

RANGE RESOURCES CORP
Form 10-Q
August 01, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-12209

RANGE RESOURCES CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

34-1312571
(IRS Employer
Identification No.)
76102

100 Throckmorton Street, Suite 1200

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Fort Worth, Texas
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code

(817) 870-2601

Former Name, Former Address and Former Fiscal Year, if changed since last report: Not applicable

Indicate by check mark whether the registrant (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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do not check if smaller reporting company) Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

248,132,251 Common Shares were outstanding on July 31, 2017

RANGE RESOURCES CORPORATION

FORM 10-Q

Quarter Ended June 30, 2017

Unless the context otherwise indicates, all references in this report to “Range Resources,” “Range,” “we,” “us,” or “our” are to Range Resources Corporation and its directly and indirectly owned subsidiaries.

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

RANGE RESOURCES CORPORATION

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$520	\$314
Accounts receivable, less allowance for doubtful accounts of \$5,861 and \$5,559	261,129	241,718
Derivative assets	80,559	13,278
Inventory and other	18,406	26,573
Total current assets	360,614	281,883
Derivative assets	16,870	205
Goodwill	1,646,710	1,654,292
Natural gas and oil properties, successful efforts method	12,843,905	12,386,153
Accumulated depletion and depreciation	(3,338,463)	(3,129,816)
	9,505,442	9,256,337
Other property and equipment	114,184	112,796
Accumulated depreciation and amortization	(98,024)	(95,923)
	16,160	16,873
Other assets	75,540	72,655
Total assets	\$11,621,336	\$11,282,245
Liabilities		
Current liabilities:		
Accounts payable	\$286,619	\$229,190
Asset retirement obligations	7,271	7,271
Accrued liabilities	256,227	265,843
Accrued interest	41,975	35,340
Derivative liabilities	4,900	165,009
Total current liabilities	596,992	702,653
Bank debt	949,948	876,428
Senior notes	2,850,100	2,848,591
Senior subordinated notes	48,541	48,498
Deferred tax liabilities	1,114,583	943,343
Derivative liabilities	541	24,491
Deferred compensation liabilities	96,854	119,231
Asset retirement obligations and other liabilities	301,886	310,642
Total liabilities	5,959,445	5,873,877

Commitments and contingencies

Stockholders' Equity

Preferred stock, \$1 par, 10,000,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.01 par, 475,000,000 shares authorized, 248,130,537 issued at		
June 30, 2017 and 247,174,903 issued at December 31, 2016	2,481	2,471
Common stock held in treasury, 14,967 shares at June 30, 2017 and 30,547		
shares at December 31, 2016	(599)	(1,209)
Additional paid-in capital	5,547,579	5,524,423
Retained earnings (deficit)	112,430	(117,317)
Total stockholders' equity	5,661,891	5,408,368
Total liabilities and stockholders' equity	\$11,621,336	\$11,282,245

See accompanying notes.

RANGE RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues and other income:				
Natural gas, NGLs and oil sales	\$506,137	\$224,606	\$1,065,587	\$434,093
Derivative fair value income (loss)	111,195	(162,798)	276,752	(75,890)
Brokered natural gas, marketing and other	55,779	39,989	107,427	75,007
Total revenues and other income	673,111	101,797	1,449,766	433,210
Costs and expenses:				
Direct operating	31,420	20,671	59,443	44,725
Transportation, gathering, processing and compression	191,590	136,844	369,238	262,107
Production and ad valorem taxes	9,969	6,049	19,132	11,936
Brokered natural gas and marketing	55,857	40,925	109,407	77,483
Exploration	14,498	6,785	23,002	11,698
Abandonment and impairment of unproved properties	5,193	7,059	9,613	17,687
General and administrative	52,322	46,064	99,818	86,721
MRD Merger expenses	—	2,621	—	2,621
Termination costs	(96)	5	4,096	167
Deferred compensation plan	(14,466)	25,746	(27,635)	41,802
Interest	47,926	37,758	95,027	75,497
Depletion, depreciation and amortization	152,504	122,390	302,325	242,951
Impairment of proved properties and other assets	—	—	—	43,040
(Gain) loss on the sale of assets	(807)	3,304	(23,407)	4,947
Total costs and expenses	545,910	456,221	1,040,059	923,382
Income (loss) before income taxes	127,201	(354,424)	409,707	(490,172)
Income tax expense (benefit):				
Current	—	—		