MARINER ENERGY RESOURCES, INC.
Form 424B3
June 03, 2009

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-159682

SUBJECT TO COMPLETION, DATED JUNE 2, 2009
PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JUNE 2, 2009

$250,000,000
% Senior Notes due 2016

The % senior unsecured notes due 2016, which we refer to as the notes, will mature on , 2016. Interest is payable on the notes on and of each year, commencing , 2009. Interest on the notes will accrue from , 2009. We may redeem some or all of the notes at any time at the price indicated under the heading Description of Senior Notes Optional Redemption. If we undergo a change of control, we may be required to offer to purchase the notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The notes will be our senior unsecured obligations and will rank equal in right of payment to all of our existing and future senior debt and senior to any future subordinated debt. The notes will be guaranteed by certain of our subsidiaries. The notes and guarantees will be effectively subordinated to any existing or future secured debt, including our bank credit facility, to the extent of the value of the collateral securing such debt.

The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

Investing in the notes involves risks. See Risk Factors beginning on page S-12 of this prospectus supplement and on page 2 of the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully before you make your investment decision.

	Price to Public(1)	**Underwriting Discounts and Commissions**	**Proceeds to Mariner**
Per Note	%	%	%
Total	$	$	$

(1) Plus accrued interest, if any, from June , 2009

Delivery of the notes will be made to investors on or about June , 2009, through the book-entry system of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the

Euroclear system, and Clearstream Banking, société anonyme.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Concurrently with this offering of notes, we are offering, by means of a separate prospectus supplement and accompanying prospectus, 10,000,000 shares of our common stock, which offering is being underwritten by certain of the underwriters of this offering. We estimate that the net proceeds from the sale of shares of common stock by us in the concurrent equity offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be $147.8 million, based upon the closing price of our common stock on the New York Stock Exchange on June 1, 2009, assuming the underwriters over-allotment option in that offering is not exercised. Neither offering is conditioned upon the completion of the other offering.

Joint Book-Running Managers

Credit Suisse

Banc of America Securities LLC

J.P. Morgan

Wachovia Securities

Citi

BMO Capital Markets

BNP PARIBAS

Scotia Capital

The date of this prospectus supplement is June , 2009.

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which provides more general information. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference, on the other hand, you should rely on the information in this prospectus supplement. Before you invest in the notes, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents we refer to under the heading Where You Can Find More Information in this prospectus supplement.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the documents we incorporate by reference and any free writing prospectus prepared by or on behalf of us. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date on its front cover. Our business, financial condition, results of operations and prospects may have changed since the date indicated on the front cover of such documents. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer to sell or the solicitation of an offer to buy any securities other than the notes offered hereunder, nor does this prospectus supplement or the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Except as otherwise indicated or where the context otherwise requires, references to Mariner, the Company, we, us and our refer to Mariner Energy, Inc. and its subsidiaries. The estimates of our proved reserves as of December 31, 2008, 2007 and 2006 included or incorporated by reference in this prospectus supplement are based on reserve reports prepared by Ryder Scott Company, L.P., independent petroleum engineers.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Various statements in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as may, estimate, project, predict, believe, expect, anticipate, potential, plan, goal or other words that convey the uncertainty of futu outcomes. The forward-looking statements in this prospectus supplement and the accompanying prospectus speak only as of the date of this prospectus supplement; we disclaim any obligation to update these statements unless required by securities law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. We disclose important factors that could cause our actual results to differ materially from our expectations under Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in our 2008 Annual Report on Form 10-K, as amended, and elsewhere in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference herein.

These risks, contingencies and uncertainties relate to, among other matters, the following:

- the volatility of oil and natural gas prices;
- discovery, estimation, development and replacement of oil and natural gas reserves;

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cash flow, liquidity and financial position;

business strategy;

amount, nature and timing of capital expenditures, including future development costs;

availability and terms of capital;

timing and amount of future production of oil and natural gas;

availability of drilling and production equipment;

operating costs and other expenses;

prospect development and property acquisitions;

risks arising out of our hedging transactions;

marketing of oil and natural gas;

competition in the oil and natural gas industry;

the impact of weather and the occurrence of natural events and natural disasters such as loop currents, hurricanes, fires, floods and other natural events, catastrophic events and natural disasters;

regulation of the oil and natural gas industry;

environmental liabilities;

developments in oil-producing and natural gas-producing countries;

uninsured or underinsured losses in our oil and natural gas operations;

risks related to our level of indebtedness; and

risks related to significant acquisitions or other strategic transactions, such as failure to realize expected benefits or objectives for future operations.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us and the offering. It does not contain all of the information that you should consider before investing in the notes. You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference for a more complete understanding of our business. You should pay special attention to the Risk Factors section beginning on page S-12 of this prospectus supplement and on page 2 of the accompanying prospectus, as well as the risk factors described in our 2008 Annual Report on Form 10-K, as amended, before making an investment decision.

Mariner Energy, Inc.

Mariner Energy, Inc. is an independent oil and gas exploration, development, and production company. We currently operate in three principal geographic areas:

Permian Basin, where we are an active driller in the prolific Spraberry field at depths between 6,000 and 10,000 feet. Our increasing Permian Basin operation, which is characterized by long reserve life, stable drilling and production performance, and relatively lower capital requirements, somewhat counterbalances the higher geological risk, operational challenges and capital requirements attendant to most of our Gulf of Mexico deepwater operations. We have expanded our presence in the region, targeting a combination of infill drilling activities in established producing trends, including the Spraberry, Dean and Wolfcamp trends, as well as exploration activities in emerging plays such as the Wolfberry and newer Wolfcamp trends.

Gulf of Mexico Deepwater, where we have actively conducted exploration and development projects since 1996 in water depths ranging from 1,300 feet up to 7,000 feet. Employing our experienced geoscientists, extensive seismic database and subsea tieback expertise, we have participated in more than 65 deepwater wells. Our deepwater exploration operation targets larger potential reserve accumulations than are generally accessible onshore or on the Gulf of Mexico shelf.

Gulf of Mexico Shelf, where we drill or participate in conventional shelf wells and deep shelf wells extending to 1,300 foot water depths. We currently pursue a two-pronged strategy on the shelf, combining opportunistic acquisitions of legacy producing fields believed to hold exploitation potential and active exploration activities targeting conventional and deep shelf opportunities. Given the highly mature nature of this area and the steep production declines characteristic of most wells in this region, the goal of our shallow water or shelf operation is to maximize cash flow for reinvestment in our deepwater and Permian Basin operations, as well as for expansion into new operating areas.

During 2008, we produced approximately 118.4 Bcfe and our average daily production rate was 323 MMcfe per day. At December 31, 2008, we had 973.9 Bcfe of estimated proved reserves, of which approximately 57% were natural gas and 43% were oil, natural gas liquids (NGLs) and condensate. Approximately 70% of our estimated proved reserves were classified as proved developed.

Our Strategy and Our Competitive Strengths

Balanced Growth Strategy

We are a growth company and strive to increase our reserves and production from our existing asset base as well as through expansion into new operating areas. Our management team pursues a balanced growth strategy employing varying elements of exploration, development, and acquisition activities in complementary operating regions intended to achieve an overall moderate-risk growth profile at attractive rates of return under most industry conditions.

Exploration: Our exploration program is designed to facilitate organic growth through exploration in a wide variety of exploratory drilling projects, including higher-risk, high-impact projects that have the potential to create substantial value for our stockholders. We view exploration as a core competency. We typically dedicate a significant portion of our capital program each year to prospecting for new oil and gas fields, including in the Gulf of Mexico deepwater where reserve accumulations are typically much larger than those found onshore or on the shelf. Our explorationists have a distinguished track record in the Gulf of Mexico, making a number of significant deepwater discoveries in the Gulf of Mexico in the last five years. In addition, we believe our reputation for generating high-quality exploration prospects creates potentially valuable partnering opportunities, which enables us to participate in exploration projects developed by other operators.

Development: Our development and exploitation efforts are intended to complement our higher-risk, high-impact exploration projects through a variety of moderate-risk activities targeted at maximizing recovery and production from known reservoirs and generating excess cash flow. These activities are also aimed at finding overlooked oil and gas accumulations in and around existing fields and are designed to establish critical operating mass from which to expand in our focus areas. Our geoscientists and engineers have a solid track record in effectively developing new fields, redeveloping legacy fields, rejuvenating production, controlling unit costs, and adding incremental reserves at attractive finding costs in both onshore and offshore fields.

Acquisitions: In addition to our internal exploration and development activities on our existing properties, we also compete actively for new oil and gas properties through property acquisitions as well as corporate transactions. Our management team has substantial experience identifying and executing a wide variety of tactical and strategic transactions that augment our existing operations or present opportunities to expand into new operating regions. We primarily focus our acquisition efforts on stable, onshore basins such as the Permian Basin, which can counterbalance our growing deepwater exploration operations, but we also respond in an opportunistic fashion to attractive acquisition opportunities in the Gulf of Mexico. Due to our existing prospect inventory, we are not compelled to make acquisitions in order to grow; however, we expect to continue to pursue acquisitions aggressively on an opportunistic basis as an integral part of our growth strategy.

Our Competitive Strengths

We believe our core resources and strengths include:

Diversity of assets and activities. Our assets and operations are diversified among the Permian Basin and the Gulf of Mexico deepwater and shelf. Each of these areas involves distinctly different operational characteristics, as well as different financial and operational risks and rewards. Moreover, within these operating areas we pursue a breadth of exploration, development and acquisition activities, which in turn entail unique risks and rewards. By diversifying our assets both onshore and in the Gulf of Mexico, and pursuing a full range of exploration, development and acquisition activities, we strive to mitigate concentration risk and avoid overdependence on any single activity to facilitate our growth. By maintaining a variety of investment opportunities ranging from high-risk, high-impact projects in the deepwater to relatively low-risk, repeatable projects in the Permian Basin, we attempt to execute a balanced capital program and attain a more moderate company-wide risk profile while still affording our stockholders the significant potential upside attendant to an active deepwater exploration company.

Large prospect inventory. We believe we have significant potential for growth through the exploration and development of our existing asset base. We are one of the largest leaseholders among independent producers in the Gulf of Mexico. Additionally, we are an active participant at MMS lease sales. We were the apparent high bidder on three blocks at the Outer Continental Shelf 207 Lease Sale held on August 20, 2008 by the MMS. The MMS awarded all three blocks to us, yielding an aggregate exposure of $0.9 million. We hold a 100% working interest in each of these blocks. In addition, the MMS awarded us 19 blocks on which we were the apparent high bidder at the Central Gulf of Mexico Lease Sale 206 held by the MMS on March 19, 2008. The awarded blocks involve seven deepwater subsalt prospects (both Miocene and Lower Tertiary), four deepwater prospects, four deep shelf prospects, and one conventional shelf prospect. Our net exposure on the awarded bids was $79.1 million and our working interest ranges from 33% to 100%. Furthermore, in the Permian Basin we have a large and growing asset base that we anticipate is capable of sustaining our current drilling program for a number of years. We believe that our large acreage position makes us less dependent on acquisitions for our growth as compared to companies that have less extensive drilling inventories.

Exploration expertise. Our seasoned team of geoscientists has made significant discoveries in the Gulf of Mexico and has achieved a cumulative 65% success rate during the three years ended December 31, 2008. Our geoscientists each average almost 30 years of relevant industry experience. We believe our emphasis on exploration allows us a competitive advantage over other companies who are either wholly dependent on acquisitions for growth or only sporadically engage in more limited exploration activities.

Operational control and substantial working interests. As of December 31, 2008, we served as operator of properties representing approximately 87% of our production and had an average 74% working interest in our operated properties. We believe operating our properties gives us a competitive advantage over non-operating interest holders, particularly in a challenging financial environment, since operatorship better allows us to determine the extent and timing of our capital programs, as well as to assert the most direct impact on operating costs.

Extensive seismic library. We have access to recent-vintage, regional 3-D seismic data covering a significant portion of the Gulf of Mexico. We use seismic technology in our exploration program to identify and assess prospects, and in our development program to assess hydrocarbon reservoirs with a goal of optimizing drilling, workover and recompletion operations. We believe that our investment in 3-D seismic data gives us an advantage over companies with less extensive seismic resources in that we are better able to interpret geological events and stratigraphic trends on a more precise geographical basis utilizing more detailed analytical data.

Subsea tieback expertise. We have accumulated an extensive track record in the use of subsea tieback technology, which enables production from subsea wells to existing third-party production facilities through subsea flow line and umbilical infrastructure. This technology typically allows us to avoid the significant lead time and capital commitment associated with the fabrication and installation of production platforms or floating production facilities, thereby accelerating our project start ups and reducing our financial exposure. In turn, we believe this lowers the economic thresholds of our target prospects and allows us to exploit reserves that otherwise may be considered non-commercial because of the high cost of stand-alone production facilities.

Concurrent Equity Offering

Concurrently with this offering of notes, pursuant to a separate prospectus supplement and accompanying prospectus, we are offering an aggregate of 10,000,000 shares of our common stock in an underwritten public offering by certain of the underwriters of this offering (the Equity Offering). The shares of common stock being offered by that prospectus supplement and accompanying prospectus are being offered to the public at a price of $ per share. We have also granted a 30-day option to the underwriters of the concurrent Equity Offering to purchase up to an additional 1,500,000 shares of our common stock. We cannot give any assurance that the concurrent Equity Offering will be completed. Neither offering is contingent upon the completion of the other offering.

We estimate that the net proceeds from the sale of our common stock in the concurrent Equity Offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be $147.8 million, based on an assumed offering price of $15.53 per share, the last reported sale price of our common stock on the New York Stock Exchange on June 1, 2009, and assuming the underwriters over-allotment option in that offering is not exercised. We intend to use the net proceeds from the concurrent Equity Offering to repay borrowings under our bank credit facility.

Corporate Information

We were incorporated in August 1983 as a Delaware corporation. We have two significant subsidiaries, Mariner Energy Resources, Inc., a Delaware corporation, and Mariner Gulf of Mexico LLC, a Delaware limited liability company. Our corporate headquarters are located at One BriarLake Plaza, Suite 2000, 2000 West Sam Houston Parkway South, Houston, Texas 77042. Our telephone number is (713) 954-5500 and our website address is www.mariner-energy.com. The information on our website is not a part of this prospectus supplement.

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The Offering

The following summary contains basic information about this offering and the notes and is not intended to be complete. It does not contain all of the information that may be important to you. For a more complete understanding of all of the terms and provisions of the notes, please refer to the section of this prospectus supplement entitled Description of Senior Notes.

Issuer	Mariner Energy, Inc.
Notes Offered	$250,000,000 in aggregate principal amount of % senior unsecured notes due 2016
Maturity Date	, 2016.
Interest Payment Dates	and , commencing on , 2009. Interest will accrue from , 2009.
Subsidiary Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by certain of our existing and future domestic subsidiaries. In the future, any guarantee may be released or terminated under certain circumstances, including, if one of two specified rating agencies assign the notes an investment grade rating in the future, the guarantor is not an obligor on any other debt in excess of $5 million and no default exists under the indenture. See Description of Senior Notes Note Guarantees. Each subsidiary guarantee will rank: effectively subordinate to all existing and future secured indebtedness of the subsidiary guarantor, including its guarantee of indebtedness under our bank credit facility, to the extent of the value of the collateral securing such indebtedness; *pari passu* in right of payment to all existing and future senior unsecured indebtedness of the subsidiary guarantor; and senior in right of payment to any future subordinated indebtedness of the subsidiary guarantor. As of March 31, 2009, assuming we had completed this offering and applied the proceeds therefrom as set forth under Use of Proceeds, the guarantor subsidiaries would have had total indebtedness of $176.2 million, none of which was secured, $395.7 million of contingent liability under senior secured guarantees of indebtedness, including the obligations of Mariner Energy Resources, Inc. as co-borrower under our secured credit facility, and $850.0 million of contingent liability under senior unsecured guarantees of indebtedness.
Ranking	The notes will be our general unsecured senior obligations. The notes will rank:

effectively subordinate to all of our existing and future secured indebtedness, including indebtedness under our bank credit facility, to the extent of the value of the collateral securing such indebtedness;

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	effectively subordinate to all existing and future indebtedness and other liabilities of any non-guarantor subsidiaries (other than indebtedness and liabilities owed to us);
	pari passu in right of payment to all of our existing and future senior unsecured indebtedness, including our existing 71/2% senior notes due 2013 and 8% senior notes due 2017; and
	senior in right of payment to any future subordinated indebtedness.
	As of March 31, 2009, assuming we had completed this offering and applied the proceeds therefrom as set forth under Use of Proceeds, we would have had total indebtedness of approximately $1.25 billion, $250.0 million of which is the notes offered hereby, and approximately $395.7 million of which is senior secured indebtedness to which the notes would have been effectively subordinated as to the value of the collateral. As of March 31, 2009, we also had four letters of credit outstanding totaling $4.7 million, each of which is effectively senior to the notes to the extent of the value of the collateral securing such indebtedness.
Optional Redemption	At any time prior to , 2012, we may redeem up to 35% of each of the notes with the net cash proceeds of certain equity offerings at the redemption prices set forth under Description of Senior Notes Optional Redemption, if at least 65% of the aggregate principal amount of the notes issued under the indenture remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of such equity offering.
	At any time prior to , 2013, we may redeem the notes, in whole or in part, at a make whole redemption price set forth under Description of Senior Notes Optional Redemption. On and after , 2013, we may redeem the notes, in whole or in part, at the redemption prices set forth under Description of Senior Notes Optional Redemption.
Change of Control Triggering Event	If a Change of Control Triggering Event occurs, we are required to offer to repurchase the notes at the redemption price set forth under Description of Senior Notes Repurchase at the Option of Holders Change of Control.
Certain Covenants	The indenture governing the notes contains restrictive covenants that, among other things, will limit our ability and the ability of our restricted subsidiaries to:
	make investments;
	incur additional indebtedness or issue preferred stock;
	create certain liens;

- sell assets;
- enter into agreements that restrict dividends or other payments from our subsidiaries to us;

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	consolidate, merge or transfer all or substantially all of the assets of our company;
	engage in transactions with affiliates;
	pay dividends or make other distributions on capital stock or subordinated indebtedness; and
	create unrestricted subsidiaries.
	These covenants are subject to important exceptions and qualifications. In addition, substantially all of the covenants will terminate before the notes mature if one of two specified ratings agencies assigns the notes an investment grade rating in the future and no events of default exist under the indenture. Any covenants that cease to apply to us as a result of achieving an investment grade rating will not be restored, even if the credit rating assigned to the notes later falls below an investment grade rating. See Description of Senior Notes Certain Covenants Covenant Termination.
Use of Proceeds	We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent Equity Offering, to repay borrowings under our bank credit facility. See Use of Proceeds.
	Affiliates of certain of the underwriters are lenders under our bank credit facility and will receive a portion of the net proceeds from this offering, which are being applied to repay such debt. See Underwriting.
Absence of Established Market for the Notes	The notes will be new securities and there is currently no established market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes without notice. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.
Concurrent Equity Offering	Concurrently with this offering of the notes, we are offering 10,000,000 shares of our common stock by means of a separate prospectus supplement and accompanying prospectus. We have also granted the underwriters of the concurrent Equity Offering, some of whom are also the underwriters of the offering of the notes, a 30-day option to purchase up to an additional 1,500,000 shares of common stock to cover over-allotments.
	Assuming no exercise of the underwriters over-allotment option with respect to concurrent Equity Offering, we estimate that the net proceeds from the concurrent Equity Offering will be approximately

$147.8 million, after deducting the underwriting discounts and commissions and estimated offering expenses, based upon the closing price of our common stock on the New York Stock Exchange on June 1, 2009.

Risk Factors	An investment in the notes involves risks and uncertainties. See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the notes.
Trustee	Wells Fargo Bank, N.A.
Governing Law	New York.

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Summary Financial Information

The following table below shows our summary historical consolidated financial data as of and for the years ended December 31, 2008, 2007 and 2006 and as of and for the three months ended March 31, 2009 and 2008. The summary historical consolidated financial data as of and for the years ended December 31, 2008, 2007 and 2006 are derived from our audited financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated financial data as of and for the three months ended March 31, 2009 and 2008 are derived from our unaudited financial statements incorporated by reference into this prospectus supplement. Results of operations that were achieved for the three months ended March 31, 2009 and 2008 are not necessarily indicative of the results of operations for the entire year or any future period.

You should read the following data in connection with Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes thereto included in Part II, Item 8 of our 2008 Annual Report on Form 10-K, as amended, where there is additional disclosure regarding the information in the following table. Our historical results are not necessarily indicative of results to be expected in future periods.

	Year Ended December 31,			Three Months Ended March 31,	
	2008	2007	2006	2009	2008
	(In thousands, except per share data)				
Statement of Operations Data:					
Revenues:					
Natural gas	$ 742,370	$ 534,537	$ 412,967	$ 153,338	$ 179,623
Oil	419,878	284,405	202,744	60,925	113,614
Natural gas liquids	85,715	54,192	40,507	6,469	20,981
Other revenues	52,544	1,631	3,287	22,604	1,679
Total revenues	1,300,507	874,765	659,505	243,336	315,897
Costs and Expenses:					
Lease operating expense	231,645	152,627	91,592	53,399	45,647
Severance and ad valorem taxes	18,191	13,101	9,070	3,532	4,610
Transportation expense	14,996	8,794	5,077	4,584	3,019
General and administrative expense	60,613	42,151	33,622	17,411	11,111
Depreciation, depletion and amortization	467,265	384,321	292,180	94,805	119,318
Full cost ceiling test impairment	575,607			704,731	
Goodwill impairment	295,598				
Other property impairment	15,252				
Other miscellaneous expense	3,052	5,061	494	8,009	537
Total costs and expenses	1,682,219	606,055	432,035	886,471	184,242
OPERATING (LOSS) INCOME	(381,712)	268,710	227,470	(643,135)	131,655
Other Income/(Expenses):					
Interest income	1,362	1,403	985	85	326
	(56,398)	(54,665)	(39,649)	(14,402)	(18,571)

Interest expense, net of amounts capitalized					
Other income		5,811			
(Loss) Income Before Taxes and Minority Interest	(436,748)	221,259	188,806	(657,452)	113,410
Benefit (Provision) for Income Taxes	48,223	(77,324)	(67,344)	233,334	(41,194)