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

FORM 10-KSB

☒ Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 1997

☐ Transition Report under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _____ to _____.

Commission File No. 1-12508

MAGNUM HUNTER RESOURCES, INC.
(Name of small business issuer in its charter)

Nevada
State or other jurisdiction of
incorporation or organization

87-0462881
(I.R.S. Employer
Identification No.)

600 East Las Colinas Blvd., Suite 1200, Irving, Texas 75039
(Address of principal executive offices) (zip code)

Issuer's telephone number, including area code: (972) 401-0752

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
Common Stock (\$.002 par value)	American Stock Exchange
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Securities registered under Section 12(g) of the Act: None

Check whether the Issuer (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 2 months (or for such shorter period that the Issuer was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days
Yes X No

Check if no disclosure of delinquent filers in response to Item 405 of regulation S-B is contained in this form, and no disclosure will be contained, to the best of the Issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB { }

The Issuer's revenues for its most recent fiscal year: \$49,923,000

As of March 27, 1998, the aggregate market value of voting stock held by non-affiliates, computed by reference to the closing price as reported by the American Stock Exchange, was \$94,578,801.

The number of shares outstanding of the Issuer's common stock at December 31, 1997: 21,738,320

OIL CONSERVATION DIVISION
HARTMAN EXHIBIT NO. 14
CASE NOS. 12015 & 12017

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Securities and Exchange Commission
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The Company

Magnum Hunter Resources, Inc., a Nevada corporation ("Magnum Hunter" or the "Company"), is an independent energy company engaged in the exploitation and development, acquisition, exploration and operation of oil and gas properties with a geographic focus in Texas, Oklahoma and New Mexico. In December 1995, the Company consummated the acquisition of all of the subsidiaries of Hunter Resources, Inc., a Pennsylvania corporation (the "Magnum Hunter Combination"), and the management of Hunter Resources, Inc. assumed operating control of the Company. The new management implemented a business strategy that emphasized acquisitions of long-lived proved reserves with significant exploitation and development opportunities where the Company generally could control the operations of the properties. As part of this strategy, in June 1996 the Company acquired the Panoma Properties (as defined herein) from Burlington Resources Inc. ("Burlington") for a net purchase price of \$34.7 million (the "Panoma Acquisition"). Additionally, in April 1997 the Company acquired the Permian Basin Properties (as defined herein) from Burlington for a net purchase price of \$133.8 million (the "Permian Basin Acquisition"). The Company presently intends to focus its efforts on its substantial inventory of exploitation and development opportunities, further acquisitions and, to a lesser extent, selected exploratory drilling prospects. The Company has identified over 600 development drilling locations (including both production and injection wells) on its properties, substantially all of which are low-risk in-fill drilling opportunities.

At December 31, 1997, the Company had an interest in 2,626 wells and had estimated proved reserves of 333 Bcfe with an SEC PV-10 (as defined herein) of \$211.6 million. Approximately 68% of these reserves were proved developed producing reserves and 90% were attributable to the Panoma Properties and the Permian Basin Properties. At December 31, 1997, the Company's proved reserves had an estimated reserve life index of approximately 16 years and were 62% gas. The Company serves as operator for approximately 70% of its properties (based on the number of producing wells in which the Company owns an interest). Additionally, the Company owns over 500 miles of gas gathering systems and a 50% interest in a gas processing plant that is connected to the Company's largest gas gathering system, which was purchased with the Panoma Properties.

Beginning with the Magnum Hunter Combination in December 1995, the Company has made nine acquisitions for an aggregate net purchase price of \$185.4 million. This strategy has added approximately 305.6 Bcfe of reserves (determined as of the respective times of their acquisition) at an average cost of \$0.61 per Mcfe, as well as a 427 mile gas gathering system and a 50% interest in the McLean Gas Plant (the "McLean Plant Acquisition"). As a result of its acquisitions, the Company has achieved substantial growth as described below:

- o Proved reserves increased to 333 Bcfe at year end 1997 from 36.7 Bcfe at year end 1995;
- o SEC PV-10 increased to \$211.6 million at year end 1997 from \$37.2 million at year end 1995;
- o Average daily production increased to 50.5 million cubic feet equivalent in the fourth quarter of 1997 from 800 thousand cubic feet equivalent in fiscal 1995; and

Business Strategy

The Company's objective is to increase its reserves, production, cash flow and earnings utilizing a program of (i) exploitation and development of acquired properties, (ii) strategic acquisitions and (iii) a selective exploration program.

Property	Operator	Well Count	Working Interest	Net Revenue Interest	Production (Bbl/d)
TLB Unit.....	Company	20	100.00	87.30	85
Veal Lease.....	Company	52	100.00	87.10	225
NW Slaughter Unit.....	Company	83	74.80	62.80	330

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Discovered in the 1930's, all three properties have been actively waterflooded since the 1970's. While the projects are mature, additional drilling and waterflood enhancement are likely. No proved undeveloped reserves were assigned by Ryder Scott to either the TLB Unit or the Veal Lease. Proved undeveloped reserves were assigned by Ryder Scott to the NW Slaughter Unit in contemplation of a carbon dioxide injection project which is anticipated for that property. The operator of an adjacent property has been successfully injecting carbon dioxide for several years to enhance production.

Lea County Shallow Properties. The Lea County Shallow Properties consist of approximately 300 wells in Lea County, New Mexico which are in the Rhodes, Jalmat, Monument, Langlie Mattix, Eumont and Eunice Fields. The fields produce from the Yates, Seven Rivers, Queen and other formations at depths generally shallower than 3,000 feet. Production is generally high Btu gas, which produces into low pressure gathering systems. At year-end approximately 13 proved undeveloped locations were identified and the Company anticipates that numerous additional recompletion, stimulation, workover or development drilling opportunities will result from detailed geological and engineering studies which are planned.

Brunson Ranch. The Brunson Ranch Field consists of four wells located in Loving County, Texas in the deep Delaware Basin geological province of the Permian Basin. Three of these wells are currently producing a total of approximately 2.4 MMcf of gas per day from the Atoka formation at a depth of approximately 16,000 feet. The Company recompleted an additional well in June 1997 that is producing 2.3 MMcf of gas per day. Undeveloped potential exists on the properties through redrilling the Atoka formation and completing such wells using technology designed for high bottom hole pressure conditions.

Burlington has agreed to indemnify the Company for breaches by Burlington of the purchase agreement as well as any claims attributable to or arising out of acts or omissions of Burlington (including, but not limited to, environmental claims) occurring before January 1, 1997. There are certain limitations on the amount of, and time period for bringing, a claim for indemnity made by the Company. Burlington is a defendant in two actions claiming that Burlington underpaid royalty owners on properties in New Mexico and Texas, including properties that are a part of the Permian Basin Properties. The plaintiffs in the New Mexico action are seeking class certification while the Texas action has been certified as a class action. Burlington's indemnity would hold the Company harmless from any of these claims arising prior to January 1, 1997. The Company has also agreed, subject to certain limitations, to indemnify Burlington for matters arising subsequent to January 1, 1997 as well as for certain liabilities and obligations assumed by the Company as part of the purchase transaction.

Panoma Acquisition

On June 28, 1996, the Company purchased from Burlington interests in 520 gas wells in the Texas Panhandle and western Oklahoma (470 of which are operated by the Company) and the associated 427 mile gas gathering system (the "Panoma Properties"). At year-end the Company had drilled an additional 40 wells, and a continuous drilling program is progressing into 1998, with an additional well being added every 7 days. The net purchase price, after certain purchase price adjustments, was \$34.7 million, funded by borrowings under the Company's previous credit facility. Gruy is the operator of the gas gathering system and