

Diamondback Energy, Inc.
 Form 424B5
 July 15, 2016
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Filed pursuant to Rule 424(b)(5)
 SEC File No. 333-192099

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount To Be Registered(1)	Proposed Maximum Aggregate Price Per Share	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, par value \$0.01 per share	6,325,000	\$87.2375	\$551,777,187.5	\$55,564

- (1) Assumes exercise in full of the underwriters' option to purchase up to an aggregate of 825,000 additional shares of common stock from the registrant.
- (2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. Payment of the registration fee at the time of filing of the registrant's registration statement on Form S-3ASR with the Securities and Exchange Commission on November 5, 2013 (File No. 333-192099) was deferred (with respect to the securities to be sold by the Company) pursuant to Rules 456(b) and 457(r) under the Securities Act, and is paid herewith. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in such registration statement.

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PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED NOVEMBER 5, 2013

5,500,000 Shares

Diamondback Energy, Inc.

Common Stock

We are offering 5,500,000 shares of our common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol FANG. The last reported sales price of our common stock on the NASDAQ Global Select Market on July 12, 2016 was \$91.96 per share.

We have granted the underwriters an option to purchase a maximum of 825,000 additional shares of our common stock at the price set forth below.

Investing in our common stock involves risks. See Risk Factors beginning on page S-7.

The underwriters have agreed to purchase the shares of common stock from us at a price of \$87.2375 per share, which will result in approximately \$479.8 million of net proceeds to us before offering expenses.

The underwriters propose to offer the shares of common stock from time to time for sale in one or more transactions on the NASDAQ Global Select Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See *Underwriting*.

We expect that delivery of the shares will be made on or about July 18, 2016 through the book-entry facilities of the Depository Trust Company.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Book-Running Managers

Credit Suisse

Goldman, Sachs & Co.

J.P. Morgan

Co-Managers

Scotia Howard Weil
IBERIA Capital Partners L.L.C.

Tudor, Pickering, Holt & Co.
Simmons & Company International
Energy Specialists of Piper Jaffray

Wells Fargo Securities
SunTrust Robinson Humphrey

KeyBanc Capital Markets
Raymond James

KLR Group, LLC
Capital One Securities

Morgan Stanley
Johnson Rice & Company L.L.C.

Nomura

Wunderlich

The date of this prospectus supplement is July 13, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under *Where You Can Find More Information* in the accompanying prospectus and *Information Incorporated by Reference* in this prospectus supplement. In the event that the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or to which we have referred you. We and the underwriters have not authorized any other person to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. You should read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference herein and therein that are described under *Where You Can Find More Information* in the accompanying prospectus and *Information Incorporated by Reference* in this prospectus supplement. We and the underwriters are only offering to sell, and only seeking offers to buy, shares of our common stock in jurisdictions where offers and sales are permitted.

The information contained in this prospectus supplement and the accompanying prospectus or in any document incorporated herein or therein is accurate and complete only as of the date hereof or thereof, respectively, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our common stock by us or the underwriters. Our business, financial condition, results of operations and prospects may have changed since those dates.

Industry and Market Data

This prospectus supplement includes industry and market data and forecasts that we obtained from internal company surveys, publicly available information and industry publications and surveys. Our internal research and forecasts are based on management's understanding of industry conditions, and such information has not been verified by independent sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable.

Unless the context otherwise requires, the information in this prospectus supplement assumes that the underwriters will not exercise its option to purchase additional shares.

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PROSPECTUS SUPPLEMENT SUMMARY

In this prospectus supplement, we refer to Diamondback Energy, Inc., together with its consolidated subsidiaries, as we, us, our or the Company. This prospectus supplement includes certain terms commonly used in the oil and natural gas industry, which are defined in Glossary of Oil and Natural Gas Terms.

Diamondback Energy, Inc.

Overview

We are an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. This basin, which is one of the major producing basins in the United States, is characterized by an extensive production history, a favorable operating environment, mature infrastructure, long reserve life, multiple producing horizons, enhanced recovery potential and a large number of operators.

We began operations in December 2007 with our acquisition of 4,174 net acres with production at the time of acquisition of approximately 800 BOE/d from 34 gross (16.8 net) wells in the Permian Basin. Subsequently, we acquired additional acreage, which brought our total net acreage position in the Permian Basin to approximately 85,816 net acres at March 31, 2016. In addition, as of March 31, 2016, we, through our subsidiary Viper Energy Partners LP, or Viper, owned mineral interests underlying approximately 48,557 gross (4,287 net) acres primarily in Midland County, Texas in the Permian Basin. Approximately 60% of these net acres are operated by us. On June 23, 2014, Viper completed its initial public offering of 5,750,000 common units representing limited partner interests and, on September 19, 2014, Viper completed a public offering of 3,500,000 common units. The common units sold to the public in the aggregate represented an approximate 12% limited partner interest in Viper. We own the general partner of Viper and the remaining approximate 88% limited partner interest in Viper.

Recent Developments

Pending Acquisition

We entered into a definitive purchase agreement dated July 12, 2016 with an unrelated third party seller to acquire leasehold interests in Reeves, Ward and Pecos counties, Texas, in the Southern Delaware Basin, for an aggregate purchase price of \$560.0 million, subject to certain adjustments. This transaction, which we refer to as the Pending Acquisition, includes 19,180 net acres, 19 gross producing vertical wells, 11 gross producing horizontal wells, saltwater disposal and gathering infrastructure and other related assets. Currently, based on information reported by the seller, net production attributable to the acreage we have under contract is approximately 1,000 BOE/d and, based solely on our internal estimates as of July 1, 2016, net proved reserves are approximately 2.2 MMBOE. Our estimate of proved reserves is based on our analysis of production data provided by the seller, as well as available geologic and other data, and we may revise our estimates following ownership of these properties. This reserve estimate has not been independently verified. We believe the acreage is prospective for horizontal drilling across four zones. We have identified an aggregate of approximately 290 net potential horizontal drilling locations on this acreage based on 880 foot inter-lateral spacing in the Wolfcamp A and Wolfcamp B horizons and 1,320 foot inter-lateral spacing in the 2nd and 3rd Bone Spring horizons. We believe that the identified potential horizontal drilling locations are conducive to more capital efficient longer laterals with an average length of approximately 9,500 feet, and currently intend to operate a dedicated rig on this acreage in 2017. We believe additional development potential may exist in the Bone Spring and Wolfcamp horizons and through downspacing. We intend to finance the Pending Acquisition, subject to market conditions and other factors, with net proceeds from this offering and cash on hand. The closing of the Pending Acquisition

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is scheduled to occur in September 2016. However, the transaction remains subject to completion of due diligence and satisfaction of other closing conditions. There can be no assurance that we will acquire all or any portion of the acreage subject to the purchase agreement.

Operational Update

Our average daily production during the second quarter of 2016 was 36,841 BOE/d (72% oil), and our average realized prices were \$41.88 per barrel of oil, \$1.60 per Mcf of natural gas and \$13.95 per barrel of natural gas liquids, or NGLs. We are currently operating four horizontal rigs and two completion crews. If commodity prices continue to strengthen, we may add a fifth rig in the fourth quarter of 2016.

We now expect to complete 60 to 75 gross horizontal wells in 2016, an increase of approximately 30% from the midpoint of the prior range of 35 to 70 gross horizontal wells. In conjunction with increased completions and activity, we currently expect that our 2016 capital expenditures for drilling, completion and infrastructure will be \$350 to \$425 million, an increase from our previous range of \$250 to \$375 million.

In Howard county, Texas, we recently completed our first three-well pad targeting the Lower Spraberry, Wolfcamp A and Wolfcamp B. We recently completed two Wolfcamp A wells in Spanish Trail with an average lateral length of 10,800 feet. The Spanish Trail wells have produced an average of 1,665 BOE/d (92% oil) over 14 days.

During the second quarter of 2016, Viper had production of 5,380 BOE/d (76% oil), and Viper's average realized prices were \$41.73 per barrel of oil, \$1.56 per Mcf of natural gas and \$13.03 per barrel of NGLs.

Risk Factors

Investing in our common stock involves risks that include the speculative nature of oil and natural gas exploration, competition, volatile oil and natural gas prices and other material factors. You should read carefully the section entitled *Risk Factors* in this prospectus supplement and the accompanying prospectus, as well as other risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus from the filings we make with the Securities and Exchange Commission, or the SEC, for an explanation of these risks before investing in our common stock. In particular, the following considerations may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our common stock and a loss of all or part of your investment:

The volatility of oil and natural gas prices due to factors beyond our control greatly affects our profitability and the present value of our estimated reserves.

Our business is difficult to evaluate because of our limited operating history.

Difficulties managing the growth of our business may adversely affect our financial condition and results of operations.

Failure to develop our undeveloped acreage could adversely affect our future cash flow and income.

Our exploration and development operations require substantial capital that we may be unable to obtain, which could lead to a loss of properties and a decline in our reserves.

Our future success depends on our ability to find, develop or acquire additional oil and natural gas reserves.

Our estimated reserves are based on many assumptions that may turn out to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present values of our estimated reserves.

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Our producing properties are located in the Permian Basin of West Texas, making us vulnerable to risks associated with a concentration of operations in a single geographic area. In addition, we have a large amount of proved reserves attributable to a small number of producing horizons within this area.

We depend upon several significant purchasers for the sale of most of our oil and natural gas production. The loss of one or more of these purchasers could limit our access to suitable markets for the oil and natural gas we produce.

Our operations are subject to various governmental regulations which require compliance that can be burdensome and expensive.

Any failure by us to comply with applicable environmental laws and regulations, including those relating to hydraulic fracturing, could result in governmental authorities taking actions that adversely affect our operations and financial condition.

Our operations are subject to operational hazards for which we may not be adequately insured.

Our failure to successfully identify, complete and integrate acquisitions of properties or businesses, including our Pending Acquisition (see Recent Developments Pending Acquisition), could reduce our earnings and slow our growth.

One of our stockholders controls a significant percentage of our common stock and its interests may conflict with yours. For a discussion of other considerations that could negatively affect us, see *Risk Factors* beginning on page S-7 and those incorporated by reference into this prospectus supplement and the accompanying prospectus from the filings we make with the SEC, as well as *Cautionary Note Regarding Forward-Looking Statements* on page S-12 of this prospectus supplement.

Our Offices

Our principal executive offices are located at 500 West Texas, Suite 1200, Midland, Texas, and our telephone number at that address is (432) 221-7400. We also lease additional office space in Midland and in Oklahoma City, Oklahoma. Our website address is www.diamondbackenergy.com. Information contained on our website does not constitute part of this prospectus supplement.

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THE OFFERING

Common stock offered by us	5,500,000 shares (6,325,000 shares if the underwriters' option to purchase additional shares is exercised in full).
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to an aggregate of 825,000 additional shares of our common stock.
Common stock to be outstanding immediately after completion of this offering	77,209,652 shares (78,034,652 shares if the underwriters' option to purchase additional shares is exercised in full).
Use of proceeds	We estimate that the net proceeds from the sale of 5,500,000 shares of our common stock in this offering will be approximately \$479.7 million, after deducting underwriting discounts and commissions and estimated offering expenses, or approximately \$551.7 million if the underwriters exercise the option granted by us in full. We intend to use the net proceeds from this offering, together with cash on hand, to fund the purchase price for the Pending Acquisition (see <i>Recent Developments Pending Acquisition</i>). We intend to use any net proceeds received upon exercise of the underwriters' 30-day option to purchase additional shares (plus any additional proceeds that may become available if the Pending Acquisition is not consummated or the purchase price is reduced because we acquire less than all of the oil and natural gas assets subject to the purchase agreement) to fund a portion of our exploration and development activities and for general corporate purposes, which may include leasehold interest and property acquisitions and working capital. See <i>Use of Proceeds</i> on page S-14 of this prospectus supplement.
Dividend policy	We currently anticipate that we will retain all future earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in the foreseeable future.
NASDAQ Global Select Market symbol	FANG
Risk Factors	You should carefully read and consider the information set forth under the heading <i>Risk Factors</i> beginning on page S-7 of this prospectus supplement and other risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus from the filings we make with the SEC, as well as all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before deciding to invest in our common stock.
Except as otherwise indicated, all share information contained in this prospectus supplement assumes the underwriters do not exercise its option to purchase additional shares of our common stock.	

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The following table sets forth estimates of our net proved oil, natural gas and natural gas liquid reserves as of December 31, 2015, 2014 and 2013, and the present value of our reserves as of December 31, 2015, based on the reserve reports prepared by Ryder Scott Company, L.P., or Ryder Scott. Each reserve report was prepared in accordance with the rules and regulations of the SEC. A copy of Ryder Scott's report as of December 31, 2015 is included in our Annual Report on Form 10-K for the year ended December 31, 2015 incorporated by reference in this prospectus supplement and the accompanying prospectus, respectively. You should refer to *Risk Factors*, *Business Oil and Natural Gas Data Proved Reserves*, *Business Oil and Natural Gas Production Prices and Production Costs Production and Price History*, *Management's Discussion and Analysis of Financial Condition and Results of Operations* and our audited consolidated financial statements and notes thereto included, as applicable, in this prospectus supplement and our Annual Report on Form 10-K for the year ended December 31, 2015 incorporated by reference into this prospectus supplement and the accompanying prospectus, in evaluating the material presented below.

	2015	As of December 31, 2014	2013
Estimated proved developed reserves:			
Oil (Bbls)	60,569,398	43,885,835	19,789,965
Natural gas (Mcf)	96,871,109	68,264,113	31,428,756
Natural gas liquids (Bbls)	15,418,353	11,221,428	4,973,493
Total (BOE)	92,132,936	66,484,615	30,001,584
Estimated proved undeveloped reserves:			
Oil (Bbls)	45,409,313	31,803,754	22,810,887
Natural gas (Mcf)	52,631,635	43,341,147	30,250,740
Natural gas liquids (Bbls)	10,585,791	7,320,504	5,732,231
Total (BOE)	64,767,043	46,347,783	33,584,908
Estimated Net Proved Reserves:			
Oil (Bbls)	105,978,711	75,689,589	42,600,852
Natural gas (Mcf)	149,502,744	111,605,260	61,679,496
Natural gas liquids (Bbls)	26,004,144	18,541,932	10,705,724
Total (BOE)(1)	156,899,979	112,832,398	63,586,492(2)
Percent proved developed	58.7%	58.9%	47.2%
PV-10 value(3)	\$ 1,431,341,000		
Standardized measure(4)	\$ 1,418,133,000		

- (1) Estimates of reserves as of December 31, 2015, 2014 and 2013 were prepared using an average price equal to the unweighted arithmetic average of hydrocarbon prices received on a field-by-field basis on the first day of each month within the 12-month periods ended December 31, 2015, 2014 and 2013, respectively, in accordance with revised SEC guidelines applicable to reserve estimates as of the end of such periods. The unweighted arithmetic average first day of the month prices were \$50.28 per Bbl for oil, \$19.90 per Bbl for NGLs and \$2.58 per Mcf for gas at December 31, 2015. Reserve estimates do not include any value for probable or possible reserves that may exist, nor do they include any value for undeveloped acreage. The reserve estimates represent our net revenue interest in our properties. Although we believe these estimates are reasonable, actual future production, cash flows, taxes, development expenditures, operating expenses and quantities of recoverable oil and natural gas reserves may vary substantially from these estimates.
- (2) After giving effect to Viper's initial public offering, our estimated proved oil and natural gas reserves would have been 62,811 MBOE based on the December 31, 2013 reserve report prepared by Ryder Scott.

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- (3) Represents present value, discounted at 10% per annum, of estimated future net revenue before income tax of our estimated proved reserves. The estimated future net revenues set forth above were determined by using reserve quantities of proved reserves and the periods in which they are expected to be developed and produced based on certain prevailing economic conditions. The estimated future production in our reserve report as of December 31, 2015 is priced based on the 12-month unweighted arithmetic average of the first-day-of-the month price for each month within such period, unless such prices were defined by contractual arrangements, as required by SEC regulations.

PV-10 is a non-GAAP measure because it excludes income tax effects. Management believes that the presentation of the non-GAAP financial measure of PV-10 provides useful information to investors because it is widely used by professional analysts and sophisticated investors in evaluating oil and gas companies. PV-10 is not a measure of financial or operating performance under United States generally accepted accounting principles, or GAAP. PV-10 should not be considered as an alternative to the standardized measure as defined under GAAP. We have included a reconciliation of PV-10 to standardized measure of discounted future net cash flows, the most directly comparable GAAP measure. The following table reconciles the standardized measure of future net cash flows to the PV-10 value:

	As of December 31, 2015
Standardized measure of discounted future net cash flows	\$ 1,418,133,000
Add: Present value of future income tax discounted at 10%	\$ 13,208,000
PV-10 value	\$ 1,431,341,000

- (4) The standardized measure represents the present value of estimated future cash inflows from proved oil and natural gas reserves, less future development, abandonment, production and income tax expenses, discounted at 10% per annum to reflect timing of future cash flows and using the same pricing assumptions as were used to calculate PV-10. Standardized measure differs from PV-10 because standardized measure includes the effect of future income taxes.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risks, as well as the risks described in our most recent Annual Report on Form 10-K and subsequent Quarterly Report on Form 10-Q and other filings we make with the SEC incorporated by reference into this prospectus supplement and the accompanying prospectus, and all of the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, before deciding to invest in our common stock. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The risks described below and those incorporated by reference into this prospectus supplement and the accompanying prospectus are not the only ones facing us. Additional risks not presently known to us or which we currently consider immaterial also may adversely affect us.

Risks Related to this Offering and Our Common Stock

The Pending Acquisition may not be completed, and even if the Pending Acquisition is completed, we may fail to realize the benefits anticipated as a result of the Pending Acquisition.

The Pending Acquisition is expected to close in September 2016, subject to customary closing conditions. If these conditions are not satisfied or waived, the Pending Acquisition will not be consummated. There can be no assurances that the Pending Acquisition will be consummated or that the expected benefits of such acquisitions will be realized. The closing of this offering is not conditioned on, nor is it a condition to, the consummation of the Pending Acquisition. If the Pending Acquisition is delayed, not consummated or consummated in a manner different than described herein, the price of our common stock may decline. In addition, if the Pending Acquisition is not consummated, our management will have broad discretion in the application of the net proceeds of this offering. Accordingly, if you decide to purchase common stock in this offering, you should be willing to do so whether or not we complete the Pending Acquisition.

If we are able to consummate the Pending Acquisition, such consummation would involve potential risks, including, without limitation, inefficiencies and unexpected costs and liabilities. If we consummate the Pending Acquisition and if these risks or other expected costs and liabilities were to materialize, any desired benefits of the Pending Acquisition may not be fully realized, if at all, and our future financial performance and results of operations could be negatively impacted.

If the price of our common stock fluctuates significantly, your investment could lose value.

Although our common stock is listed on the NASDAQ Global Select Market, we cannot assure you that an active public market will continue for our common stock. If an active public market for our common stock does not continue, the trading price and liquidity of our common stock will be materially and adversely affected. If there is a thin trading market or float for our stock, the market price for our common stock may fluctuate significantly more than the stock market as a whole. Without a large float, our common stock would be less liquid than the stock of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. In addition, in the absence of an active public trading market, investors may be unable to liquidate their investment in us. Furthermore, the stock market is subject to significant price and volume fluctuations, and the price of our common stock could fluctuate widely in response to several factors, including:

the volatility of oil and natural gas prices;

our quarterly or annual operating results;

changes in our earnings estimates;

investment recommendations by securities analysts following our business or our industry;

additions or departures of key personnel;

changes in the business, earnings estimates or market perceptions of our competitors;

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our failure to achieve operating results consistent with securities analysts' projections;

changes in industry, general market or economic conditions; and

announcements of legislative or regulatory changes.

The stock market has experienced extreme price and volume fluctuations in recent years that have significantly affected the quoted prices of the securities of many companies, including companies in our industry. The changes often appear to occur without regard to specific operating performance. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company and these fluctuations could materially reduce our stock price.

Market conditions for oil and natural gas, and particularly the recent decline in prices for oil and natural gas, could adversely affect our revenue, cash flows, profitability, growth, production and the present value of our estimated reserves.

Our revenue, cash flows, profitability, growth, production and present value of our estimated reserves depend substantially upon prevailing prices for oil and natural gas. During the past six years, the posted price for West Texas Intermediate has ranged from a low of \$27.56 per barrel, or Bbl, in January 2016 to a high of \$113.39 per Bbl in April 2011. The Henry Hub spot market price of natural gas has ranged from a low of \$1.49 per MMBtu in March 2016 to a high of \$8.15 per MMBtu in February 2014. During 2015, WTI prices ranged from \$34.55 to \$61.36 per Bbl and the Henry Hub spot market price of natural gas ranged from \$1.63 to \$3.32 per MMBtu. On July 12, 2016, the WTI posted price for crude oil was \$46.80 per Bbl and the Henry Hub spot market price of natural gas was \$2.75 per MMBtu, representing decreases of approximately 56% and 55%, respectively, from the high of \$106.91 per Bbl of oil and \$6.15 per MMBtu for natural gas during 2014. If the prices of oil and natural gas continue at current levels or decline further, our operations, financial condition and level of expenditures for the development of our oil and natural gas reserves may be materially and adversely affected. In addition, lower oil and natural gas prices may reduce the amount of oil and natural gas that we can produce economically. This may result in our having to make substantial downward adjustments to our estimated proved reserves. If this occurs or if our production estimates change or our exploration or development activities are curtailed, full cost accounting rules may require us to write down, as a non-cash charge to earnings, the carrying value of our oil and natural gas properties. Reductions in our reserves could also negatively impact the borrowing base under our revolving credit facility, which could further limit our liquidity and ability to conduct additional exploration and development activities.

We have entered into price swap derivatives and may in the future enter into forward sale contracts or additional price swap derivatives for a portion of our production. Although we have hedged a portion of our estimated 2016 production, we may still be adversely affected by continuing and prolonged declines in the price of oil.

We use price swap derivatives to reduce price volatility associated with certain of our oil sales. Under these swap contracts, we receive a fixed price per barrel of oil and pay a floating market price per barrel of oil to the counterparty based on West Texas Intermediate pricing or Inter-Continental Exchange, or ICE, pricing for Brent crude oil. The fixed-price payment and the floating-price payment are offset, resulting in a net amount due to or from the counterparty. These contracts and any future economic hedging arrangements may expose us to risk of financial loss in certain circumstances, including instances where production is less than expected or oil prices increase.

As of December 31, 2015, we had crude oil swap contracts in place covering ICE Brent crude oil priced at a weighted average price of \$88.72 for 91,000 aggregate Bbls for the production period of January through February 2016. As of July 12, 2016, we had not entered into any hedging transactions that would be material with respect to our anticipated 2016 production. To the extent that the price of oil remains at current levels or declines further, we will not be able to hedge future production at the same level as our current hedges, and our results of operations and financial condition would be negatively impacted.

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The interests of one of our stockholders may conflict with those of our other stockholders.

Wexford Capital LP, or Wexford (assuming neither Wexford nor any of its affiliates makes any additional purchases of our common stock), beneficially owns less than 1% of our common stock. However, an individual affiliated with Wexford serves as the chairman of our board of directors. As a result, Wexford may be able to exercise influence over matters requiring stockholder approval. The interests of Wexford with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders.

We have relied in the past, and we may rely from time to time in the future, on borrowings under our revolving credit facility to fund a portion of our capital expenditures. Unless we are able to repay borrowings under our revolving credit facility with cash flow from operations and proceeds from equity offerings, implementing our capital programs may require an increase in our total leverage through additional debt issuances. In addition, a reduction in availability under our revolving credit facility and the inability to otherwise obtain financing for our capital programs could require us to curtail our drilling activities.

Historically, we have relied on availability under our revolving credit facility to fund a portion of our capital expenditures as such expenditures have generally exceeded our cash flow from operations. We expect that we will continue to fund a portion of our capital expenditures with borrowings under our revolving credit facility and from the proceeds of debt and equity offerings, including equity offerings of our common units in Viper. In the past, we have created availability under our revolving credit facility by repaying outstanding borrowings with the proceeds from equity offerings. We cannot assure you that we will be able to access the equity capital markets to repay any such future borrowings. Instead, we may be required to finance our capital expenditures through additional debt issuances, which would increase our total amount of debt outstanding. Further, if the availability under our revolving credit facility were reduced, and we were otherwise unable to secure other sources of financing, we may be required to curtail our drilling programs, which could result in a loss of acreage through lease expirations. In addition, we may not be able to complete acquisitions that may be favorable to us or finance the capital expenditures necessary to replace our reserves.

The corporate opportunity provisions in our certificate of incorporation could enable Wexford, our equity sponsor, or other affiliates of ours to benefit from corporate opportunities that might otherwise be available to us.

Subject to the limitations of applicable law, our certificate of incorporation, among other things:

permits us to enter into transactions with entities in which one or more of our officers or directors are financially or otherwise interested;

permits any of our stockholders, officers or directors to conduct business that competes with us and to make investments in any kind of property in which we may make investments; and

provides that if any director or officer of one of our affiliates who is also one of our officers or directors becomes aware of a potential business opportunity, transaction or other matter (other than one expressly offered to that director or officer in writing solely in his or her capacity as our director or officer), that director or officer will have no duty to communicate or offer that opportunity to us, and will be permitted to communicate or offer that opportunity to such affiliates and that director or officer will not be deemed to have (i) acted in a manner inconsistent with his or her fiduciary or other duties to us regarding the opportunity or (ii) acted in bad faith or in a manner inconsistent with our best interests.

These provisions create the possibility that a corporate opportunity that would otherwise be available to us may be used for the benefit of one of our affiliates.

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We have engaged in transactions with our affiliates and expect to do so in the future. The terms of such transactions and the resolution of any conflicts that may arise may not always be in our or our stockholders' best interests.

We have engaged in transactions and expect to continue to engage in transactions with affiliated companies. As described in our most recent Annual Report on Form 10-K, subsequent Quarterly Report on Form 10-Q and in the section entitled *Certain Relationships and Related Party Transactions* in our most recent proxy statement on Schedule 14A, each of which is incorporated by reference herein, these transactions include, among others, drilling services provided to us by Bison Drilling and Field Services, LLC, real property leased by us from Fasken Midland, LLC, and hydraulic fracturing sand purchased by us from Muskie Proppant LLC. Each of these entities is either controlled by or affiliated with Wexford, and the resolution of any conflicts that may arise in connection with such related party transactions, including pricing, duration or other terms of service, may not always be in our or our stockholders' best interests because Wexford may have the ability to influence the outcome of these conflicts. For a discussion of potential conflicts, see *Risks Related to this Offering and our Common Stock* *The interests of one of our stockholders may conflict with those of our other stockholders* on page S-9 of this prospectus supplement.

Future sales of our common stock, or the perception that such future sales may occur, may cause our stock price to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. In addition, the sale of such shares, or the perception that such sales may occur, could impair our ability to raise capital through the sale of additional common or preferred stock. Except for any shares purchased by our affiliates, all of the shares of common stock sold in our initial public offering and our subsequent equity offerings are, and all of the shares of common stock sold in this offering will be, freely tradable. In connection with this offering, we agreed that, subject to certain exceptions, we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act of 1933, as amended, or the Securities Act, relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 45 days after the date of this prospectus supplement. Further, our directors and executive officers are subject to agreements that limit their ability to sell our common stock held by them. These holders cannot sell or otherwise dispose of any shares of our common stock for a period of 45 days after the date of this prospectus supplement without the prior written approval of Credit Suisse Securities (USA) LLC. The lock-up agreements with our directors and executive officers are also subject to certain specific exceptions, including transfers of common stock as a bona fide gift or by will or intestate succession and transfers to such person's immediate family or to a trust or to an entity controlled by such holder, provided that the recipient of the shares agrees to be bound by the same restrictions on sales and the right of such individuals to sell up to 300,000 shares in the aggregate. In the event that one or more of our stockholders sells a substantial amount of our common stock in the public market, or the market perceives that such sales may occur, the price of our stock could decline.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our stock or if our operating results do not meet their expectations, our stock price could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrade our stock or if our operating results do not meet their expectations, our stock price could decline.

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We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of pr