

HOUSTON EXPLORATION CO
 Form 4
 June 08, 2007

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HARGETT WILLIAM G

2. Issuer Name and Ticker or Trading Symbol
HOUSTON EXPLORATION CO [THX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
06/06/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

THE HOUSTON EXPLORATION COMPANY, 1100 LOUISIANA, SUITE 2000

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

HOUSTON, TX 77002-5215

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
common stock (\$0.01 par value)	06/06/2007		D	39,538	D <u>(1)</u> 0	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
employee stock option (right to buy)	\$ 25.58	06/06/2007		D	7,818	<u>(2)</u>	04/04/2011	common stock	7,818
employee stock option (right to buy)	\$ 25.58	06/06/2007		D	20,182	<u>(3)</u>	04/04/2011	common stock	20,182
employee stock option (right to buy)	\$ 25.48	06/06/2007		D	35,200	<u>(3)</u>	09/20/2011	common stock	35,200
employee stock option (right to buy)	\$ 30.1	06/06/2007		D	57,000	<u>(3)</u>	10/16/2012	common stock	57,000
employee stock option (right to buy)	\$ 35.62	06/06/2007		D	54,320	<u>(3)</u>	10/21/2013	common stock	54,320
employee stock option (right to buy)	\$ 59.16	06/06/2007		D	27,000	<u>(3)</u>	10/22/2014	common stock	27,000
employee stock option (right to buy)	\$ 54.18	06/06/2007		D	38,000	<u>(3)</u>	10/25/2015	common stock	38,000

buy)
 employee
 stock
 option \$ 55.5 06/06/2007 D 54,000 (3) 10/24/2016 common stock 54,000
 (right to
 buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARGETT WILLIAM G THE HOUSTON EXPLORATION COMPANY 1100 LOUISIANA, SUITE 2000 HOUSTON, TX 77002-5215	X		President and CEO	

Signatures

/s/ William G.
 Hargett 06/08/2007
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Pursuant to the Agreement and Plan of Merger, dated as of January 7, 2007 (the "Merger Agreement"), by and among Forest Oil Corporation ("Forest"), MJCO Corporation, a wholly owned subsidiary of Forest, and The Houston Exploration Company (the "Company"), at the effective time ("Merger I Effective Date") of the merger contemplated therein, each outstanding share of the Company's common stock was converted into the right to receive (i) .84 shares of Forest's common stock and (ii) \$26.25 in cash. This represents \$60.02 per share of consideration to be received by the Company's stockholders based on the average closing price of Forest's common stock during the ten-day valuation period specified in the Merger Agreement. The mix of cash and stock consideration to be received by each of the Company's stockholders will be determined by stockholder elections, subject to proration. As a result of the proration procedures that have not yet been completed as of the date of this filing, it
- (2) Pursuant to the Merger Agreement, at the Merger I Effective Time, each incentive stock option became immediately and fully vested and was cancelled and converted into the right to receive a cash amount equal to the excess of \$60.02 over the option exercise price multiplied by the number of shares subject to such option.
- (3) Pursuant to the Merger Agreement, at the Merger I Effective Time, each non-qualified stock option became immediately and fully vested and was cancelled and converted into the right to receive a cash amount equal to the excess of \$60.02 over the option exercise price multiplied by the number of shares subject to such option.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.