

Part II **Organizational Action** *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

[See Attachment](#)

18 Can any resulting loss be recognized? ▶ _____

[See Attachment](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

[See Attachment](#)

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ /s/ Todd M. Roemer Date ▶ December 6, 2021

Print your name ▶ Todd M. Roemer Title ▶ VP & Chief Accounting Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

Coterra Energy Inc.
F.K.A. Cabot Oil & Gas Corporation
EIN: 04-3072771
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

The information contained in Form 8937 and this attachment does not constitute tax advice and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the Merger (as defined below). In addition, this information does not address tax consequences which may vary depending on the individual circumstances of Cimarex Energy Co. shareholders, or any non-income tax or any foreign, state or local tax consequences of the Merger. Accordingly, shareholders are strongly urged to consult with their own tax advisors to determine the particular U.S. federal, state, local or foreign income or other tax consequences of the Merger to them, including the amount of gain or loss, if any, that they recognized in the Merger and the tax basis in the shares of Coterra Energy Inc. common stock received in the Merger.

Part II:

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

Effective October 1, 2021, Double C Merger Sub, Inc., a direct wholly-owned subsidiary of Coterra Energy Inc. (“Coterra”), which previously was named Cabot Oil & Gas Corporation (“Cabot”), merged with and into Cimarex Energy Co. (“Cimarex”), with Cimarex surviving the merger as a direct subsidiary of Coterra (the “Merger”). The Merger was structured to qualify as a reorganization under section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”). Pursuant to the Agreement and Plan of Merger, holders of Cimarex common stock received 4.0146 shares of Coterra common stock as merger consideration for each share of Cimarex common stock, and received cash in lieu of any fractional share of Coterra common stock. The Merger did not affect the shares of Cimarex preferred stock that were issued and outstanding prior to the effective time of the Merger.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

Each former holder of Cimarex common stock that is subject to U.S. tax is responsible for determining such shareholder's own gain and allowable loss resulting from the exchange of shares as a result of the Merger, and from future dispositions of the shares of Coterra common stock received in the Merger. Coterra is supplying this information to assist former holders of Cimarex common stock in determining the amount of any gain or loss that must be recognized as a result of the exchange and to determine the tax basis such shareholder takes in the shares of Coterra common stock received in the Merger.

Assuming the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code, former holders of Cimarex common stock who exchanged their shares of Cimarex common stock for shares of Coterra common stock generally did not recognize any gain or loss for U.S. federal income tax purposes, except with respect to cash, if any, received in lieu of fractional shares of Coterra common stock.

Each former holder of Cimarex common stock that received cash in lieu of any fractional share of Coterra common stock generally recognized capital gain or loss equal to the difference between the amount of cash received and the tax basis in such fractional share, determined as described below. The holder's gain or loss on the deemed sale of a fractional share is based on a price of \$20.35¹ per share.

Each holder's aggregate adjusted U.S. tax basis in the shares of Coterra common stock received in the Merger (including the fractional shares for which cash was paid) equals such holder's aggregate adjusted U.S. tax basis in the shares of Cimarex common stock surrendered in the Merger.

A holder of Cimarex common stock that owned multiple blocks of Cimarex common stock (such as tranches of Cimarex common stock purchased at different times or for different prices) should see the below response to Part II, Line 16.

Stock Exchange Example 1 – No Fractional Share. A U.S. holder of 10,000 shares of Cimarex common stock with \$15.00 adjusted U.S. tax basis per share (i.e., \$150,000.00 aggregate adjusted U.S. tax basis) would have \$150,000.00 tax basis in 40,146 shares of Coterra common stock received in the Merger (10,000 shares of Cimarex common stock multiplied by the 4.0146 exchange ratio).

Stock Exchange Example 2 – Fractional Share. A U.S. holder of 4,500 shares of Cimarex common stock with \$15.00 adjusted U.S. tax basis per share (i.e., \$67,500.00 aggregate adjusted U.S. tax basis) would have \$67,500.00 tax basis in 18,065.70 shares of Coterra common stock received in the Merger (4,500 Cimarex shares multiplied by the 4.0146 exchange ratio). Such holder would take an aggregate U.S. tax basis of approximately \$67,497.38 in the 18,065 whole shares of Coterra common stock actually received (i.e., \$67,500.00 aggregate tax basis less the approximately \$2.62 tax basis in the fractional share (approximately \$3.74 tax basis per share of Coterra common stock multiplied by the 0.70 fractional share)). This example assumes that all such holder's shares of Cimarex common stock were acquired on the same date and at the same price.

The sale of the fractional share of Coterra common stock for approximately \$14.25 (i.e., \$20.35 multiplied by 0.70 shares) would result in approximately \$11.63 of taxable gain (i.e., \$14.25 cash received less approximately \$2.62 of tax basis) to such holder.

¹ A former holder of Cimarex common stock receiving cash in lieu of a fractional Coterra share was paid \$20.35 multiplied by the fractional share of Coterra common stock received in the Merger.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

See the examples described in the above response to Part II, Line 15 for illustrative calculations of the adjusted U.S. tax basis of the shares of Coterra common stock received by former holders of Cimarex common stock in the Merger and the calculation of any gain or loss required to be recognized by such holders with respect to fractional shares of Coterra common stock.

A former holder of Cimarex common stock who acquired shares of Cimarex common stock on different dates or at different prices should consult its tax advisor regarding the determination of any gain or loss in respect of fractional shares of Coterra common stock, and the tax bases of particular shares of Coterra common stock received in the Merger.

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:

Sections 354, 356, 358, 368, 1001 and 1223.

Line 18. Can any resulting loss be recognized?

Generally, no loss may be recognized in the exchange of the shares, except with respect to cash received in lieu of any fractional shares.

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The tax consequences of the exchange of shares in the Merger should be reported by a shareholder in its taxable year that includes October 1, 2021.

The holding period for the shares of Coterra common stock received in the Merger (including any fractional shares for which cash was paid) generally would include the holding period for the shares of Cimarex common stock surrendered therefor in the Merger.

Shareholders should consult their tax advisors to determine the tax consequences to them of the Merger.