

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

**OR**

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-19514

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**Gulfport Energy Corporation**

(Exact name of registrant as specified in its charter)

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Delaware

86-3684669

(State or other jurisdiction of incorporation or organization)

(I.R.S Employer Identification Number)

713 Market Drive

Oklahoma City, Oklahoma

73114

(Address of principal executive offices)

(Zip Code)

(405) 252-4600

(Registrant telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	GPOR	The New York Stock Exchange

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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   
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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

As of April 25, 2024, 18,121,730 shares of the registrant's common stock were outstanding.

**GULFPORT ENERGY CORPORATION  
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*Marcellus*. Refers to the Marcellus Play that includes the hydrocarbon bearing rock formations commonly referred to as the Marcellus formation located in the Appalachian Basin of the United States and Canada. Our acreage is located primarily in Belmont County in eastern Ohio.

*MBbl*. One thousand barrels of crude oil, condensate or natural gas liquids.

*Mcf*. One thousand cubic feet of natural gas.

*Mcfe*. One thousand cubic feet of natural gas equivalent, with one barrel of NGL and crude oil being equivalent to 6,000 cubic feet of natural gas.

*MMBtu*. One million British thermal units.

*MMcf*. One million cubic feet of natural gas.

*MMcfe*. One million cubic feet of natural gas equivalent, with one barrel of NGL and crude oil being equivalent to 6,000 cubic feet of natural gas.

*Natural Gas Liquids (NGL)*. Hydrocarbons in natural gas that are separated from the gas as liquids through the process of absorption, condensation, adsorption or other methods in gas processing or cycling plants. Natural gas liquids primarily include ethane, propane, butane, isobutene, pentane, hexane and natural gasoline.

*Net Acres or Net Wells*. Refers to the sum of fractional working interests owned in gross acres or gross wells.

*NYMEX*. New York Mercantile Exchange.

*Parent*. Gulfport Energy Corporation.

*Plan*. The Amended Joint Chapter 11 Plan of Reorganization of Gulfport Energy Corporation and Its Debtor Subsidiaries.

*Repurchase Program*. A stock repurchase program to acquire up to \$650 million of Gulfport's outstanding common stock. It is authorized to extend through December 31, 2024, and may be suspended from time to time, modified, extended or discontinued by the Board of Directors at any time.

*SCOOP*. Refers to the South Central Oklahoma Oil Province, a term used to describe a defined area that encompasses many of the top hydrocarbon producing counties in Oklahoma within the Anadarko basin. The SCOOP Play mainly targets the Devonian to Mississippian aged Woodford, Sycamore and Springer formations. Our acreage is primarily in Garvin, Grady and Stephens Counties.

*SEC*. The United States Securities and Exchange Commission.

*SOFR*. Secured Overnight Financing Rate.

*Utica*. Refers to the Utica Play that includes the hydrocarbon bearing rock formations commonly referred to as the Utica formation located in the Appalachian Basin of the United States and Canada. Our acreage is located primarily in Belmont, Harrison, Jefferson and Monroe Counties in eastern Ohio.

*Working Interest (WI)*. The operating interest which gives the owner the right to drill, produce and conduct operating activities on the property and a share of production.

*WTI*. Refers to West Texas Intermediate.

### Cautionary Note Regarding Forward-Looking Statements

This Form 10-Q may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "intends," "believes," "estimates," "projects," "predicts," "potential" and similar expressions intended to identify forward-looking statements. All statements, other than statements of historical facts, included in this Form 10-Q that address activities, events or developments that we expect or anticipate will or may occur in the future, including the expected impact of the war in Ukraine and the conflict in the Middle East on our business, our industry and the global economy, estimated future production and net revenues from oil and gas reserves and the present value thereof, future capital expenditures (including the amount and nature thereof), share repurchases, business strategy and measures to implement strategy, competitive strength, goals, expansion and growth of our business and operations, plans, references to future success, reference to intentions as to future matters and other such matters are forward-looking statements.

These forward-looking statements are largely based on our expectations and beliefs concerning future events, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control.

Although we believe our estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this Form 10-Q are not guarantees of future performance, and we cannot assure any reader that those statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the factors listed in Item 1A. "Risk Factors" and Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in our Annual Report on Form 10-K for the year ended December 31, 2023 and elsewhere in this Form 10-Q. All forward-looking statements speak only as of the date of this Form 10-Q.

All forward-looking statements, expressed or implied, included in this Quarterly Report 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 we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report.

We may use the Investors section of our website ([www.gulfportenergy.com](http://www.gulfportenergy.com)) to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on our website is not part of this Quarterly Report on Form 10-Q.









**GULFPORT ENERGY CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

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*Accounts Payable and Accrued Liabilities*

Accounts payable and accrued liabilities consisted of the following at March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024	December 31, 2023
Revenue payable and suspense	\$ 129,138	\$ 148,598
Accounts payable	45,722	43,517
Accrued capital expenditures	32,690	38,322
Accrued transportation, gathering, processing and compression	31,796	32,849
Accrued contract rejection damages and shares held in reserve	—	1,996
Other accrued liabilities	50,798	44,250
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 290,144</b>	<b>\$ 309,532</b>

*Other, net*

As part of its Chapter 11 Cases and restructuring efforts, the Company filed motions to reject certain firm transportation agreements between the Company and affiliates of TC Energy Corporation ("TC") and Rover Pipeline LLC ("Rover"). During the three months ended March 31, 2023, Gulfport finalized a settlement agreement with Rover that was approved by the Bankruptcy Court on February 21, 2023. Pursuant to the settlement agreement, Gulfport and Rover agreed that the firm transportation contracts between them would be rejected. As part of the settlement, Gulfport paid a \$1.0 million administrative claim, which is included in Other, net. Additionally, on February 24, 2023, Gulfport received an additional \$17.8 million interim distribution for its TC claim, which is also included in Other, net.

*Supplemental Cash Flow and Non-Cash Information (in thousands)*

Supplemental disclosure	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
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Holders of preferred stock are entitled to receive cum



*Common Stock*

In May 2021, Gulfport issued approximately 19.8 million shares of common stock and 1.7 million shares of common stock were issued to th u.h. u

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The following tables summarizes activity for the three months ended March 31, 2024 and 2023:

	Number of Unvested Restricted Stock Units	Weighted Average Grant Date Fair Value	Number of Unvested Performance Vesting Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested shares as of January 1, 2024	193,602	\$ 83.89	255,578	\$ 54.40
Granted	69,436	152.54	58,346	156.00
Vested	(17,720)	75.96	—	—
Forfeited/canceled	(747)	99.88	—	—
Unvested shares as of March 31, 2024	244,571	\$ 103.91	313,924	\$ 73.28

	Number of Unvested Restricted Stock Units	Weighted Average Grant Date Fair Value	Number of Unvested Performance Vesting Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested shares as of January 1, 2023	197,772	\$ 77.49	190,804	\$ 52.15
Granted	43,415	77.84	68,726	56.57
Vested	(11,608)	70.86	—	—
Forfeited/canceled	(971)	87.68	(5,069)	47.67
Unvested shares as of March 31, 2023	228,608	\$ 77.85	254,461	\$ 53.43

*Restricted Stock Units*

Restricted stock units awarded under the Incentive Plan generally vest over a period of 3 or 4 years in the case of employees and 1 or 4 years in the case of directors upon the recipient meeting applicable service requirements. Stock-based compensation expense is recorded ratably over the service period. The grant date fair value of restricted stock units represents the closing market price of the Company's common stock on the date of the grant. Unrecognized compensation expense as of March 31, 2024, was \$19.3 million. The expense is expected to be recognized over a weighted average period of 2.28 years.

*Performance Vesting Restricted Stock Units*

The Company has awarded performance vesting restricted stock units to certain of its executive officers under the Incentive Plan. The number of

## 7. RESTRUCTURING COSTS

During the three months ended March 31, 2023, Gulfport recognized \$1.9 million of personnel-related restructuring expenses associated with changes in the organizational structure and leadership team resulting from the appointment of Gulfport's new CEO in January 2023. Of these expenses, \$0.5 million resulted from accelerated vesting of certain share-based grants, which are non-cash charges.

## 8. EARNINGS PER SHARE

Basic income or loss per share attributable to common stockholders is computed as (i) net income or loss less (ii) dividends paid to holders of preferred stock less (iii) net income or loss attributable to noncontrolling interests divided by (iv) weighted average basic shares outstanding.



## 9. COMMITMENTS AND CONTINGENCIES

### Commitments

#### *Firm Transportation and Gathering Agreements*

The Company has contractual commitments with midstream and pipeline companies for future gathering and transportation of natural gas from the Company's producing wells to downstream markets. Under certain of these agreements, the Company has minimum daily volume commitments. The Company is also obligated under certain of these arrangements to pay a demand charge for firm capacity rights on pipeline systems regardless of the amount of pipeline capacity utilized by the Company. If the Company does not utilize the capacity, it often can release it to other counterparties, thus reducing the cost of the ~~ML~~ing

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In addition, the Company has entered into natural gas basis swap positions. These instruments are arrangements th

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Financial assets and liabilities

The following tables summarize the Company's financial and non-financial assets and liabilities by valuation level as of March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024		
	Level 1	Level 2	Level 3
<b>Assets:</b>			
Derivative instruments	\$ —	\$ 274,196	\$ —
Contingent consideration arrangement	—	—	2,900
Total assets	\$ —	\$ 274,196	\$ 2,900
<b>Liabilities:</b>			
Derivative instruments	\$ —	\$ 54,154	\$ —
	December 31, 2023		
	Level 1	Level 2	Level 3
<b>Assets:</b>			
Derivative instruments	\$ —	\$ 280,792	\$ —
Contingent consideration arrangement	—	—	2,900
Total assets	\$ —	\$ 280,792	\$ 2,900
<b>Liabilities:</b>			
Derivative instruments	\$ —	\$ 40,565	\$ —

The Company estimates the fair value of all derivative instruments using industry-standard models that consider various assumptions, including current market and contractual prices for the underlying instruments, implied volatility, time value, nonperformance risk, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the full term of the instrument and can be supported by observable data.

The Company's SCOOP water information is supported by observable data.

Atchafalaya





The Company has entered into contracts for drilling rigs with varying terms with third parties to ensure operational continuity, cost control and rig availability in its operations. The Company has concluded its drilling rig contracts are operating leases as the assets are identifiable and the Company has the right to control the identified assets. At March 31, 2024, the Company had one active long-term drilling rig contract.

The Company rents office space for its corporate headquarters, field locations and certain other equipment from third parties, which expire at various dates through 2026. These agreements are typically structured with non-cancelable terms of one year to five years. The Company has determined these agreements represent operating leases with a lease term that equals the primary non-cancelable contract term. The Company has included any renewal options that it has determined are reasonably certain of exercise in the determination of the lease terms.

*Discount Rate*

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company's incremental borrowing rate reflects the estimated rate of interest that it would pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Future amounts due under operating lease liabilities as of March 31, 2024 were as follows (in thousands):

Remaining 2024	\$	10,036
2025		836
2026		561
2027		10
2028		—
Total lease payments	\$	11,443
Less: imputed interest		(344)
Total	\$	11,099

Lease costs incurred for the three months ended March 31, 2024 and 2023, consisted of the following (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating lease cost	\$ 3,403	\$ 3,443
Variable lease cost	—	—
Short-term lease cost	9,951	9,248
Total lease cost <sup>(1)</sup>	\$ 13,354	\$ 12,691

(1) The majority of the Company's total lease cost was capitalized to the full cost pool, and the remainder was included in either lease operating expenses or general and administrative expenses in the accompanying consolidated statements of operations.

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<b>Cash paid for amounts included in the measurement of lease liabilities</b>		
Operating cash flows from operating leases	\$ 4,982	\$ 2,038

The weighted-average remaining lease term as of March 31, 2024 was 1.03 years. The weighted-average discount rate used to determine the operating lease liability as of March 31, 2024 was 6.68%.



## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Introduction

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide the reader of the financial statements with a narrative from the perspective of management on the financial condition, results of operations, liquidity and certain other factors that may affect the Company's operating results. MD&A should be read in conjunction with the financial statements and related Notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The following information updates the discussion of Gulfport's financial condition provided in its Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K"), and analyzes the changes in the results of operations between the periods of January 1, 2024 through March 31, 2024 and January 1, 2023 through March 31, 2023. For definitions of commonly used natural gas and oil terms found in this Quarterly Report on Form 10-Q, please refer to the "Definitions" provided in this report.

### Overview

Gulfport is an independent natural gas-weighted exploration and production company with assets primarily located in the Appalachia and Anadarko basins. Our principal properties are located in eastern Ohio targeting the Utica and Marcellus and in central Oklahoma targeting the SCOOP Woodford and Springer formations. Our strategy is to develop our assets in a safe, environmentally responsible manner, while generating sustainable cash flow, improving margins and operating efficiencies and returning capital to shareholders. To accomplish these goals, we allocate capital to projects we believe offer the highest rate of return and we deploy leading drilling and completion techniques and technologies in our development efforts.

### Recent Developments

#### *Credit Facility*

On April 18, 2024, Gulfport completed its semi-annual borrowing base redetermination under its Credit Facility during which the borrowing base was reaffirmed at \$1.1 billion with elected commitments remaining at \$900 million.

#### *Share Repurchase Program*

During the first three months of 2024, we repurchased \$1.1 billion of our common stock.

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**RESULTS OF OPERATIONS**

**Comparison of the Three Month Periods Ended March 31, 2024 and 2023**

*Natural Gas, Oil and Condensate and NGL Production and Pricing (sales totals in thousands)*

The following table summarizes our natural gas, oil and condensate and NGL production, and related pricing for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. Some totals below may not sum or recalculate due to rounding.


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Depreciation, Depletion and Amortization (in thousands, except per unit)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	% Change
Depreciation, depletion and amortization of oil and gas properties	\$ 79,681	\$ 78,768	1 %
Depreciation, depletion and amortization of other property and equipment	342	326	5 %
<b>Total depreciation, depletion and amortization</b>	<b>\$ 80,023</b>	<b>\$ 79,094</b>	<b>1 %</b>
Depreciation, depletion and amortization per Mcfe	\$ 0.83	\$ 0.83	— %

The total and per unit depreciation, depletion and amortization of our oil and gas properties for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, remained consistent primarily due to our drilling and development activities during 2023 and 2024.

General and Administrative Expenses (in thousands, except per unit)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	% Change

*Other, net (in thousands)*

	<b>Three Months Ended March 31, 2024</b>	<b>Three Months Ended March 31, 2023</b>	<b>% Change</b>
Other, net	\$ (125)	\$ (14,223)	(99) %

As part of

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- *Call Options*: We sell, and occasionally buy, call options in exchange fore 0







**ITEM 6. EXHIBITS**


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**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 1, 2024

GULFPORT ENERGY CORPORATION

By:

/s/ Michael Hodges

**Michael Hodges**  
**Chief Financial Officer**



CERTIFICATION

I, Michael Hodges, Chief Financial Officer of Gulfport Energy Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gulfport Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing ~~Tr~~ ~~Mo~~ or ~~Tr~~ ~~Mo~~



CERTIFICATION OF PERIODIC REPORT

I, Michael Hodges, Chief Financial Officer of Gulfport Energy Corporation (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 1, 2024

/s/ Michael Hodges

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Michael Hodges  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.