RANGE RESOURCES CORP
Form 424B5
May 01, 2008

Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration No. 333-135193

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount to be Registered	Maximum Aggregate Offering Price	Proposed Maximum Offering Price	Amount of Registration Fee
Common Stock	4,830,000	$320,615,400	$66.38	$12,601

(1) The filing fee of $12,601 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Prospectus supplement
To prospectus dated June 21, 2006

4,200,000 shares
Common stock

We are selling 4,200,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol RRC. On April 30, 2008 the last reported sale price of our common stock on the New York Stock Exchange was $66.38 per share.

Shortly following the pricing of this offering, subject to market conditions, we expect to offer approximately $250 million in principal amount of senior subordinated notes due 2018 in a registered public offering. The completion of this offering is not conditioned upon the completion of the public offering of senior subordinated notes, and vice versa.

	Per share	Total
Public offering price	$ 66.3800	$ 278,796,000
Underwriting discounts and commissions	$ 2.6552	$ 11,151,840
Proceeds to Range Resources, before expenses	$ 63.7248	$ 267,644,160

We have granted the underwriters an option for a period of 30 days to purchase up to 630,000 additional shares to cover over-allotments, if any.

Investing in our common stock involves certain risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or accompanying base prospectus. Any representation to the contrary is a criminal offense.

We expect that delivery of the shares will be made in book-entry form through the facilities of The Depository Trust Company on or about May 6, 2008.

Joint book-running managers

JPMorgan **Credit Suisse**

Co-managers

Deutsche Bank Securities
Banc of America Securities LLC
BMO Capital Markets
Friedman Billings Ramsey
Johnson Rice & Company L.L.C.
KeyBanc Capital Markets
Morgan Stanley
Raymond James
Wachovia Securities
CALYON SECURITIES (USA) INC.
Natixis Bleichroeder Inc.
Pritchard Capital Partners, LLC
RBC Capital Markets
Simmons & Company international
SunTrust Robinson Humphrey
Tristone Capital
Tudor, Pickering, Holt & Co.

April 30, 2008

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates on the front cover of these documents or earlier dates specified herein or therein and that the information incorporated herein by reference is accurate only as of its date. Our business, financial condition, results of operations and prospects may have changed since those dates. It is important that you read and consider all of the information in this prospectus supplement on the one hand, and the information contained in the accompanying prospectus and any document incorporated by reference, on the other hand, in making your investment decision.

Table of contents

Prospectus supplement	
Forward-looking statements	S-ii
Information we incorporate by reference	S-iii
Summary	S-1
Risk factors	S-8
Price range of common stock and dividend history	S-17
Use of proceeds	S-18
Capitalization	S-19
Underwriting	S-20
Legal matters	S-23
Experts	S-23
Reserve engineers	S-23
Glossary of certain oil and natural gas terms	S-24
Prospectus	
About this prospectus	1
Where you can find more information	1
Information we incorporate by reference	1
Forward-looking statements	2
Use of proceeds	3
Description of capital stock	3
Legal matters	4
Experts	5
Reserve engineers	5

Table of Contents

Forward-looking statements

This prospectus supplement and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus contain 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 include statements relating to our plans, strategies, objectives, expectations, intentions and adequacy of resources and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In general, all statements other than statements of historical fact are forward-looking statements. These forward-looking statements are based on management s current belief, based on currently available information, as to the outcome and timing of future events. However, management s assumptions and our future performance are subject to a wide range of business risks and uncertainties and we cannot assure you 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:

- production variance from expectations;
- volatility of oil and natural gas prices;
- hedging results;
- the need to develop and replace reserves;
- the substantial capital expenditures required to fund operations;
- exploration risks;
- environmental risks;
- uncertainties about estimates of reserves;
- competition;
- litigation;
- our sources of liquidity;
- access to capital;
- government regulation;
- political risks;
- our ability to implement our business strategy;
- costs and results of drilling new projects;
- mechanical and other inherent risks associated with oil and natural gas production;
- weather;
- availability of drilling equipment; and
- changes of interest rates.

Reserve engineering is a process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by our reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ from the quantities of oil and natural gas that are ultimately recovered.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance or achievements. We do not assume responsibility for the accuracy and completeness of the forward-looking statements.

Table of Contents

Should one or more of the risks or uncertainties described in this prospectus supplement, the accompanying prospectus or the documents we incorporate by reference, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All forward-looking statements express or implied included in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference and attributable to Range are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Range or persons acting on its behalf may issue.

Information we incorporate by reference

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that we file with the SEC after we file this prospectus will automatically update and may replace information in this prospectus and information previously filed with the SEC. We do not incorporate by reference any information in any future filings deemed furnished and not filed pursuant to applicable rules.

We incorporate by reference in this prospectus the documents listed below which we previously have filed with the SEC and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding those filings made under Item 2.02 or 7.01 of Form 8-K) after we file this prospectus until the offering of the securities terminates or we have filed with the SEC an amendment to the registration statement relating to this offering that deregisters all securities then remaining unsold:

Annual Report on Form 10-K for the fiscal year ended December 31, 2007;

Quarterly Report on Form 10-Q for the three-months ended March 31, 2008; and

Current Reports on Form 8-K filed on January 23, 2008, January 30, 2008, February 11, 2008, February 21, 2008, March 28, 2008 and April 28, 2008.

You may request a copy of any of these filings (other than an exhibit to those filings unless we have specifically incorporated that exhibit by reference into the filing), at no cost, by telephoning us at the following number or writing us at the following address:

Range Resources Corporation
Attention: Corporate Secretary
100 Throckmorton Street
Suite 1200
Fort Worth, Texas 76102
(817) 870-2601

Table of Contents

Summary

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference. It does not contain all of the information that you should consider before making an investment decision. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. You should read Risk factors beginning on page S-8 of this prospectus supplement and in our annual report on Form 10-K for the year ended December 31, 2007 for more information about important risks that you should consider before buying the common stock to be issued in connection with this offering. Unless the context requires otherwise or as otherwise indicated, Range, we, us, our or similar terms in thi prospectus supplement refer to Range Resources Corporation and its subsidiaries on a consolidated basis. We include, beginning on page S-24, a glossary of some of the terms used in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference.

Our business

Business

We are a Fort Worth, Texas-based independent oil and gas company, engaged in the exploration, development and acquisition of oil and gas properties, primarily in the Southwestern, Appalachian and Gulf Coast regions of the United States. We were incorporated in early 1980 under the name Lomak Petroleum, Inc. and, later that year, we completed an initial public offering and began trading on the NASDAQ. In 1996, our common stock was listed on the New York Stock Exchange. In 1998, we changed our name to Range Resources Corporation. In 1999, we implemented a strategy of internally generated drillbit growth coupled with complementary acquisitions. Our objective is to build stockholder value through consistent growth in reserves and production on a cost-efficient basis. During the past five years, we have increased our proved reserves 286%, while production increased 115% during that same period.

At year-end 2007, our proved reserves had the following characteristics:

- 2.2 Tcfe of proved reserves;
- 82% natural gas;
- 64% proved developed;
- 77% operated; and
- a reserve life of 17.7 years (based on fourth quarter 2007 production).

At year-end 2007, we owned 3,385,000 gross (2,695,000 net) acres of leasehold, including 407,800 acres where we also own a royalty interest. We have built a multi-year inventory of drilling projects that is estimated to be over 11,000 identified drilling locations, of which approximately 8,500 drilling locations are in our Appalachian region. In addition, we control over 1,000,000 net acres of leasehold in prospective Marcellus, Huron, Barnett and Woodford Shales.

Our corporate offices are located at 100 Throckmorton Street, Suite 1200, Fort Worth, Texas 76102. Our telephone number is (817) 870-2601.

Table of Contents

Business strategy

Our objective is to build stockholder value through consistent growth in reserves and production on a cost-efficient basis. Our strategy is to employ internally generated drillbit growth coupled with complementary acquisitions. Our strategy requires us to make significant investments in technical staff, acreage and seismic data and technology to build drilling inventory. Our strategy has the following principal elements:

Concentrate in Core Operating Areas. We currently operate in three regions; the Southwestern (which includes the Barnett Shale of North Central Texas, the Permian Basin of West Texas and eastern New Mexico, the East Texas Basin, the Texas Panhandle and Anadarko Basin of Western Oklahoma), Appalachian (which includes tight-gas, shale, coal bed methane and conventional oil and gas production in Pennsylvania, Virginia, Ohio, New York and West Virginia) and the Gulf Coast (which includes onshore Texas, Louisiana and Mississippi). Concentrating our drilling and producing activities in these core areas allows us to develop the regional expertise needed to interpret specific geological and operating trends and develop economies of scale. Operating in multiple core areas allows us to blend the production characteristics of each area to balance our portfolio toward our goal of consistent production and reserve growth.

Maintain Multi-Year Drilling Inventory. We focus on areas where multiple prospective productive horizons and development opportunities exist. We use our technical expertise to build and maintain a multi-year drilling inventory. A large, multi-year inventory of drilling projects increases our ability to consistently grow production and reserves. Currently, we have over 11,000 identified drilling locations in inventory. In 2007, we drilled 967 gross (698 net) wells and we drilled 189 gross (142.7 net) wells in the first quarter of 2008. In 2008, our capital program targets the drilling of 968 gross (715 net) wells.

Make Complementary Acquisitions. We target complementary acquisitions in existing core areas and focus on acquisition opportunities where our existing operating and technical knowledge is transferable and drilling results can be forecast with confidence. Over the past three years, we have completed $1.2 billion of complementary acquisitions. These acquisitions have been located in the Southwestern and Appalachian regions.

Maintain Long Life, Low Decline Reserve Base. Long life, low decline, oil and gas reserves provide a more stable growth platform than short life, high decline reserves. We believe that long life reserves reduce reinvestment risk as they lessen the amount of reinvestment capital deployed each year to replace production. Long life, low decline oil and gas reserves also assist us in minimizing costs as stable production makes it easier to build and maintain operating economies of scale. Lastly, the inherent greater predictability of low decline oil and gas reserve production better lends itself to commodity price hedging than high decline reserves. We use our acquisition, divestiture, and drilling activity to execute this strategy.

Maintain Flexibility. Because of the volatility of commodity prices and the risks involved in drilling, we remain flexible and adjust our capital budget throughout the year. We may defer capital projects to seize an attractive acquisition opportunity. If certain areas generate higher than anticipated returns, we may accelerate drilling in those areas and decrease capital expenditures elsewhere. We also believe in maintaining a strong balance sheet and using commodity hedging. This allows us to be more opportunistic in lower price environments as well as provide more consistent financial results.

Table of Contents

Equity Ownership and Incentive Compensation. We want our employees to act like owners. To achieve this, we reward and encourage them through equity ownership in us. As of March 31, 2008, our employees owned equity securities (vested and unvested) that had an aggregate market value of approximately $329.0 million.

Recent developments

Capital budget increase

On April 25, 2008, our Board of Directors approved an increase to our 2008 capital expenditure budget by $200 million to $1.265 billion. The capital budget increase is associated with expanding our leasehold position in the Marcellus Shale play in Appalachia.

Senior subordinated notes offering

Shortly following the pricing of this offering, subject to market conditions, we expect to offer approximately $250 million in principal amount of senior subordinated notes due 2018 in a registered public offering. The size of the senior subordinated notes offering may be increased or decreased depending on market conditions. The completion of this offering is not conditioned upon the completion of the public offering of senior subordinated notes, and vice versa. We cannot give any assurance that the senior subordinated notes offering will be completed. Please see Use of proceeds and Capitalization.

Table of Contents

The offering

Common stock offered by us	4,200,000 shares (or 4,830,000 shares if the underwriters exercise in full their option to purchase an additional 630,000 shares)
Common stock to be outstanding immediately after completion of this offering(1)	154,323,469 shares (or 154,953,469 shares if the underwriters exercise in full their option to purchase an additional 630,000 shares)
Over-allotment option	630,000 shares
Use of proceeds	The net proceeds from the sale of the shares, after deducting underwriting discounts and commissions and estimated offering expenses, will be approximately $266.9 million, or approximately $307.0 million if the underwriters overallotment option is exercised in full. We intend to use the net proceeds from this offering to pay down a portion of the outstanding balance of our senior credit facility. Such amounts may be reborrowed from time to time for general corporate purposes including, but not limited to, acreage acquisitions. Certain of the underwriters or their affiliates are lenders under our senior credit facility and will receive a portion of the net proceeds from this offering used to pay down our senior credit facility. See Use of Proceeds.
NYSE symbol	RRC

(1) The number of shares of common stock to be outstanding after this offering excludes stock appreciation rights and options to purchase 7,973,786 shares outstanding under our employee benefit and equity plans as of March 31, 2008.

Table of Contents

Summary condensed consolidated financial data

The following table shows selected financial information as of and for the periods indicated. We derived the information in the following table from, and that information should be read together with and is qualified in its entirety by reference to, (i) our audited consolidated financial statements and the accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2007, which is incorporated herein by reference, and (ii) our unaudited consolidated financial statements and the accompanying notes included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2008, which is incorporated herein by reference. This summary table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, included in each of our Annual Report on Form 10-K for the year ended December 31, 2007 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2008, each of which is incorporated herein by reference.

A significant producing property acquisition in 2006 affects the comparability of year-to-year financial and operating data. In March 2007, we sold our Gulf of Mexico properties for proceeds of $155.0 million. Accordingly, the financial and statistical data contained in the following discussion reflects the reclassification of our Gulf of Mexico operations to discontinued operations. All weighted average shares and per share data have been adjusted for the three-for-two stock split effected December 2, 2005.

(dollars in thousands, except per share data)	Year ended December 31, 2005	2006	2007	Three months ended March 31, 2007	2008
Statement of operations data:					
Revenues					
Oil and gas sales	$ 495,470	$ 599,139	$ 862,537	$ 193,316	$ 307,384
Transportation and gathering	2,306	2,422	2,290	184	1,129
Derivative fair value (loss) income	10,303	142,395	(7,767)	(42,620)	(123,767)
Other	1,024	856	5,031	1,961	20,592
Total revenue	$ 509,103	$ 744,812	$ 862,091	$ 152,841	$ 205,338
Costs and expenses					
Direct operating	$ 57,866	$ 81,261	$ 108,741	$ 25,414	$ 32,950
Production and ad valorem taxes	30,822	36,415	42,443	10,412	13,840
Exploration	29,529	44,088	43,345	11,710	16,593
General and administrative	33,444	49,886	68,428	14,678	17,412
Deferred compensation plan	29,474	6,873	28,332	11,247	20,611
Interest expense	37,619	55,849	77,737	18,848	23,146
Depletion, depreciation and amortization	114,364	154,739	227,328	47,332	71,570
Total costs and expenses	$ 333,118	$ 429,111	$ 596,354	$ 139,641	$ 196,122

Income from continuing operations before income taxes	$ 175,985	$ 315,701	$ 265,737	$ 13,200	$ 9,216
Income tax provision					
Current	1,071	1,912	320	384	886
Deferred	64,809	119,840	98,441	4,447	6,590
	$ 65,880	$ 121,752	$ 98,761	$ 4,831	$ 7,476

Table of Contents

(dollars in thousands, except per share data)	Year ended December 31, 2005	2006	2007	Three months ended March 31, 2007	2008
Income from continuing operations	$ 110,105	$ 193,949	$ 166,976	$ 8,369	$ 1,740
Income (loss) from discontinued operations	906	(35,247)	63,593	64,768	
Net income	$ 111,011	$ 158,702	$ 230,569	$ 73,137	$ 1,740
Earnings per common shares:					
Basic income from continuing operations	$ 0.89	$ 1.45	$ 1.16	$ 0.06	$ 0.01
Basic income (loss) from discontinued operations		(0.26)	0.44	0.47	
Basic net income	$ 0.89	$ 1.19	$ 1.60	$ 0.53	$ 0.01
Diluted income from continuing operations	$ 0.85	$ 1.39	$ 1.11	$ 0.06	$ 0.01
Diluted income (loss) from discontinued operations	0.01	(0.25)	0.43	0.45	
Diluted net income	$ 0.86	$ 1.14	$ 1.54	$ 0.51	$ 0.01
Cash flow data:					
Net cash provided from operating activities	$ 325,745	$ 479,875	$ 642,291	$ 91,633	$ 206,303
Net cash used in investing activities	432,377	911,659	1,020,572	12,206	485,228
Net cash provided from financing activities	93,000	429,416	379,917	86,046	274,997

	As of December 31, 2005	2006	2007	As of March 31, 2007	2008
Balance sheet data:					
Current assets(1)	$ 207,977	$ 388,925	$ 261,814	$ 345,249	$ 273,033