

**MAGNUM HUNTER RESOURCES CORPORATION
DISTRIBUTION OF WARRANTS
REPORTING REQUIRED BY SECTION 6045B**

**INTERNAL REVENUE SERVICE
FORM 8937**

INTRODUCTION

Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”), requires an issuer of a specified security to provide to the Internal Revenue Service (the “IRS”) and each holder of record of the security, or to such holder’s nominee, certain information with respect to organizational actions that affect the tax basis of such security for U.S. federal income tax purposes. To satisfy the filing requirements of Section 6045B of the Code, an issuer must complete IRS Form 8937 with respect to an organizational action and either file such form with the IRS or post such form on the issuer’s primary public web site. An issuer of a specified security is also required in connection with an organizational action to provide IRS Form 8937 to each holder of record of the security, or to each holder’s nominee. An issuer may provide the IRS Form 8937 to the holder of the security, or the holder’s nominee, by posting a completed IRS Form 8937 on the issuer’s public web site.

On August 16, 2011, Magnum Hunter Resources Corporation (“MHR”) declared a distribution in the form of warrants to purchase its shares of common stock payable on October 14, 2011 (the “Distribution Date”), to shareholders of record on August 31, 2011 (the “Record Date”). Attached is the IRS Form 8937 required in connection with MHR’s distribution of warrants.

**HOLDERS OF MHR COMMON STOCK RECEIVING WARRANTS SHOULD
CONSULT THEIR OWN TAX ADVISOR:**

The information set forth in this document does not constitute tax advice to any holder of MHR common stock receiving warrants in the distribution, and does not take into account any holder’s specific situation. You are urged to contact your own tax advisor regarding your particular U.S. federal, state, local and foreign tax consequences of the distribution. MHR also urges you to read the discussion under the heading “Certain Material United States Federal Income Tax Consequences,” included in the Prospectus filed by MHR with the Securities and Exchange Commission on November 21, 2011.

UNITED STATES INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE:

You should be aware that:

(A) the discussion with respect to U.S. federal tax matters in these documents was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;

(B) such discussion was written in connection with the promotion or marketing (within the meaning of IRS Circular 230) of the transactions or matters addressed by such discussion; and

(C) each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Internal Revenue Code Section 307.

18 Can any resulting loss be recognized? ▶ **See Attachment for Question 15, Part II.**

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

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.

Sign Here
Signature ▶ *Ronald D. Ormand* Date ▶ **1-13-12**
Print your name ▶ **RONALD D. ORMAND** Title ▶ **EVP + CFO**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Gary W. Duncan	<i>Gary W. Duncan</i>	1.12.12		P00296525
	Firm's name ▶ Duncan & Associates, P.C.	Firm's EIN ▶		On File	
	Firm's address ▶ 6902 Wandering Way Colleyville, TX 76034	Phone no.		On File	

MAGNUM HUNTER RESOURCES CORPORATION
TIN: 86-0897278
ATTACHMENTS TO FORM 8937

Form 8937 Part II, Box 14:

On August 16, 2011, Magnum Hunter Resources Corporation (“MHR”) declared a distribution in the form of warrants to purchase its shares of common stock payable on October 14, 2011 (the “Distribution Date”), to shareholders of record on August 31, 2011 (the “Record Date”). Each holder of MHR common stock on the Record Date received on the Distribution Date a distribution of one warrant for every ten (10) shares of MHR common stock owned by such holder, with the number of warrants rounded down to the nearest whole number.

Form 8937 Part II, Box 15:

In accordance with Section 307 of the Code, a warrant holder’s tax basis in each warrant received in the distribution should depend on whether the holder exercises or transfers the warrant or allows the warrant to expire. If a holder exercises or transfers the warrant, the holder’s tax basis in the warrant generally should be determined by allocating the tax basis of the holder’s common stock on which the warrant is distributed between the common stock and warrant in proportion to their relative fair market values on the date of the distribution of the warrant. If, however, the fair market value of the holder’s warrant on the date of the distribution to the holder is less than 15% of the fair market value of the holder’s common stock on which the warrant is distributed, then the tax basis of the warrant should be deemed to be zero, unless the holder elects to allocate the tax basis of the warrant as described above by attaching an election statement to the holder’s federal income tax return for the tax year in which the warrant is received. The election is irrevocable and would apply to all warrants received in this distribution. If the warrant expires, no tax basis is generally allocated to the warrant, and as a result, no loss generally is incurred by the holder upon the expiration of the warrant and any tax basis of a holder’s common stock allocated to the warrant is generally added back to the common stock.

For purposes of the forgoing calculations, MHR intends to use \$.53 as the fair market value of each warrant distributed for every ten (10) shares of MHR common stock owned by a holder. Further, MHR intends to use \$6.26 as the fair market value of each share of MHR common stock as of the time of the distribution using the mean of the high and low selling prices on October 14, 2011. Based on these values, 99.16% ($\$62.60 / (\$62.60 + \$.53)$) of the basis of each of the ten shares of MHR common stock on which the distribution of one warrant was made would be allocated to each of the ten shares of common stock and .0084 % should be allocated to the warrant. However, because value of the warrant is less than 15% of the fair market value of the common stock on which the warrant was distributed, the tax basis of the warrant should be deemed to be zero unless the election noted above is made by the holder of the warrant.

This discussion is limited to a holder of MHR common stock and warrants that is U.S. Holder as defined below, and certain Non-U.S. Holders as defined below. The term “U.S. Holder” is defined to mean a beneficial owner of MHR common stock and warrants who is, for U.S. federal

income tax purposes (a) an individual who is a citizen or resident of the U.S., (2) a corporation created in, or organized under the laws of the U.S. or any state or political subdivision thereof, (3) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or (4) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that otherwise elected to be treated as a U.S. person under applicable Treasury Regulations.

The information provided in this document should also apply to a Non-U.S. Holder (as hereinafter defined) that received a distribution of the warrants, and have particular relevance to such Non-U.S. Holder if: (i) the warrants received were effectively connected with a trade or business of such Non-U.S. Holder in the U.S. (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the U.S.); (ii) such Non-U.S. Holder was an individual who was present in the U.S. for 183 days or more in the applicable period and certain other conditions are met; (iii) such Non-U.S. Holder owned, directly or indirectly or pursuant to attribution rules warrants that on the date acquired had a fair market value greater than the fair market value on that date of five percent (5%) of the common stock; or (iv) such Non-U.S. Holder was a U.S. expatriate and certain other conditions are met. For purposes of this discussion, a holder is a "Non-U.S. Holder if such holder is not a U.S. Holder.

Form 8937 Part II, Box 16:

Refer to Part II, Box 15 above.

Form 8937 Part II, Box 19

The organization action would be relevant for a taxpayer's taxable year that includes October 14, 2011. For other information, see Question 15 of Part II.