.

Borrowings under the Credit Agreement bear interest at a rate per annum equal to, at the Company's option, either (i) a term secured overnight financing rate ("SOFR") SOFR plus a 0.10 percent credit spread adjustment for all tenors or (ii) a base rate, plus, in each case, plus an interest rate margin which ranges from 0 to 75 basis points for base rate loans and 100 to 175 basis points for term SOFR loans, based on the Company's credit rating. The commitment fee on the unused available credit is calculated at annual rates ranging from 10 basis points to 27.5 25 basis points, based on the Company's credit rating. The maturity date of the Credit Agreement matures on March 10, 2028. The maturity date can be extended for additional one-year periods on up to two occasions upon the agreement of the Company and lenders holding at least 50 percent of the commitments under the Credit Agreement.

The Credit Agreement contains customary covenants, including the maintenance of a maximum leverage ratio of no more than 3.0 to 1.0 as of the last day of any fiscal quarter. At such time as the Company has no other debt in a principal amount in excess of $75 million outstanding that has a financial maintenance covenant based on a substantially similar leverage ratio, in lieu of such maximum leverage ratio covenant, the revolving credit agreement Credit Agreement will instead require maintenance of the Company to maintain a ratio of total net debt to total capitalization of no more than 65 percent (with all calculations based on definitions contained in the Credit Agreement).

Concurrently with the Company's entry into the Credit Agreement, As of December 31, 2024, the Company terminated its then-existing Second Amended and Restated Credit Agreement, dated as of April 22, 2019, with the lenders party thereto and JPMorgan, as administrative agent thereunder.

At December 31, 2023, there were had no borrowings outstanding under the Company's Credit Agreement its revolving credit agreement and unused commitments were $1.5 billion of $2.0 billion.

5. Derivative Instruments

As of December 31, 2023 December 31, 2024, the Company had the following outstanding financial commodity derivatives:

	2024				2025			
Natural Gas	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
NYMEX collars								
Volume (MMBtu)	35,490,000	44,590,000	45,080,000	16,690,000	9,000,000	9,100,000	9,200,000	9,200,000
Weighted average floor ($/MMBtu)	$ 3.00	$ 2.70	$ 2.75	$ 2.75	$ 3.25	$ 3.25	$ 3.25	$ 3.25
Weighted average ceiling ($/MMBtu)	$ 5.38	$ 3.87	$ 3.94	$ 4.23	$ 4.79	$ 4.79	$ 4.79	$ 4.79

	2025				2026			
Oil	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
WTI oil collars								
Volume (MBbl)	5,040	5,096	4,232	4,232	900	910	920	920
Weighted average floor ($/Bbl)	$ 61.79	$ 61.79	$ 61.63	$ 61.63	$ 62.50	$ 62.50	$ 62.50	$ 62.50
Weighted average ceiling ($/Bbl)	$ 79.36	$ 79.36	$ 78.64	$ 78.64	$ 69.40	$ 69.40	$ 69.40	$ 69.40
WTI oil swaps								
Volume (MBbl)	1,710	1,729	1,748	1,748	900	910	920	920
Weighted average price ($/Bbl)	$ 69.18	$ 69.18	$ 69.18	$ 69.18	$ 66.14	$ 66.14	$ 66.14	$ 66.14
WTI Midland oil basis swaps								
Volume (MBbl)	6,300	6,370	5,520	5,520	1,800	1,820	1,840	1,840
Weighted average differential ($/Bbl)	$ 1.07	$ 1.07	$ 1.02	$ 1.02	$ 0.95	$ 0.95	$ 0.95	$ 0.95

	2025				2026
Natural Gas	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**First Quarter**
NYMEX gas collars					
Volume (MMBtu)	45,000,000	45,500,000	46,000,000	46,000,000	27,000,000
Weighted average floor ($/MMBtu)	$ 2.85	$ 2.85	$ 2.85	$ 2.85	$ 2.75
Weighted average ceiling ($/MMBtu)	$ 4.51	$ 4.07	$ 4.07	$ 5.55	$ 7.66
Transco Leidy gas basis swaps					
Volume (MMBtu)	18,000,000	18,200,000	18,400,000	18,400,000	—
Weighted average differential ($/MMBtu)	$ (0.70)	$ (0.70)	$ (0.70)	$ (0.70)	$ —

Transco Zone 6 Non-NY gas basis swaps					
Volume (MMBtu)	9,000,000	9,100,000	9,200,000	9,200,000	—
Weighted average differential ($/MMBtu)	$ (0.29)	$ (0.29)	$ (0.29)	$ (0.29)	$ —

	2024			
Oil	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
WTI oil collars				
Volume (MBbl)	2,730	2,730	1,840	1,840
Weighted average floor ($/Bbl)	$ 68.00	$ 68.00	$ 65.00	$ 65.00
Weighted average ceiling ($/Bbl)	$ 91.37	$ 91.37	$ 90.01	$ 90.01
WTI Midland oil basis swaps				
Volume (MBbl)	2,730	2,730	1,840	1,840
Weighted average differential ($/Bbl)	$ 1.16	$ 1.16	$ 1.17	$ 1.17

In January 2024, 2025, the Company entered into the following financial commodity derivatives:

	2024			
Oil	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
WTI oil collars				
Volume (MBbl)	300	455	920	920
Weighted average floor ($/Bbl)	$ 65.00	$ 65.00	$ 65.00	$ 65.00
Weighted average ceiling ($/Bbl)	$ 85.02	$ 85.02	$ 81.49	$ 81.49
WTI Midland oil basis swaps				
Volume (MBbl)	300	455	920	920
Weighted average differential ($/Bbl)	$ 1.10	$ 1.10	$ 1.10	$ 1.10

	2025				2026			
Natural Gas	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
NYMEX gas collars								
Volume (MMBtu)	5,900,000	9,100,000	9,200,000	9,200,000	22,500,000	22,750,000	23,000,000	23,000,000
Weighted average floor ($/MMBtu)	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00
Weighted average ceiling ($/MMBtu)	$ 4.46	$ 4.46	$ 4.46	$ 4.46	$ 5.79	$ 5.79	$ 5.79	$ 5.79

Effect of Derivative Instruments on the Consolidated Balance Sheet

		Fair Values of Derivative Instruments			
		Derivative Assets		Derivative Liabilities	
		December 31,		December 31,	
(In millions)	**Balance Sheet Location**	**2023**	**2022**	**2023**	**2022**
Commodity contracts	Derivative instruments (current)	$ 85	$ 146	$ —	$ —
Commodity contracts	Other assets (non-current)	7	—	—	—
		$ 92	$ 146	$ —	$ —

		Fair Values of Derivative Instruments			
		Derivative Assets		Derivative Liabilities	
		December 31,		December 31,	
(In millions)	**Balance Sheet Location**	**2024**	**2023**	**2024**	**2023**
Commodity contracts	Other current assets	$ 12	$ 85	$ —	$ —
Commodity contracts	Accrued liabilities	—	—	17	—
Commodity contracts	Other assets	—	7	—	—

Commodity contracts	Other liabilities	—	—	4	—
		$ 12	$ 92	$ 21	$ —

Offsetting of Derivative Assets and Liabilities in the Consolidated Balance Sheet

		December 31,			December 31,	
(In millions)	(In millions)	2023	2022	(In millions)	2024	2023
Derivative assets	**Derivative assets**		**Derivative assets**			
Gross amounts of recognized assets						
Gross amounts offset in the consolidated balance sheet						
Net amounts of assets presented in the consolidated balance sheet						
Gross amounts of financial instruments not offset in the consolidated balance sheet						
Net amount						
Derivative liabilities						
Derivative liabilities						
Derivative liabilities						
Gross amounts of recognized liabilities						
Gross amounts of recognized liabilities						
Gross amounts of recognized liabilities						
Gross amounts offset in the consolidated balance sheet						
Net amounts of liabilities presented in the consolidated balance sheet						
Gross amounts of financial instruments not offset in the consolidated balance sheet						
Net amount						

Effect of Derivative Instruments on the Consolidated Statement of Operations

		Year Ended December 31,						
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
Cash received (paid) on settlement of derivative instruments								
Gas contracts								
Gas contracts								
Gas contracts								
Oil contracts								
Non-cash gain (loss) on derivative instruments								
Gas contracts								
Gas contracts								
Gas contracts								
Oil contracts								
		$						

Additional Disclosures about Derivative Instruments

The use of derivative instruments involves the risk that the counterparties will be unable to meet their obligations under the agreements. The Company's counterparties are primarily commercial banks and financial service institutions that management believes present minimal credit risk and its derivative contracts are with multiple counterparties to minimize its exposure to any individual counterparty. The Company performs both quantitative and qualitative assessments of these counterparties based on their credit ratings and credit default swap rates where applicable.

Certain counterparties to the Company's derivative instruments are also lenders under its Credit Agreement. revolving credit agreement and term loan. The Company's Credit Agreement revolving credit agreement, term loan and derivative instruments contain certain cross default and acceleration provisions that may require immediate payment of the Company's liabilities thereunder if the Company defaults on other material indebtedness. The Company also has netting arrangements with each of its counterparties that allow it to offset assets and liabilities from separate derivative contracts with that counterparty.

6. Fair Value Measurements

Financial Assets and Liabilities

The following fair value hierarchy table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis:

(In millions)	(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023	(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Assets	**Assets**					**Assets**				
Deferred compensation plan										
Derivative instruments										
Total assets										
Liabilities	**Liabilities**					**Liabilities**				
Deferred compensation plan										
Derivative instruments										
Total liabilities										

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2022
Assets				
Deferred compensation plan	$ 43	$ —	$ —	$ 43
Derivative instruments	—	—	147	147
Total assets	$ 43	$ —	$ 147	$ 190
Liabilities				
Deferred compensation plan	$ 55	$ —	$ —	$ 55
Derivative instruments	—	—	1	1
Total liabilities	$ 55	$ —	$ 1	$ 56

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
Assets				
Deferred compensation plan	$ 33	$ —	$ —	$ 33
Derivative instruments	—	—	93	93
Total assets	$ 33	$ —	$ 93	$ 126
Liabilities				
Deferred compensation plan	$ 33	$ —	$ —	$ 33
Derivative instruments	—	—	1	1
Total liabilities	$ 33	$ —	$ 1	$ 34

The Company's investments associated with its deferred compensation plan consist of mutual funds and deferred shares of the Company's common stock that are publicly traded and for which market prices are readily available. In early 2023, all shares of the Company's common stock held in the deferred compensation plan were sold and invested in other investment options.

The derivative instruments were measured based on quotes from the Company's counterparties or internal models. counterparties. Such quotes and models have been derived using an income approach that considers various inputs, including current market and contractual prices for the underlying instruments, quoted forward commodity prices, basis differentials, volatility factors and interest rates for a similar length of time as the derivative contract term as applicable. Estimates are derived from or verified using relevant NYMEX futures contracts and are compared to multiple quotes obtained from counterparties. counterparties or third-party valuation services, or a combination of the foregoing. The determination of the fair values presented above also incorporates a credit adjustment for non-performance risk. The Company measured the non-performance risk of its counterparties by reviewing credit default swap spreads for the various financial institutions with which it has derivative contracts while non-performance risk of the Company is evaluated using credit default swap spreads for various similarly rated companies in the same sector as the Company. The Company has not incurred any losses related to non-performance risk of its counterparties and does not anticipate any material impact on its financial results due to non-performance by third parties.

The most significant unobservable inputs relative to the Company's Level 3 derivative contracts are basis differentials, discount rates and volatility factors. An increase (decrease) in these unobservable inputs would result in an increase (decrease) in fair value, respectively. The Company does not have access to the specific assumptions used in its counterparties' valuation models. models or the models provided by third-party valuation service providers. Consequently, additional disclosures regarding significant Level 3 unobservable inputs were not provided.

The following table sets forth a reconciliation of changes in the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy:

		Year Ended December 31,				Year Ended December 31,		
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
Balance at beginning of period								
Total gain (loss) included in earnings								
Settlement (gain) loss								
Settlement (gain) loss								
Settlement (gain) loss								
Balance at end of period								
Balance at end of period								
Balance at end of period								
Change in unrealized gains (losses) relating to assets and liabilities still held at the end of the period								
Change in unrealized gains (losses) relating to assets and liabilities still held at the end of the period								
Change in unrealized gains (losses) relating to assets and liabilities still held at the end of the period								

Non-Financial Assets and Liabilities

The Company discloses or recognizes its non-financial assets and liabilities, such as impairments of oil and gas properties or acquisitions, at fair value on a nonrecurring basis. As none of the Company's other non-financial assets and liabilities were measured at fair value as of December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, additional disclosures were not required.

The estimated fair value of the Company's asset retirement obligations at inception is determined by utilizing the income approach by applying a credit-adjusted risk-free rate, which takes into account the Company's credit risk, the time value of money, and the current economic state to the undiscounted expected abandonment cash flows. Given the unobservable nature of the inputs, the measurement of the asset retirement obligations was classified as Level 3 in the fair value hierarchy.

Fair Value of Other Financial Instruments

The estimated fair value of other financial instruments is the amount at which the instruments could be exchanged currently between willing parties. The carrying amounts reported in the Consolidated Balance Sheet for cash and cash equivalents and restricted cash approximate fair value, due to the short-term maturities of these instruments. Cash and cash equivalents and restricted cash are classified as Level 1 in the fair value hierarchy and the remaining financial instruments are classified as Level 2.

The fair value of the Company's Senior Notes is based on quoted market prices, which is classified as Level 1 in the fair value hierarchy. The fair value of the Company's private placement senior notes is based on third-party quotes which are derived from credit spreads for the difference between the issue rate and the period end market rate and other unobservable inputs. The Company's private placement senior notes are valued using a market approach and are classified as Level 3 in the fair value hierarchy.

The carrying amount and estimated fair value of debt is as follows:

		December 31, 2023		December 31, 2022			December 31, 2024		December 31, 2023	
(In millions)	(In millions)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	(In millions)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Total debt										
Current maturities										
Long-term debt, excluding current maturities										

7. Asset Retirement Obligations

Activity related to the Company's asset retirement obligations is as follows:

		Year Ended December 31,						
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
Balance at beginning of period								
Liabilities assumed in Merger								
Liabilities incurred								

Liabilities incurred
Liabilities incurred
Liabilities settled
Liabilities divested
Accretion expense
Balance at end of period
Balance at end of period
Balance at end of period
Less: current asset retirement obligation
Noncurrent asset retirement obligation

8. Commitments and Contingencies

Gathering, Processing and Transportation Agreements

As of December 31, 2024, the Company future minimum obligations under gathering, processing and transportation agreements are as follows:

(In millions)	Gathering and Transportation	Gas Processing	Volume Delivery	Water Delivery
Year Ending December 31,				
2025	$ 148	$ 96	$ 24	$ 7
2026	203	84	22	7
2027	208	80	17	7
2028	168	72	13	6
2029	159	26	—	6
Thereafter	943	59	—	5
Total	$ 1,829	$ 417	$ 76	$ 38

Gathering, Processing and Transportation Commitments

The Company has entered into certain gathering and transportation agreements with various pipeline carriers. Under certain of these agreements, the Company is obligated to ship minimum daily quantities, or pay for any deficiencies at a specified rate. The Company's forecasted production to be shipped on these pipelines is expected to exceed minimum daily quantities provided in the agreements. The Company is also obligated under certain of these arrangements to pay a demand charge for firm capacity rights on pipeline systems regardless of the amount of pipeline capacity utilized by the Company. If the Company does not utilize the capacity, it can release it to others, thus reducing its potential liability.

As of December 31, 2023, the Company's future minimum obligations under gathering and transportation agreements are as follows:

(In millions)	
2024	$ 123
2025	192
2026	174
2027	168
2028	131
Thereafter	821
	$ 1,609

Other Gathering and Gas Processing Volume Commitments

The Company has entered into certain gas processing agreements. Under certain of these agreements, the Company is obligated to process minimum daily quantities, or pay for any deficiencies at a specified rate. The Company's forecasted production to be processed under most of these agreements is expected to exceed minimum daily quantities provided in the agreements.

As of December 31, 2023, the Company's future minimum obligations under gas processing agreements are as follows:

(In millions)		
2024	$	97
2025		96
2026		84
2027		80
2028		72
Thereafter		85
	$	514

Volume Delivery Commitments

The Company also has minimum volume delivery commitments associated with agreements to reimburse connection costs to various pipelines. Under certain of these agreements, the Company is obligated to deliver minimum daily quantities, or pay for any deficiencies at a specified rate. The Company's forecasted production to be delivered under most of these agreements is expected to exceed minimum daily quantities provided in the agreements.

As of December 31, 2023, the Company's future minimum obligations under these delivery commitments are as follows:

(In millions)		
2024	$	37
2025		27
2026		24
2027		18
2028		13
Thereafter		—
	$	119

As of December 31, 2023, the Company had accrued a liability of $11 million associated with these commitments, representing the present value of estimated amounts payable due to insufficient forecasted delivery volumes.

Water Delivery Commitments

The Company has minimum volume water delivery commitments associated with a water services agreement that expires in 2030. The Company is obligated to deliver minimum daily quantities or pay for any deficiencies at a specified rate.

As of December 31, 2023, the Company's future minimum obligations under this water delivery commitment are as follows:

(In millions)		
2024	$	7
2025		7
2026		7
2027		7
2028		7
Thereafter		11
	$	46

As of December 31, 2023 December 31, 2024, the Company had an accrued a liability of $21 $19 million associated with this commitment, representing the present value of estimated amounts payable due to insufficient forecasted delivery volumes.

Lease Commitments

The Company has operating leases for office space, surface use agreements, compressor services, electric hydraulic fracturing services, a finance lease for an oil gathering system agreement, and other leases. The leases have remaining terms ranging from one month to 22 21 years, including options to extend leases that the Company is reasonably certain to exercise. During the year ended December 31, 2024, the Company recognized operating lease cost and variable lease cost of $131 million and $245 million, respectively. During the year ended December 31, 2023, the Company recognized operating lease cost and variable lease cost of $127 million and $139 million, respectively. During the year ended

December 31, 2022, the Company recognized operating lease cost and variable lease cost of $104 million and $9 million, respectively.

Short-term leases. The Company leases drilling rigs, fracturing and other equipment under lease terms ranging from 30 days to one year. Lease cost of $777 million $387 million and $265 $777 million was recognized on short-term leases during the year ended December 31, 2023 December 31, 2024 and 2022, 2023, respectively. Certain lease costs are capitalized and included in properties and equipment, net in the Consolidated Balance Sheet because they relate to drilling and completion activities, while other costs are expensed because they relate to production and administrative activities.

As of December 31, 2023 December 31, 2024, the Company's future undiscounted minimum cash payment obligations for its operating lease liabilities are as follows:

(In millions)	(In millions)	Year Ending December 31,	(In millions)	Amount
2024				
Year Ending December 31,				
2025				
2025				
2025				
2026				
2027				
2028				
2029				
Thereafter				
Total undiscounted future lease payments				
Present value adjustment				
Net operating lease liabilities				

As of December 31, 2023 December 31, 2024, the Company's future undiscounted minimum cash payment obligations obligation for its financing lease liabilities are as follows:

(In millions)	Year Ending December 31,	
2024	$	7
2025		5
Total undiscounted future lease payments		12
Present value adjustment		—
Net financing lease liabilities	$	12

liability is $7 million for the year ending December 31, 2025.

Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,					
(In millions)	(In millions)	2023	2022	(In millions)	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases						
Operating cash flows from operating leases						
Operating cash flows from operating leases						
Financing cash flows from financing leases						

Information regarding the weighted-average remaining lease term and the weighted-average discount rate for operating and financing leases is summarized below:

		December 31,				
		2023	2022			
		2024	2023			
Weighted-average remaining lease term (in years)						
Operating leases						
Operating leases						
Operating leases		4.5	4.6		4.1	4.5
Financing leases	Financing leases	1.7	2.7	Financing leases	0.7	1.7
Weighted-average discount rate						
Operating leases						
Operating leases						
Operating leases		3.9 %	3.3 %		4.2 %	3.9 %
Financing leases	Financing leases	2.1 %	2.4 %	Financing leases	3.2 %	2.1 %

Legal Matters

Securities Litigation

In October 2020, a class action lawsuit styled *Delaware County Emp. Ret. Sys. v. Cabot Oil and Gas Corp., et. al.* (U.S. District Court, Middle District of Pennsylvania), was filed against the Company, Dan O. Dinges, its then-Chief Executive Officer, and Scott C. Schroeder, its then-Chief Financial Officer, alleging that the Company made misleading statements in its periodic filings with the SEC in violation of Section 10(b) and Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The plaintiffs allege misstatements in lawsuit was subsequently transferred to the Company's public filings and disclosures over a number of years relating to its potential liability for alleged environmental violations in Pennsylvania. The plaintiffs allege that such misstatements caused a decline in the price of the Company's common stock when it disclosed in its Quarterly Report on Form 10-Q United States District Court for the quarterly period ending June 30, 2019 two notices Southern District of violations from Texas, and the Pennsylvania Department of Environmental Protection and an additional decline when it disclosed on June 15, 2020 the criminal charges brought by the Office of the Attorney General of the Commonwealth of Pennsylvania related to alleged violations of the Pennsylvania Clean Streams Law, which prohibits discharge of industrial wastes. The court appointed Delaware County Employees Retirement System to represent the purported class on February 3, 2021. In April 2021, plaintiffs amended the complaint was amended to include add claims against Phillip L. Stalnaker, the Company's then-Senior Vice President of Operations, as a defendant. Operations. The claims against Mr. Stalnaker, however, were later dismissed. The current amended complaint was filed on January 9, 2024 and alleges that the Company and the individual defendants made material misstatements and omissions regarding the Company's 2019 production growth guidance and the status of certain environmental matters in Pennsylvania, including alleged violations of the Pennsylvania Clean Streams Law and the remediation status of certain gas wells. The plaintiffs allege claims under Section 10(b) and Section 20 of the Exchange Act and seek monetary damages, interest, and attorney's fees. The court has certified a class consisting of persons and entities who purchased the Company's common stock between February 22, 2016 and June 12, 2020, inclusive. On April 29, 2024, the Company and plaintiffs reached a settlement in principle, with most of the settlement amount paid by the Company's insurance carriers. The formal settlement agreement was filed with the court on June 3, 2024. On October 29, 2024, the court entered a final order accepting the settlement and dismissed the case with prejudice.

Also in October 2020, a stockholder derivative action styled *Ezell v. Dinges, et. al.* (U.S. District Court, Middle District of Pennsylvania) was filed against the Company, Messrs. Dinges and Schroeder and the Board of Directors of the Company serving at that time, time. Several additional derivative complaints were also filed and have been consolidated with the *Ezell* lawsuit, which was later transferred to the U.S. District Court for the Southern District of Texas. The most recent consolidated amended derivative complaint asserted claims for alleged securities violations under Section 10(b) and Section 21D of the Exchange Act arising from the same alleged misleading statements that form the basis of the class action lawsuit described above. In addition to the Exchange Act claims, the derivative actions also allege above, as well as claims based on alleged breaches of fiduciary duty and statutory contribution theories. In December 2020, the Ezell case was consolidated with a second derivative case filed in the U.S. District Court, Middle District of Pennsylvania with similar allegations. In January 2021, a third derivative case was filed in the U.S. District Court, Middle District of Pennsylvania with substantially similar allegations and it too was consolidated with the Ezell case in February 2021.

On February 25, 2021, the Company filed a motion to transfer the class action lawsuit to the U.S. District Court for the Southern District of Texas, in Houston, Texas, where its headquarters are located. On June 11, 2021, the Company filed a motion to dismiss the class action lawsuit on the basis that the plaintiffs' allegations do not meet the requirements for pleading a claim under Section 10(b) or Section 20 of the Exchange Act. On June 22, 2021, the motion to transfer the class action lawsuit to the Southern District of Texas was granted. Pursuant to the prior agreement of the parties, the consolidated derivative case discussed in the preceding paragraph was also transferred to the Southern District of Texas on July 12, 2021. Subsequently, an additional stockholder derivative action styled Treppel Family Trust U/A 08/18/18 Lawrence A. Treppel and Geri D. Treppel for the benefit of Geri D. Treppel and Larry A. Treppel v. Dinges, et al. (U.S. District Court, Southern District of Texas, Houston Division), asserting substantially similar Delaware common law claims as in the existing derivative cases, was filed in the Southern District of Texas and consolidated with the existing consolidated derivative cases. On January 12, 2022, the U.S. District Court for the Southern District of Texas granted the Company's motion to dismiss the class action lawsuit but allowed the plaintiffs to file an amended complaint. The class action plaintiffs filed their amended complaint on February 11, 2022. The Company filed a motion to dismiss the amended class action complaint on March 10, 2022. On August 10, 2022, the U.S. District Court for the Southern District of Texas granted in part and denied in part the Company's motion to dismiss the amended class action complaint, dismissing certain claims with prejudice but allowing certain claims to proceed. The Company filed its answer to the amended class action complaint on September 14, 2022. The class action case is presently in the discovery stage. On September 27, 2023, the U.S. District Court for the Southern District of Texas granted the class action plaintiffs' motion for class certification. The Company filed a petition on October 11, 2023, for leave to appeal the class certification order, which the U.S. Court of Appeals for the Fifth Circuit denied on November 17, 2023. On October 20, 2023, the class action plaintiffs filed a motion for leave to amend the class action complaint to assert additional claims, including claims regarding the Company's 2018 and 2019 production guidance. On January 8, 2024, the U.S. District Court for the Southern District of Texas granted plaintiffs' motion to add additional claims regarding the Company's 2019 production guidance and certain environmental disclosures made on or after July 26, 2019, but dismissed plaintiffs' proposed new claims over the 2018 production guidance as barred by the applicable statute of repose. The Company intends to vigorously defend the class action.

With respect to the consolidated derivative cases, on April 1, 2022, the U.S. District Court for the Southern District of Texas granted the Company's motion to dismiss such consolidated derivative cases but allowed the plaintiffs to file an amended complaint. The derivative plaintiffs filed their third amended complaint on May 16, 2022. The Company filed its motion to dismiss such amended complaint on June 24, 2022, and filed its reply in support of such motion to dismiss on September 4, 2022. On March 27, 2023, the U.S. District Court for the Southern District of Texas denied the motion to dismiss the derivative case as moot and ordered the Company to file a renewed motion to dismiss addressing certain issues regarding the impact of the class action litigation on the derivative case. The Company filed its renewed motion to dismiss on April 28, 2023. On January 2, 2024, the Court court issued an order and final judgment granting the Company's and defendants' motion to dismiss and dismissing the consolidated derivative case in its entirety with prejudice. The derivative plaintiffs filed a notice of appeal regarding the final judgement judgment on February 1, 2024, with oral arguments heard by the Fifth Court of Appeals on February 3, 2025. The Company intends to vigorously defend any further proceedings in the derivative lawsuit.

On March 21, 2024, one of the plaintiffs in the above consolidated derivative action served a demand letter on the Company's current Board of Directors. The letter demanded that the Board of Directors pursue legal claims against various current and former officers and directors of the Company based on similar factual allegations as contained in the securities class action and consolidated shareholder derivative action described above. On June 11, 2024, the individual who made the demand filed a stockholder derivative lawsuit styled *Fischer v. Dinges et. al.* (U.S. District Court, Southern District of Texas). The Board of Directors has formed a committee to advise it in addressing each of the demands and the lawsuit.

Other Legal Matters

The Company is a defendant in various other legal proceedings arising in the normal course of business. All known liabilities are accrued when management determines they are probable and the potential loss is estimable. While the outcome and impact of these legal proceedings on the Company cannot be predicted with certainty, management believes that the resolution of these proceedings will not have a material effect on the Company's financial position, results of operations or cash flows.

Contingency Reserves

When deemed necessary, the Company establishes reserves for certain legal proceedings. All known liabilities for legal matters are accrued when management determines they are probable and the potential loss is estimable. The establishment of a reserve is based on an estimation process that includes the advice of legal counsel and subjective judgment of management. While management believes these reserves to be adequate, it is reasonably possible that the Company could incur additional losses with respect to those matters for which reserves have been established. The Company believes that any such amount above the amounts accrued would not be material to the Consolidated Financial Statements. Future changes in facts and circumstances not currently known or foreseeable could result in the actual liability exceeding the estimated ranges of loss and amounts accrued.

9. Revenue Recognition

Disaggregation of Revenue

The following table presents revenues from contracts with customers disaggregated by product:

		Year Ended December 31,						
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
OPERATING REVENUES								
Oil								
Oil								
Oil								
Natural gas								
Natural gas								
Natural gas								
Oil								
NGL								
NGL								
NGL								
Other								
	$							

All of the Company's revenues from contracts with customers represent products transferred at a point in time as control is transferred to the customer and generated in the U.S.

Transaction Price Allocated to Remaining Performance Obligations

A significant number of the Company's product sales contracts are short-term in nature with a contract term of one year or less. For those contracts, the Company has utilized the practical expedient exempting the Company from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

As of December 31, 2023 December 31, 2024, the Company has $6.6 billion $6.1 billion of unsatisfied performance obligations related to natural gas sales that have a fixed pricing component and a contract term greater than one year. The Company expects to recognize these obligations over the next 15 4 years.

Contract Balances

Receivables from contracts with customers are recorded when the right to consideration becomes unconditional, generally when control of the product has been transferred to the customer. Receivables from contracts with customers were $723 million $820 million and $1.1 billion $723 million as of December 31, 2023 December 31, 2024 and 2022, 2023, respectively, and are reported in accounts receivable, net in the Consolidated Balance Sheet. As of December 31, 2023 December 31, 2024 and 2022, 2023, the Company had no assets or liabilities related to its revenue contracts, including no upfront payments or rights to deficiency payments.

10. Income Taxes

Income tax expense is summarized as follows:

		Year Ended December 31,			Year Ended December 31,			
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022

Current	**Current**		**Current**
Federal			
State			
	429		
	369		
Deferred	**Deferred**		**Deferred**
Federal			
State			
	74		
	(145)		
Income tax expense			

Income tax expense was different than the amounts computed by applying the statutory federal income tax rate as follows:

		Year Ended December 31,									Year Ended December 31,				
		2023			2022			2021							
		2024			2023			2022							
(In millions, except rates)	(In millions, except rates)	Amount		Rate	Amount		Rate	Amount		Rate	(In millions, except rates)	Amount		Rate	Amount
Computed “expected” federal income tax	Computed “expected” federal income tax	$ 447	21.00	21.00 %	$1,085	21.00	21.00 %	$ 315	21.00	21.00 %	Computed “expected” federal income tax	$283	21.00	21.00 %	$447
State income tax, net of federal income tax benefit	State income tax, net of federal income tax benefit	29	1.35	1.35 %	93	1.80	1.80 %	24	1.59	1.59 %	State income tax, net of federal income tax benefit	10	0.71	0.71 %	29
Deferred tax adjustment related to change in overall state tax rate	Deferred tax adjustment related to change in overall state tax rate	16	0.73	0.73 %	(23)	(0.45)	(0.45)%	(7)	(0.46)	(0.46)%	Deferred tax adjustment related to change in overall state tax rate	(26)	(1.96)	(1.96)%	16
Valuation allowance	Valuation allowance	3	0.13	0.13 %	(66)	(1.28)	(1.28)%	3	0.22	0.22 %	Valuation allowance	(42)	(3.09)	(3.09)%	3
Excess executive compensation	Excess executive compensation	11	0.50	0.50 %	10	0.20	0.20 %	15	1.03	1.03 %	Excess executive compensation	9	0.66	0.66 %	11
Reserve on uncertain tax positions	Reserve on uncertain tax positions	6	0.31	0.31 %	6	0.12	0.12 %	1	0.05	0.05 %	Reserve on uncertain tax positions	(4)	(0.29)	(0.29)%	6
Tax credits generated	Tax credits generated	(14)	(0.65)	(0.65)%	(34)	(0.66)	(0.66)%	(6)	(0.39)	(0.39)%	Tax credits generated	(15)	(1.14)	(1.14)%	(14)
Other, net															
Other, net															
Other, net		5	0.27	0.27 %	33	0.62	0.62 %	(1)	(0.14)	(0.14)%		9	0.77	0.77 %	5 0.27
Income tax expense	Income tax expense	$ 503	23.64	23.64 %	$1,104	21.35	21.35 %	$ 344	22.90	22.90 %	Income tax expense	$224	16.66	16.66 %	$503

In 2023, 2024, the Company's overall effective tax rate decreased compared to 2023, primarily due to tax benefits recorded in 2024 compared to tax expenses recorded in 2023 from the release of valuation allowances associated with state net operating loss carryforwards and expiring capital loss carryforwards and deferred tax adjustments related to changes in the overall state tax rate. The overall effective tax rate increased in 2023 compared to 2022, primarily due to tax expenses recorded in 2023 compared to tax benefits recorded in 2022 from the release of valuation allowances primarily associated with state net operating loss carryforwards and deferred tax adjustments related to changes in the overall state tax rate. The overall effective tax rate decreased in 2022 compared to 2021, primarily due to tax benefits recorded in 2022 compared to 2021 from the release of valuation allowances primarily associated with state net operating loss carryforwards, a decrease in the non-deductible excess executive compensation paid in 2022 compared to 2021, and greater research and development tax credit benefits recorded in 2022 compared to 2021 related to amended prior-year returns.

The composition of net deferred tax liabilities is as follows:

(In millions)	(In millions)	December 31, 2023	2022	(In millions)	December 31, 2024	2023
Deferred Tax Assets	**Deferred Tax Assets**			**Deferred Tax Assets**		
Net operating losses						
Incentive compensation						
Incentive compensation						
Incentive compensation						
Deferred compensation						
Capital loss carryforward						
Capital loss carryforward						
Capital loss carryforward						
Leases						
Leases						
Leases						
Other						
Other						
Derivative instruments						
Other						
Less: valuation allowance						
Total						
Deferred Tax Liabilities	**Deferred Tax Liabilities**			**Deferred Tax Liabilities**		
Properties and equipment						
Leases						
Leases						
Leases						
Derivative instruments						
Other						
Total						
Net deferred tax liabilities						

At December 31, 2023 December 31, 2024, the Company had federal net operating loss carryforwards of approximately $383 $357 million, of which $318 $293 million is subject to expiration in years 2035 through 2037, and of which $65 million does not expire. The Company had a valuation allowance on $38 million of the federal net operating loss carryforwards, but believes the remaining $345 $319 million will be fully utilized prior to expiration. The Company had gross state net operating loss carryforwards of $2.7 $2.6 billion at December 31, 2023 December 31, 2024, primarily expiring between 2023 2025 and 2043, with all but $151 $936 million covered by a valuation allowance. The Company had a capital loss carryforward of $71 million, which can only be used to offset future capital gains, and expires in 2024. Accordingly, all but $6 million has been offset with a valuation allowance. The Company also had enhanced oil recovery credits other credit carryforwards of $11 million at December 31, 2024 that are offset by $4 million at December 31, 2023 that are fully offset by of valuation allowances.

As of December 31, 2023 December 31, 2024, the Company had $8 million of valuation allowances on the deferred tax benefits related to federal net operating loss carryforwards, $87 $60 million of valuation allowances on the deferred tax benefits related to state net operating loss carryforwards, $15 million of valuation allowances on the deferred tax benefits related to capital loss carryforwards, and $4 million of valuation allowances on the deferred tax benefits related to enhanced oil recovery credits. other credit carryforwards. The Company believes it is more likely than not that the remainder of its deferred tax benefits will be utilized prior to their expiration.

Unrecognized Tax Benefits

A reconciliation of unrecognized tax benefits is as follows:

(In millions)	(In millions)	Year Ended December 31, 2023	2022	2021	(In millions)	2024	2023	2022
Balance at beginning of period								
Additions for tax positions of current period								
Additions for tax positions of prior periods								
Reductions for tax positions of prior periods								

Balance at end of period

Balance at end of period

Balance at end of period

During 2023, 2024, the Company recorded a $4 $3 million reserve for unrecognized tax benefits related to estimated current year research and development tax credits. In addition, 2024, the Company also settled a tax appeal with the state of Pennsylvania related to its method of apportioning income to the state on its 2017 to 2019 returns. As a result of this settlement, the Company recorded a $3 $7 million reduction to its reserve for unrecognized tax benefits related to research and development credits taken on the 2022 tax return. prior years. As of December 31, 2023 December 31, 2024, the Company's overall net reserve for unrecognized tax positions benefits was $20 $16 million, with a $2 $4 million liability for accrued interest on the uncertain tax the uncertain tax positions. The Company believes that if If recognized, the net tax benefit of $20 $16 million would not have a material effect on the Company's effective tax rate.

The Company files income tax returns in the U.S. federal, various states and other jurisdictions. The Company is no longer subject to examinations by state authorities before 2012 or by federal authorities before 2017. 2018. The Company believes that appropriate provisions have been made for all jurisdictions and all open years, and that any assessment on these filings will not have a material impact on the Company's financial position, results of operations or cash flows.

Recent U.S. Tax Legislation

On August 16, 2022, the Inflation Reduction Act ("IRA") was signed into law pursuant to the budget reconciliation process. The IRA introduced a new 15 percent corporate alternative minimum tax ("CAMT"), effective for tax years beginning after December 31, 2022, on the adjusted financial statement income ("AFSI") of corporations with average AFSI exceeding $1 billion over a three-year testing period. The IRA also introduced an excise tax of one percent on the fair market value of certain public company stock repurchases made after December 31, 2022. Based on the current CAMT guidance available, the The Company is became an "applicable corporation" beginning in 2023, but is did not expecting to owe any additional tax under the CAMT for 2023. 2024 and 2023, respectively.

11. Employee Benefit Plans

Postretirement Benefits

The Company provides health care benefits to certain former employees, including their spouses, eligible dependents and surviving spouses (retirees). These benefits are commonly called postretirement benefits. The health care plans are contributory, with participants' contributions adjusted annually. Most employees that participate in the plan become eligible for these benefits when they meet certain age and service requirements at retirement.

At the end of 2023 2024 and 2022, 2023, the Company provided postretirement benefits to 290 267 and 320 290 retirees and their dependents, respectively.

During 2022, the Company amended its postretirement plans to phase out all postretirement benefits and freeze future participation in the plan. Certain employees were grandfathered under the plan amendment and remain eligible for future participation in the pre-65 plan upon their retirement based on certain age and years of service criteria, while the post-65 benefit for all plan participants that reach the age of 65 after December 31, 2022, including current retirees participating in the pre-65 plan, will be was eliminated. Existing retirees participating in both the pre-65 and post-65 plans prior to December 31, 2022 will continue to receive benefits under the plan until the age of 65 in the case of the pre-65 participants, or voluntary termination of benefits or by death in the case of post-65 participants.

Retirement Savings Plan

The Company has a Retirement Savings Plan ("RSP"), which is a defined contribution plan. The Company matches a portion of employees' contributions in cash. Participation in the RSP is voluntary and all employees of the Company are eligible to participate. The Company matches employee contributions dollar-for-dollar, up to the maximum Internal Revenue Service ("IRS") limit, on the first six percent of an employee's pre-tax earnings. The RSP also provides for discretionary contributions in an amount equal to 10 percent of an eligible plan participant's salary and bonus.

In connection with the Merger, merger with Cimarex Energy Co. (now known as Coterra Energy Operating Co, or "Cimarex"), the Company assumed the Cimarex Energy Co. 401(k) Plan (the "401(k) Plan") with respect to Cimarex employees. The Company maintained this plan throughout the integration process and terminated this plan effective December 31, 2022, with all legacy Cimarex employees becoming eligible for the Company's RSP effective January 1, 2023.

During the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, the Company made aggregate contributions to the RSP and 401(k) Plan of $19 million, $12 million $19 million and $7 million $12 million, respectively, which are included in G&A expense in the Consolidated Statement of Operations. The Company's common stock was an investment option within the RSP and the 401(k) Plan. Effective Plan through December 31, 2022, investment in at which time the Company's common stock is no longer an Company eliminated this option.

Deferred Compensation Plans

The Company has deferred compensation plans which are available to officers and select employees and act as a supplement to the RSP. The Internal Revenue Code does not cap the amount of compensation that may be taken into account for purposes of determining contributions to the deferred compensation plans and does not impose limitations on the amount of contributions to the deferred compensation plans. At the present time, the Company anticipates making a contribution to the deferred compensation plans on behalf of a participant in the event that Internal Revenue Code limitations cause a participant to receive less than the Company contribution under the RSP.

The assets of the deferred compensation plans are held in a rabbi trust and are subject to additional risk of loss in the event of bankruptcy or insolvency of the Company.

Under the deferred compensation plans, the participants direct the deemed investment of amounts credited to their accounts. The trust assets are invested in either mutual funds that cover the investment spectrum from equity to money market, or may include holdings of the Company's common stock, which is funded by the issuance of shares to the trust. market. The mutual funds are publicly traded and have market prices that are readily available. The Company's common stock is no longer an investment option in the deferred compensation plan effective December 31, 2022. All outstanding Coterra shares previously held in the trust represented vested performance share awards that were previously deferred into the rabbi trust and were liquidated in 2023. Settlement payments are made to participants in cash, either in a lump sum or in periodic installments.

The market value of the trust assets excluding the Company's common stock, was $17 million and $33 million at December 31, 2024 and $43 million at December 31, 2023 and 2022, 2023, respectively, and is included in other assets in the Consolidated Balance Sheet. Related liabilities including the Company's common stock, totaled $17 million and $33 million at December 31, 2024 and $55 million at December 31, 2023 and 2022, 2023, respectively, and are included in other liabilities in the Consolidated Balance Sheet. Increases (decreases) in the fair value of the Company's common stock prior to disposition, and the increase in value of the Company's stock upon liquidation in 2023 were recognized as compensation expense (benefit) in G&A expense in the Consolidated Statement of Operations. There is no impact on earnings or earnings per share from the changes in market value of the other deferred compensation plan assets because the changes in market value of the trust assets are offset completely by changes in the value of the liability, which represents trust assets belonging to plan participants.

The Company made contributions to the deferred compensation plans of $3 million, $3 million and $1 million in 2024, 2023 and $20 million in 2023, 2022, and 2021, respectively, which are included in general and administrative G&A expense in the Consolidated Statement of Operations.

12. Capital Stock

Issuance of Common Stock

Following *Subsequent Event*. Upon the effectiveness closing of the Merger, on October 1, 2021, FME acquisition in January 2025, the Company issued approximately 408.2 million 28,190,682 shares of its common stock to Cimarex stockholders under the terms sellers of the Merger Agreement. FME Interests. The shares were valued at $785 million based on the closing price of the stock on the date of issuance. The shares are unregistered and subject to a registration rights agreement that requires the Company to file a registration statement with the SEC no later than 120 days after closing of the transaction.

Dividends

Common Stock

In February 2023, the Company's Board of Directors approved an increase in the base quarterly dividend from $0.15 per share to $0.20 per share beginning in the first quarter of 2023.

The following table summarizes the dividends the Company has paid on its common stock during 2024, 2023 2022 and 2021: 2022:

	Rate per share						
	Base (1)						
	Base (1)						
	Base (1)	Variable	Total	Total Dividends Paid (In millions)	Variable	Total	Total Dividends Paid (In millions)
2024:							
First quarter							
First quarter							
First quarter							
Second quarter							
Third quarter							
Fourth quarter							
Total year-to-date							
2023:							
First quarter							
First quarter							
First quarter							
Second quarter							
Third quarter							
Fourth quarter							
Total year-to-date							
2022:							
First quarter							
First quarter							
First quarter							
Second quarter							

Third quarter				
Fourth quarter				
Total year-to-date				
2021:				
First quarter				
First quarter				
First quarter				
Second quarter				
Third quarter				
Fourth quarter(1)	0.13	0.67	0.80	651
Total year-to-date				

(1) *Includes a special dividend of $0.50 per share on Increases to the Company's common stock that was paid base dividends were previously approved by the Company's Board of Directors in connection with the completion February meeting of the Merger.respective year presented.*

Subsequent Event. Event. In February 2024, 2025, the Company's Board of Directors approved an additional increase in our its base quarterly dividend from $0.20 $0.21 per share to $0.21 $0.22 per share beginning in the first quarter of 2024, and approved a quarterly base dividend of $0.21 per share. 2025.

Treasury Stock

In February 2023, the Company's Board of Directors terminated the previously authorized share repurchase program and approved a new share repurchase program which authorizes the purchase of up to $2.0 billion of the Company's common stock. During 2023, 2024, the Company repurchased and retired 17 million shares of common stock for $418 million $464 million under its new repurchase program. During 2023, the Company repurchased and retired 17 million shares of common stock for $418 million under its repurchase program. As of December 31, 2023 December 31, 2024, the Company's had $1.6 $1.1 billion remaining under its current share repurchase program.

In February 2022, the Company's Board of Directors authorized a share repurchase program up to $1.25 billion of the Company's common stock in the open market or in negotiated transactions, which was fully executed at December 31, 2022.

During 2024, 2023 2022 and 2021, 2022, the Company withheld and retired 351,791, 332,634 320,236 and 125,067 320,236 shares of common stock, respectively, valued at $9 million $8 million, $9 million and $3 $9 million, respectively, related to shares withheld for taxes upon the vesting of certain restricted stock awards.

In December 2022, the Company's Board of Directors authorized the retirement of the Company's common stock held in treasury and as of December 31, 2022, and provided that prospectively, share repurchases, and shares withheld for the vesting of stock awards will be retired in the period in which they are repurchased or withheld. Accordingly, as of December 31, 2023 and 2022, there were no common shares held in treasury stock on the Consolidated Balance Sheet.

Dividend Restrictions

The Board of Directors of the Company determines the amount of future cash dividends, if any, to be declared and paid on the common stock depending on, among other things, the Company's financial condition, funds from operations, the level of its capital and exploration expenditures and its future business prospects. None of the senior note or credit agreements in place have restricted payment provisions or other provisions which currently limit the Company's ability to pay dividends.

Cimarex Redeemable Preferred Stock

In October 2021, in connection with the Merger, merger with Cimarex, the Company assumed the obligations associated with Cimarex's preferred stock, par value $0.01 per share, designated as 8 1/8% Series A Cumulative Perpetual Convertible Preferred Stock (the "Preferred Stock"). The Preferred Stock was originally issued by Cimarex and remains on the Cimarex balance sheet after the Merger. merger. The Company accounts for the Preferred Stock as a non-controlling interest, which is immaterial for reporting purposes.

During the years ended December 31, 2023 and 2002, 2022, holders of a portion of the Preferred Stock elected to convert their Preferred Stock into Coterra common stock and cash as follows:

	2023	2022
Preferred stock converted into Coterra common stock	2,000	21,900
Coterra common stock issued	79,285	809,846
Cash paid for conversion (in millions)	$ 1	$ 10
Book value of preferred shares at conversion (in millions)	$ 3	$ 39

There were no Preferred Stock conversions during the year ended December 31, 2024.

Upon conversion of the Preferred Stock, the excess of carrying value over cash paid was credited to additional paid-in capital in the Consolidated Balance Sheet. There was no gain or loss recognized on the transactions as the shares were converted in accordance with the original terms of the Certificate of Designations for the Preferred Stock. At December 31, 2023 December 31, 2024, there were 4,265 shares of Preferred Stock outstanding with a carrying value of $8 million.

13. Stock-Based Compensation

Incentive Plan

On May 4, 2023, the Company's stockholders approved the Coterra Energy Inc. 2023 Equity Incentive Plan (the "2023 Plan") which replaced the then-existing Cabot Oil & Gas Corporation 2014 Incentive Plan (the "2014 Plan") and Cimarex Energy Co. Amended and Restated 2019 Equity Incentive Plan (the "2019 Plan"). Under the 2023 Plan, permitted awards include, but are not limited to, options, stock appreciation rights, restricted stock, restricted stock units, performance stock units and other cash and stock-based awards. A total of 22.95 million shares of common stock may be issued under the 2023 Plan. The 2023 Plan expires on February 21, 2033. No additional awards may be granted under the 2014 Plan or the 2019 Plan on or after May 4, 2023. Awards outstanding under any of the Company's prior plans will remain outstanding and vest in accordance with their original terms and conditions. At December 31, 2023 December 31, 2024, approximately 21.1 18.4 million shares are available for issuance under the 2023 Plan.

Stock-based compensation expense of awards issued under the Company's incentive plans, and the income tax benefit of awards vested and exercised, are as follows:

		Year Ended December 31,						
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023	2022
Restricted stock units - employees and non-employee directors								
Restricted stock units - employees and non-employee directors								
Restricted stock units - employees and non-employee directors								
Restricted stock awards								
Performance share awards (1)								
Deferred performance shares (2)								
Total stock-based compensation expense								
Total stock-based compensation expense								
Total stock-based compensation expense								
Income tax benefit								

(1) In accordance with the Merger Agreement, the Company recognized approximately $18 million of stock-based compensation expense in the fourth quarter of 2021 associated with the acceleration of vesting of certain performance share awards. In the third quarter of 2022, the Company recognized approximately $7 million of stock-based compensation expense associated with the acceleration of vesting of certain employee performance awards.

*(2) During 2023, 495,774 shares of the Company's common stock representing vested performance share awards previously deferred into the deferred compensation plan were sold and invested in other investment options. The sale of the Company's common stock resulted in a $7*$7 million *decrease to the deferred compensation liability and a corresponding decrease in stock-based compensation expense. Refer to* Note 11 *for further discussion of the Company's deferred compensation plan.*

Restricted Stock Units - Employees

Restricted stock units are granted to employees of the Company. The fair value of restricted stock unit grants is based on the closing stock price on the grant date. Restricted stock units generally vest at the end of a three year three-year service period. The restricted stock units are settled in shares of the Company's common stock on the vesting date.

For awards that vest at the end of the service period, expense is recognized ratably using a straight-line approach over the service period. For most restricted stock units, vesting is dependent upon the employees' continued service with the Company, with the exception of employment termination due to death, disability or, if applicable, retirement. If retirement protection is included in the grant award, the Company accelerates the vesting period for retirement-eligible employees for purposes of recognizing compensation expense in accordance with the vesting provisions of the Company's stock-based compensation programs.

The Company used an annual forfeiture rate assumption ranging from zero to five percent for purposes of recognizing stock-based compensation expense for these restricted stock units. The annual forfeiture rates were based on the Company's actual forfeiture history and expectations for this type of award.

The following table is a summary of restricted stock unit award activity:

	Year Ended December 31, 2023	Year Ended December 31, 2024
Outstanding at beginning of period		
Outstanding at beginning of period		
Outstanding at beginning of period		
Granted		
Granted		
Granted		
Vested		
Vested		
Vested		
Forfeited		

Forfeited
Forfeited
Outstanding at end of period
Outstanding at end of period
Outstanding at end of period

The weighted-average grant date fair value per unit granted during 2024, 2023 and 2022 was $25.87, $26.12 and 2021 was $26.12, $24.81 and $20.83 respectively.

Restricted Stock Units - Non-Employee Directors

Restricted stock units are granted to non-employee directors of the Company. The fair value of the restricted stock units is based on the closing stock price on the grant date. Awards that were granted prior to 2022 vested on the grant date, compensation expense was recorded immediately, and the shares of the Company's common stock will be issued when the director ceases to be a director of the Company. The 2022 grants vested in 2023 and compensation expense was recognized ratably over the service period and Company stock was issued on the vesting date. The 2023 grants will Grants awarded after 2022 vest and Company shares will be issued on May 1, 2024 one year from the grant date or upon the director's separation from the Company, as applicable, and accordingly the Company recognized recognizes compensation expense immediately.

The Company assumed a zero percent annual forfeiture rate for purposes of recognizing stock-based compensation expense for these restricted stock units, based on the Company's actual forfeiture history and expectations for this type of award.

The following table is a summary of restricted stock unit award activity:

Outstanding at beginning of period
Outstanding at beginning of period
Outstanding at beginning of period
Granted
Granted
Granted
Vested
Vested
Vested
Outstanding at end of period
Outstanding at end of period
Outstanding at end of period

The weighted-average grant date fair value per unit granted during 2024, 2023 and 2022 was $28.08, $24.46 and 2021 was $24.46, $35.19, and $18.51, respectively.

Restricted Stock Awards

On October 1, 2021, the Company granted 3,364,354 shares of restricted stock, with a grant date value of $22.25 per share. These awards were replacement awards granted to Cimarex employees as provided under in connection with the Merger Agreement. merger with Cimarex. The fair value of these awards was measured based on the closing stock price on the closing date of the Merger merger (grant date). Approximately $22 million As of the grant date value was recognized as merger consideration and the remaining fair value will be recognized as stock-based compensation expense over the respective vesting periods. The remaining outstanding awards December 31, 2024, there are expected to vest in 2024.

The Company used an annual forfeiture rate assumption of ranging from zero to 15 percent for purposes of recognizing stock-based compensation expense for no restricted stock awards. The annual forfeiture rates were based on the Company's actual forfeiture history for this type of award to various employee groups. awards outstanding.

The following table is a summary of restricted stock award activity:

	Year Ended December 31, 2023		
	Shares		Weighted-Average Grant Date Fair Value per Share
Outstanding at beginning of period	2,068,974	$	22.25
Vested	(845,318)		22.25
Forfeited	(127,060)		22.25
Outstanding at end of period	1,096,596	$	22.25

	Year Ended December 31, 2024

	Shares	Weighted-Average Grant Date Fair Value per Share
Outstanding at beginning of period	1,096,596	$ 22.25
Vested	(1,076,523)	22.25
Forfeited	(20,073)	22.25
Outstanding at end of period	—	$ —

Performance Share Awards

The Company grants performance share awards that are based on performance conditions measured against the Company's internal performance metrics ("Employee Performance Share Awards") or based on the Company's performance relative to a predetermined peer group and industry-related indices ("TSR Performance Share Awards"). The performance period for these awards generally commences on February 1 of the respective year in which the award was granted and extends over a three-year performance period. For most performance share awards, vesting is dependent upon the employees' continued service with the Company, with the exception of employment termination due to death, disability or, if applicable, retirement. For all outstanding performance share awards, the Company did not use used an annual forfeiture rate of zero for purposes of recognizing stock-based compensation expense for its performance share awards. expense. The annual forfeiture rate assumption was based on the Company's actual forfeiture history or and expectations for this type of award.

The Company assumed a zero percent annual forfeiture rate for purposes of recognizing stock-based compensation for these awards based on the Company's actual forfeiture history and expectations for this type of award.

Performance Share Awards Based on Internal Performance Metrics

The fair value of performance share award grants based on internal performance metrics is based on the closing stock price on the grant date. Each performance share award represents the right to receive up to 100 percent of the award in shares of common stock.

Employee Performance Share Awards. The Employee Performance Share Awards vest at the end of the three-year performance period and the performance metric are set by the Company's Compensation Committee. An employee will earn 100 percent of the award on the third anniversary, provided that the Company averages $100 million or more of annual operating cash flow during the three-year performance period. Based on During the Company's probability assessment at December 31, 2023 year ended December 31, 2024, it is considered probable that all 73,314 awards with a grant date fair value of the criteria for these awards will be met. The remaining outstanding awards are expected to vest in 2024.

The following table is a summary $20.46 per share vested and were issued. As of activity for December 31, 2024 there were no Employee Performance Share Awards:

	Year Ended December 31, 2023	
	Shares	Weighted-Average Grant Date Fair Value per Share
Outstanding at beginning of period	73,314	$ 20.46
Outstanding at end of period	73,314	$ 20.46

Awards outstanding.

Performance Share Awards Based on Market Conditions

These awards have both an equity and liability component, with the right to receive up to the first 100 percent of the award in shares of common stock and the right to receive up to an additional 100 percent of the value of the award in excess of the equity component in cash. The equity portion of these awards is valued on the grant date and is not marked to market, while the liability portion of the awards is valued as of the end of each reporting period on a mark-to-market basis. The Company calculates the fair value of the equity and liability portions of the awards using a Monte Carlo simulation model.

TSR Performance Share Awards. The TSR Performance Share Awards granted are earned, or not earned, based on the comparative performance of the Company's common stock measured against a predetermined group of companies in the Company's peer group and certain industry-related indices over a three-year performance period. The Company's TSR Performance Share Awards also include a feature that will reduce the potential cash component of the award if the actual performance is negative over the three-year period and the base calculation indicates an above-target payout.

The following table is a summary of activity for the TSR Performance Share Awards:

	Year Ended December 31, 2023			
Shares	Weighted-Average Grant			
	Year Ended December 31, 2024			
	Shares		Weighted-Average Grant Date Fair Value per Unit (1)	
Outstanding at beginning of period	1,161,599 1,698,595	$	1	
Granted	658,202 541,865		1	
Forfeited	(121,206) (37,966)		1	
Outstanding at end of period	1,698,595 2,202,494	$	1	

(1) The grant date fair value figures in this table represent the fair value of the equity component of the performance share awards.

The following table reflects certain balance sheet information of outstanding TSR Awards:

		December 31,			
(In millions)	(In millions)	2023	2022	(In millions)	2024
Other current liabilities					
Other non-current liabilities					
Other liabilities					

The following table reflects certain cash payments related to the vesting of TSR Awards:

		Year Ended December 31,					
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023
Cash payments for TSR awards							

The following assumptions were used to determine the grant date fair value of the equity component of the TSR Performance Share Awards for the respective periods:

		Year Ended December 31,			Year Ended December 31,		
		2023	2022	2021		2024	2023
Fair value per performance share award granted during the period	Fair value per performance share award granted during the period	$19.38	$17.18 - $20.20	$9.01			
Assumptions	Assumptions			Assumptions			
Stock price volatility	Stock price volatility	40.6% - 44.8%	42.6 %	39.8 %	Stock price volatility	38.0%	40.6% - 44.8%
Risk free rate of return	Risk free rate of return	4.4% - 4.8%	4.4 %	0.2 %	Risk free rate of return	4.4%	4.4% - 4.8%

The following assumptions were used to determine the fair value of the liability component of the TSR Performance Share Awards for the respective periods:

		December 31,			December 31,			
		2023	2022	2021		2024	2023	
Fair value per performance share award at the end of the period	Fair value per performance share award at the end of the period	$7.57 - $10.67	$ 14.92	$ — $ —	Fair value per performance share award at the end of the period	$0.89 - $7.48	$7.57 - $10.67	$14.92
Assumptions	Assumptions				Assumptions			

Stock price volatility	Stock price volatility	29.1% - 38.8%	42.6	%	—%	Stock price volatility	23.5% - 28.2%	29.1% - 38.8%
Risk free rate of return	Risk free rate of return	4.2% - 4.7%	4.4	%	—%	Risk free rate of return	4.1% - 4.4%	4.2% - 4.7%

The stock price volatility was calculated using historical closing stock price data for the Company for the period associated with the expected term through the grant dat award. The risk free rate of return percentages are based on the continuously compounded equivalent of the U.S. Treasury within the expected term as measured on the gra

Subsequent Event. On January 31, 2025, the performance period ended for the TSR Performance Share Awards that were granted in 2022, and 1,103,157 shares with a gra fair value of $20 million vested based on the Company's ranking relative to a predetermined peer group. Cash payments associated with these awards of approximately $1 r also made in February 2025. The calculation of the award payout was certified by the Compensation Committee on February 10, 2025.

Other Information

The following table reflects the aggregate fair value of awards and units that vested during the respective period:

(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	202
		December 31,					
Restricted stock units - employees and non-employee directors							
Restricted stock awards							
Performance share awards							
		$					

The following table reflects the unrecognized stock-based compensation and the related weighted-average recognition period associated with the unvested awards and December 31, 2023 December 31, 2024:

		Unrecognized Stock-Based Compensation (In Millions)		Unrecognized Stock-Based Compensation (In Millions)		Weighted-Average Period For Recognition (Years)		Unrecognized Stock-Based Compensation (In Millions)	
Restricted stock units - employees and non-employee directors	Restricted stock units - employees and non-employee directors	$70	1.7	1.7	Restricted stock units - employees and non-employee directors	$78		1.5	1.5
Restricted stock awards		6		0.8					
Performance share awards									
Performance share awards									
Performance share awards	Performance share awards	14	1.3	1.3		10		1.5	1.5
		$							

Stock Option Awards

On October 1, 2021, the Company granted stock option awards to purchase 1,577,554 shares of the Company's common stock with exercise prices ranging from $8.47 per share. These awards were replacement awards granted to Cimarex employees as provided under in connection with the Merger Agreement merger with Cimarex and we vested on the closing date of the Merger. The grant date fair value of approximately $14 million was recognized as merger consideration and, accordingly, no compensation will be recognized by the Company related to these awards, as there is no future service requirement for the holders of these awards.date.

The following table is a summary of activity for the Stock Option Awards:

	Year Ended December 31, 2023	Year Ended December 31, 2024
Outstanding at beginning of period		
Outstanding at beginning of period		
Outstanding at beginning of period		

Exercised

Exercised

Exercised

Forfeited or Expired

Forfeited or Expired

Forfeited or Expired

Outstanding at end of period(1)

Outstanding at end of period(1)

Outstanding at end of period(1)

Exercisable at end of period(1)

Exercisable at end of period(1)

Exercisable at end of period(1)

(1) The intrinsic value of a stock option is the amount by which the current market value of the underlying stock exceeds the exercise price of the stock option. The aggr intrinsic value of stock options outstanding and exercisable at December 31, 2023 December 31, 2024 was $3 million and $3 million, respectively. The weighted-ave remaining contractual term is 2.1 1.8 years.

Deferred Performance Shares

During 2023, 495,774 shares of the Company's common stock representing vested performance share awards previously deferred into the deferred compensation plan and invested in other investment options. The sale of the Company's common stock resulted in a $7 million decrease to the deferred compensation liability and a correspond decrease in stock-based compensation expense.

14. Earnings per Common Share

Basic earnings per share ("EPS") is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstandi period. Diluted EPS is similarly calculated except that the common shares outstanding for the period is increased using the treasury stock and as-if-converted methods to re potential dilution that could occur if outstanding stock awards were vested or exercised at the end of the applicable period. Anti-dilutive shares represent potentially dilutive s that are excluded from the computation of diluted income or loss per share as their impact would be anti-dilutive.

The following is a calculation of basic and diluted net earnings per common share under the two-class method:

		Year Ended December 31,					Year Ended December 31,			
(In millions except per share amounts)	(In millions except per share amounts)	2023	2022	2021		(In millions except per share amounts)	2024		2023	
Income (Numerator)										
Income (Numerator)										
Income (Numerator)										
Net income										
Net income										
Net income										
Less: dividends attributable to participating securities										
Less: Cimarex redeemable preferred stock dividends										
Less: redeemable preferred stock dividends										
Net income available to common stockholders										
Shares (Denominator)										
Shares (Denominator)										
Shares (Denominator)										
Weighted average shares - Basic										
Weighted average shares - Basic										
Weighted average shares - Basic		756	796	796	503		742	756		756
Dilution effect of stock awards at end of period	Dilution effect of stock awards at end of period	4	3	3	1	Dilution effect of stock awards at end of period		3	4	

Weighted average shares - Diluted	Weighted average shares - Diluted	760	799	799	504	Weighted average shares - Diluted	745	760		76
Earnings per share:										
Earnings per share:										
Earnings per share:										
Basic										
Basic										
Basic										
Diluted										

The following is a calculation of weighted-average shares excluded from diluted EPS due to the anti-dilutive effect:

		Year Ended December 31,				
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024
Weighted-average stock awards excluded from diluted EPS due to the anti-dilutive effect calculated using the treasury stock method						
Weighted-average stock awards excluded from diluted EPS due to the anti-dilutive effect calculated using the treasury stock method						
Weighted-average stock awards excluded from diluted EPS due to the anti-dilutive effect calculated using the treasury stock method						

15. Restructuring Costs

During 2023, 2022 and 2021, the Company recognized $12 million, $52 million and $44 million, respectively, of restructuring Restructuring costs that are were primarily workforce reductions and associated severance benefits that were triggered by the Merger. merger with Cimarex.

The following table summarizes the Company's restructuring liabilities:

		Year Ended December 31,						
(In millions)	(In millions)	2023		2022	2021	(In millions)	2024	20
Balance at beginning of period								
Additions related to merger integration	Additions related to merger integration	12	52	52		44		
Reductions related to severance payments								
Balance at end of period								

16. Additional Balance Sheet Information

Certain balance sheet amounts are comprised of the following:

	December 31,	
(In millions)	2023	20
Accounts receivable, net		
Trade accounts	$ 723	$
Joint interest accounts	118	
Other accounts	4	
	845	
Allowance for doubtful accounts	(2)	
	$ 843	$
Other assets		
Deferred compensation plan	$ 33	$
Debt issuance cost	8	
Derivative instruments	7	
Operating lease right-of-use assets	337	
Other accounts	82	
	$ 467	$
Accounts payable		
Trade accounts	$ 60	$
Royalty and other owners	386	
Accrued gathering, processing, and transportation	80	
Accrued capital costs	165	

Accrued lease operating costs	39	
Taxes other than income	33	
Other accounts	40	
	$ 803	$

Accrued liabilities		
Employee benefits	$ 70	$
Taxes other than income	14	
Restructuring liability	35	
Operating lease liabilities	116	
Financing lease liabilities	6	
Other accounts	20	
	$ 261	$
Other liabilities		
Deferred compensation plan	$ 33	$
Postretirement benefits	17	
Operating lease liabilities	237	
Financing lease liabilities	6	
Restructuring liability	12	
Other accounts	124	
	$ 429	$

	December 31,	
(In millions)	2024	20
Accounts receivable, net		
Trade accounts	$ 820	$
Joint interest accounts	133	
Other accounts	—	
	953	
Allowance for credit losses	(2)	
	$ 951	$

	December 31,	
(In millions)	2024	20
Inventories		
Tubular goods and well equipment	$ 33	$
Commodity inventory	13	
	$ 46	$
Other current assets		
Prepaid balances and other	$ 14	$
Derivative instruments	12	
Other	1	
	$ 27	$
Other assets		
Deferred compensation plan	$ 17	$
Debt issuance costs	10	
Derivative instruments	—	

Operating lease right-of-use assets	251	
Other accounts	136	
	$ 414	$
Accounts payable		
Trade accounts	$ 59	$
Royalty and other owners	402	
Accrued gathering, processing and transportation	85	
Accrued capital costs	177	
Accrued lease operating costs	48	
Taxes other than income	37	
Other accounts	25	
	$ 833	$
Accrued liabilities		
Employee benefits	$ 76	$
Taxes other than income	46	
Restructuring liability	13	
Derivative instruments	17	
Operating lease liabilities	115	
Financing lease liabilities	7	
Other accounts	2	
	$ 276	$
Other liabilities		
Deferred compensation plan	$ 17	$
Postretirement benefits	16	
Derivative instruments	4	
Operating lease liabilities	145	
Financing lease liabilities	—	
Restructuring liability	—	
Other accounts	77	
	$ 259	$

17. Interest Expense

Interest expense is comprised of the following:

		Year Ended December 31,					
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2023
Interest Expense							
Interest expense							
Interest expense							
Interest expense							
Debt premium amortization							
Debt (premium) discount amortization, net							
Debt issuance cost amortization							
Other							
	$						

18. Supplemental Cash Flow Information

Year Ended December 31,	Year Ended December 31,

(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	2
Cash paid for interest and income taxes							
Interest							
Interest							
Interest							
Income taxes							
Non-cash activity							
Non-cash activity							
Non-cash activity							
Retirement of treasury shares							
Retirement of treasury shares							
Retirement of treasury shares							
Equity and replacement stock awards issued as consideration in the Merger							

COTERRA ENERGY INC.
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED)
Oil and Gas Reserves

Proved reserves are based on estimates prepared by the Company in accordance with guidelines established by the SEC. Reserves definitions comply with definitions 10(a) of Regulation S-X promulgated by the SEC under the Securities Act.

Users of this information should be aware that the process of estimating quantities of “proved,” “proved developed” and “proved undeveloped” oil, natural gas and NGL very complex, requiring significant subjective decisions in the evaluation of all available geological, engineering and economic data for each reservoir. The data for a given re may also change substantially over time as a result of numerous factors including, but not limited to, additional development activity, evolving production history and continua reassessment of the viability of production under varying economic conditions. As a result, revisions to existing reserves estimates may occur from time to time. time-to-time. every reasonable effort is made to ensure that reserves estimates reported represent the most accurate assessments possible, the subjective decisions and variances in ava for various reservoirs make these estimates generally less precise than other estimates included in the financial statement disclosures.

Preparation of Reserves Estimates

All of the Company’s reserves estimates are maintained by the Company’s internal Corporate Reservoir Engineering group, which is comprised of engineers and engin analysts. The objectives and management of this group are separate from and independent of the exploration and production functions of the Company. The primary objectiv Company’s Corporate Reservoir Engineering group is to maintain accurate forecasts on all properties of the Company through ongoing monitoring and timely updates of ope economic parameters (production forecasts, prices and regional differentials, operating expenses, ownership, etc.). In addition, the Corporate Reservoir Engineering group n set of basic guidelines and procedures to ensure that critical checks and reviews of the reserves database are performed on a regular basis.

The Corporate Reservoir Engineering group is responsible for estimates of proved reserves. Corporate engineers interact with the exploration and production departme ensure all appropriate available engineering and geologic data is taken into account prior to establishing or revising an estimate. The recommended revisions of the corporat engineers are reviewed with the Vice President - Corporate Reservoir Engineering and, after approval, entered into the reserves database by an engineering analyst. During course of the year, the Corporate Reservoir Engineering group reviews their recommendations and updates with the Senior Vice President and Chief Technology Officer for a oversight and approval. From time to time, time-to-time, the Senior Vice President and Chief Technology Officer also will confer with senior management, including the Chief Officer, regarding reserves-related issues. Upon completion of the process, the estimated reserves are presented to senior management and the Board of Directors.

The Company’s Senior Vice President and Chief Technology Officer is the technical person primarily responsible for overseeing the Company’s internal reserves estima process and the Company’s Corporate Reservoir Engineering group. This individual graduated from the University of Tulsa with a Bachelor of Science degree in Petroleum Engineering. He has held numerous engineering and management roles and has over 16 17 years of experience in oil and gas reservoir evaluation and is a member of the S Petroleum Engineers.

The Company utilizes various methods and technologies to estimate its proved reserves, including analysis of production performance, analogy, decline curve analysis, pressure transient analysis, reservoir simulation, material balance calculations, volumetric calculations, and in some cases a combination of these methods.

Review of Estimates by Third-Party Engineers

The Company also engages independent petroleum engineering consulting firms as an additional confirmation of the reasonableness of its internal estimates.

During 2024, 2023 and 2022, estimates of net proved reserves representing greater than 90 percent of the total future net revenue discounted at 10 percent attributable Company’s proved reserves were subject to an independent evaluation performed by DeGolyer and MacNaughton.

During 2021, 100 percent of the Company’s estimates with respect to the Company’s Marcellus Shale reserves were audited by Miller and Lents, Ltd. (“Miller and Lents estimates of the net reserves representing greater than 80 percent of the total future net revenue discounted at 10 percent attributable to the Company’s remaining reserves those in the Marcellus Shale, were subject to an independent evaluation performed by DeGolyer and MacNaughton.

In each of the respective periods, DeGolyer and MacNaughton and Miller and Lents each indicated that, based on their its investigations and subject to the limitations d their its reserves letters, they believe the Company’s estimates were, in the aggregate, reasonable. A copy of DeGolyer and MacNaughton’s letter regarding the 2024, 2023, reserves estimate estimates has been filed as an exhibit to this Annual Report on Form 10-K.

Qualifications of Third-Party Engineers

DeGolyer and MacNaughton's Executive Vice President is the technical person primarily responsible for the evaluation of the Company's proved reserves. He is a Regi Professional Engineer in the State of Texas with over 13 14 years of experience in oil and gas reservoir studies and reserves evaluations and meets the requirements regard qualifications, independence, objectivity, and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulg the Society of Petroleum Engineers. DeGolyer and MacNaughton is an independent firm of petroleum engineers, geologists, geophysicists and petro-physicists; they do not interest in the Company's properties and are not retained on a contingent fee basis.

Estimated Quantities of Proved Oil and Gas Reserves

Estimates of total proved reserves at December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 were computed using the trailing 12-month average index pric respective commodity, calculated as the unweighted arithmetic average for the first day of the month price for each month during the respective year.

No major discovery or other favorable or unfavorable event after December 31, 2023 December 31, 2024, is believed to have caused a material change in the estimates or proved developed reserves as of that date.

The following tables illustrate the Company's net proved reserves, including changes, and proved developed and proved undeveloped reserves for the periods indicated estimated by the Company's engineering staff. All reserves are located within the continental U.S.

	Oil (MBbl)	Natural Gas (Bcf)	NGLs (MBbl)	Total (MBoe)	Oil (MBbl)	Natural Gas (Bcf)	N (M
December 31, 2020							
Revision of prior estimates							
Extensions, discoveries and other additions							
Production							
Purchases of reserves in place							
December 31, 2021							
December 31, 2021							
December 31, 2021							
Revision of prior estimates							
Extensions, discoveries and other additions							
Production							
Sales of reserves in place							
Sales of reserves in place							
Sales of reserves in place							
Sales of reserves in place							
December 31, 2022							
December 31, 2022							
December 31, 2022							
Revision of prior estimates							
Extensions, discoveries and other additions							
Production							
Sales of reserves in place							
Sales of reserves in place							
Sales of reserves in place							
December 31, 2023							
Revision of prior estimates							
Extensions, discoveries and other additions							

Production	
Sales of reserves in place	
Sales of reserves in place	
Sales of reserves in place	
December 31, 2024	
Proved Developed Reserves	**Proved Developed Reserves**	**Proved Developed Reserves**
December 31, 2020	
December 31, 2021	
December 31, 2022	
December 31, 2023	
December 31, 2024	
Proved Undeveloped Reserves	**Proved Undeveloped Reserves**	**Proved Undeveloped Reserves**
December 31, 2020	
December 31, 2021	
December 31, 2022	
December 31, 2023	
December 31, 2024	

Year-end 2023 2024 proved reserves decreased approximately three two percent from year-end 2022 2023 proved reserves to 2,321 2,271 MMBoe. Proved natural gas were 10.5 9.8 Tcf, proved oil reserves were 249 270 MMBbls, and proved NGL reserves were 317 362 MMBbls. The Company's reserves in the Marcellus Shale accounted f percent of total proved reserves, the Permian Basin accounted for 31 35 percent, and the remaining nine 10 percent were in the Anadarko Basin.

During 2024, the Company added 189 MMBoe of proved reserves through extensions, discoveries, and other additions, which included 115 MMBoe in the Permian Bas MMBoe in the Marcellus Shale and 45 MMBoe in the Anadarko Basin. The Company had net positive revisions of prior estimates of 9 MMBoe, which included a 59 MMBoe revision due to price, offset by a 4 MMBoe positive revision in operating expenses and a positive 64 MMBoe performance revision.

During 2023, the Company added 228 MMBoe of proved reserves through extensions, discoveries, and other additions, which included 102 MMBoe in the Permian Bas MMBoe in the Marcellus Shale 102 MMBoe in the Permian Basin, and 39 MMBoe in the Anadarko Basin. The Company had net negative revisions of prior estimates of 60 M which included an 83 MMBoe negative revision due to price, a 10 MMBoe negative revision due to increases in operating expenses, partially offset by a positive 33 MMBoe performance revision.

During 2022, the Company added 406 MMBoe of proved reserves through extensions, discoveries, and other additions, which included 193 MMBoe in the Permian Bas MMBoe in the Marcellus Shale 193 MMBoe in the Permian Basin, and 22 MMBoe in the Anadarko Basin. The Company had net negative revisions of prior estimates of 667 which included 571 MMBoe in downward performance revisions related to updated forecast parameters in the Marcellus Shale to account for a different decline behavior obs bounded wells compared to unbounded wells. The net negative revisions also included 168 MMBoe 168MMBoe associated with the removal of PUD reserves in the Marcellu whose development is expected to be delayed beyond five years of initial booking. These negative revisions in the Marcellus Shale were partially offset by 32 MMBoe in pos performance revisions in the Permian Basin, 39 MMBoe in positive revisions related to upward price revisions, and 1 MMBoe in positive revisions related to decreases in ope expenses.

During 2021, the Company added 171 MMBoe of proved reserves through extensions, discoveries, and other additions, which were primarily in the Marcellus Shale. Ad the Company added 672 MMBoe from purchases of reserves in place related to the acquisition of Cimarex's oil and gas properties in connection with the Merger. The reserv acquired were primarily related to the Wolfcamp Shale and Bone Spring in the Permian Basin and the Woodford Shale in the Anadarko Basin. The Company also had net ne revisions of 62 MMBoe, which was primarily due to a 97 MMBoe downward performance revision and a 6 MMBoe downward revision associated with PUD reclassifications a of the five-year limitation. These downward revisions were partially offset by a 42 MMBoe positive pricing and cost revision. The net downward performance revision of 97 M primarily due to a 57 MMBoe performance revision related to certain proved developed reserves and a 40 MMBoe downward performance revision associated with PUD res

Proved Undeveloped Reserves

At December 31, 2023 December 31, 2024, the Company had PUD reserves of 482 407 MMBoe, down 100 75 MMBoe, or 17 15 percent, from 582 482 MMBoe of PUD at December 31, 2022 December 31, 2023. Future development plans are reflective of the current commodity price environment and have been established based on expec available cash flows from operations. By the end of 2024, 2025, the Company expects to complete substantially all the work necessary to convert its PUD reserves associate wells that were drilled but uncompleted at December 31, 2023 December 31, 2024 to proved developed reserves. As of December 31, 2023 December 31, 2024 all PUD res expected to be drilled and completed within five years of initial disclosure of these reserves. The following table is a reconciliation of the change in the Company's PUD rese

(MMBoe):

	Year Ended D 2023 Decemb
Balance at beginning of period	
Transfers to proved developed	(
Additions	
Revision of prior estimates	
Balance at end of period	

During 2024, the Company invested $1.3 billion to develop and convert 42 percent of its 2024 PUD reserves to proved developed reserves. During 2023, the Company $1.3 billion to develop and convert 33 percent of its 2022 PUD reserves to proved developed reserves.During 2022, the Company invested $945 million to develop and conv percent of its 2021 PUD reserves to proved developed reserves.During 2021, the Company invested $565 million to develop and convert 31 percent of its 2020 PUD reserve proved developed reserves.

During 2023, 2024, the Company's 190 155 MMBoe of PUD reserves additions consisted of 79 MMBoe added in the Marcellus Shale, 72 90 MMBoe added in the Permi and 39 37 MMBoe added in the Anadarko Basin. Basin and 28 MMBoe added in the Marcellus Shale. At December 31, 2023 December 31, 2024, 48 percent of the Compan reserves were in the Marcellus Shale, 42 52 percent were in the Permian Basin, 35 percent were in the Marcellus Shale, and the remaining 10 13 percent were in the Anada

During 2023, 2024, the Company had a net negative PUD reserves revision of 25 28 MMBoe, of which, 30 33 MMBoe is due to the removal of PUD reserves in the Marc Shale whose development is expected to be delayed beyond five years from the initial date of booking due to the Company's updated development plans, which resulted in the timing of capital investments. This negative revision was partially offset by a 5 MMBoe positive revision to PUD forecasts in the Marcellus Shale and Permian Basin due than expected well performance compared to previous proved reserves estimates.

Capitalized Costs Relating to Oil and Gas Producing Activities

Capitalized costs relating to oil and gas producing activities and related accumulated DD&A were as follows:

(In millions)	(In millions)	December 31, 2023	2022	2021	(In millions)	December 31, 2024	20
Aggregate capitalized costs relating to oil and gas producing activities							
Aggregate accumulated DD&A							
Net capitalized costs							

Costs Incurred in Oil and Gas Property Acquisition, Exploration and Development Activities

Costs incurred in property acquisition, exploration and development activities were as follows:

(In millions)	Year Ended December 31, 2023	2022	202
Property acquisition costs, proved	$ —	$ —	$
Property acquisition costs, unproved	10	10	
Exploration costs	20	29	
Development costs	1,979	1,617	
Total costs	$ 2,009	$ 1,656	$

(1) *These amounts include the fair value of the proved and unproved properties recorded in the purchase price allocation with respect to the Merger. The purchase was through the issuance of the Company's common stock.*

(In millions)	Year Ended December 31, 2024	2023	20
Property acquisition costs, proved	$ —	$ —	$
Property acquisition costs, unproved	19	10	
Exploration costs	25	20	
Development costs	1,645	1,979	
Total costs	$ 1,689	$ 2,009	$

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following information has been developed based on oil and natural gas reserves and production volumes estimated by the Company's engineering staff. It can be u some comparisons, but should not be the only method used to evaluate the Company or its performance. Further, the information in the following table may not represent rea assessments of future cash flows, nor should the Standardized Measure of Discounted Future Net Cash Flows ("Standardized Measure") be viewed as representative of the value of the Company.

The Company believes that the following factors should be taken into account when reviewing the following information:

- Future costs and selling prices will differ from those required to be used in these calculations.
- Due to future market conditions and governmental regulations, actual rates of production in future years may vary significantly from the rate of production assumed i calculations.
- Selection of a 10 percent discount rate is arbitrary and may not be a reasonable measure of the relative risk that is part of realizing future net oil and gas revenues.
- Future net revenues may be subject to different rates of income taxation.

Under the Standardized Measure, future cash inflows were estimated by using the trailing 12-month average index price for the respective commodity, calculated as the unweighted arithmetic average for the first day of the month price for each month during the year.

The average prices related to proved reserves are as follows:

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Oil ($/Bbl)			
Natural gas ($/Mcf)			
Oil ($/Bbl)			
NGLs ($/Bbl)			

Future cash inflows were reduced by estimated future development and production costs based on year end year-end costs to arrive at net cash flow before tax. Future tax expense was computed by applying year end statutory tax rates to future pretax net cash flows, less the tax basis of the properties involved and utilization of available ta carryforwards related to oil and gas operations. The applicable accounting standards require the use of a 10 percent discount rate.

Management does not solely use the following information when making investment and operating decisions. These decisions are based on a number of factors, includ estimates of proved reserves and varying price and cost assumptions considered more representative of a range of anticipated economic conditions.

Standardized Measure is as follows:

		December 31,			December 31,		
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	202
Future cash inflows							
Future production costs							
Future development costs(1)							
Future income tax expenses							
Future net cash flows							
10% annual discount for estimated timing of cash flows							
Standardized measure of discounted future net cash flows							

(1) *Includes $613 million, $562 million $544 million and $390 $544 million in plugging and abandonment costs as of December 31, 2023 December 31, 2024, 2022 2023 2021, 2022, respectively.*

Changes in Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following is an analysis of the changes in the Standardized Measure:

		Year Ended December 31,			Year Ended December 31,		
(In millions)	(In millions)	2023	2022	2021	(In millions)	2024	202
Beginning of year							
Discoveries and extensions, net of related future costs							
Net changes in prices and production costs							

Accretion of discount

Revisions of previous quantity estimates

Timing and other

Changes in estimated future development costs

Development costs incurred

Sales and transfers, net of production costs

Sales of reserves in place

Purchases of reserves in place

Net change in income taxes

End of year

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

As of December 31, 2023 December 31, 2024, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pur Rules 13a-15 and 15d-15 of the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure and procedures are effective to provide reasonable assurance with respect to the recording, processing, summarizing and reporting, within the time periods specified in the S rules and forms, of information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the fourth quarter of 2023 2024 that have materially affected, or are reasonably li have a material effect on, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

The management of Coterra Energy Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Coterra Energy Inc.'s internal over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for e purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in cond that the degree of compliance with the policies or procedures may deteriorate.

Coterra Energy Inc.'s management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 December 31, 2024. this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framewo Based on this assessment management has concluded that, as of December 31, 2023 December 31, 2024, the Company's internal control over financial reporting is effectiv reasonable assurance level based on those criteria.

The effectiveness of Coterra Energy Inc.'s internal control over financial reporting as of December 31, 2023 December 31, 2024, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2023 December 31, 2024, no director or officer of Coterra adopted or terminated a "Rule 10b5-1 trading arrangement" or 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth in Part 1 under the caption "Information about our Executive Officers" regarding our executive officers and the information set forth under the c "Business—Other Business Matters—Corporate Governance Matters" in Item 1 regarding our Code of Business Conduct and Ethics is incorporated by reference in respons item. The information required by this item is incorporated by reference from the Company's definitive Proxy Statement in connection with the 2024 2025 annual stockholders

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the Company's definitive Proxy Statement in connection with the 2024 2025 annual stockholders

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from the Company's definitive Proxy Statement in connection with the 2024 2025 annual stockholders

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the Company's definitive Proxy Statement in connection with the 2024 2025 annual stockholders

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference from the Company's definitive Proxy Statement in connection with the 2024 2025 annual stockholders

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A. INDEX

1. Consolidated Financial Statements

See Index on page 52 53.

2. Financial Statement Schedules

Financial statement schedules listed under SEC rules but not included in this report are omitted because they are not applicable or the required information is provided notes to our consolidated financial statements.

3. Exhibits

The following instruments are included as exhibits to this report. Those exhibits below incorporated herein by reference are indicated as such by the information supplie parenthetical thereafter. If no parenthetical appears after an exhibit, copies of the instrument have been included herewith. The Company's file number with the SEC is 1-104

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of May 23, 2021, by and among Cabot Oil & Gas Corporation, Double C Merger Sub, Inc. and Cimarex Energy Co. (incorporated herein by reference to Exhibit 2.1 of Coterra's Current Report on Form 8-K filed with the SEC on May 24, 2021).
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of June 29, 2021, by and among Cabot Oil & Gas Corporation, Double C Merger Sub, Inc. and Cimarex Energy Co. (incorporated herein by reference to Annex A to the Joint Proxy Statement/Prospectus included in Coterra's Registration Statement on Form S-4 (Reg. No. 333-257534) filed with the SEC on June 30, 2021).
3.1	Amended and Restated Certificate of Incorporation of Coterra Energy Inc.(incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on May 2, 2024).
3.2	Amended and Restated Bylaws of Coterra Energy Inc. (incorporated herein by reference to Exhibit 3.3 3.2 of Coterra's Current Report on Form 8-K filed with the SEC on October 1, 2021).
3.2	Amended and Restated Bylaws of Coterra Energy Inc. (incorporated herein by reference to Exhibit 3.2 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023).
**4.1	Description of Securities Registered Pursuant to Section 12 of Securities Exchange Act or of 1934 (incorporated herein by reference to Exhibit 4.1 of Coterra's Annual Report on Form 10-K filed with the SEC on March 1, 2022.).
4.2	Form of Common Stock Certificate of Coterra Energy Inc. (incorporated herein by reference to Exhibit 4.3 of Coterra's Registration Statement on Form S-8 (Reg. No. 333-260035) filed with the SEC on October 5, 2021).
4.3	Certificate of Designations to 8 1⁄8% Series A Cumulative Perpetual Convertible Preferred Stock of Cimarex Energy Co. (incorporated herein by reference to Exhibit 4.3 of Coterra's Annual Report on Form 10-K filed with the SEC on March 1, 2022).
4.4	Amendment to Certificate of Designations to 8 1⁄8% Series A Cumulative Perpetual Convertible Preferred Stock of Cimarex Energy Co. (incorporated herein by reference to Exhibit 4.4 of Coterra's Annual Report on Form 10-K filed with the SEC on March 1, 2022).
4.5	Amendment to Certificate of Designations to 8 1/8% Series A Cumulative Perpetual Convertible Preferred Stock of Cimarex Energy Co. (incorporated herein by reference to Exhibit 4.3 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022).
4.6	Note Purchase Agreement,, dated as of September 18, 2014, among Cabot Oil & Gas Corporation and the Purchasers named therein (incorporated herein by reference to Exhibit 4.1 of Coterra's Current Report on Form 8-K filed with the SEC on September 24, 2014).
	(a) Amendment No. 1 to Note Purchase Agreement, dated as of December 31, 2015 (incorporated herein by reference to Exhibit 4.5 of Coterra's Current Report on Form 8-K filed with the SEC on February 9, 2016).
	(b) Amendment No. 2 to Note Purchase Agreement, dated as of April 8, 2016 (incorporated herein by reference to Exhibit 4.4(b) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016).
4.7	Indenture, dated as of October 7, 2021, by and between Coterra Energy Inc. and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.1 of Coterra's Current Report on Form 8-K filed with the SEC on October 7, 2021).
4.8	First Supplemental Indenture, dated as of October 7, 2021, by and between Coterra Energy Inc. and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.2 of Coterra's Current Report on Form 8-K filed with the SEC on October 7, 2021).

4.9 Form of 3.90% Senior Notes due 2027 (incorporated herein by reference to Exhibit A-2 to the First Supplemental Indenture filed as Exhibit 4.2 of Coterra's Current Report on Form 8-K filed with the SEC on October 7, 2021).

4.10 Form of 4.375% Senior Notes due 2029 (incorporated herein by reference to Exhibit A-3 to the First Supplemental Indenture filed as Exhibit 4.2 of Coterra's Current Report on Form 8-K filed with the SEC on October 7, 2021).

4.11 Second Supplemental Indenture, dated as of March 13, 2024, by and between Coterra Energy Inc. and U.S. Bank Trust Company, National Association, as trustee(incorporated herein by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the SEC on March 13, 2024).

4.12 Form of 5.60% Senior Notes due 2034 (incorporated herein by reference to Exhibit A to the Second Supplemental Indenture filed as Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the SEC on March 13, 2024).

4.13 Third Supplemental Indenture, dated as of December 17, 2024, by and between Coterra Energy Inc. and U.S. Bank Trust Company, National Association, as trustee(incorporated herein by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2024).

4.14 Form of 5.40% Senior Notes due 2035(incorporated herein by reference to Exhibit A-1 to the Third Supplemental Indenture filed as Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2024).

4.15 Form of 5.90% Senior Notes due 2055 (incorporated herein by reference to Exhibit A-2 to the Third Supplemental Indenture filed as Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2024).

Coterra or certain of its consolidated subsidiaries are parties to other debt instruments under which the total amount of securities authorized does not exceed 10 percent of Coterra's total consolidated assets. Pursuant to paragraph (4)(iii)(A) of Item 601(b) of Regulation S-K, Coterra agrees to furnish a copy of any of those instruments to the SEC upon its request.

*10.1 Form of Change in Control Agreement between Cabot Oil & Gas Corporation and Certain Officers (incorporated herein by reference to Exhibit 10.1 of Coterra's Annual Report on Form 10-K for the fiscal year ended December 31, 2008).

(a) Form of Change in Control Agreement between Cabot Oil & Gas Corporation and Certain Officers (Confirmation that Certain Benefits no Longer Apply) (incorporated herein by reference to Exhibit 10.1(a) of Coterra's Annual Report on Form 10-K for the fiscal year ended December 31, 2010).

(b) Form of Amendment to Change in Control Agreement (incorporated herein by reference to Exhibit 10.4 of Coterra's Registration Statement on Form S-4 (Reg. No. 333-257534) filed with the SEC on June 30, 2021).

(c) Form of Letter Agreement with respect to Change-in-Control Arrangements (incorporated herein by reference to Exhibit 10.1 of Coterra's Current Report on Form 8-K filed with the SEC on October 1, 2021).

(d) Amendment to Change in Control Agreement and Employment Letter Agreement dated December 27, 2022 (incorporated herein by reference to Exhibit 10.1 of Coterra's Current Report on Form 8-K filed with the SEC on December 29, 2022).

*10.2 Form of Indemnification Agreement between Cabot Oil & Gas Corporation and Certain Officers (incorporated herein by reference to Exhibit 10.2 of Coterra's Annual Report on Form 10-K for the fiscal year ended December 31, 2012).

*10.3 Form of Indemnification Agreement (incorporated herein by reference to Exhibit 10.3 of Coterra's Current Report on Form 8-K filed with the SEC on October 1, 2021).

*10.4 Deferred Compensation Plan of Cabot Oil & Gas Corporation, as Amended and Restated, Effective January 1, 2011 (incorporated herein by reference to Exhibit 10.1 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011).

*10.5 Employment Letter Agreement, dated as of May 23, 2021, between Cabot Oil & Gas Corporation and Thomas E. Jorden (incorporated herein by reference to Exhibit 10.2 of Coterra's Registration Statement on Form S-4 (Reg. No. 333-257534) filed with the SEC on June 30, 2021).

*10.6 Side Letter Agreement, dated as of June 29, 2021, by and between Cabot Oil and Gas Corporation and Thomas E. Jorden (incorporated herein by reference to Exhibit 10.3 of Coterra's Registration Statement on Form S-4 (Reg. No. 333-257534) filed with the SEC on June 30, 2021).

*10.7 Amended and Restated Employment Letter Agreement dated as of September 19, 2023 between Coterra Energy Inc. and Thomas E. Jorden (incorporated herein by reference to Exhibit 10.1 of Coterra's Coterra's Current Report of Form 8-K filed with the SEC on September 19, 2023).

*10.8 Letter Agreement with Stephen Stephen P. Bell (incorporated(incorporated herein by reference to Exhibit 10.4 of Coterra Quarterly Report on Form 10-Q for the fiscal fiscal quarter ended June 30, 2023).

*10.9 Cabot Oil & Gas Corporation 2014 Incentive Plan, Effective May 1, 2014 (incorporated herein by reference to Exhibit 10.1 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014).

(a) Form of Non-Employee Director Restricted Unit Award Agreement (incorporated herein by reference to Exhibit 10.2 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014).

(b) Form of Restricted Stock Award Agreement (3 year graded) (incorporated herein by reference to Exhibit 10.2(a) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015).

(c) Form of Restricted Stock Award Agreement (3 year cliff) (incorporated herein by reference to Exhibit 10.2(b) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015).

(d) Form of Performance Share Award Agreement (Officers) (incorporated herein by reference to Exhibit 10.2(c) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015).

(e) Form of Hybrid Performance Share Award Agreement (incorporate herein by reference to Exhibit 10.2(d) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015).

(f) Form of Performance Share Award Agreement (Employees) (incorporated herein by reference to Exhibit 10.2(e) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015).

(g) Form of Performance Share Award Agreement (Employees) (incorporated herein by reference to Exhibit 10.8(g) of Coterra's Annual Report on Form 10-K for the fiscal year ended December 31, 2020).

(h) (h) Form of Restricted Stock Unit Award Agreement (officers) (incorporated herein by reference to Exhibit Exhibit 10.1(a) of Coterra's Coterra's Quarterly Report of Form 10-Q for the fiscal fiscal quarter ended March 31, 2023).

(i) (i) Form of Performance SharePerformance Share Unit Award Agreement (continuing officers) (continuing officers) (incorporated herein by reference to Exhibit 10.1(b) 10.1(b) of Coterra's Quarterly Report of Form 10-Q for the fiscal quarter ended March 31, 2023).

(j) Form of Performance Share Award Agreement (transitioning officers) (incorporated herein by reference to Exhibit 10.1(c) 10.1(c) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023).

*10.10 Cimarex Energy Co. Amended and Restated 2019 Equity Incentive Plan, Effective May 12, 2021 (incorporated herein by reference to Exhibit 4.4 of Coterra's Registration Statement on Form S-8 (Reg. No. 333-260230) filed with the SEC on October 14, 2021).

(a) Form of Restricted Stock Unit Award Agreement (legacy Cimarex continuing officers) (incorporated herein by reference to Exhibit 10.2 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022);

(b) Form of Restricted Stock Unit Award Agreement (legacy Cimarex transitioning officers) (incorporated herein by reference to Exhibit 10.2 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022);

(c) Form of Performance Share Award Agreement (legacy Cimarex continuing officers) (incorporated herein by reference to Exhibit 10.2 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022);

(d) Form of Performance Share Award Agreement (incorporated herein by reference to Exhibit 10.2 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022).

*10.11 Coterra Energy Inc. 2023 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 of Coterra's Current Report on Form 8-K filed with the SEC on May 4, 2023). May 4, 2023).

(a) Form of Non-Employee Director Restricted Stock Unit Award Agreement (incorporated herein by reference to Exhibit 10.2(a) of Coterra's Current Report on Form 8-K10-Q filed with the SEC on May 45, 2023);

(b) Form of Restricted Stock Unit Award Agreement (incorporated herein by reference to Exhibit 10.2(b) of Coterra's Current Report on Form 8-K10-Q filed with the SEC on May 45, 2023);

(c) Form of Performance Stock Unit Award Agreement (incorporated herein by reference to Exhibit 10.2(c) of Coterra's Current Report on Form 8-K10-Q filed with the SEC on May 45, 2023);

(d) Form of Restricted Stock Unit Award Agreement. Agreement (incorporated herein by reference to Exhibit 10.11(d) of Coterra's Annual Report on Form 10-K filed with the SEC on February 23, 2024).

(e) Form of Performance Stock Unit Award Agreement. Agreement (incorporated herein by reference to Exhibit 10.11(e) of Coterra's Annual Report on Form 10-K filed with the SEC on February 23, 2024).

*10.12 Form of Severance Compensation Agreement of certain executive officers of Cimarex Energy Co. (incorporated herein by reference to Exhibit 10.1 of Cimarex's Current Report on Form 8-K filed with the SEC on March 13, 2020).

(a) Form of Amendment to Severance Compensation Agreements of certain executive officers of Cimarex Energy Co. (incorporated herein by reference to Exhibit 10.11 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021).

*10.13 Form of Executive Severance Compensation Agreement between Coterra Energy Inc. and certain officers (incorporated herein by reference to Exhibit 10.4 of Coterra's Current Report on Form 10-Q for the fiscal quarter ended March 31, 2023).

*10.14 Non-employee Director Deferred Compensation Plan effective December 21, 2012 (incorporated herein by reference to Exhibit 10.10 of Coterra's Annual Report on Form 10-K for the fiscal year ended December 31, 2012).

*10.15 Non-Employee Director Deferred Compensation Plan effective May 4, 2023 (incorporated herein by reference to Exhibit 10.3 of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023).

	(a) Form of Non-Employee Director Deferred Restricted Stock Unit Award Agreement (Annual Fees) (incorporated herein by reference to Exhibit 10.3(a) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023);
	(b) Form of Non-Employee Director Deferred Restricted Stock Unit Award Agreement (Annual RSU Grant) (incorporated herein by reference to Exhibit 10.3(b) of Coterra's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023).
*10.16	Credit Agreement dated as of March 10, 2023, among Coterra Energy, Inc., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and the Lenders and Issuing Banks party thereto (incorporated herein by reference to Exhibit 10.1 of Coterra's Coterra's Current Report on Form 8-K filed with the SEC on March March 16, 2023).
10.17	First Amendment to Credit Agreement, dated as of September 12, 2024, among the Company, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and the Lenders and Issuing Banks party thereto(incorporated herein by reference to Exhibit 10.16 of the Company's Current Report on Form 8-K filed with the SEC on September 12, 2023) 2024).
10.18	Credit Agreement, dated as of December 10, 2024, Toronto Dominion (Texas) LLC, as Administrative Agent, and the Lenders and Issuing Banks party thereto(incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on December 16, 2024).
10.19	Membership Interest Purchase Agreement, dated as of November 12, 2024, by and among Franklin Mountain Energy Holdings, LP, Franklin Mountain Energy Holdings 2, LP, and Franklin Mountain GP2, LLC, as sellers, solely in its capacity as Seller Representative, Franklin Mountain Energy Holdings, LP, Cimarex Energy Co., as purchaser, and Coterra Energy Inc., as purchaser parent (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on November 15, 2024).
10.20	First Amendment to Membership Interest Purchase Agreement, dated as of December 28, 2024, but effective for all purposes as of November 12, 2024, by and among Franklin Mountain Energy Holdings, LP, Franklin Mountain Energy Holdings 2, LP, and Franklin Mountain GP2, LLC, as sellers, solely in its capacity as Seller Representative, Franklin Mountain Energy Holdings, LP, Cimarex Energy Co., as purchaser, and Coterra Energy Inc., as purchaser parent(incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on December 31, 2024).
**10.21	Closing Agreement and Second Amendment to Membership Interest Purchase Agreement, dated as of January 27, 2025, but effective for all purposes as of November 12, 2024, by and among Franklin Mountain Energy Holdings, LP, Franklin Mountain Energy Holdings 2, LP, and Franklin Mountain GP2, LLC, as sellers, solely in its capacity as Seller Representative, Franklin Mountain Energy Holdings, LP, Cimarex Energy Co., as purchaser, and Coterra Energy Inc., as purchaser parent.
**10.22	Registration Rights Agreement, dated as of January 27, 2025, among Coterra Energy Inc., and the Stockholders party thereto.
10.23	Purchase and Sale Agreement, dated as of November 12, 2024, by and among Avant Natural Resources, LLC, Avant Operating, LLC, Guard Income Fund, LP, Double Cabin Minerals, LLC, Legion Water Services, LLC, and Legion Production Partners, LLC, as sellers, and Cimarex Energy Co., as buyer(incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on November 15, 2024).
**19	Coterra Energy Inc. Insider Trading Policy and Procedures approved October 30, 2024.
**21.1	Subsidiaries of Coterra Energy Inc.
**23.1	Consent of PricewaterhouseCoopers LLP.
**23.2	Consent of DeGolyer and MacNaughton.
**31.1	302 Certification—Chairman, Chief Executive Officer and President.
**31.2	302 Certification—Executive Vice President and Chief Financial Officer.
**32.1	906 Certification - Chief Executive Officer and Chief Financial Officer
**97	Policy for for the Recovery Recovery of Erroneously Awarded Compensation. Compensation.
**99.1	DeGolyer and MacNaughton Report. Report for 2024.
99.2	DeGolyer and MacNaughton Report for 2023 (incorporated herein by reference to Exhibit 99.1 of Coterra's Annual Report on Form 10-K filed with the SEC on February 23, 2024).
99.3	DeGolyer and MacNaughton Report for 2022 (incorporated herein by reference to Exhibit 99.1 of Coterra's Annual Report on Form 10-K filed with the SEC on February 27, 2023).
101.INS	Inline XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.

101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Compensatory plan, contract or arrangement.

** Filed herewith.

* Compensatory plan, contract or arrangement.

ITEM 16. FORM 10-K SUMMARY

Coterra has elected not to include summary information.

SIGNATURES

Pursuant to the requirements of Section 13 and 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on February 23, 2024 February 25, 2025.

COTERRA ENERGY INC.

By: /s/ THOMAS E. JORDEN

Thomas E. Jorden
Chairman, Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the c
and on the dates indicated.

Signature	Title	Date
/s/ THOMAS E. JORDEN Thomas E. Jorden	Chairman, Chief Executive Officer and President (Principal Executive Officer)	February 23, 2024 25, 202
/s/ SHANNON E. YOUNG III Shannon E. Young III	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 23, 2024 25, 202
/s/ TODD M. ROEMER Todd M. Roemer	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 23, 2024 25, 202
/s/ DOROTHY M. ABLES Dorothy M. Ables	Director	February 23, 2024 25, 202
/s/ ROBERT S. BOSWELL Robert S. Boswell	Lead Director	February 23, 2024 25, 202
/s/ AMANDA M. BROCK Amanda M. Brock	Director	February 23, 2024 25, 202
/s/ DAN O. DINGES Dan O. Dinges	Director	February 23, 2024 25, 202
/s/ PAUL N. ECKLEY Paul N. Eckley	Director	February 23, 2024 25, 202
/s/ HANS HELMERICH Hans Helmerich	Director	February 23, 2024 25, 202
/s/ LISA A. STEWART Lisa A. Stewart	Director	February 23, 2024 25, 202
/s/ FRANCES M. VALLEJO Frances M. Vallejo	Director	February 23, 2024 25, 202
/s/ MARCUS A. WATTS Marcus A. Watts	Director	February 23, 2024 25, 202

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Exhibit 10.11(D) Description of Capital Stock

General

As of December 31, 2024, our authorized capital consisted of:

- 1,800,000,000 shares of common stock, par value $0.10 per share (“common stock”), of which approximately 764,151,477 were outstanc
- 5,000,000 shares of preferred stock, par value $0.10 per share (“preferred stock”), issuable in series, of which no shares were issued anc outstanding.

COTERRA ENERGY INC. This description is a summary only and does not purport to be complete. We encourage you to read the complete t restated certificate of incorporation and amended and restated bylaws, which we have filed or incorporated by reference as exhibits to our Annu on Form 10-K for the fiscal year ended December 31, 2024.

RESTRICTED STOCK UNIT AWARD **Common Stock**

Holders of common stock may receive dividends if and when declared by our board of directors. The payment of dividends on our common stoc limited by obligations to holders of any preferred stock and covenants contained in debt agreements.

Holders of common stock are entitled to one vote per share on matters submitted to them. Cumulative voting of shares is prohibited, meaning holders of a majority of the voting power of the shares voting for the election of directors can elect all directors to be elected if they choose to do

The common stock has no preemptive rights and is not convertible, redeemable or assessable, or entitled to the benefits of any sinking fu liquidate or dissolve our business, the holders of common stock will share ratably in all assets available for distribution to stockholders after cre paid and preferred stockholders receive their distributions.

All issued and outstanding shares of common stock are fully paid and nonassessable.In October 2021, in connection with a merger involving Energy Co. ("Cimarex"), we effectively assumed the obligations associated with Cimarex's 8 1/8% Series A Cumulative Perpetual Convertible Stock, par value $0.01 per share (the "Cimarex Preferred Stock"). Each holder of Cimarex Preferred Stock has the right at any time, at its convert any or all of such holder's shares of Cimarex Preferred Stock at an initial conversion rate of 34.1008 fully paid and nonassessable sha common stock and $471.3975 in cash per share of Cimarex Preferred Stock. The initial conversion rate of 34.1008 fully paid and nonassessab of our common stock adjusts upon the occurrence of certain events, including the payment of cash dividends to our common stockholder 41.5377 as of December 31, 2024.

Additionally, beginning on and continuing after October 15, 2021, Cimarex has the right, at its option, if the closing sale price of our common sto certain criteria, to elect to cause all, and not part, of the outstanding shares of Cimarex Preferred Stock to be converted into that number of sha common stock for each eligible share of Cimarex Preferred Stock equal to the conversion rate in effect on the mandatory conversion date conversion rate is determined pursuant to the Certificate of Designations for the Cimarex Preferred Stock and $471.3975 in cash per share of Preferred Stock.

Ex

The common stock is listed on the New York Stock Exchange and trades under the symbol "CTRA."

Preferred Stock

The preferred stock may be issued in one or more series. Our board of directors may establish attributes of any series, including, without limit designation and number of shares in the series, dividend rates (cumulative or noncumulative), conversion rights, redemption rights, voting ri any other rights and qualifications, preferences and limitations or restrictions on shares of a series. The issuance of preferred stock may have of delaying, deferring or preventing a change in control of us without any vote or action by the stockholders and may adversely affect the v other rights of the holders of shares of common stock. The specific terms of a particular series of preferred stock will be described in a cer designation relating to that series.

Subject to our amended and restated certificate of incorporation and to any limitations imposed by any then outstanding preferred stock, we n additional series of preferred stock, at any time or from time to time, with such powers, preferences, rights and qualifications, limitations or restr our board of directors determines, and without further action of the stockholders, including holders of our then outstanding preferred stock, if any

Limitation on Directors' and Officers' Liability and Certain Indemnification Obligations

Delaware law allows corporations to limit or eliminate the personal liability of directors and officers to corporations and their stockholders for damages for breach of directors' and officers' fiduciary duty of care. Our amended and restated certificate of incorporation limits the liabil directors and officers to the fullest extent permitted by this law. Specifically, our directors and officers will not be personally liable for monetary for any breach of their fiduciary duty, except for liability:

- for any breach of their duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

- for any transaction from which the director or officer derived an improper personal benefit;
- solely with respect to our directors, under provisions relating to unlawful payments of dividends or unlawful stock repurchases or redempt and
- solely with respect to our officers, for any action by us or in our right.

These limitations may have the effect of reducing the likelihood of derivative litigation against our directors and officers, and may discourage d lawsuit for breach of their duty of care being brought by stockholders (and, solely with regard to directors, by management), even though such a if successful, might otherwise have benefited our stockholders.

Additionally, our amended and restated bylaws provide indemnification to our directors and officers and other specified persons with respec conduct in various capacities, and we have entered into agreements with each of our directors and executive officers that indemnify them to t extent permitted by Delaware law.

Ex

Effects of Certain Provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws and Delaw

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law could have the delaying, deferring or preventing a change in control or the removal of existing management, of deterring potential acquirors from making an of stockholders and of limiting any opportunity to realize premiums over prevailing market prices for our common stock in connection therewith. T be the case notwithstanding that a majority of our stockholders might benefit from such a change in control or offer.

Advance Notice for Stockholder Proposals and Director Nominations

Our amended and restated bylaws contain provisions requiring that advance notice be delivered to us of any business to be brought by a sto before an annual meeting of stockholders and providing for certain procedures to be followed by stockholders in nominating persons for electi board of directors. Generally, the advance notice provisions provide that the stockholder must give written notice to our Secretary not less than nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting, except that in the event that the annual m called for a date that is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely m delivered not earlier than the 120th day prior to the date of such annual meeting and not later than the 90th day prior to the date of such annua (or, if less than 100 days' prior notice or public announcement of the scheduled meeting date is given or made, then the 10th day following the the day on which the notice of such meeting was mailed to our stockholders or the day on which such public announcement was made). The no set forth specific information regarding that stockholder and that business or director nominee, as well as certain representations of the a stockholder (or beneficial owner), each as described in our amended and restated bylaws.

Proxy Access

Our amended and restated bylaws permit a stockholder, or a group of up to 20 stockholders (with a group of any two or more funds that a common management and investment control constituting a single stockholder), owning 3% or more of our outstanding common stock continu at least three years to nominate and include in our proxy materials director candidates constituting up to 20% of our board of directors (or, if suc is not a whole number, the closest whole number below 20%), provided that the stockholder(s) and the nominee(s) satisfy the requirements sp the amended and restated bylaws and subject to the other terms and conditions set forth in the amended and restated bylaws.

Vacancies on the Board of Directors

Our amended and restated bylaws provide that vacancies on the board of directors arising through death, resignation, retirement or remova filled only by a majority of the directors then in office whether or not the remaining directors constitute a quorum.

Stockholder Action by Written Consent

Our amended and restated bylaws permit stockholders to act by written consent without a meeting. Any stockholder of record seeking to stockholders act by written consent must

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by written notice request our board of directors fix a record date, which must be fixed promptly (but in all events within 10 days) after the date such request is received.

Special Meetings of Stockholders

Our amended and restated bylaws provide that special meetings of stockholders may be called at any time only by our chairman, our chief officer, our president or our board of directors. The only business that may be conducted at a special meeting of stockholders is that business in the notice of the meeting.

Delaware Anti-Takeover Statute

As a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law ("DGCL"). In general, Section 203 prevent engaging in a business combination with an "interested stockholder" (generally, a person owning 15% or more of our outstanding voting stock) years following the time that person becomes a 15% stockholder unless either:

- before that person became a 15% stockholder, our board of directors approved the transaction in which the stockholder became a 15% stockholder or approved the business combination;
- upon completion of the transaction that resulted in the stockholder's becoming a 15% stockholder, the stockholder owns at least 85% of stock outstanding at the time the transaction began (excluding stock held by directors who are also officers and by employee stock plans not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or ex offer); or
- after the transaction in which that person became a 15% stockholder, the business combination is approved by our board of directors and authorized at a stockholder meeting by at least two-thirds of the outstanding voting stock not owned by the 15% stockholder.

Under Section 203, these restrictions also do not apply to certain business combinations proposed by a 15% stockholder following the disclos extraordinary transaction with a person who was not a 15% stockholder during the previous three years or who became a 15% stockholder approval of a majority of our directors. This exception applies only if the extraordinary transaction is approved or not opposed by a major directors who were directors before any person became a 15% stockholder in the previous three years, or the successors of these directors.

Exclusive Forum for Adjudication of Disputes

Our amended and restated bylaws provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of of Delaware shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding b our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or agent us or our stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, (iii) any action asserting a clai pursuant to any provision of the DGCL or our

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amended and restated bylaws or amended and restated certificate of incorporation (as either may be amended from time to time) or (iv) a asserting a claim governed by the internal affairs doctrine or asserting an "internal corporate claim" (as that term is defined in Section 115 of th In addition, unless we consent in writing to the selection of an alternative forum, the Federal District Courts of the United States of America sh sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amer "Securities Act").

Under the Securities Act, federal and state courts have concurrent jurisdiction over all suits brought to enforce any duty or liability create Securities Act, and stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. The exclus provision would not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended (the "E Act"), or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon fe claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability create Exchange Act or the rules and regulations thereunder. Although we believe these provisions are beneficial by providing increased consister application of Delaware law or U.S. securities laws in the types of lawsuits to which they apply, the provisions may have the effect of disc lawsuits against our directors and officers or against us. Any person or entity purchasing or otherwise acquiring any interest in shares of our cap will be deemed to have notice of and have consented to the provisions of our amended and restated bylaws related to choice of for enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our amended and bylaws is inapplicable or unenforceable.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock is Equiniti Trust Company.

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Executior

CLOSING AGREEMENT AND SECOND AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Restricted Stock Unit Award Closing Agreement ("Agreement" and Second Amendment to Membership Interest Purchase Agreem "***Amendment***"), made is dated as of #January 27, 2025 (the "***Grant Amendment Date***#") but is effective for all purposes as of November 12, 2 "Grant Date" "***Execution Date***") and is entered into by and among Franklin Mountain Energy Holdings, LP, a Delaware limited partnership (evidences an award by Franklin Mountain Energy Holdings 2, LP, a Delaware limited partnership ("***FMEH2***"), and Franklin Mountain GP2, LLC limited liability company ("***FMGP2***", and together with FMEH and FMEH2, "***Sellers***" and each individually, a "***Seller***"), Coterra Energy Inc., a corporation (the "Company" ("***Purchaser Parent***"), to #Participant Name# (the "Employee"), pursuant to the Coterra Energy Inc. 2023 Equity Plan (the "Plan" Operating Co., a Delaware corporation (f/k/a Cimarex Energy Co.). ("

This Agreement is expressly subject***Purchaser***"), and, solely in its capacity as Seller Representative hereunder, FMEH. Sellers and Purc are sometimes referred to herein individually as a "***Party***" and, collectively, as the terms and provisions of the Plan. "***Parties***". Capitalized terms herein but not otherwise defined shall have the meanings assigned ascribed to them in the Plan.

1. **Grant of Restricted Stock Units**. As an additional incentive and inducement to the Employee to remain in the employment of the Compa any of its Subsidiaries, and to devote his or her best efforts to the business and affairs of the Company, effective as of the Grant Date, the Company has awarded to the Employee Restricted Stock Units representing the right to receive a total of #QuantityGranted# shares of C Stock, subject to the terms and conditions set forth below and in the Plan (the "Restricted Stock Units") Agreement (as defined below).

2. WHEREAS, Sellers, Purchaser, and FMEH (in its capacity as Seller Representative) entered into that certain Membership Interest Agreement dated as of the Execution Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, th ***of Award Agreement***. Subject to the terms and provisions of this Agreement, the Restricted Stock Units shall vest 100% on #VestDate# (the Date" "), provided that the Employee remain continuously employed by the Company or a Subsidiary from the Grant Date through and incl Vesting Date. Any fractional shares shall be rounded up to the next whole share (not to exceed the total number of Restricted Stock Units grant this Agreement). The period from the Grant Date until the Vesting Date shall be referred to herein as the "Period of Restrictions." During the Restrictions, the Restricted Stock Units shall be subject to the restrictions described in this Agreement. ;

WHEREAS, the Parties have previously amended the Agreement in certain respects, as set forth in that certain First Amendment to Me Interest Purchase Agreement dated as of December 28, 2024; and

WHEREAS, the Parties desire to further amend the Agreement in certain respects, as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as f

3. 1.Issuance The first sentence of Shares Section 2.4(a)(ix) of the Agreement is hereby deleted in its entirety and replaced in its ent the following:

"(ix) increased by the aggregate amount of Indebtedness to the extent incurred after the Effective Time and prior to the Closing (o Indebtedness that is paid off by or on behalf of the Purchaser at or prior to the Closing)."

2.. As soon as practicable The first sentence of Section 2.4(d) of the Agreement is hereby deleted in its entirety and replaced in its ent the following:

"Notwithstanding anything to the contrary herein: (i) for purposes of any event, no later than Adjustment Amount included in the Pr Settlement Statement, all adjustments shall be made (A) thirty nine and three tenths percent (39.3%) to the Stock Consideration based on a $24.45 per share and (B) sixty (60) days following and seven tenths percent (60.7%) the Vesting Date, or, if earlier, Cash Consideration, the date the Restricted Parties to apply such adjustments to the Stock Units become vested Consideration and the Cash Consideration pro rata; *provid* the extent the Purchase Price is adjusted pursuant to Section 4 2.4(a)(i) or Section 6, as a result of Title Defects affecting the Company Sandi such adjustment shall issue be made one hundred percent (100%) to the Employee (either by delivering one or more certificates Cash Cons and (ii) for such shares or by entering such shares in book entry form in the name purposes of the Employee or depositing such share Employee's benefit with any broker with which the Employee has an account relationship or the Company has engaged to provide such servic the Plan) the number of shares of Common Stock equal to the number of vested Restricted Stock Units, after being reduced by the number of Common Stock with a Fair Market Value equal to the amount the Company is required by any governmental authority to withhold for tax purp respect to the vesting of the Restricted Stock Units.

4. **Termination of Employment**. Except as otherwise provided in this Section 4 or Section 6, if the Employee's employment with the Compa Subsidiary is terminated for any reason prior to the Vesting Date, the Restricted Stock Units shall be immediately

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forfeited unless otherwise determined Adjustment Amount included in the Final Settlement Statement, any positive or negative adjustment will b settled by the Administrator. Parties in cash."

3. Section 6.7(c) of the Agreement is hereby deleted in its entirety and replaced in its entirety with the following:

"[Reserved.]"

4.Section 6.7(d) of the Agreement is hereby deleted in its entirety and replaced in its entirety with the following:

"The Parties hereby acknowledge and agree that a D&O Indemnified Party may have certain rights to indemnification, advancement of or insurance provided by Persons other than the Company Group (collectively, the "***Other Indemnitors***"). Notwithstanding anything in Sectio contrary, in foregoing, following the case of Employee's termination of employment (a) by retirement (as defined in the retirement polic Purchaser agrees on its behalf and on behalf of the Company in effect on Group that the Grant Date with respect to Employee, as such retireme may be revised but in no event in a manner that is less favorable to Employee, or as may be approved by the Administrator (the "Retirement F applicable to the Employee and this Agreement), the Restricted Stock Units Company Group (i) shall be forfeited the indemnitors of first resort respective obligations to any D&O Indemnified Party hereunder are primary and any obligation of any Other Indemnitor to advance expenses provide indemnification for the same expenses or liabilities incurred by any D&O Indemnified Party shall be secondary to Purchaser and the Group) with regard to matters arising from the affairs of the Company Group; (ii) shall be settled, as applicable, required to advance the full a expenses incurred by such D&O Indemnified Party in accordance with the terms applicable Organizational Documents of any Company as in ef the Retirement Policy; or (b) by reason of death or Disability, the Restricted Stock Units shall become fully vested.

5. **Dividend Equivalents**. At the same time that the Company delivers shares of Common Stock pursuant to Section 3, the Company shall pay Closing and to the Employee an amount extent permitted under applicable Law; and (iii) irrevocably waives, relinquishes and releases Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in

equal to respect thereof. The Parties further agree that no advancement or payment by the dividends that would have been paid Other Inc on each share behalf of Common Stock underlying the Restricted Stock Units had such share been outstanding from the Grant Date until the ownership of such shares of Common Stock are delivered to the Employee. The dividend equivalent payment pursuant to this Sectio be paid without interest or earnings and will be subject to the payment of applicable withholding taxes. No dividend equivalent payments made any D&O Indemnified Party with respect to Restricted Stock Units that do not vest pursuant to this Agreement.

6. **Change in Control**. Upon either any claim for which such D&O Indemnified Party has sought indemnification from the Company Group s affect the foregoing and the Other Indemnitors shall have a Change in Control right of contribution or the Company's ceasing to have pub traded Common Stock as a result of a business combination or other extraordinary transaction, in each case prior be subrogated to the V Date, subject extent of such advancement or payment to all of the Employee remaining continuously employed by rights of recovery of su Indemnified Party against the Company or a Subsidiary through such date, the Employee shall vest in 100% Group. The Other Indemnito express third-party beneficiaries of the Restricted Stock Units that are outstanding and eligible to vest immediately prior to the Change in or business combination or other extraordinary transaction. If the Company ceases to have publicly traded Common Stock, then instead share of Common Stock that would otherwise be issued there shall instead be paid an amount of cash equal to the value of the considera received by the stockholders of the Company in respect of a share of Common Stock in connection with the Change in Control or busines combination or other extraordinary transaction.

7. **Transferability**. The Restricted Stock Units are not transferable by the Employee, whether voluntarily, involuntarily or by operation of law otherwise until such time as the ownership of such shares of Common Stock has been transferred to the Employee, except as provided i Plan. Except as provided in the Plan, if any assignment, pledge, transfer, or other disposition, voluntary or involuntary, of the Restricted S Units shall be made, or if any attachment, execution, garnishment, or lien shall be issued against or placed upon the Restricted Stock Un the Employee's right to the Restricted Stock Units shall immediately cease and terminate.

8. **Beneficiary Designations**. The Employee shall file with the Corporate Secretary of the Company on such form as may be prescribe Company, a designation of one or more beneficiaries and, if desired, one or more contingent beneficiaries (each referred to her "Beneficiary") to whom shares of Common Stock otherwise due the Employee under the terms of this Section 6.7. The provisions of thi 6.7 are intended to be for the benefit of each D&O Indemnified Party, his or her heirs and his or her representatives."

5. Annex A to the Agreement is hereby amended by deleting the definition of "D&O Tail Policy" in its entirety.

6. Section 6.17 of the Agreement is hereby deleted in its entirety and replaced in its entirety with the following:

"[Reserved.]"

7. Schedule EA of the Agreement is hereby deleted in its entirety and replaced in its entirety with the following:

"None."

8. Except to the limited extent amended hereby, the Agreement shall be distributed continue in full force and effect, and the Parties confirm the Agreement as specifically amended hereby. After giving effect to this Amendment, any references in the event Agreemen Agreement" or to the words "hereof" or "hereunder" or words of the death of the Employee. The Employee shall have the right to change the B or Beneficiaries from time to time; provided, however, that any change shall not become similar import, and all

effective until received in writing by the Corporate Secretary of the Company or in such form as may be prescribed by the Company. If any de Beneficiary survives the Employee but dies after the Employee's death, any remaining benefits due such deceased Beneficiary under this A shall be distributed references to the personal representative Agreement in any and all agreements, instruments, documents, notes, certificates writings of every kind or executor nature (other than in this Amendment or as otherwise expressly provided), shall mean the Agreement as am this Amendment, whether or not this Amendment is expressly referenced. All references in the Agreement to "Execution Date," "the date hereo date of the deceased Beneficiary's estate. If there is no effective Beneficiary designation on file at the time of the Employee's death, or if the de Beneficiary or Beneficiaries have all predeceased such Employee, the payment of any remaining benefits under this Agreement Agreement' made refer to the personal representative or executor of the Employee's estate. If one or more but not all of the Beneficiaries have predecea

Employee, the benefits under this Agreement shall be paid according to the Employee's instructions in his or her designation of Beneficiari Employee has not given instructions, or if the instructions are not clear, the benefits under this Agreement which would have been paid to the Beneficiary or Beneficiaries will be paid to the personal representative or executor of Employee's estate.

November 12, 2024.

9.Assignment. This Sections 14.2 (Counterparts), 14.5 (Governing Law; Waiver of Jury Trial), 14.8 (Entire Agreement), 14.11 (Cons 14.12 (Limitation on Damages), and 14.16 (Severability) of the Agreement shall inure apply *mutatis mutandis* to the benefit of and be binding heirs, legatees, distributees, executors and administrators of the Employee and the successors and assigns of the Company. In no event shall Stock Units granted hereunder be voluntarily or involuntarily sold, pledged, assigned or transferred by the Employee other than by will or th descent and distribution or pursuant to a qualified domestic relations order in accordance with the terms of the Plan. this Amendment.

*[**Signature Page Follows**]*

10.**Restrictions on Delivery of Shares**. The Company shall not be obligated to issue or deliver any shares of Common Stock if counsel to the Company determines that such issuance or delivery would violate any applicable law or any rule or regulation of any governmental authority or or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. I necessary to comply with any such law, rule, regulation or agreement, the Company shall in no event be obligated to take any affirmative action to cause the delivery of shares of Common Stock.

11.**Governing Law**. This Agreement shall be governed by the laws of the State of Delaware, without giving effect to conflict of law rules or Any action or proceeding seeking to enforce any provision of or based on any right arising out of this Agreement may be brought against the or the Company only in the courts of the State of Delaware or, if it has or can acquire jurisdiction, in the United States District Court for the Delaware, and the Employee and the Company consent to the jurisdiction of such courts (and of the appropriate appellate courts) in any proceeding and waives any objection to venue laid herein.

12.**Rights as a Stockholder**. The Employee (or Beneficiary) shall have no rights of a stockholder with respect to the shares of Comm potentially deliverable pursuant to this Agreement unless and until such time as the ownership of such shares of Common Stock has been trans the Employee.

13.**Adjustments**. As provided in Section 8.1 (Adjustments) of the Plan, certain adjustments may be made to the Restricted Stock Units occurrence of events or circumstances described in Section 8.1 of the Plan.

14.Controlling Agreement. This Agreement shall supersede and control over any other agreement between the Company and the Employe whether entered previously or entered subsequent to the date hereof, related to the Restricted Stock Units awarded hereunder; *provided* *WITNESS WHEREOF*, this Amendment has been signed by each of the Parties on the Amendment Date.

SELLERS

Franklin Mountain Energy Holdings, LP

By: however _/s/ SCOTT WEAVER_______________
Name: Scott Weaver
Title: Vice President

Franklin Mountain Energy Holdings 2, LP

By: _/s/ SCOTT WEAVER_______________
Name: Scott Weaver
Title: Vice President

Franklin Mountain GP2, LLC

By: _/s/ SCOTT WEAVER_______________
Name: Scott Weaver
Title: Vice President

IN WITNESS WHEREOF, that this Agreement shall be read together with any Retirement Policy, if applicable, subject to Section *provided*, *further*, that,if the Employee is party to an employment, severance, change in control or similar agreement or arrangement with the and such agreement contains terms applicable to equity awards Amendment has been signed by each of the type granted by this Agreemer other Company equity awards held by Employee) that are more favorable to Parties on the Employee than the terms set forth in this Agreem more favorable terms shall control, regardless of when such agreement or arrangement is entered into. In the event there is a conflict between of the Plan and this Agreement, the terms of the Plan shall control. The decisions of the Board or the Administrator with respect to questions to the interpretation of the Plan, or this Agreement and as to finding of fact, shall be final, conclusive and binding. Amendment Date.

PURCHASER

Coterra Energy Operating Co.

15. By: Notice. Unless the Company notifies the Employee in writing of a different procedure, any notice communication to the Company with respect to this Agreement shall be in writing and shall be: _/s/ SHANNON E. YOUNG III________

a. delivered personally to the following address: Name: Shannon E. Young III
Title: Executive

PURCHASER PARENT

Coterra Energy Inc.

c/o Corporate Secretary By: _/s/ SHANNON E. YOUNG III________
840 Gessner Rd. Name: Shannon E. Young III
Title: Executive

IN WITNESS WHEREOF, Suite 1400 this Amendment has been signed by each of the Parties on the Amendment Date.
Houston, Texas 77024 SELLER REPRESENTATIVE

or **Franklin Mountain Energy Holdings, LP**, solely
b. sent by first class mail, postage prepaid in its capacity as Seller Representative hereunder

By: Franklin Mountain Energy GP, LLC, its General Partner

By: _/s/ SCOTT WEAVER_______________
Name: Scott Weaver
Title: Vice President

[Signature Page to Closing Agreement and addressed as follows: Second Amendment]

Coterra Energy Inc.
c/o Corporate Secretary

840 Gessner Rd., S

Houston, Texas 77024 Exhibit 10.22

Any notice or other communication to the Employee with respect to this Agreement shall be in writing and shall be delivered personally, or sha by first class mail, postage prepaid, to Employee's address as listed in the records of the Company on the Grant Date, unless the Company has written notification from the Employee of a change of address. *Executio*
STRICTLY CONFI

16. Amendment. Without the consent

REGISTRATION RIGHTS AGREEMENT

among

COTERRA ENERGY INC.

and

THE STOCKHOLDERS NAMED HEREIN

Dated as of the Employee, this Agreement may be amended or supplemented (a) to cure any ambiguity or to correct or supplement any provisi which may be defective or inconsistent with any other provision herein, or (b) to add to the covenants and agreements of the Company for the b Employee or to add to the rights of the Employee or to surrender any right or power reserved to or conferred upon the Company in this Agree subject, however, to any required approval of the Company's stockholders and, provided, in each case, that such changes or corrections sha adversely affect the rights of Employee with respect to the Award evidenced hereby without the Employee's consent, or (c) to make such other as the Company, upon advice of counsel, determines are necessary or advisable because of the

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adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including any applicable f state securities laws. January 27, 2025

17. Employment at Will; No Future Awards. This Agreement is not an employment agreement and shall not confer upon the Employee any rig continuation of employment by the Company. Nothing contained in this Agreement, and no action of the Company or the Administrator with resp hereto, shall be construed as creating any employment relationship other than one at will nor shall this Agreement interfere in any way with the Company's right to terminate Employee's employment at any time. This grant of Restricted Stock Units is a voluntary, discretionary award being on a one-time basis and it does not constitute a commitment to make any future awards.

18. Section 409A. The Restricted Stock Units granted under this Agreement are intended to comply with or be exempt from Section 409A, and ambiguous provisions of this Agreement, if any, shall be construed and interpreted in a manner consistent with such intent. This Agreement sha amended in a manner that would cause this Agreement or any amounts payable under this Agreement to fail to comply with the requirements of 409A, to the extent applicable, and, further, the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Agreement. If any provision of this Agreement would result in the imposition of an ac tax under Section 409A, that provision will be reformed to avoid imposition of the additional tax. Any Restricted Stock Units that are deferred compensation subject to Section 409A and that settle on account of termination of employment shall be settled only once a "separation from ser within the meaning of Treasury Regulation § 1.409A-1(h) has occurred. If the Employee is a "specified employee" as defined in Section 409A or on which the Employee has a "separation from service" (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), any

Restricted Stock Units settled on account of a separation from service that are deferred compensation subject to Section 409A shall be paid or s the earliest of (1) the fifteenth business day following the expiration of six months from the Employee's separation from service, (2) the date of tl Employee's death, or (3) such earlier date as complies with the requirements of Section 409A. For purposes of Section 409A, each payment un Agreement shall be deemed to be a separate payment.

19. Construction. References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include the copy of which has been made available to Employee) and any Exhibits and Schedules that may be appended hereto. The headings of the Secti this Agreement have been included for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restr the terms or provisions hereof.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together sl constitute one and the same instrument.

[signature page follows]

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By:
Name:
Title:

Employee:

By:
#Participant Name#

Exhibit

COTERRA ENERGY INC.
PERFORMANCE STOCK UNIT AWARD AGREEMENT

REGISTRATION RIGHTS AGREEMENT

This Performance Stock Unit Award Agreement ("Agreement"), made REGISTRATION RIGHTS AGREEMENT, dated as of #January (this "Grant Date Agreement# (the "Grant Date"""), evidences an award by among Coterra Energy Inc., a Delaware corporat "Company" "Company"), and the stockholders set forth on the signature pages hereto (each, a "Stockholder" and collectively, the "Stockholders"

RECITALS

WHEREAS, the Company, Cimarex Energy Co., a Delaware corporation (the "Purchaser"), and the Sellers are parties to #tha Membership Interest Purchase Agreement, dated as of November 12, 2024 (the "Participant Name Purchase Agreement# (the "Employee""), pu which the Coterra Energy Inc. 2023 Equity Incentive Plan Purchaser will acquire the Subject Interests (the "Plan" "Transaction"). ;

This Agreement is expressly subject to the terms and provisions WHEREAS, in accordance with Section 2.2(b) of the Plan. Capitalized te herein but not otherwise defined shall have Purchase Agreement, at the meanings assigned to them in Closing and as partial consideration for th

1. **Grant of Performance Stock Units**. As an additional incentive and inducement to the Employee to remain in the employment of Subject Interests, the Company or any of its Subsidiaries, and to devote his or her best efforts to the business and affairs of the Company, effecti the Grant Date, the Company has awarded to the Employee Performance Stock Units representing the right to receive #QuantityGranted issuing 28,190,682 shares of Common Stock and cash, subject in the aggregate to the terms Sellers (the "Shares");
WHEREAS, substantially concurrently with the execution and conditions delivery hereof, the Sellers have effected a distribution of a port Stock Consideration to the Stockholders in accordance with Section 2.8 of the Purchase Agreement;

WHEREAS, the Company has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Sto pursuant to the Purchase Agreement; and

WHEREAS, it is a condition to the obligations of the Company and the Sellers under the Purchase Agreement that this Agreement be and delivered.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable considera receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Definitions. The terms set forth below are used herein as so defined:

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, co controlled by, or is under common control with, such first Person. As used in this definition, the term "control" including the correlative terms "co "controlled by" and "under common control with," means, with respect to any Person, the possession, directly or indirectly, of the power to direct the direction of the management or policies of such Person, whether through the ownership of voting securities, as trustee or executor, as partner or managing member, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a m the board of directors or similar body governing the affairs of such Person.

"Agreement" has the meaning specified therefor in the Plan (the "PSUs") introductory paragraph of this Agreement.

"Automatic Shelf Registration Statement" means an "automatic shelf registration statement" as defined in Rule 405 promulgated u Securities Act.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be the State of New York.

"Closing" has the meaning specified in the Purchase Agreement.

"Closing Date" has the meaning specified in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock, par value $0.10 per share, of the Company.

"Company" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Effective Date" means the date of effectiveness of a Shelf Registration Statement filed pursuant to Section 2.1(a).

"Effectiveness Period" has the meaning specified therefor in Section 2.1(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Co promulgated thereunder.

"Governmental Authority" has the meaning set forth in the Purchase Agreement.

"Holder" means the record holder of any Registrable Securities.

"Included Registrable Securities" has the meaning specified therefor in Section 2.2(a).

"Laws" has the meaning set forth in the Purchase Agreement.

"Legend Removal Documents" has the meaning specified therefore in Section 2.12.

"Lock-Up Period" has the meaning specified therefor in Section 2.4.

"Losses" has the meaning specified therefor in Section 2.8(a).

"Managing Underwriter" means, with respect to any Underwritten Offering, the book running lead manager of such Underwritten Offering.

"NYSE" means the New York Stock Exchange.

"Other Holder" has the meaning specified in Section 2.2(b).

"Permitted Transfer" has the meaning specified therefor in Section 2.4.

"Permitted Transferee" has the meaning specified therefor in Section 2.4.

"Person" means any individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, as organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"Piggyback Opt-Out Notice" has the meaning specified therefor in Section 2.2(a).

2. "Performance Period Piggyback Registration. The performance period for" has the PSUs subject to this Agreement shall be th beginning [_____] and ending [_____] (the "Performance Period") meaning specified therefor in Section 2.2(a).

"Purchase Agreement" has the meaning specified therefor in the Recitals of this Agreement.

3. "Terms Purchaser" has the meaning specified therefor in the Recitals of Award this Agreement.

". Each PSU represents Registrable Securities" means (a) the right to receive, after the end of the Performance Period Shares and bas Company's performance, the aggregate of from 0% to 200% of the Fair Market Value of a share of Common Stock, payable in (b) any s Common Stock issued or issuable with respect to the Shares by way of a stock dividend or stock split or in exchange for or upon conversio shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other reorganization or oth event with respect to the Common Stock (it being understood that, for purposes of this Agreement, a Person shall be deemed to be a Holder w such Person has the right to then acquire or obtain from the Company any Registrable Securities, whether or not such acquisition has actu effected).

"Registration Expenses" has the meaning specified therefor in Section 2.8(a).

"Resale Opt-Out Notice" has the meaning specified therefor in Section 2.1(b).

"SEC Rule 144" means Rule 144 promulgated by the Commission under the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations of the Commission pro thereunder.

"Sellers" has the meaning specified in the Purchase Agreement.

"Selling Expenses" has the meaning specified therefor in Section 2.7(a).

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement.

"Shares" has the meaning specified therefor in the Recitals of this Agreement.

"Shelf Registration Statement" means a registration statement under the Securities Act to permit the public resale of the Registrable S from time to time as permitted by Rule 415 of the Securities Act (or any similar provision then in force under the Securities Act).

"Stock Consideration" has the meaning set forth in the Purchase Agreement.

"Stockholder" or "Stockholders" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Subject Interests" has the meaning set forth in the Purchase Agreement.

"Transaction" has the meaning specified therefor in the Recitals of this Agreement.

"Underwritten Offering" means an offering (including an offering pursuant to a Shelf Registration Statement) in which Common Stock is s underwriter on a firm commitment basis for reoffering to the public or an offering that is a "bought deal" with one or more investment banks avoidance of doubt, any offering or sale of Common Stock by the Company pursuant to an "at-the-market" offering as defined in Rule 415(a) Securities Act shall not be considered an Underwritten Offering hereunder.

"WKSI" means a well-known seasoned issuer (as defined in the rules and regulations of the Commission).

Section 1.2 Registrable Securities. Any Registrable Security will cease to be a Registrable Security at the earliest of the following: (a) when a registration statement covering such Registrable Security has become or been effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) w Registrable Security has been disposed of pursuant to any section of SEC Rule 144 (or any similar provision then in force) under the Securitie when such Registrable Security is held by the Company or one of its subsidiaries; and (d) when such Registrable Security has been sold in transaction in which the transferor's rights under this Agreement are not assigned to the transferee of such securities.

ARTICLE 2

REGISTRATION RIGHTS

Section 2.1 Shelf Registration.

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(a) Shelf Registration. Within 120 days following the Closing Date, the Company shall prepare and file a Shelf Registration Statement under the Securities Act covering all Registrable Securities. The Company its commercially reasonable efforts to cause such Shelf Registration Statement to become effective as promptly as reasonably practicable afte of filing of such Shelf Registration Statement but in any event on or prior to the earlier of (i) 30 days after the initial filing of a Shelf Re

Statement or (ii) 180 days following the Closing Date. The Company will use its commercially reasonable efforts to cause such Shelf Re Statement filed pursuant to this Section 2.1(a) to be continuously effective under the Securities Act until the earlier of (i) all Registrable S covered by the Shelf Registration Statement have been distributed in the manner set forth and as contemplated in such Shelf Registration State there are no longer any Registrable Securities outstanding or (iii) three years from the Effective Date (the "Effectiveness Period"). A Shelf Re Statement filed pursuant to this Section 2.1(a) shall be on such appropriate registration form of the Commission as shall be selected by the C provided, however, that if the Company is a WKSI at the time a Shelf Registration Statement is required to be filed hereunder, such Shelf Re Statement shall be filed as an Automatic Shelf Registration Statement. A Shelf Registration Statement when declared or becoming effective (the documents incorporated therein by reference) will comply as to form in all material respects with all applicable cash. The requiremen Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to therein or necessary to make the statements therein not misleading (in the case of any prospectus contained in such Shelf Registration Stateme light of the circumstances under which a statement is made).

(b) Resale Registration Opt-Out. Any Holder may deliver advance written notice (a "Resale Opt-Out Notice") to the Company requesting that such Holder not be included in a Shelf Registration Statement filed pu Section 2.1(a). Following receipt of a Resale Opt-Out Notice from a Holder, the Company shall not be required to include the Registrable Sec such Holder in such Shelf Registration Statement.

(c) Delay Rights. Notwithstanding anything to the contrary contained herein,

the Company may delay the filing of a Shelf Registration Statement required by Section 2.1(a) and may, upon written notice to any Selling Hold Registrable Securities are included in the Shelf Registration Statement, suspend such Selling Holder's use of any prospectus which is a part of Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Shelf Re Statement) if (i) the Company is pursuing an acquisition, merger, reorganization, disposition or other similar transaction and the Company dete its reasonable and good faith judgment that the Company's ability to pursue or consummate such a transaction would be materially and a affected by any required disclosure of such transaction in the Shelf Registration Statement or (ii) the Company has experienced some other non-public event the disclosure of which at such time, in the reasonable and good faith judgment of the Company, would materially and advers the Company; provided, however, that in no event shall the Selling Holders be suspended from selling Registrable Securities pursuant to Registration Statement under this Section 2.1(c) more than twice in any 365-day period and for a period that exceeds an aggregate of 120 da 365-day period. Upon disclosure of such information or the termination of the condition described above, the Company shall provide prompt not Selling Holders whose Registrable Securities are included in the Shelf Registration Statement, and shall promptly terminate any suspension c has put into effect and shall take such other actions necessary or appropriate to permit registered sales of Registrable Securities as contemplat Agreement.

Section 2.2 Piggyback Registration.

(a) Participation. If the Company proposes to file (i) a registration statement under the Securities Act providing for the public offering of Common Stock, for its own account or for the account of a selling stockholder, for s public in an Underwritten Offering, excluding a registration statement on Form S-4 or Form S-8 promulgated under the Securities Act (or any s forms thereto), a registration statement for the sale of Common Stock issued upon conversion of debt securities or any other form not ava registering the Registrable Securities for sale to the public, or (ii) a prospectus supplement to an effective Shelf Registration Statement, so lo Company is a WKSI at such time or, whether or not the Company is a WKSI, so long as the Registrable Securities were previously includ underlying Shelf Registration Statement, then, in each case with respect to an Underwritten Offering of Common Stock, the Company will no Holder of the proposed filing and afford each Holder an opportunity to include in such Underwritten Offering all or any part of the Registrable S then held by such Holder (the "Included Registrable Securities") that may properly be offered on such registration statement (a "Piggyback Regi Each Holder of Registrable Securities agrees that the fact that such a notice has been delivered shall constitute confidential information and su agrees not to disclose that such notice has been delivered or effect any public sale or distribution of Common Stock until such time as the Und Offering contemplated by such notice has been publicly announced or abandoned (notice of which, in the latter case, will be provided prompt Holder). Each Holder desiring to include in such Piggyback Registration all or part of such Registrable Securities held by such Holder tha included in such Piggyback Registration shall, within three Business Days after receipt of the above-described notice from the Company in the filing of a registration statement and within two Business Days after the day of receipt of the above-described notice from the Company in the filing of a prospectus supplement to an effective Shelf Registration Statement with respect to a Piggyback Registration, so notify the Company i and in such notice shall inform the Company of the number of shares of

Registrable Securities such Holder wishes to include in such Piggyback Registration and provide the Company with such information with r such Holder as shall be reasonably necessary in order to assure compliance with federal and applicable state securities Laws. If no request for from a Holder is received within the time period specified in this Section 2.2(a), such Holder shall have no further right to participate in such F Registration. For the avoidance of doubt, the Company shall not be required to register any Registrable Securities upon the request of ar pursuant to a Piggyback Registration, or to permit the related prospectus or prospectus supplement to be used, in connection with any o transfer of Registrable Securities by a Holder other than pursuant to an Underwritten Offering. If, at any time after giving written notice of its in undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, the Company shall determine for any reason not to u or to delay such Underwritten Offering, the Company may, at its election, give written notice of such determination to the Selling Holders and case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Sec connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be pe delay offering any Included Registrable Securities for the same period as the delay in the Underwritten Offering. Any Holder may deliver written "Piggyback Opt-Out Notice") to the Company requesting that such Holder not receive notice from the Company of any proposed Underwritten provided, however, that such Holder may later revoke any such Piggyback Opt-Out Notice in writing. Following receipt of a Piggyback Opt-O from a Holder (unless subsequently revoked), the Company shall not be required to deliver any notice to such Holder pursuant to this Section 2 such Holder shall no longer be entitled to participate in Underwritten Offerings by the Company pursuant to this Section 2.2(a).

(b) Priority of Piggyback Registration. If the Managing Underwriter or Underwriters of any proposed Underwritten Offering of shares of Common Stock and amount of cash, if any, to be issued or paid with respect to in a PSU at Piggyback Registration advise the end of the Performance Period shall be determined based upon the Company's achiev performance criteria established by the Compensation Committee (the "Committee") of the Board for the Performance Period as set forth b "Performance Criteria"). Each PSU shall be payable up to 100% (Target Payout Level set forth below) in Common Stock and, to the extent Com the percentage of a PSU earned at the end of the Performance Period exceeds 100% (Target Payout Level), in cash equal to the Fair Market V share of Common Stock. Cash will also be paid in lieu of the issuance of fractional total shares of Common Stock.

The Performance Criteria that determine Stock which the Selling Holders and any other Persons intend to include in such offering exceed number which can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of Common Stock off the market for the Common Stock, then the Common Stock to be included in such Underwritten Offering shall include the number of shares of C Stock (and cash, if applicable) that such Managing Underwriter or Underwriters advise the Company can be sold without having such adverse ef such number to be allocated (i) first, to the Company and (ii) second, pro rata among the Selling Holders and any other Persons who have been granted registration rights on or after the date of this Agreement (the "Other Holders") who have requested participation in the Piggyback Regist (based, for each such Selling Holder or Other Holder, on the percentage derived by dividing (A) the number of shares of Common Stock propos sold by such Selling Holder or such Other Holder in such offering; by (B) the aggregate number of shares of Common Stock proposed to be sold Selling Holders and all Other Holders in the Piggyback Registration).

(c) General Procedures. In connection with any Underwritten Offering, the Company shall be entitled to select the Managing Underwriter or Underwriters. In connection with an Underwritten Offering contemplate Agreement in which a Selling Holder participates, each Selling Holder shall be obligated to enter into an underwriting agreement with the M Underwriter or Underwriters which contains such representations, covenants, indemnities and other rights and obligations as are cust underwriting agreements for firm commitment offerings of equity securities. No Selling Holder may participate in such

Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agree completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably required under the terms underwriting agreement. No Selling Holder shall be required to make any representations or warranties to or agreements with the Compa underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being regi its behalf and its intended method of distribution and any other representation required by Law. If any Selling Holder disapproves of the ter Underwritten Offering, such Selling Holder may elect to withdraw therefrom by notice to the Company and the Managing Underwriter; provided, that such withdrawal must be made at least one Business Day prior to the time of pricing of such Underwritten Offering to be effective. withdrawal or abandonment shall affect the Company's obligation to pay Registration Expenses.

Section 2.3. Sale Procedures. In connection with its obligations under this Article 2, the Company will, as promptly as practicable:

(a) subject to Section 2.1(c), prepare and file with the Commission, without the need for a request by the Holders, such amendments and supplements to the Shelf Registration Statement and the prospectus used in co therewith as may be necessary to keep a Shelf Registration Statement effective for the Effectiveness Period and as may be necessary to co the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Shelf Registration Statement;

(b) furnish to each Selling Holder such numbers of copies of such Shelf Registration Statement, each amendment and supplement thereto, each prospectus (including each preliminary prospectus and prospectus sup and such other documents as such Selling Holder may reasonably request in writing in order to facilitate the disposition of the Registrable S covered by such Shelf Registration Statement;

(c) promptly notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered under the S Act, of (i) the filing of a Shelf Registration Statement or any other registration statement contemplated by this Agreement or any pr included therein or any amendment or supplement thereto (other than any amendment or supplement resulting from the f document incorporated by reference therein), and, with respect to such Shelf Registration Statement or any other registration stat any post-effective amendment thereto, in each case other than an Automatic Shelf Registration Statement, when the same has effective; and (ii) the receipt of any written comments from the Commission with respect to any filing referred to in clause (i) and a request by the Commission for amendments or supplements to such Shelf Registration Statement or any other registration stat any prospectus or prospectus supplement thereto;

(d) use its reasonable best efforts to register and qualify the Registrable Securities covered by a Shelf Registration Statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably r by the Selling Holders, including registration with or approval by such governmental agencies or authorities as may be necessary to enable th Holders to consummate the disposition of Registrable Securities; provided that the Company shall not be required to qualify to do business o general consent to

service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as required by the Securities Act;

(e) as promptly as practicable, notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of (but not the nature or details concern event as a result of which the prospectus contained in a Shelf Registration Statement or any other registration statement contemplated Agreement or any supplemental amendment thereto, in each case, as then in effect, includes an untrue statement of a material fact or omits to material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then ex the issuance or threat of issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by the Compa notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sk any jurisdiction. Following the provision of such notice but subject to Section 2.1(c), the Company agrees to as promptly as practicable supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does no an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements th misleading in the light of the circumstances then existing and to take such other action as is necessary to remove a stop order, suspensio thereof or proceedings related thereto;

(f) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make av its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months, but not more months, beginning with the first full calendar month after the Effective Date of such registration statement, which earnings statement sh the provisions of Section l1(a) of the Securities Act and Rule 158 promulgated thereunder;

(g) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system on which similar securities issued by the Company are then

(h) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and ope the Company issued to enable the Selling Holders to consummate the disposition of such Registrable Securities pursuant to the Shelf Re Statement; and

(i) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the Date.

Each Selling Holder, upon receipt of notice from the Company of the happening of any event of the kind described in subsection (e) of this Se shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or PSU amended prospectus contemplated by subsection (e) of this Section 2.3 or until it is advised in writing by the Company that the u prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, directed by the Company, such Selling Holder will deliver to the Company (at the Company's

expense) all copies in its possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus prospectus supplement covering such Registrable Securities current at the time of receipt of such notice.

Section 2.4. Lock-Up. From the Closing Date to the date that is 180 days after the Closing Date (the "PSUs Earned" "Lock-Up Period"), each Holder agrees that it shall not offer, sell, contract to sell (including any short sale) hypothecate, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, grant any option, right o for the sale of, purchase any option or contract to sell, sell any option or contract to purchase, or otherwise encumber, dispose of or transfer, or rights with respect to, directly or indirectly, any shares of Common Stock or securities convertible into or exchangeable or exercisable for any Common Stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, or in part, any of the economic consequences of ownership of the Common Stock, whether any such aforementioned transaction is to be s delivery of the relative Total Shareholder Return (as defined below) Common Stock or such other securities, in cash or otherwise, or publicly dis intention to make any such transfer, without, in each case, the prior written consent of the Company, which consent may be withheld in the Co sole discretion; provided, however, such Holder may, without the Company's consent, transfer or assign any shares of Common Stock to a Affiliates (each such person, a "Permitted Transferee" and such transfer or assignment a "Permitted Transfer"); provided, further, that at the tim as a condition to any Permitted Transfer, each Permitted Transferee shall execute a joinder to this Agreement agreeing to be bound by the term with respect to the Common Stock transferred or assigned in such Permitted Transfer. Notwithstanding the foregoing, each Holder may (a) sell Common Stock purchased by such Holder on the Company's open market; (b) effectuate a distribution of all or part of the its shares of Comm as compared to one or more of its equity owners, which may in turn distribute such shares of Common Stock to the Total Shareholder Retu common limited partners or beneficial owners of such equity owners; and (c) transfer shares of each company in the Peer Group (as define "Total Shareholder Return ("TSR")" shall be expressed Common Stock: (i) as the percentage increase in the average daily closing share price a gift or gifts, or for bona fide estate planning purposes; (ii) by will or intestacy; (iii) to any trust for the last month direct or indirect bene Performance Period plus total dividends paid over undersigned or the Performance Period on a cumulative, reinvested basis, over the aver closing share price for the first month immediate family of the Performance Period. The "Peer Group" undersigned, or if the undersigned is the companies set forth on Exhibit A hereto. If during the Performance Period any member a trust, to a trustor or beneficiary of the Peer Group ce or to exist or ceases to have publicly traded common stock as the result estate of a business combination or other transaction, the Committee m a replacement company, which shall be included in the Peer Group as beneficiary of [____], instead of the

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Exhibit

replaced member. If during the Performance Period any member of the Peer Group (i) declares bankruptcy, or (ii) is delisted and ceases to be tr a national securities exchange, then it will remain in the Performance Peer Group and shall be ranked with any similarly-situated company in las for such trust (for purposes of this Section 32.4. , "

After immediate family" shall mean any relationship by blood, current or former marriage, domestic partnership or adoption, not more remo first cousin); (iv) to a partnership, limited liability company or other entity of which the end undersigned and the immediate family of the Performa Period, undersigned are the companies legal and beneficial owner of all of the outstanding equity securities or similar interests; (v) to a nominee custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv) above; (vi) by operation of la as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement; and (vii) to any investment fund or other controlled or managed by the undersigned; provided, however, that in the Peer Group will be arranged by their respective TSR (highest case of transfer or distribution pursuant to lowest), excluding clauses (b) or (c)(i) through (c)(vii) above, such transfer shall not involve a disposition for va each donee, devisee, transferee or distributee must sign and deliver a lock-up agreement to the Company. The Company's percentile rank will b interpolated between the company with the next highest TSR and the company with the next lowest TSR, based on the differential between the Company's TSR and the TSR of such companies. The PSUs Earned for such period, and the Common Stock issued and cash paid with respect PSU, shall be determined using the following scale:

Payout Level	Relative TSR Performance (Percentile Rank v. Peers)	PSUs Earned
Maximum	≥90th percentile	200%
Target	55th percentile	100%
Threshold	≥30th percentile	50%
<Threshold	<30th percentile	0%

Notwithstanding the foregoing, if the Company's TSR for the Performance Period is negative, then the PSUs Earned, as calculated Company substantially in the above table, shall form of this Section 2.4 for a period not to exceed 100% (the Target Payout Level) the Lock-Up Period.

Section 2.5. Restrictions on Public Sale by Holders of Registrable Securities. To the PSUs, regardless extent requested by the M Underwriter, each Holder of the Company's actual percentile ranking Registrable Securities that participates in the Peer Group. For examp Company TSR for the Performance Period is -14% and (b) Company relative TSR performance is in the 75th percentile the PSUs Earned capped at 100% (the Target Payout Level). an Underwritten Offering will enter into a customary letter agreement with underwriters providing su will not effect any public sale or distribution of Registrable

4. Certification and Issuance Securities during the 60 calendar-day period beginning on the date of Shares. No later than a prospectus or pr supplement filed with the thirtieth business day following the close of the Performance Period (as such Performance Period may be deemed co provided in Section 5 or Section 7), the Committee shall determine, in writing, the extent to which the Performance Criteria have been me amount to be distributed SEC with respect to the pricing of such Underwritten Offering, provided that, notwithstanding the foregoing, (i) the du the foregoing restrictions shall be no longer than the duration of the shortest restriction imposed by the Underwriters on the Company or the directors or any Affiliate of the Company on whom a PSU as provided restriction is imposed and (ii) that the restrictions set forth in this Section 2 if applicable, shall not apply to any Registrable Securities that are included in such Underwritten Offering by such Holder. In addition, this Sec shall not apply to any Holder that is not entitled to participate in such Underwritten Offering because the Registrable Securities held by such Ho be disposed of without restriction pursuant to Rule 144 under the Securities Act (or any successor or similar provision adopted by the SE effect).

Section 2.6. Cooperation by Holders. The Company shall have no obligation to include Registrable Securities of a Holder in the Shelf Registration Statement or in an Underwritten Offering under Article 2 of this Agreeme Selling Holder has failed to timely furnish such information which, in the opinion of counsel to the Company, is reasonably required in orde registration statement or prospectus supplement, as applicable, to comply with the Securities Act.

Section 2.7 Expenses.

(a) Certain Definitions. "Registration Expenses" means all expenses incident to the Company's performance under or compliance with this Agreement to effect the registration of Registrable Securities in a Shelf Re Statement pursuant to Section 2.1 or a Piggyback Registration pursuant to Section 72.2., and the disposition of such securities, including limitation, all registration, filing, securities exchange listing and NYSE fees, all registration, filing, qualification and other fees and expenses of c with securities or blue sky laws, fees of the Financial Industry Regulatory Authority, including, transfer taxes and fees of transfer agents and regi word processing, duplicating and printing expenses, the fees and disbursements of counsel and independent public accountants for the C including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance. Except as c provided in Section 7(a) or Section 7(b) 2.8, the Company shall issue or pay not be responsible for legal fees incurred by Holders in connection exercise of such Holders' rights hereunder. In addition, the Company shall not be responsible for any "Selling Expenses," which means all und fees, discounts and selling commissions and transfer taxes allocable to the Employee sale of the Registrable Securities.

(b) Expenses. The Company will pay all reasonable Registration Expenses in connection with a Shelf Registration Statement or a Piggyback Registration, whether or not any sale is made pursuant to such Shelf Re Statement or Piggyback Registration. Each Selling Holder shall pay all Selling Expenses in connection with any sale of its Registrable S hereunder.

Section 2.8 Indemnification.

(a) By the Company. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless each Selling Holder there directors, officers, employees, agents and managers, and each Person, if any, who controls such Selling Holder within the meaning of the

Securities Act and the Exchange Act, and its directors, officers, employees, agents and managers, against any losses, claims, damages, exp liabilities (including reasonable attorneys' fees and expenses) (collectively, "Losses"), joint or several, to which such Selling Holder or controllin may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether co or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact (in the ca prospectus, in light of the circumstances under which such statement is made) contained in the Shelf Registration Statement or any other re statement contemplated by this Agreement, any preliminary prospectus or final prospectus contained therein, or any free writing prospectu thereto, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a ma required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under w were made) not misleading, and will reimburse each such Selling Holder, its directors and officers and each such controlling Person for any lega expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; provided, how the Company will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement c untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder or such controlling writing expressly for inclusion in the Shelf Registration Statement or such other registration statement, or prospectus supplement, as applicable.

(b) By Each Selling Holder. Each Selling Holder agrees to, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, employees and agents and each Person, if any, who controls the within the meaning of the Securities Act or of the Exchange Act to the same extent as the foregoing indemnity from the Company to the Selling but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclus Shelf Registration Statement or prospectus supplement relating to the Registrable Securities, or any amendment or supplement thereto.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party h notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it to any indemnified party other than under this Section 2.8(c) except to the extent that the indemnifying party is materially prejudiced by such any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactor indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defens the indemnifying party shall not be liable to such indemnified party under this Section 2.8(c) for any legal expenses subsequently incurred indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; however, that, (i) if the indemnifying party has failed to assume the defense and employ counsel or (ii) if the defendants in any such action inc the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable available to the indemnified party that are different from or additional to those available to the indemnifying

party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the in party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such ac the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimburse indemnifying party as incurred. Notwithstanding any other provision of this Agreement, the indemnifying party shall not settle any indemni without the consent of the indemnified party, unless the settlement thereof imposes no liability or obligation on, includes a complete release fro of, and does not contain any admission of wrongdoing by, the indemnified party.

(d) Contribution. If the indemnification provided for in this Section 2.8 is held by a court or government agency of competent jurisdiction to be unavailable to the Company or any Selling Holder or is insufficient to h harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the am or payable by such indemnified party as a result of such Losses in such proportion as is appropriate number to reflect the relative fault of the on the one hand and of such Selling Holder on the other in connection with the statements or omissions which resulted in such Losses, as we other relevant equitable considerations. The relative fault of the Company on the one hand and each Selling Holder on the other shall be dete reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission t material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to inform opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pu this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the considerations referred to in the first sentence of this paragraph. The amount paid by an indemnified party as a result of the Losses referred to i sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in conne investigating or defending any Loss which is the subject of this paragraph. No Person guilty of fraudulent misrepresentation (within the m Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.8 shall be in addition to any other rights to indemnification or contribution which an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.9 Transfer or Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities granted to the Stockholders by the Company under this Article 2 may be transferred or assigne Stockholders only to one or more transferee(s) or assignee(s) of such Registrable Securities who are Permitted Transferees of such Stockho Company shall be given written notice prior to any said transfer or assignment, stating the name and address of each such transferee and ident securities with respect to which such registration rights are being transferred or assigned, and each such transferee shall assume in writing resp for its obligations of such Stockholder under this Agreement.

Section 2.10 Aggregation of Registrable Securities. All Registrable Securities held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights u Agreement.

Section 2.11 Resale of Securities.

With a view to making available to each Holder the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time p Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall use com reasonable efforts to:

(a) make and keep available adequate current public information, as those terms are understood and defined for purposes of S 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Ac Exchange Act from and after the date hereof; and

(c) furnish to the Holder, so long as such Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting require SEC Rule 144; (ii) unless otherwise available electronically at no additional charge via the SEC's EDGAR system or the Company's website, the most recent annual or quarterly report of the Company; and (iii) such other information as may be reasonably requested in availing the Hold rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form S-3.

Section 2.12 Company Obligations Regarding Transfer. The restrictive legend on any Shares covered by this Agreement shall be removed if (i) such shares are sold, distributed or otherwise transferred pursuant to an effective re statement under the Securities Act in accordance with the plan of Common Stock distribution described therein, (ii) such shares may be so applicable Holder free of restrictions without regard to SEC Rule 144(b) (i.e., such Holder is not an Affiliate of the Company, and cash has not Affiliate of the Company for the previous three months, and has satisfied the one-year holding period under SEC Rule 144), or (iii) such shares sold, assigned or otherwise transferred pursuant to SEC Rule 144; provided that with respect to clause (ii) or (iii) above, the applicable H provided all documentation and evidence (which may include an opinion of counsel) as may reasonably be required by the Company or its trans to confirm that the legend may be removed under applicable securities laws (the "Legend Removal Documents"). The Company shall cooperat applicable Holder covered by this Agreement to effect removal of the legend on such shares pursuant to this Section 2.11 as administratively reasonably practicable after delivery of notice from such Holder that the conditions to removal are satisfied (together with an Removal Documents). The Company shall bear all direct costs and expenses associated with the removal of a legend pursuant to this Sec provided that the applicable Holder shall be responsible for all fees and expenses (including of counsel for such Holder) incurred by such Holde

ARTICLE 3

MISCELLANEOUS

Section 3.1 Communications. All notices and demands provided for hereunder shall be in writing and shall be given by registered or certified mail, return receipt requested, e-mail, air courier guaranteeing overnight delivery or delivery to the following addresses:

(a) If to any Stockholder, to the address under such Committee determination, but in no event later than March 15 Stockholder's the signature pages hereto.

(b) If to the Company:

Coterra Energy Inc.
Three Memorial Plaza

800 Gessner Road, Suite 1400
Houston, TX 77024
Attn: Corporate Secretary
Adam M. Vela
Email: corporatesecretary@coterra.com adam.vela@coterra.com with a copy (which shall not constitute notice) to:
Gibson, Dunn & Crutcher LLP
811 Main Street, Suite 3000
Houston, Texas 77002
Attention: Rahul D. Vashi
Tull R. Florey
Hillary H. Holmes
E-mail: rvashi@gibosndunn.com tflorey@gibsondunn.com hholmes@gibsondunn.com

or, if to a transferee of a Stockholder, to the year following, (i) for PSUs that are earned transferee at the end of the Performance Period as scheduled address provided pursuant to Section 2 or that are earned pursuant to Section 7 and payable pursuant to Section 7(b), the year in Performance Period, as originally scheduled pursuant to Section 2, ends; (ii) for PSUs that are earned in connection with the Employee's term employment by reason of death or Disability pursuant to Section 5, the year in which Employee's termination of employment by reason of Disability occurs; and (iii) for PSUs that are earned pursuant to Section 7 and payable pursuant to Section 7(a), the

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Exhibit

year in which the Corporate Event occurs, in each case, provided the Employee has been continuously employed with the Company or o Subsidiaries during the Performance Period or until such time as is required by Section 5 or Section 7, as applicable. Shares of Common shall be issued either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of Employee or depositing such shares for the Employee's benefit with any broker with which the Employee has an account relationship or t Company has engaged to provide such services under the Plan. The Committee has sole and absolute authority and discretion to determ amount to be distributed with respect to PSUs. The determination of the Committee shall be binding and conclusive on the Employee. Notwithstanding anything in this Agreement to the contrary, the Employee shall not be entitled to any Common Stock or cash with respec PSUs unless and until the Committee determines and certifies the extent to which the Performance Criteria have been met. The number of Common Stock issued shall be reduced by the number of shares of Common Stock equal in value to the amount the Company is requ any governmental authority to withhold for tax purposes with respect to the payment of the PSUs.

5. **Termination of Employment** 2.9. Except as otherwise provided in this Section 5 or Section 7, if the Employee's employment with the Cor a Subsidiary is terminated for any reason prior to the completion of the Performance Period, the PSUs shall be immediately forfeited unle otherwise determined by the Administrator. In the case of termination of employment by retirement (as defined in the retirement policy of Company in effect on the Grant Date with respect to Employee, as such retirement policy may be revised but in no event in a manner tha favorable to Employee, or as may be approved by the Administrator (the "Retirement Policy"), if applicable to the Employee All notices an Agreement), the PSUs shall be forfeited or vest and be settled, as applicable, in accordance with the terms of the Retirement Policy. In th the Employee's termination of employment by reason of death or Disability, the Performance Period shall be deemed complete and the Employee communications shall be deemed to have earned the PSUs as calculated in Section 3 above, based on the Company's relative placement in the Peer Group as of the last day of the month in which the death or disability occurred, without any proration by reason of t shortened Performance Period.

6. **Dividend Equivalents**. At the same time that the Company delivers shares of Common Stock pursuant to Section 4, Section 5 or Section applicable, the Company shall also pay to the Employee an amount in cash equal to the dividends that would have been paid on each sh Common Stock underlying the PSUs Earned had such share been outstanding from the Grant Date until the date the ownership of such s Common Stock and cash, if applicable, are delivered to the Employee. The dividend equivalent payment pursuant to this Section 6 shall without interest or earnings and will be subject to the payment of applicable withholding taxes. No dividend equivalent payments will be m respect to PSUs that do not vest pursuant to this Agreement.

7. **Change in Control**. Upon either a Change in Control or the Company's ceasing to have publicly traded Common Stock as a result of a bu combination or other extraordinary transaction (any of the foregoing, including a Change in Control, to be known as a "Corporate Event"), case prior to the completion of the Performance

Period, subject to the Employee remaining continuously employed by the Company or a Subsidiary through such date, the Performance shall be deemed complete immediately prior to the Corporate Event and the Employee shall vest in the PSUs that are outstanding as of s as calculated in Section 3 above based on Company's relative placement in the Peer Group as of the last day of the month prior to the m which the Corporate Event occurred, without any proration by reason of the shortened Performance Period.

Total Shareholder Return at termination of the Performance Period shall be the greater of (i) the result determined under Section 3 abov the result determined under Section 3 above substituting for the Company average stock price for the last month of the Performance Period the consideration per share of such Common Stock received by a shareholder of the Company in connection with the Corporate Event (the "Deeme Value").

a. If (i) the amounts payable hereunder are not subject to Section 409A of the Internal Revenue Code of 1986, as amended and the related regulations and guidance (collectively, "Section 409A") or (ii) the amounts payable hereunder are subject to Section 409A and the Corpor Event also meets the requirements of Section 409A(a)(2)(A)(v), then the shares of Common Stock and cash earned (if any) shall be issu Employee as provided in Section 4, except that if the Company ceases to have publicly traded Common Stock, then, instead of any share Common Stock that would otherwise be issued, there shall instead be paid a single lump-sum payment of cash in the amount equal to th aggregate of the Deemed Share Value for each full and fractional share to which the Employee is entitled.

b. If the amounts payable hereunder are subject to Section 409A and the Corporate Event does not meet the requirements of Section 409A (v), any benefits to which the Employee becomes entitled by operation of this Section 7 shall be payable (i) on the date on which paymen otherwise have been made had the Performance Period ended as originally scheduled pursuant to Section 2 and (ii) in the form of a sing sum payment. Unless the Administrator directs otherwise in advance of the Corporate Event, the payment shall be made in cash and sha an amount equal to the sum of (1) the aggregate of the Deemed Share Value on the date of the Corporate Event for each full and fraction to which the Employee is entitled, plus (2) interest compounded monthly from the date of the Corporate Event to the date of payment at t interest rate set forth in the Wall Street Journal (or, if such publication ceases to exist, a published interest rate from a source approved b Administrator, in its sole discretion), as adjusted from time to time.

8. **Transferability**. The PSUs are not transferable by the Employee, whether voluntarily, involuntarily or by operation of law or otherwise unti time as the ownership of such shares of Common Stock has been transferred to the Employee, except as provided in the Plan. Except as provided in the Plan, if any assignment, pledge, transfer, or other disposition, voluntary or involuntary, of the PSUs shall be made, or if an attachment, execution, garnishment, or lien shall be issued against or placed upon the PSUs, then the Employee's right to the PSUs shal immediately cease and terminate.

9. **Beneficiary Designations**. The Employee shall file with the Corporate Secretary of the Company on such form as may be prescribed by t Company, a designation of one or more beneficiaries and, if desired, one or more contingent beneficiaries (each referred to herein as a

"Beneficiary") to whom shares of Common Stock and cash, if applicable, otherwise due the Employee under the terms of this Agreement distributed in the event of the death of the Employee. The Employee shall have the right to change the Beneficiary or Beneficiaries from t time; provided, however, that any change shall not become effective until received in writing by the Corporate Secretary of the Company such form as may be prescribed by the Company. If any designated Beneficiary survives the Employee but dies after the Employee's dea remaining benefits due such deceased Beneficiary under this Agreement shall be distributed to the personal representative or executor o deceased Beneficiary's estate. If there is no effective Beneficiary designation on file duly given: at the time of the Employee's death, delive hand, if personally delivered; upon actual receipt if sent by certified or registered mail, return receipt requested, or regular mail, if the desi Beneficiary or Beneficiaries have all predeceased such Employee, the payment of any remaining benefits under this Agreement shall be made mailed; upon actual receipt if sent via e-mail; and upon actual receipt when delivered to the personal representative or executor of t Employee's estate. If one or more but not all of the Beneficiaries have predeceased such Employee, the benefits under this Agreement s paid according to the Employee's instructions in his or her designation of Beneficiaries. If the Employee has not given instructions, or if th instructions are not clear, the benefits under this Agreement which would have been paid to the deceased Beneficiary or Beneficiaries wil to the personal representative or executor of Employee's estate. an air courier guaranteeing overnight delivery.

10. Assignment Section 3.2 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the heirs, legatees, distributees, executors and administrators of the Employee and the successors and assigns of the Compa event shall PSUs granted hereunder be voluntarily or involuntarily sold, pledged, assigned or transferred by the Employee other than by will or of descent and distribution or pursuant to a qualified domestic relations order in accordance with the terms each of the Plan.

parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

11. Restrictions on Delivery Section 3.3 Assignment of Shares Rights. The Company shall not be obligated to issue or deliver any s Common Stock if counsel to the Company determines that such issuance or delivery would violate any applicable law All or any rule or r of any governmental authority or any rule or regulation of, or agreement portion of the Company with, any securities exchange or associa which the Common Stock is listed or quoted. If necessary to comply with any such law, rule, regulation or agreement, the Company s event be obligated to take any affirmative action in order to cause the delivery rights and obligations of shares of Common Stock.

12. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without giving effect to conflict of law rules or principles. Any action or proceeding seeking to enforce any provision of or based on any right arising out of Stockholders under this Agree may be brought against transferred or assigned by the Employee or the Company Stockholders only in accordance with Section 2.9. Section 3.4 Recapitalization (Exchanges, etc. Affecting the courts Common Stock). The provisions of the State of Delaware or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware Employee and the Company consent this Agreement shall apply to the jurisdiction of such courts (and of the appropriate appellate courts) in a or proceeding and waives any objection to venue laid herein.

Exhibit

13. Rights as a Stockholder. The Employee (or Beneficiary) shall have no rights of a stockholder full extent set forth herein with respect to t and all shares of Common Stock potentially deliverable pursuant to this Agreement unless and until such time as the ownership of such s Common Stock has been transferred to the Employee.

14. Adjustments. As provided in Section 8.1 (Adjustments) of the Plan, certain adjustments may be made to the PSUs upon the occurrence events or circumstances described in Section 8.1 of the Plan.

15. Controlling Agreement. This Agreement shall supersede and control over any other agreement between the Company and the Employ whether entered previously or entered subsequent to the date hereof, related to the PSUs awarded hereunder; *provided*, *however*, that th Agreement shall be read together with any Retirement Policy, if applicable, subject to Section 19 and, *provided*, *further*, that, if the Emplo party to an employment, severance, change in control or similar agreement or arrangement with the Company and such agreement conta terms applicable to equity awards of the type granted by this Agreement (or any other Company equity awards held by Employee) that ar favorable to the Employee than the terms set forth in this Agreement, such more favorable terms shall control, regardless of when such agreement or arrangement is entered into. In the event there is a conflict between the terms of the Plan and this Agreement, the terms of shall control. The decisions of the Board or the Administrator with respect to questions arising as to the interpretation of the Plan, or this Agreement and as to finding of fact, shall be final, conclusive and binding.

16. Notice. Unless the Company notifies the Employee in writing of a different procedure, any notice or other communication to the Compan respect to this Agreement shall be in writing and shall be:

a. delivered personally to the following address:

Coterra Energy Inc.
c/o Corporate Secretary
840 Gessner Rd., Suite 1400
Houston, Texas 77024

or b. sent by first class mail, postage prepaid and addressed as follows:

Coterra Energy Inc.
c/o Corporate Secretary
840 Gessner Rd., Suite 1400
Houston, Texas 77024

Any notice or other communication to the Employee with respect to this Agreement shall be in writing and shall be delivered personally, or shall by first class mail, postage prepaid, to Employee's address as listed in the records of the Company on the Grant Date, unless the Company has written notification from the Employee of a change of address.

Exhibit

17. Amendment. Without the consent of the Employee, this Agreement may be amended or supplemented (a) to cure any ambiguity or to co supplement any provision herein which may be defective or inconsistent with any other provision herein, or (b) to add to the covenants ar agreements of the Company for the benefit of Employee or to add to the rights of the Employee or to surrender any right or power reserve conferred upon the Company in this Agreement, subject, however, to any required approval of the Company's stockholders and, provided case, that such changes or corrections shall not adversely affect the rights of Employee with respect to the Award evidenced hereby with Employee's consent, or (c) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including a applicable federal or state securities laws.

18. Employment at Will; No Future Awards. This Agreement is not an employment agreement and shall not confer upon the Employee an continuation of employment by the Company. Nothing contained in this Agreement, and no action capital stock of the Company or any su or assign of the Administrator with Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in resp hereto, of, in exchange for or in substitution of, the Registrable Securities, and shall be construed as creating appropriately adjusted for combinations, recapitalizations and the like occurring after the date of this Agreement.
Section 3.5 Enforcement. The parties hereto agree that irreparable damage would occur in the event that any employment relationship other than one at will nor shall this Agreement interfere in any way with of the Company terminate Employee's employment at any time. This grant of PSUs is a voluntary, discretionary award being made on a one-time basis and it constitute a commitment to make any future awards.

19. Section 409A. The PSUs granted under this Agreement are intended to comply with or be exempt from Section 409A, and ambiguous p of this Agreement if any, were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the shall be construed and interpreted in a manner consistent with such intent. This Agreement shall not be amended in a manner that would this Agreement entitled to specific performance of the terms hereof, including an injunction or any amounts payable under this Agreement injunctions to fail to comply with the requirements of Section 409A, to the extent applicable, and, further, the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Agreement. If any provision prevent breaches of this Agreement would result in and to enforce specifically the imposition of an additional under Section 409A, that provision will be reformed to avoid imposition of the additional tax. Any PSUs that are deferred compensation su Section 409A terms and that settle on account of termination of employment shall be settled only once a "separation from service" within t meaning of Treasury Regulation § 1.409A-1(h) has occurred. If the Employee is a "specified employee" as defined in Section 409A on the which the Employee has a "separation from service" (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), a PSUs settled on account of a separation from service that are deferred compensation subject to Section 409A shall be paid or settled on earliest of (1) the fifteenth business day following the expiration of six months from the Employee's separation from service, (2) the date o Employee's death, or (3) such earlier date as complies with the requirements of Section 409A. For purposes of Section 409A, each paym under this Agreement shall be deemed to be a separate payment.

20. Construction. References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include (a copy of which has been made available to Employee) and any Exhibits and Schedules that may be appended hereto. The headings of Sections provisions of this Agreement have been included for convenience of

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Exhibit

reference only, are not in any Texas state or federal court sitting in Harris County, Texas (or, if such court lacks subject matter jurisdiction, appropriate Texas state or federal court), this being in addition to be considered a part hereof and shall any other remedy to which such p entitled at law or in no way modify or restrict any equity. Each of the terms or provisions hereof. parties hereby further waives (a) any defe any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security as a prerequisite to obtaining equitable relief.

21. Section 3.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument, but all of which such counterparts together shall constitute but one agreement. Any party's deliv executed counterpart signature page by email is as effective as executing and delivering this Agreement in the presence of the other parties. shall be bound until such time as all of the parties have executed counterparts of this Agreement. .pdf or other electronic transmission of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.

Section 3.7 Governing Law, Submission to Jurisdiction. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and cor accordance with, the internal laws of the State of Texas, without regard to the laws of any other jurisdiction that might be applied because of the of laws principles of the State of Texas. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relatin Agreement brought by any party or its successors or assigns against the other party shall be brought and determined any Texas state or fed sitting in Harris County, Texas (or, if such court lacks subject matter jurisdiction, in any appropriate Texas state or federal court), and each of th hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and uncon with regard to any such action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of th agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Texas, other than actions in an competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Texas as described herein. Each of the parti agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such s insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, cou or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any objecti now or hereafter have to the laying of venue of any such action, suit, or proceeding in any of the aforesaid courts, (ii) any claim it may now or have that any such action, suit, or proceeding has been brought in an inconvenient forum and (iii) the right to object, in connection with such ac or proceeding, that any such court does not have any jurisdiction over such party.

Section 3.8 Waiver of Jury Trial. EACH PARTY HERETO WAIVES, TO THE

FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, S PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

Section 3.9 Severability of Provisions. Whenever possible, each provision or portion

of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdict invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had ne contained herein.

Section 3.10 Entire Agreement. This Agreement and the Purchase Agreement

constitute the entire agreement, and supersede all prior written agreements, arrangements, communications and understandings and all contemporaneous oral agreements, arrangements, communications and understandings between the parties with respect to the subject matt and thereof.

Section 3.11 Amendment. This Agreement may not be amended, modified or

supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an am hereto, signed on behalf of the Company and a majority of Holders.

Section 3.12 No Presumption Against the Drafting Party. Each of the Company and the

Stockholders acknowledges that each party to this Agreement has been represented by legal counsel in connection with this Agreement transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the drafting party has no application and is expressly waived.

Section 3.13 Interpretation. When a reference is made in this Agreement to a Section or Article such reference shall be to a Section or this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for convenience or reference only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to b gender or number as the circumstances require. The word “including” and words of similar import when used in this Agreement will mean “i without limitation,” unless otherwise specified. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Ag shall refer to the Agreement as a whole and not to any particular provision in this Agreement. The term “or” is not exclusive. The word “will” construed to have the same instrument. meaning and effect as the word “shall.” References to days mean calendar days unless otherwise sp any period of days referred to in this Agreement shall end on a day that is not a Business Day, then the expiration of such period shall be auto extended until the end of the first succeeding Business Day.

[*Signature page follows.*]

[signature page follows]

IN WITNESS WHEREOF, the parties hereto cause have executed and delivered this Performance Stock Unit Award Agreement to be executed date hereof. first above written.

COTERRA ENERGY INC.

By:
Name: _/s/ SHANNON E. YOUNG III _______

Name: Shannon E. Young III
Title: Executive Vice President and Chief

Employee:

By:
#Participant Name#

EXHIBIT A PEER GROUP[1]

[Antero Resources (AR)
APA Corporation (APA)
Chesapeake Energy Corporation (CHK)
Devon Energy Corporation (DVN)
Diamondback Energy, Inc. (FANG)
EOG Resources, Inc. (EOG)
EQT Corporation (EQT)
Hess Corporation (HES)
Marathon Oil Corporation (MRO)
Occidental Petroleum Corporation (OXY)
Ovintiv Inc. (OVV)
Pioneer Natural Resources Company (PXD)
S&P 500 Industrials (SP500-20)
SPDR S&P Oil & Gas Exploration & Production ETF (XOP)]

Financial Officer

[Signature Page to Registration Rights Agreement]

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[1] By: NOTE _/s/ AUDREY ROBERTSON ______
Name: Audrey Robertson

[Signature Page to Registration Rights Agreement]

By: _/s/ BEN KESSEL ______
Name: Ben Kessel

[Signature Page to Registration Rights Agreement]

By: _/s/ BLAKE PICKETT ______
Name: Blake Pickett

[Signature Page to Registration Rights Agreement]

By: _/s/ BRANDON WHITE _____
Name: Brandon White

[Signature Page to Registration Rights Agreement]

By: _/s/ CLAY TREADAWAY _____
Name: Clay Treadaway

[Signature Page to Registration Rights Agreement]

By: _/s/ COREY MCCOY _____
Name: Cory McCoy

[Signature Page to Registration Rights Agreement]

By: _/s/ CRAIG WALTERS _____
Name: Craig Walters

[Signature Page to Registration Rights Agreement]

By: _/s/ DAVID RAMSDEN-WOOD __
Name: David Ramsden-Wood

[Signature Page to Registration Rights Agreement]

FRANKLIN MOUNTAIN GP2, LLC

By: _/s/ WILLIAM KELL __
Name: William Kell
Title: Chief Operating Officer

[Signature Page to Registration Rights Agreement]

FRANKLIN MOUNTAIN INVESTMENTS
LIMITED PARTNERSHIP
a Texas limited partnership

By: Franklin Mountain GP, LLC
a Texas limited liability company
Its General Partner

By: _/s/ WILLIAM KELL __
Name: William Kell
Title: Chief Operating Officer

[Signature Page to Registration Rights Agreement]

By: _/s/ JEFF STEVENS __
Name: Jeff Stevens

[Signature Page to Registration Rights Agreement]

By: _/s/ LEE ZINK __
Name: Lee Zink

[Signature Page to Registration Rights Agreement]

By: _/s/ LOWRY BARFIELD __
Name: Lowry Barfield

[Signature Page to Registration Rights Agreement]

By: _/s/ MARK HINAMAN __
Name: Mark Hinaman

[Signature Page to Registration Rights Agreement]

PEPPERTREE LLC

By: _/s/ AUDREY ROBERTSON __
Name: Audrey Robertson

[Signature Page to Registration Rights Agreement]

PREVAIL ENERGY, LLC

By: _/s/ DAVID RAMSDEN-WOOD __
Name: David Ramsden-Wood

[Signature Page to Registration Rights Agreement]

By: _/s/ RACHAEL OVERBEY __
Name: Rachael Overbey

[Signature Page to Registration Rights Agreement]

RHEINER HOLDINGS, LLC

By: _/s/ BRANDON WHITE __
Name: Brandon White

[Signature Page to Registration Rights Agreement]

By: _/s/ RYAN LAKE __
Name: Ryan Lake

[Signature Page to Registration Rights Agreement]

By: _/s/ SCOTT WEAVER __
Name: Scott Weaver

[Signature Page to Registration Rights Agreement]

By: _/s/ SHELLY ALBRECHT __
Name: Shelly Albrecht

[Signature Page to Registration Rights Agreement]

SMOKESALT CAPITAL, LLC

By: _/s/ JEFFREY BEYERSDORFER __

Name: Jeffrey Beyersdorfer

[Signature Page to Registration Rights Agreement]

SONORAN BAYOU CAPITAL, LLC

By: _/s/ JEFFREY BEYERSDORFER __

Name: Jeffrey Beyersdorfer

[Signature Page to Registration Rights Agreement]

TGMD ARIZONA, LLC

By: _/s/ LOWRY BARFIELD __

Name: Lowry Barfield

[Signature Page to Registration Rights Agreement]

THE GR DALKE FAMILY TRUST

By: _/s/ GARY DALKE __
Name: Gary Dalke

[Signature Page to Registration Rights Agreement]

THE STEVENS FAMILY REVOCABLE TRUST

By: _/s/ SCOTT STEVENS __
Name: Scott Stevens

[Signature Page to Registration Rights Agreement]

By: _/s/ TRAVIS HUTCHINSON __
Name: Travis Hutchinson

[Signature Page to Registration Rights Agreement]

By: _/s/ VLADIMIR ROUDAKOV __

Name: Vladimir Roudakov

[Signature Page to Registration Rights Agreement]

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COTERRA ENERGY INC.

INSIDER TRADING POLICY AND PROCEDURES

(APPROVED OCTOBER 30, 2024)

I. General Policy:

The United States securities laws prohibit persons from trading on material information that has not been made public. No director, officer or em (nor anyone acting on such person's behalf) who is aware of material information relating to Coterra Energy Inc. (the "Company" or "Coterra") or company with which the Company has a business relationship, that has not been made generally available to the public, may sell or purchase s the stock or other securities (or puts, calls or similar options to buy or sell stock or other securities) of Coterra or of such other company with wh Company has a business relationship.

In addition, to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to Coterra, it is Coterra's s not to engage in transactions in Company Securities (as defined below) in violation of such laws, rules and regulations.

1. Material Information. Material information about a company is any information that a reasonable investor would be likely to consider important in c whether to buy, sell, hold or otherwise trade in securities of that company. Information may be important for this purpose even if it would not alone det the investor's decision. A director, officer or employee should assume that any information, positive or negative, that might be of significance to an inv determining whether to purchase, sell or hold Coterra's common stock would be material. Examples of some types of information that often may be m are:

a. financial results;

b. financial forecasts;

c. changes in dividends or stock repurchases;

d. proposals, plans or agreements, even if preliminary in nature, regarding a merger, acquisition, business combination, tender o venture, other purchase and sale of or investment in other companies, and purchase or sale of assets;

e. successful or unsuccessful exploratory oil or gas wells;

f. significant write-downs in assets or changes in reserves;

g. obtaining or losing important contracts;

h. important production developments;

i. major financing developments;

j. major personnel changes;

E

k. major litigation developments;

l. environmental issues;

m. governmental or regulatory actions;

n. significant cybersecurity incidents or data breaches; and o. major changes in business direction.

2. Public Information. Information is considered to be non-public unless it has been disclosed to the general public. Examples of effective disclosure public filings with the Securities and Exchange Commission ("SEC"), issuance of Company press releases on any major wire service and, in certain c earnings calls with analysts and the public. The information must be publicly disclosed, and there must be adequate time for the information to be diss to, and digested by, the public market as a whole. The Company's policy is that information that has been available until the opening of the market on second business day after the information was publicly disclosed may generally be considered adequately disseminated and, therefore, "public" inforr certain circumstances, the necessary time period may vary depending on the information and other market factors.

II. Specific Policies & Procedures:

In order to support compliance with the general policy described in Article I above, the Company has adopted the following specific policies and procedures (together with the general policy described in Article I above, this "Policy"):

Peer Group 1. Individual Responsibility. Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information the Company and to not engage in transactions in Company Securities or Derivative Securities (as defined below) while in possession of material nor information. Each individual is responsible for complying with this Policy and for making sure that any Family Member (as defined below) or entity whc transactions are subject to this Policy, as discussed below, also comply with this Policy. In all cases, the responsibility for determining whether an indiv possession of material non-public information rests with that individual. Any action on the part of the Company, the General Counsel, the Corporate S or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liabili applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Po applicable securities laws, as described in more detail in paragraph 8 below.

2. Covered Persons. If any director, officer or employee possesses material non-public information concerning the Company, then neither that perso that person's spouse, children, step-children, or grandchildren, parents, step-parents, grandparents, siblings, in-laws, any other adult living in the sam household as such person, or any other person whose trading activities are directed by, or are subject to the influence and control of, the subject direc officer or employee (such persons, "Family Members"), may buy or sell Company Securities or Derivative Securities, or pass on such information to a person. The subject director, officer or employee is responsible for the transactions of any Family Member and, therefore, should make them aware of to comply with this Policy. Transactions by Family Members will be treated as transactions of the responsible director, officer or employee.

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3. Covered Transactions. Except as set forth in paragraph 4 below, this Policy applies to all transactions in Company Securities, including the Comp common stock, options to purchase common stock, or any other type of security the Company may issue, including preferred stock, convertible deriva warrants, notes, bonds and any other debt or equity securities (referred to in this Policy as "Company Securities"), as well as derivative securities that issued by the Company, including any exchange-traded, over-the-counter or bespoke put or call options or swaps relating to the Company's Securitie ("Derivative Securities").

4. Permitted Transactions. The following transactions are permitted by this Policy without further pre-approval:

a. grants of restricted stock, restricted stock units, stock options, stock appreciation rights, performance stock units or common s ("Equity Awards") issued pursuant to a Company benefit plan ("Plan"), the cancellation or forfeiture of Equity Awards pursuant to a and the vesting of Equity Awards pursuant to a Plan;

b. exercise of tax withholding rights with respect to restricted stock, restricted stock units or performance stock units pursuant to which such elects to have the Company withhold shares of the Company's common stock to satisfy tax withholding requirements upon vesting, *provided* exemption does not cover market sales of the Company's common stock;

c. exercise of stock options that have been granted by the Company, including any net exercise of an option pursuant to which the option ho elected to have the Company withhold shares of Coterra common stock to satisfy tax withholding requirements or the exercise price of the opt *provided* that this does not include broker-assisted cashless exercises or market sales of the purchased shares;

d. execution of trades in Company Securities pursuant to an approved 10b5-1 Plan (as defined below);

e. bona fide gifts (including charitable donations) of Company Securities, unless (i) the person making the gift is an Insider (as de below) or (ii) the person making the gift is otherwise subject to the blackout period and a sale of the Company Securities by the rec will occur during a blackout period; and f. transactions in Company Securities by the Company that are otherwise permitted unde applicable securities law.

5. Prohibited Trading in Other Securities. No director, officer, employee or agent thereof shall place a purchase or sale order, or recommend that an person place a purchase or sale order, in the securities (or related derivative securities, such as put or call options) of another company with which (i) Company does business, such as the Company's vendors, customers and suppliers, or (ii) the Company may be negotiating major transactions, such acquisition, investment or sale if the director, officer, employee or agent thereof learns in the course of his or her position or employment by the Comp public information about the other company that is likely to affect the value of those securities, including any derivative securities. For example, it wou violation of this Policy and the law if an employee learned through the course of their employment that the Company intended to purchase assets fron company, and

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then bought or sold stock in that other company (or puts or calls on such company's securities) because of the likely increase or decrease value of its securities.

6. Speculation. The Company prohibits all non-Insider employees from engaging in Speculative Transactions (as defined below) without prior appro the Company. Any non-Insider employee wishing to enter into such transactions must first submit the proposed transaction for approval by the Corpor Secretary at least two weeks prior to the proposed effective date of the transaction. Such request for approval must set forth the material terms of, and justification for entering into, the proposed transaction.

7. Further Restrictions for Insiders. Because of their access to confidential information on a regular basis, directors, officers and certain designated employees (including such persons' Family Members, "Insiders") are subject to additional restrictions on trading in Company Securities under this Pol Insiders subject to this restriction shall include, among others, any director or officer of the Company who is required to file reports pursuant to Sectior ("Section 16 person") of the Exchange Act of 1934, as amended ("Exchange Act"), and their respective administrative assistants, as well as certain ot employees designated by the Corporate Secretary in consultation with the CEO and CFO who have regular access to the Company's internal financia statements and operating results prior to those being released to the public. The Corporate Secretary or designee will maintain the list of Insiders and notify each of them with respect to this designation.

a. *Prohibition on Speculative Trading*. The Company prohibits Insiders from (i) speculative trading in Company Securities (including the use margin account or other pledging of Company Securities as collateral); (ii) engaging in transactions that are designed to, or have the effect of, or otherwise offsetting any decrease in the market value of any Company Securities; (iii) "short selling" Company Securities; and (iv) trading D Securities (such transactions described in subclauses (i) through (iv), collectively, "Speculative Transactions").

b. *Pre-clearance*. Except as set forth in paragraph 4 above, all Insiders must obtain pre-clearance from the Company's Corporate Secretary General Counsel before trading in Company Securities, including the entry into or termination of any 10b5-1 Plan. Each proposed transaction evaluated to determine whether the Insider is in possession of material non-public information at the time of the transaction. Pre-cleared transa must be effected within 10 business days of the date such transaction is pre-cleared unless a written exception is granted. If the transaction is effected within such 10-business day period, the Insider must not trade until he or she has requested and received pre-clearance for the new proposed transaction.

c. *Blackout Periods*. Except as set forth in paragraph 4 above, all orders to purchase or sell Company Securities are subject to the blackout described herein. The blackout period is in addition to the general restrictions on trading applicable to all directors, officers and employees unc Policy. Approval for a trade during the blackout period will be given by the Corporate Secretary or General Counsel only for reasons of excepti personal hardship and only in the event the Insider is not actually in possession of material non-public information.

i. Quarterly blackouts. Insiders may not trade in the Company Securities during a period beginning at the close of the mar the 20th

day of the last month of each fiscal quarter—that is, March 20, June 20, September 20 and December 20—and ending at th
opening of the market on the second business day after the earnings release for that fiscal quarter or year, as the case may
Corporate Secretary or designee will send a reminder notice to Insiders at the beginning of the blackout period, but this Poli
deemed to be in effect on the schedule described above even if no notice is given.

ii. Other blackouts. From time to time, situations may occur where there is information known by management that has the potential to be material when released. In any such situation, at the discretion of the Corporate Secretary in consultation wit CEO and CFO, a blackout period may be imposed to be in effect for so long as such persons deem necessary or appropria maintain confidentiality, at the discretion of the Corporate Secretary in consultation with the CEO and CFO, the existence of blackout period may be announced only to those who are aware of the information giving rise to the blackout. If, however, a designated Insider requests permission to trade in the Company Securities during the blackout period, pursuant to the pre-c requirements of this Policy, the Corporate Secretary or designee will inform the Insider on a confidential basis of the existen blackout period, without disclosing the reason for the blackout. Any director, officer or employee made aware of the existenc blackout period pursuant to this procedure may not disclose the existence of the blackout period to any other person. When blackout period has concluded, the Corporate Secretary or designee will notify any director, officer or employee previously i of the blackout period.

d. *10b5-1 Plans*. Any Insider who intends to enter into a trading plan under Rule 10b5-1 under the Exchange Act (a “10b5-1 Plan”) must sub plan to the Corporate Secretary for review prior to implementation of such plan. Notwithstanding anything else in this Policy, trading in Compa Securities pursuant to such a plan will be permitted (even during blackout periods), *provided* such trading plan: (1) has been implemented in compliance with applicable law; (2) has been reviewed and updated approved in writing by the Corporate Secretary prior to each grant. the ind entry into the trading plan; and (3) is adopted outside of a blackout period when the individual is not in possession of material, non-public info and is otherwise in compliance with this Policy. The compliance of any 10b5-1 Plan with applicable SEC rules is the responsibility of the perso adopting such plan. Although the Company has absolute discretion as to whether to approve a proposed 10b5-1 Plan, any such trading plan n the minimum, meet the following conditions:

i. contain clear and specific trading instructions that do not permit the person adopting such trading plan to exercise any p adoption influence over how, when or whether such trading plan’s future transactions are implemented;

ii. be entered into or adopted in good faith by the plan participant, and not as part of a plan or scheme to evade the prohib Section 10(b) of the Exchange Act and Rule 10b5-1 under the Exchange Act, at a time when the Insider was not in possess material non-public information about the Company or Company Securities (and, with respect

to any Section 16 person, a written representation to this effect must be made);

iii. have a minimum duration of one year; and iv. no transactions shall occur under such trading plan until the expiration waiting period consisting of:

- with respect to any Section 16 person, the later of (a) 90 days after the adoption of such plan or (b) two business days fo the disclosure of the Company’s financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which trading plan was adopted (but, in any event, subject to a maximum of 120 days after the adoption of such trading plan);
- with respect to any Insider who is not a Section 16 person, 30 days after the adoption of such trading plan.

Modifications of or amendments to a 10b5-1 Plan, including, but not limited to, the trading formula or instructions, are subject to the requirements set forth above, as if such modification or amendment were the of a new 10b5-1 Plan. A participant in a 10b5-1 Plan should not engage in any trading relating to Company Securities outside such trading plan while such trading plan is effect. Participants in 10b5-1 Plans should consult with relevant personnel at the Company prior to terminating any such trading plan.

8. Consequences of Violations. The purchase or sale of securities while aware of material non-public information, or the disclosure of material non-public in to others who then trade in the Company Securities, is prohibited by the federal and state laws. Insider trading violations are pursued vigorously by the SEC, Attorneys and state enforcement authorities as well as the laws of foreign jurisdictions. Punishment for insider trading violations can be severe and could incl significant fines and imprisonment. While the regulatory authorities concentrate their efforts on the individuals who trade or who tip inside information to other trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent in trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissa cause, whether or not the employee's failure to comply results in a violation of law. Needless to say, a violation of law, or even an investigation t not result in prosecution, can tarnish a person's reputation and irreparably damage a career, as well as being negative publicly for the Company

9. Company Assistance: Any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance fro Corporate Secretary, who can be reached by telephone at 281-589-4600 or by e-mail at corporatesecretary@coterra.com.

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SUBSIDIARIES OF COTERRA ENERGY INC.

Coterra Energy Operating Co (formerly Cimarex Energy Co.
Cimarex Energy of Colorado
Cimarex Gas Gathering, Inc.
Cimarex Resolute LLC
Cody Energy LLC
GasSearch Drilling Services Corporation
Key Production Company, Inc.)
Magnum Hunter Production, Inc.
Oklahoma Gas Processing, Inc.
Prize Energy Resources Inc.
Resolute Natural Resources Company, LLC
Resolute Natural Resources Southwest, LLC

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-260231 333-282949 and 333-264652) 333-282950) and Form S-8 (File Nos. 333-195642, 333-260035, 333-260230 and 333-271681) of Coterra Energy Inc. of our report date February 23, 2024 February 25, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 23, 2024 25, 2025

Ex

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

February 23, 2024 25, 2025

Coterra Energy Inc.
Three Memorial City Plaza
840 Gessner Road, Suite 1400
Houston, Texas 77024

Ladies and Gentlemen:

We hereby consent to the references to DeGolyer and MacNaughton and to our independent evaluation of the proved oil, condensate, na liquids, and gas reserves, as of December 31, 2023 December 31, 2024, 2023 and 2022, estimated by Coterra Energy Inc. ("Coterra") t presented in our report reports of third party dated February 3, 2025, January 26, 2024 and January 26, 2023 ("Letter Report" Reports"), u headings "Reserves," "Internal Control," "Qualifications of Third Party Engineers," "Critical Accounting Estimates," and "Supplemental Oil Information (Unaudited) Oil and Gas Reserves" and to the filing of our Letter Report Reports as an exhibit exhibits in the Annual Report on Forr Coterra for the fiscal year ended December 31, 2023 December 31, 2024.

We further consent to the incorporation by reference of our Letter Report Reports in the Registration Statement on Form S-3 (File N 260231 333-282949 and 333-264652) 333-282950) and Form S-8 (File Nos. 333-195642, 333-260035, 333-260230, and 333-271681) o ("Registration Statements") and to the use of the name DeGolyer and MacNaughton under the heading "Experts" in the Registration Statements

Very truly yours,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON Texas Registered Engineering Firm F-716

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I, Thomas E. Jorden, certify that:

1. I have reviewed this annual report on Form 10-K of Coterra Energy Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered I report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material re the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as de
Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d
for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others v those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed unde supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for extern purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions abo effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) di in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registr internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial repo the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, wh not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: February 23, 2024 February 25, 2025

/s/ THOMAS E. JORDEN

Thomas E. Jorden
Chairman, Chief Executive Officer and President

Ex

I, Shannon E. Young III, certify that:

1. I have reviewed this annual report on Form 10-K of Coterra Energy Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered l report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material re the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as de Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others v those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed unde supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for extern purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions abo effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) di in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registr internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial repo the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, wh not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: February 23, 2024 February 25, 2025

/s/ SHANNON E. YOUNG III

Shannon E. Young III
Executive Vice President and Chief Financial Officer

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Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States each of the undersigned, Thomas E. Jorden, Chief Executive Officer of Coterra Energy Inc., a Delaware corporation (the "Company"), and Shar Young III, Chief Financial Officer of the Company, hereby certify that, to his knowledge:

(1) the Company's Annual Report on Form 10-K for the year ended December 31, 2023 December 31, 2024 (the "Report") fully compli the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of th Company.

Dated: February 23, 2024 25, 2025

/s/ THOMAS E. JORDEN

Thomas E. Jorden
Chief Executive Officer

/s/ SHANNON E. YOUNG III

Shannon E. Young III
Chief Financial Officer

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POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Adopted November 3, 2023

1. Purpose. The purpose of this Policy is to describe circumstances in which the Company will recover Erroneously Awarded Compensation and the pro such recovery. This Policy is intended to comply with (a) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as

in Section 10D of the Exchange Act, and implemented by Rule 10D-1 thereunder adopted by the Commission and (b) Section 303A.14 of the Listed Company Manual of the NYSE.

2. Administration. This Policy shall be administered by the Compensation Committee. Any determinations made by the Compensation Committee shall b and binding on all affected individuals.

3. Definitions. For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

   a. "***Audit Committee***" means the Audit Committee of the Board.

   b. "***Board***" means the Board of Directors of the Company.

   c. "***Commission***" means the Securities and Exchange Commission.

   d. "***Company***" means Coterra Energy Inc.

   e. "***Compensation Committee***" means the Compensation Committee of the Board.

   f. "***Compensation Eligible for Recovery***" means Incentive-based Compensation received by an individual:

      i. after beginning service as an Executive Officer,

      ii. who served as an Executive Officer at any time during the performance period for the applicable Incentive-based Compensation (regar whether such individual is serving as an Executive Officer at the time the Erroneously Awarded Compensation is required to be repaid Company),

      iii. while the Company had a class of securities listed on a national securities exchange or a national securities association,

      iv. during the applicable Recovery Period, and

      v. after the Effective Date.

   g. "***Effective Date***" means October 2, 2023.

   h. "***Erroneously Awarded Compensation***" means the Compensation Eligible for Recovery less the amount of such compensation as it woulc been determined based on the restated amounts, computed without regard to any taxes paid.

   i. "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

   j. "***Executive Officer***" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting of controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration or finance), any other officer who performs a significant policy-making func and any other person who performs similar policy-making functions for the Company. For purposes of this Policy, Executive Office include, at a minimum, executive officers identified pursuant to 17 C.F.R. 229.401(b).

   k. "***Financial Reporting Measure***" means measures that are determined and presented in accordance with the accounting principles used in p the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total sharehold are considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the fir statements or included in a filing with the Commission.

   l. "***Incentive-based Compensation***" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment c Financial Reporting Measure.

   m. "***NYSE***" means the New York Stock Exchange LLC.

   n. "***Policy***" means this Policy for the Recovery of Erroneously Awarded Compensation, as the same may be amended or amended and restated f to time.

   o. "***Recovery Period***" means the three completed fiscal years immediately preceding the Restatement Date, and if the Company changes its fis any transition period of less than nine months within or immediately following those three completed fiscal years.

   p. "***Restatement***" means an accounting restatement:

      i. due to material noncompliance of the Company with any financial reporting requirement under the securities laws, including required accounting restatement to correct an error in previously issued financial statements that is material to the previous financial statements, or

ii. that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

q. “***Restatement Date***” means the earlier of:

i. the date the Audit Committee concludes, or reasonably should have concluded, that the Company is required to prepare a Restatemer

ii. the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

4. Recovery of Erroneously Awarded Compensation.

a. The Chief Financial Officer or Chief Accounting Officer of the Company shall promptly report to the Audit Committee any instance in which the is required to prepare a Restatement.

b. Upon learning of a required Restatement, the Audit Committee shall determine the Restatement Date and shall promptly report to the Comper Committee such determination.

c. The Chief Accounting Officer (or another appropriate officer or third party designated by the Compensation Committee) shall promptly (but in a within ninety (90) days following the Restatement) calculate the Erroneously

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Awarded Compensation for each affected individual, which calculation shall be subject to Compensation Committee approval. For purposes of calculating Erroneously Awarded Compensation:

i. Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation o after the end of that period.

ii. Incentive-based Compensation based on (or derived from) stock price or total shareholder return, where the amount of Erroneously Aw Compensation is not subject to mathematical recalculation directly from the information in a Restatement, shall be based on a reasona estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation v received. The Company shall maintain documentation of the determination of such reasonable estimate and provide such documentation to the NYSE.

d. Promptly following the Compensation Committee’s approval of the Erroneously Awarded Compensation calculated by the Chief Accounting Of another appropriate officer or third party designated by the Compensation Committee), the Company shall notify in writing each individual who Erroneously Awarded Compensation of the amount of Erroneously Awarded Compensation received by such individual and shall demand pay return, as applicable, of such Erroneously Award Compensation.

e. The Company shall demand recovery and recover Erroneously Awarded Compensation in compliance with this Policy except to the extent tha Compensation Committee determines that recovery would be impracticable, and one of the following conditions applies:

i. After having made a reasonable attempt to recover such Erroneously Awarded Compensation, the direct expense paid to a third party in enforcing this Policy would exceed the amount to be recovered. The Company will document such reasonable attempt(s) to rec and provide that documentation to the NYSE.

ii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

f. Except as provided in Section 4.e, in no event may the Company accept repayment from the affected individual of less than the full amount of Erroneously Awarded Compensation received by such individual.

g. The Compensation Committee shall determine, in its sole discretion, the method of recovering any Erroneously Awarded Compensation pursu Policy, taking into account all facts and circumstances (including the time value of money and the cost to shareholders of delayed recovery), so such method complies with the terms of Section 303A.14 of the NYSE Listing Standards. If the Compensation Committee determines that an appropriate

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method of recovery is one other than the prompt repayment by the affected individual in cash or property, the Company may offer t into a repayment agreement with the affected individual (in a form and with terms reasonably acceptable to the Compensation Cor

h. If the affected individual fails to repay to the Company when due the full amount of the Erroneously Awarded Compensation received by such a individual, subject to Section 4.e, the Company shall take all actions reasonable and appropriate to recover the full amount of the Erroneously Compensation from the affected individual.

5. Disclosure. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the securities laws, including the d required by the applicable Commission filings.
6. No Indemnification. The Company shall not indemnify any current or former Executive Officer against the loss of Erroneously Awarded Compensation shall not pay, or reimburse any current or former Executive Officers for premiums for any insurance policy to fund such Executive Officer's potential re obligations.
7. Effective Date. This Policy shall be effective as of the Effective Date.
8. Amendment and Interpretation. The Compensation Committee may amend this Policy from time to time in its discretion and shall amend this Policy as necessary or advisable to reflect the regulations adopted by the Commission and to comply with any rules or standards adopted by the NYSE. The Compensation Committee may at any time in its sole discretion, supplement, amend or terminate any provision of this Policy in any respect as the Compensation Committee determines to be necessary or appropriate. The Compensation Committee shall interpret and construe this Policy and mak determinations necessary or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent w requirements of Section 10D of the Exchange Act and Rule 10D-1 promulgated thereunder, Section 303A.14 of the NYSE Listed Company Manual, a other applicable rules adopted by the Commission.
9. Other Recoupment Rights. The Compensation Committee intends that this Policy will be applied to the fullest extent of the law. The Compensation Co may require that any employment agreement, equity award agreement or similar agreement entered into on or after the Effective Date shall, as a con the grant of any benefit thereunder, require the party thereto to agree to abide by the terms of this Policy or implement arrangements designed to facil administration hereof. Although not a prerequisite to enforcement of this Policy, each Executive Officer shall be required to sign and return t Company the Acknowledgment Form attached hereto as Exhibit A pursuant to which such Executive Officer agrees to be bound by the te comply with this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery be available to the Company pursuant to the terms of any employment agreement, equity award agreement, or similar agreement and an legal remedies available to the Company.
10. Successors. This Policy shall be binding and enforceable against all current and former Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

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Exhibit A

POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

ACKNOWLEDGEMENT FORM

By my signature below, I acknowledge and confirm that:

a. I have received and reviewed a copy of the Coterra Energy Inc. Policy for the Recovery of Erroneously Awarded Compensation (the "***Policy***");
b. I am and will continue to be subject to the Policy and that the Policy will apply both during and after my employment with the Company;
c. I will abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to th Company to the extent required by, and in a manner permitted by, the Policy; and
d. any recovery affected under the Policy shall not constitute grounds to terminate my employment for "Good Reason" (or any term of similar meaning) u employment or compensation arrangements, agreements, plans or programs.

Capitalized terms used but not otherwise defined in this Acknowledgement Form shall have the meanings ascribed to such terms in the Policy.

Signed

Name (Printed)

Date

EXH

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244 Texas75244

January 26, 2024

February 3, 2025

Coterra Energy Inc.
Three Memorial City Plaza
840 Gessner Road
Suite 1400
Houston, Texas 77024

Ladies and Gentlemen:

Pursuant to your request, this report of third party presents an independent evaluation, as of December 31, 2023 December 31, 202 estimated net proved oil, condensate, natural gas liquids (NGL), and gas reserves of certain properties in which Coterra Energy Inc. (Cot represented it holds an interest. The properties evaluated herein are primarily located in New Mexico, Oklahoma, Pennsylvania, and Te evaluation was completed on January 26, 2024 February 3, 2025. Coterra has represented that these properties account for greater than 90 p the total future net revenue discounted at 10 percent attributable to the total interests held by Coterra, as well as greater than 91 75 percent equivalent barrel basis of net proved reserves attributable to the interests held by Coterra, as of December 31, 2023 December 31, 2024, and net proved reserves estimates were prepared in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of th States Securities and Exchange Commission (SEC). It is our opinion that the procedures and methodologies employed by Coterra for the prep its proved reserves estimates as of December 31, 2023 December 31, 2024, comply with the current requirements of the SEC. We have information provided to us by Coterra that it represents to be Coterra's estimates of the net reserves, as of December 31, 2023 December 31, the same properties as those which we evaluated. This report was prepared in accordance with guidelines specified in Item 1202(a)(8) of Regu K and is to be used for inclusion in certain SEC filings by Coterra.

Reserves estimates included herein are expressed as net reserves as represented by Coterra. Gross reserves are defined as the total e petroleum remaining to be produced from these properties after December 31, 2023 December 31, 2024. Net reserves are defined as that port gross reserves attributable to the interests held by Coterra after deducting all interests held by others.

Estimates of reserves should be regarded only as estimates that may change as further production history and additional information available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the unc inherent in the application of judgmental factors in interpreting such information.

Information used in the preparation of this report was obtained from Coterra and from public sources. In the preparation of this report relied, without independent verification, upon information furnished by Coterra with respect to the property interests being evaluated, produc such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations of production, and various other information and data that were accepted as represented. A field examination was not considered necessa purposes of this report.

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Definition of Reserves

Petroleum reserves included in this report are classified as proved. Only proved reserves have been evaluated for this report. classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC. Res judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-declin reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices consistent with the effective date of this report, including consideration

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of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petrole reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be esti reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and g regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether d or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geosci engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certa

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an a gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performa and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limite injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a w operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the re certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for developme necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The p be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted a average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, escalations based upon future conditions.

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Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relativ compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by m involving a well.

Undeveloped oil and gas reserves – – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrille or from existing wells where a relatively major expenditure is required for recompletion.

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(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility a distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating tha scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluic or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reser analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable cert

Methodology and Procedures

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and technique in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC and with practices generally recognize petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled “Standards Pertaining to the Estimating and A Oil and Gas Reserves Information (revised June 2019) Approved by the SPE Board on 25 June 2019” and in Monograph 3 and Monograph 4 by the Society of Petroleum Evaluation Engineers. The method or combination of methods used in the analysis of each reservoir was tem experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plans provided by Coterra, and analyses offsetting existing wells with test or production data, reserves were classified as proved.

The proved undeveloped reserves estimates were based on opportunities identified in the plan of development provided by Coterra.

Coterra has represented that its senior management is committed to the development plan provided by Coterra and that Coterra has the capability to execute the development plan, including the drilling and completion of wells and the installation of equipment and facilities.

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For the evaluation of unconventional reservoirs, a performance-based methodology integrating the appropriate geology and p engineering data was utilized for this report. Performance-based methodology primarily includes (1) production diagnostics, (2) decline-curve and (3) model-based analysis (if necessary, based on availability of data). Production diagnostics include data quality control, identificatio regimes, and characteristic well performance behavior. These analyses were performed for all well groupings (or type-curve areas).

Characteristic rate-decline profiles from diagnostic interpretation were translated to modified hyperbolic rate profiles, including one or m exponent values followed by an exponential decline. Based on the availability of data, model-based analysis may be integrated to evaluate l decline behavior, the effect of dynamic reservoir and fracture parameters on well performance, and complex situations sourced by the unconventional reservoirs.

In the evaluation of undeveloped reserves, type-well analysis was performed using well data from analogous reservoirs for which more historical performance data were available.

In certain cases, reserves were estimated by incorporating elements of analogy with similar wells or reservoirs for which more complete d available.

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Data provided by Coterra from wells drilled through December 31, 2023 December 31, 2024, and made available for this evaluation were us prepare the reserves estimates herein. These reserves estimates were based on consideration of daily and monthly production data available th December 2023. 2024. Cumulative production, as of December 31, 2023 December 31, 2024, was deducted from the estimated gross ultimate r to estimate gross reserves.

Oil and condensate reserves estimated herein are those to be recovered by normal field separation. NGL reserves estimated herein include pentanes and heavi ($C5+$ (C_{5+}) and liquefied petroleum gas (LPG), which consists primarily of propane and butane fractions, and are the result of low-temperature plant processing. Oil, conde NGL reserves included in this report are expressed in thousands of barrels (Mbbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purpos condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as sales gas. Sales gas is defined as the total gas to be produced from the reservoirs, r at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimat are reported as sales gas. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at the pressure base of th which the quantities are located. Gas quantities included in this report are expressed in millions of cubic feet (MMcf).

Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir c with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein inc associated and nonassociated gas.

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At the request of Coterra, sales gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 6,(feet of gas per 1 barrel of oil equivalent.

Primary Economic Assumptions

This report has been prepared using initial prices, expenses, and costs provided by Coterra. Future prices were estimated using (established by the SEC and the Financial Accounting Standards Board (FASB). The following economic assumptions were used for estim reserves reported herein:

Oil and Condensate Prices

Coterra has represented that the oil and condensate prices were based on a reference price, calculated as the unweighted arithmetic of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are d contractual agreements. Coterra applied differentials by property to a West Texas Intermediate reference price of $78.22 $75.48 per barrel and t were held constant thereafter. The volume-weighted average price attributable to the estimated proved reserves over the lives of the propertie those properties evaluated by DeGolyer and MacNaughton was $75.05 $72.84 per barrel of oil and condensate.

NGL Prices

Coterra has represented that the NGL prices were based on a reference price of $27.90 $28.51 per barrel. Coterra supplied differe property to the reference price and the prices were held constant thereafter. The volume-weighted average price attributable to the estimate reserves over the lives of the properties for only those properties evaluated by DeGolyer and MacNaughton was $18.39 $18.16 per barrel of NG

Gas Prices

Coterra has represented that the gas prices were based on a reference price, calculated as the unweighted arithmetic average of the of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by co agreements. Coterra applied differentials by property to a Henry Hub reference price of $2.64 $2.13 per million Btu and held constant there factors provided by Coterra were used to convert prices from dollars per million Btu to dollars per thousand cubic feet. The volume-weighted

average price attributable to the estimated proved reserves over the lives of the properties for only those properties evaluated by DeGolyer and MacNaughton was $2.04 $1.23 per thousand cubic feet of gas.

Production and Ad Valorem Taxes

Production taxes were calculated using the tax rates for the state in which the reserves are located. Ad valorem taxes were calcula rates provided by Coterra based on recent payments.

Operating Expenses, Capital Costs, and Abandonment Costs

Estimates of operating expenses and future capital expenditures, provided by Coterra and based on existing economic conditions, v constant for the lives of the properties and were not adjusted for inflation. In certain cases, future expenditures, either higher or lower tha expenditures, may have been used because of anticipated changes in operating conditions, but no general escalation that might result from infl applied. Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and re associated with the abandonment, were provided by Coterra for all properties and were not adjusted for inflation. Operating expenses, capital c abandonment costs were considered, as appropriate, in determining the economic viability of the undeveloped reserves estimated herein.

In our opinion, the information relating to estimated proved reserves of oil, condensate, NGL, and gas of the properties evaluated by us contained in this repor prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-6, 932-235-50-7, and 932-235-50-9 of the Accounting Standards Update 932-235-50, *Extractive Indu*

and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures (January 2010) of the FASB and Rules 4–10(a) (1)–(32) of Regulation S–X and Rules 302(b), 1201, 1
(2), (3), (4), (8), and

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1203(a) of Regulation S–K of the SEC; provided, however, that estimates of proved developed and proved undeveloped reserves are not pre
the beginning of the year.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as e
are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

Summary of Conclusions

DeGolyer and MacNaughton has performed an independent evaluation of the extent of the estimated net proved oil, condensate, NGL
reserves of certain properties in which Coterra has represented it holds an interest. Coterra has represented that its estimated net proved
attributable to the evaluated properties were based on the definition of proved reserves of the SEC. Coterra's estimates of the net proved reserv
December 31, 2023 December 31, 2024, attributable to these properties, which represent greater than 91 75 percent of the reserves attributal
interests held by Coterra on a net equivalent basis and greater than 90 percent of the total future net revenue discounted at 10 percent attributa
interests held by Coterra, are summarized as follows, expressed in thousands of barrels (Mbbl), millions of cubic feet (MMcf), and thousands
of oil equivalent (Mboe):

	Estimated by Coterra Net Proved Reserves as of December 31, 2024			
	Oil and Condensate (Mbbl)	NGL (Mbbl)	Sales Gas (MMcf)	C Equiv (Mb
Evaluated by DeGolyer and MacNaughton	244,353	305,336	7,034,360	
Not Evaluated by DeGolyer and MacNaughton	25,642	56,441	2,799,332	
Total Proved Reserves	**269,995**	**361,777**	**9,833,692**	

Notes:
1. All reserves estimates shown herein were prepared by Coterra.
2. Sales gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

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Estimated by Coterra
Net Proved Reserves
as of December 31, 2023

	Oil and Condensate (Mbbl)	NGL (Mbbl)	Sales Gas (MMcf)	Oil Equivalent (Mboe)
Evaluated by DeGolyer and MacNaughton	225,120	271,835	9,705,282	2,114,502
Not Evaluated by DeGolyer and MacNaughton	24,093	45,621	819,245	206,255
Total Proved Reserves	**249,213**	**317,456**	**10,524,527**	**2,320,757**

Notes:
1. All reserves estimates shown herein were prepared by Coterra.
2. Sales gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

In comparing the detailed net proved reserves estimates prepared by DeGolyer and MacNaughton and by Coterra, differences have be both positive and negative, resulting in an aggregate difference of less than 10 percent when compared on the basis of net equivalent bar DeGolyer and MacNaughton's opinion that the net proved reserves estimates prepared by Coterra on the properties evaluated by DeG MacNaughton and referred to above, when compared on the basis of net equivalent barrels, in aggregate, do not differ materially from those pre DeGolyer and MacNaughton.

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability t its reserves, we are not aware of any such governmental actions which would restrict the recovery of the December 31, 2023December 3 estimated reserves.

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DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting throughout the world since 1936. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in Coterra. Our f not contingent on the results of our evaluation. This report has been prepared at the request of Coterra. DeGolyer and MacNaughton has assumptions, procedures, data, and methods that it considers necessary to prepare this report.

Submitted,
\s\ DeGolyer and MacNaughton
DeGOLYER and MacNAUGHTON Texas Registered Engineering Firm F-716

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CERTIFICATE of QUALIFICATION

I, Dilhan Ilk, Petroleum Engineer with DeGolyer and MacNaughton, 5001 Spring Valley Road, Suite 800 East, Dallas, Texas, 75244 U.S.A certify:

1. That I am an Executive Vice President with DeGolyer and MacNaughton, which firm did prepare this report of third party addressed to Coterra Energy Inc. dated 2024 February 3, 2025, and that I, as Executive Vice President, was responsible for the preparation of this report of third party.

2. 1. That I attended Istanbul Technical University, and that I graduated with a Bachelor of Science degree in Petroleum Engineering in the year 2003, a Master of Scie in Petroleum Engineering from Texas A&M University in 2005, and a Doctor of Philosophy degree in Petroleum Engineering from Texas A&M University in 2010; Registered Professional Engineer in the State of Texas; that I am a member of the Society of Petroleum Engineers; and that I have in excess of 13 14 years of exper and gas reservoir studies and reserves evaluations.

/s/ Dilhan Ilk

Dilhan Ilk, P.E.

[SEAL] Executive Vice President

DeGolyer and MacNaughton

DISCLAIMER