
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported):
March 2, 2004

RANGE RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

0-9592

(Commission
File Number)

34-1312571

(IRS Employer
Identification No.)

777 Main Street, Suite 800
Ft. Worth, Texas

(Address of principal executive
offices)

76102

(Zip Code)

Registrant's telephone number, including area code: (817) 870-2601

(Former name or former address, if changed since last report): Not applicable

ITEM 12. Results of Operations and Financial Condition

On March 2, 2004, Range Resources Corporation issued a press release announcing its 2003 results. A copy of this press release is being furnished as an exhibit to this report on Form 8-K.

ITEM 7. Financial Statements and Exhibits

(c) Exhibits:

99.1 Press Release dated March 2, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RANGE RESOURCES CORPORATION

By: /s/ROGER S. MANNY
Roger S. Manny
Chief Financial Officer

Date: March 2, 2004

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press Release dated March 2, 2004

EXHIBIT 99.1

NEWS RELEASE

RANGE REPORTS RECORD RESULTS FOR 2003

FORT WORTH, TEXAS, MARCH 2, 2004...RANGE RESOURCES CORPORATION (NYSE: RRC) today announced its 2003 results. Revenues totaled \$249.2 million, a 26% increase over the prior year. Cash flow from operations before changes in working capital, a non-GAAP measure, increased 22% to \$143.8 million, as pretax income jumped 121% to \$49.4 million. Net income for the year increased 37% to \$35.4 million. Earnings per share rose 31% to \$0.64 (\$0.61 fully diluted). During 2003, \$108 million was invested in drilling related expenditures and \$95 million in the acquisition of producing properties. The Company replaced 286% of production during the year at an average cost of \$1.25 per mcf. Proved reserves at year-end totaled 685 Bcfe, an increase of 18%.

The year's financial results were impacted by certain items including a \$19.0 million gain on debt retirement, offset by \$6.6 million of non-cash deferred compensation expense, \$2.4 million expense on the redemption of subordinated notes and a \$21.7 million increase in deferred income taxes.

Oil and gas revenues for the year totaled \$226.4 million, 19% higher than the prior year due primarily to a 6% increase in production and a 12% increase in realized prices. Production totaled 58.1 Bcfe, comprised of 43.5 Bcf of gas and 2.4 million barrels of oil and liquids. Production rose in each quarter of the year and averaged 159.0 Mmcf per day. The increase was due to the success of the Company's drilling program. Wellhead prices, after adjustment for hedging, averaged \$3.90 per mcf. The average gas price rose 13% to \$3.94 per mcf, as the average oil price rose 6% to \$23.53 a barrel. Hedging decreased average prices by \$1.04 per mcf, decreasing gas prices \$1.16 per mcf and oil prices by \$4.89 per barrel.

Operating expenses per mcf increased 9% during the year to \$0.63 per mcf, due to higher field and workover expenses. Production taxes per mcf jumped 38% due to higher prices. General and administrative expenses rose 10% due to higher personnel, insurance and legal expenses. Exploration costs increased 21% due to increased investments in seismic (\$5.9 million), a larger technical staff and \$3.6 million of dry hole costs. Interest expense decreased 15% to \$19.8 million, due to lower debt balances and interest rates. IPF expenses declined 57% to \$3.0 million as the portfolio continues to decline. The non-cash deferred compensation expense relating to the appreciation of the Company's stock held in its deferred compensation plan increased to \$6.6 million. Depletion, depreciation and amortization increased 7% due to increased production.

Drilling expenditures in 2003 totaled \$108 million, a 17% increase over the prior year. The expenditures were funded with 75% of internal cash flow. The capital funded the drilling of 358 (200 net) wells and 56 (45 net) recompletions, placing 23 Bcfe of non-producing proved reserves on production and adding a 68 Bcfe of new reserves. Approximately 90 Bcfe of proved reserves were acquired for \$95 million. In total, reserves were added at a cost of \$1.25 per mcf in 2003, \$1.32 per mcf if price revisions are excluded.

The Company replaced 286% of production in 2003, with 130% from drilling and revisions and 156% from acquisitions. As previously reported, proved reserves at December 31, 2003 totaled 685 Bcfe, including 486 Bcf of natural gas and 33 million barrels of crude oil and liquids. Reserves increased 107 Bcfe or 18% during the year.

Independent petroleum consultants reviewed 87% of the reserves by volume. At year-end, the pretax present value of proved reserves, based on constant prices and costs, discounted at 10% totaled \$1.4 billion, a 45% increase for the year. The reserve value was based on year-end NYMEX prices of \$6.19 per Mmbtu and \$32.52 per barrel, increases of 30% and 4%, respectively, from those in effect one year earlier. At year-end, reserves were 71% gas by volume, 93% operated and 72% of their value was attributable to proved developed reserves. The Company's reserve life index stood at 11 years.

In 2003, total debt, including trust preferred, decreased \$10 million. During the year, the remaining 8.75% senior subordinated notes were retired, funded by the issuance of lower cost, longer maturity 7.375% senior subordinated notes. The trust preferred securities were retired at a \$19 million gain with \$10 million of cash and \$50 million of a newly issued 5.9% convertible preferred stock.

In the fourth quarter, oil and gas revenues rose 22% to \$61.1 million, due to higher production and commodity prices. Cash flow before changes in working capital, a non-GAAP measure, increased 31% to a record \$40.9 million. Wellhead prices, after hedging, averaged \$4.03 per mcf, an 11% increase. Production in the quarter rose 10% from the prior-year period, averaging 164.7 Mmcfe per day, its highest level in four years. However, net income declined 5% to \$4.6 million (\$0.07 per share) due to several non-cash items including a deferred compensation expense of \$4.4 million (\$0.08 per share), an ineffective hedging loss of \$1.1 million (\$0.02 per share) and a \$1.6 million increase in deferred income taxes.

The Company has set a 2004 capital budget excluding acquisitions of \$126 million, representing a 17% increase over the prior year. Projects include the drilling of 409 gross (237 net) wells and 35 gross (29 net) recompletions. More than two-thirds of the drilling budget is directed toward finding and developing new reserves. Based on current forecasts and futures prices, the capital budget is anticipated to be funded with approximately 75% of internal cash flow. The capital is currently allocated approximately 50% to the Southwest region and 25% to each of the Gulf Coast and Appalachian regions. The Company anticipates the 2004 capital program and the Conger field acquisition will provide a 10% to 15% growth in year-over-year production.

Commenting, John H. Pinkerton, the Company's President, said, "We are extremely pleased with the Company's performance and results in 2003. We achieved record revenues and cash flow and grew production in each quarter. Reserves grew 18% due to successful drilling results and the acquisition of long-lived Conger field gas properties in December. Finding and development costs totaled a cost-effective \$1.25 per mcf including \$0.07 per mcf spent on acreage and seismic on prospects to be drilled in the future. Production, which increased 10% in the fourth quarter, is expected to continue rising throughout 2004 fueled by our balanced inventory of drilling projects. Based on current futures prices, coupled with rising production, Range should report record results again in 2004."

The Company will host a conference call on Wednesday, March 3 at 2:00 p.m. ET to review these results. To participate in the call, please dial 877-207-5526 and ask for the Range Resources conference call. A replay of the call will be available through March 10 at 800-642-1687. The conference ID for the replay is 5401692.

A simultaneous webcast of the call may be accessed over the Internet at www.rangeresources.com or www.vcall.com. To listen, please go to either website in time to register and install any necessary software. The webcast will be archived for replay on the Company's website for 30 days.

Non-GAAP Financial Measures:

Earnings for 2003 include derivative ineffective hedging losses of \$1.2 million, non-cash deferred compensation expense of \$6.6 million, amortization of interest rate swap gains of \$559,000, a \$19.0 million gain on retirement of securities, a call premium and amortization write off of \$2.4 million and \$4.5 million of accretion expense applicable to the adoption of the new accounting rule regarding asset retirement obligations. Excluding such items, pretax income would have been \$45.0 million, a 93% increase from the prior year. Adjusting for the after-tax effect of these items, the Company's earnings would have been \$27.3 million in 2003 or \$0.49 per share (\$0.46 per diluted share). If similar items were excluded, 2002 earnings would have been \$26.4 million or \$0.50 per share (\$0.48 per diluted share). In 2002, \$3.0 million of deferred tax benefits were recognized rather than a 39% deferred tax provision of \$17.6 million in

2003. (See reconciliation of non-GAAP earnings in the accompanying table.) The Company believes results excluding these items are more comparable to estimates provided by security analysts and, therefore, are useful in evaluating operational trends of the Company and its performance relative to other oil and gas producing companies.

Cash flow from operations before changes in working capital as defined in this release represents net cash provided by operations before changes in working capital and exploration expense adjusted for certain non-cash compensation items and the cash call premium and amortization write off of \$2.4 million. Cash flow from operations before changes in working capital is widely accepted by the investment community as a financial indicator of an oil and gas company's ability to generate cash to internally fund exploration and development activities and to service debt. Cash flow from operations before changes in working capital is also useful because it is widely used by professional research analysts in valuing, comparing, rating and providing investment recommendations of companies in the oil and gas exploration and production industry. In turn, many investors use this published research in making investment decisions. Cash flow from operations before changes in working capital is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operations, investing, or financing activities as an indicator of cash flows, or as a measure of liquidity. A table is included which reconciles net cash provided by operations to Cash flow from operations before changes in working capital as used in this release. On its website, the Company provides additional comparative information on prior periods.

RANGE RESOURCES CORPORATION (NYSE: RRC) is an independent oil and gas company operating in the Permian, Midcontinent, Gulf Coast and Appalachian regions of the United States.

Except for historical information, statements made in this release, including those relating to future earnings, cash flow, capital expenditures, expenses, reserve replacement, production growth, drilling results and acquisitions are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on assumptions and estimates that management believes are reasonable based on currently available information; however, management's assumptions and the Company's future performance are subject to a wide range of business risks and uncertainties and there is no assurance that these goals and projections can or will be met. Any number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, the volatility of oil and gas prices, the costs and results of drilling and operations, the timing of production, mechanical and other inherent risks associated with oil and gas production, weather, the availability of drilling equipment, changes in interest rates, litigation, uncertainties about reserve estimates, and environmental risks. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Further information on risks and uncertainties is available in the Company's filings with the Securities and Exchange Commission, which are incorporated by reference.

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Contacts:

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Karen Giles

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www.rangeresources.com

RANGE RESOURCES CORPORATION

STATEMENTS OF INCOME

(In thousands, except per share data)

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|--|---------------------------------|-----------------|------|----------------------------------|------------------|------|
| | 2003 | 2002 | | 2003 | 2002 | |
| Revenues | | | | | | |
| Oil and gas sales | \$ 61,076 | \$ 49,933 | | \$ 226,402 | \$ 190,954 | |
| Transportation and processing | 701 | 760 | | 3,509 | 3,495 | |
| IPF..... | 283 | 313 | | 1,547 | 3,789 | |
| Gain on retirement of securities..... | 279 | 18 | | 18,991 | 3,098 | |
| Ineffective hedging gain (loss) (a) | (1,060) | (149) | | (1,238) | (2,730) | |
| Interest and other (a)..... | 70 | 618 | | (14) | (170) | |
| | <u>61,349</u> | <u>51,493</u> | 19% | <u>249,197</u> | <u>198,436</u> | 26% |
| Expenses | | | | | | |
| Direct operating | 9,340 | 8,139 | | 36,423 | 31,869 | |
| Production and ad valorem taxes | 3,185 | 2,646 | | 12,894 | 8,574 | |
| IPF expenses | 1,201 | 2,089 | | 2,965 | 6,847 | |
| Exploration | 5,173 | 2,268 | | 13,946 | 11,525 | |
| General and administrative..... | 4,361 | 4,005 | | 17,818 | 16,217 | |
| Non-cash deferred compensation expense (b) | 4,364 | 952 | | 6,559 | 1,023 | |
| Interest | 3,741 | 5,677 | | 19,789 | 23,153 | |
| Call premium and deferred costs on 8.75% notes (c) .. | - | - | | 2,376 | - | |
| Debt conversion expense..... | - | - | | 465 | - | |
| Accretion expense (d) | 1,071 | - | | 4,517 | - | |
| Depletion, depreciation and amortization | 21,366 | 19,700 | | 82,032 | 76,820 | |
| | <u>53,802</u> | <u>45,476</u> | 18% | <u>199,784</u> | <u>176,028</u> | 13% |
| Pretax income | 7,547 | 6,017 | 25% | 49,413 | 22,408 | 121% |
| Income taxes (benefit) | | | | | | |
| Current | 166 | (72) | | 170 | (4) | |
| Deferred | 2,748 | 1,196 | | 18,319 | (3,354) | |
| | <u>2,914</u> | <u>1,124</u> | | <u>18,489</u> | <u>(3,358)</u> | |
| Income before accounting change | 4,633 | 4,893 | -5% | 30,924 | 25,766 | 20% |
| Cumulative effect of accounting change, net of tax | - | - | | 4,491 | - | |
| Net income | 4,633 | 4,893 | -5% | 35,415 | 25,766 | 37% |
| Preferred stock dividends | (738) | - | | (803) | - | |
| Net income available to common shareholders | <u>\$ 3,895</u> | <u>\$ 4,893</u> | -20% | <u>\$ 34,612</u> | <u>\$ 25,766</u> | 34% |
| Net income available to common shareholders | \$ 0.07 | \$ 0.09 | -22% | \$ 0.56 | \$ 0.49 | 14% |
| Cumulative effect of change in accounting principle .. | - | - | | 0.08 | - | |
| Net income per common share | <u>\$ 0.07</u> | <u>\$ 0.09</u> | -22% | <u>\$ 0.64</u> | <u>\$ 0.49</u> | 31% |
| Earnings per common share – assuming dilution | \$ 0.07 | \$ 0.09 | -22% | \$ 0.53 | \$ 0.47 | 13% |
| Cumulative effect of change in accounting principle .. | - | - | | 0.08 | - | |
| Net income per common share – assuming dilution | <u>\$ 0.07</u> | <u>\$ 0.09</u> | -22% | <u>\$ 0.61</u> | <u>\$ 0.47</u> | 30% |
| Weighted average shares outstanding, as reported | | | | | | |
| Basic | 54,631 | 53,503 | 2% | 54,272 | 53,070 | 2% |
| Diluted | 57,022 | 54,962 | 4% | 57,850 | 54,418 | 6% |

(a) Included in Other revenues in 10-K.

(b) Included in General and administrative expenses in 10-K. It is based upon increases in Company's stock price between periods.

(c) Due to redeeming the 8.75% notes and included in Interest expense in 10-K.

(d) Applicable to the new accounting rule adopted on January 1, 2003 regarding asset retirement obligations.

RANGE RESOURCES CORPORATION

OPERATING HIGHLIGHTS

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|-----------------------------------|---------------------------------|----------|-----|----------------------------------|----------|-----|
| | 2003 | 2002 | | 2003 | 2002 | |
| Average Daily Production | | | | | | |
| Oil (bbl)..... | 5,405 | 5,522 | -2% | 5,543 | 5,131 | 8% |
| Natural gas liquids (bbl) | 1,221 | 1,084 | 13% | 1,098 | 1,114 | -1% |
| Gas (mcf) | 124,911 | 109,519 | 14% | 119,206 | 112,592 | 6% |
| Equivalents (mcf) (a) | 164,670 | 149,155 | 10% | 159,049 | 150,061 | 6% |
| Prices Realized | | | | | | |
| Oil (bbl) | \$ 23.59 | \$ 22.06 | 7% | \$ 23.53 | \$ 22.25 | 6% |
| Natural gas liquids (bbl) | \$ 18.74 | \$ 14.59 | 28% | \$ 18.75 | \$ 12.93 | 45% |
| Gas (mcf) | \$ 4.11 | \$ 3.70 | 11% | \$ 3.94 | \$ 3.50 | 13% |
| Equivalents (mcf) (a) | \$ 4.03 | \$ 3.64 | 11% | \$ 3.90 | \$ 3.49 | 12% |
| Operating Costs per mcf | | | | | | |
| Field expenses..... | \$ 0.57 | \$ 0.56 | 2% | \$ 0.58 | \$ 0.54 | 7% |
| Workovers | \$ 0.05 | \$ 0.04 | 25% | \$ 0.05 | \$ 0.04 | 25% |
| Production/ad valorem taxes | \$ 0.21 | \$ 0.19 | 11% | \$ 0.22 | \$ 0.16 | 38% |
| Total Operating Costs..... | \$ 0.83 | \$ 0.79 | 5% | \$ 0.85 | \$ 0.74 | 15% |

(a) Oil and natural gas liquids are converted to gas equivalents on a basis of six mcf per barrel.

SUMMARY BALANCE SHEETS

(In thousands)

| | December 31, 2003 | December 31, 2002 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets..... | \$ 46,221 | \$ 37,354 |
| Current deferred tax asset..... | 19,871 | 13,265 |
| IPF receivables | 8,193 | 18,351 |
| Oil and gas properties..... | 723,382 | 564,406 |
| Transportation and field assets | 22,306 | 18,072 |
| Unrealized hedging gain and other..... | 10,118 | 7,036 |
| | \$ 830,091 | \$ 658,484 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | \$ 46,805 | \$ 41,171 |
| Current asset retirement obligation | 5,814 | - |
| Current unrealized hedging loss..... | 54,345 | 26,035 |
| Senior debt..... | 178,200 | 115,800 |
| Nonrecourse debt of subsidiary..... | 70,000 | 76,500 |
| Subordinated notes | 109,980 | 90,901 |
| Trust preferred | - | 84,840 |
| Total long-term debt..... | 358,180 | 368,041 |
| Deferred taxes..... | 10,843 | - |
| Unrealized hedging loss | 17,027 | 9,079 |
| Deferred compensation liability | 16,981 | 8,049 |
| Long-term asset retirement obligation | 46,030 | - |
| Preferred stock..... | 50,000 | - |
| Common stock and retained deficit..... | 276,215 | 233,573 |
| Stock in deferred compensation plan | (9,297) | (6,313) |
| Other comprehensive loss..... | (42,852) | (21,151) |
| Total stockholder's equity..... | 274,066 | 206,109 |
| | \$ 830,091 | \$ 658,484 |

RANGE RESOURCES CORPORATION

CASH FLOWS FROM OPERATIONS

(In thousands)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|------------------|-------------------------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Net income..... | \$ 4,633 | \$ 4,893 | \$ 35,415 | \$ 25,766 |
| Adjustments to reconcile net income to net cash provided by operations: | | | | |
| Cumulative effect of change in accounting principle, net..... | - | - | (4,491) | - |
| Deferred income tax expense (benefit)..... | 2,748 | 1,197 | 18,319 | (3,353) |
| Depletion, depreciation and amortization..... | 22,437 | 19,700 | 86,549 | 76,820 |
| Exploration expense..... | 1,351 | 876 | 3,576 | 5,280 |
| Write-down of marketable securities..... | - | - | - | 1,220 |
| Unrealized hedging losses..... | 741 | 234 | 679 | 3,005 |
| Adjustment to IPF valuation allowance and allowance for bad debts..... | 1,029 | 1,572 | 2,138 | 4,390 |
| Amortization of deferred issuance costs..... | 155 | 229 | 1,207 | 899 |
| (Gain) loss on retirement of securities..... | (342) | (18) | (19,634) | (3,125) |
| Debt conversion expense..... | - | - | 465 | - |
| Deferred compensation adjustment..... | 4,274 | 829 | 6,867 | 2,506 |
| (Loss) gain on sale of assets and other..... | 99 | 131 | 217 | (161) |
| Changes in working capital: | | | | |
| Accounts receivable..... | (1,167) | (1,676) | (11,530) | (2,685) |
| Inventory and other..... | 2,189 | 473 | 501 | (893) |
| Accounts payable..... | (665) | (360) | 2,982 | 3,364 |
| Accrued liabilities..... | 1,037 | 2,855 | 2,217 | 1,439 |
| Net changes in working capital..... | 1,394 | 1,292 | (5,830) | 1,225 |
| Net cash provided by operations..... | <u>\$ 38,519</u> | <u>\$ 30,935</u> | <u>\$ 125,477</u> | <u>\$ 114,472</u> |

RECONCILIATION OF CASH FLOWS

(In thousands, except per share data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|------------------|-------------------------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Net cash provided by operations..... | \$ 38,519 | \$ 30,935 | \$ 125,477 | \$ 114,472 |
| Net change in working capital..... | (1,394) | (1,292) | 5,830 | (1,225) |
| Call premium on 8.75% notes..... | - | - | 2,006 | - |
| Exploration expense..... | 3,822 | 1,392 | 10,370 | 6,245 |
| Non-cash compensation adjustments and other..... | (49) | 123 | 133 | (1,457) |
| Cash flow from operations before changes in working capital, non-GAAP measure . | <u>\$ 40,898</u> | <u>\$ 31,158</u> | <u>\$ 143,816</u> | <u>\$ 118,035</u> |

WEIGHTED AVERAGE SHARES OUTSTANDING

(In thousands)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|---------------|-------------------------------------|---------------|
| | 2003 | 2002 | 2003 | 2002 |
| Basic: | | | | |
| Weighted average shares outstanding..... | 56,269 | 54,821 | 55,796 | 54,283 |
| Stock held by deferred compensation plan..... | (1,638) | (1,318) | (1,524) | (1,213) |
| | <u>54,631</u> | <u>53,503</u> | <u>54,272</u> | <u>53,070</u> |
| Dilutive: | | | | |
| Weighted average shares outstanding..... | 56,269 | 54,823 | 55,796 | 54,283 |
| Dilutive stock options under treasury method..... | 753 | 139 | 442 | 135 |
| Dilutive effect of 5.9% preferred (dilutive when EPS over \$0.125 per qtr)..... | - | - | 1,612 | - |
| | <u>57,022 (a)</u> | <u>54,962</u> | <u>57,850</u> | <u>54,418</u> |

(a) Additional 5,882 dilutive effect if deferred compensation adjustment is excluded in 4Q 2003.

RANGE RESOURCES CORPORATION

RECONCILIATION OF NET INCOME BEFORE ACCOUNTING CHANGE AS REPORTED TO NET INCOME BEFORE ACCOUNTING CHANGE EXCLUDING CERTAIN ITEMS – NON-GAAP MEASURE

(Unaudited)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|----------|-------------------------------------|-----------|
| | 2003 | 2002 | 2003 | 2002 |
| | Pretax income as reported..... | \$ 7,547 | \$ 6,017 | \$ 49,413 |
| Adjustment for certain items | | | | |
| Gain on retirement of securities..... | (279) | (18) | (18,991) | (3,098) |
| Call premium and unamortized offering costs on 8.75% notes..... | - | - | 2,376 | - |
| Ineffective commodity hedging (gain) loss..... | 1,060 | 149 | 1,238 | 2,730 |
| Accretion expense..... | 1,071 | - | 4,517 | - |
| Amortization of ineffective interest hedges (gain) loss..... | (319) | 85 | (559) | 275 |
| Deferred compensation adjustment..... | 4,364 | 952 | 6,559 | 1,023 |
| Debt conversion expense..... | - | - | 465 | - |
| Pretax income as adjusted..... | 13,444 | 7,185 | 45,018 | 23,338 |
| Income taxes (benefit) adjusted | | | | |
| Current..... | 166 | (72) | 170 | (4) |
| Deferred..... | 4,974 | 1,605 | 17,574 | (3,029) |
| Net income before accounting change excluding certain items, a non-GAAP measure..... | \$ 8,304 | \$ 5,652 | \$ 27,274 | \$ 26,371 |
| Non-GAAP earnings per share before accounting change | | | | |
| Basic..... | \$ 0.14 | \$ 0.11 | \$ 0.49 | \$ 0.50 |
| Diluted..... | \$ 0.12 | \$ 0.10 | \$ 0.46 | \$ 0.48 |

HEDGING POSITION

As of March 2, 2004

| | | Gas | | Oil | | NGLs | |
|---------------|---------|-------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | | Volume Hedged (MMBtu/d) | Average Hedge Prices | Volume Hedged (Bbl/d) | Average Hedge Prices | Volume Hedged (Bbl/d) | Average Hedge Prices |
| Calendar 2004 | Swaps | 91,440 | \$4.08 | 3,010 | \$25.93 | 1,377 | \$21.88 |
| Calendar 2004 | Collars | 6,470 | \$4.50 - \$6.07 | 2,128 | \$24.23 - \$28.39 | - | - |
| Calendar 2005 | Swaps | 50,695 | \$4.21 | 940 | \$25.11 | 658 | \$19.20 |
| Calendar 2005 | Collars | 14,805 | \$4.22 - \$5.86 | 1,315 | \$24.32 - \$27.66 | - | - |
| Calendar 2006 | Swaps | 3,288 | \$4.85 | - | - | - | - |
| Calendar 2006 | Collars | 2,466 | \$4.25 - \$5.97 | 82 | \$25.28 - \$29.10 | - | - |